**BE IT REMEMBERED** that a Regular Meeting of the City Council of Jackson, Mississippi, was convened at City Hall at 10:00 a.m. on March 31, 2020, being the fifth Tuesday of said month, when and where the following things were had and done to wit:

Present: Council Members: Virgi Lindsay, Council President, Ward 7; De'Keither Stamps, Vice President, Ward 4; Ashby Foote, Ward 1; Melvin Priester, Jr., Ward 2 (Teleconference); Charles Tillman, Ward 5 and Aaron Banks, Ward 6. Directors: Chokwe Antar Lumumba, Mayor; Shanekia Mosely, Interim Clerk of the Council; Alice Patterson, Deputy Clerk of Council and Tim Howard, City Attorney.

Absent: Kenneth Stokes, Ward 3.

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The meeting was called to order by **President Virgi Lindsay.**

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The invocation was offered by **Council Member Aaron Banks.**

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The Council recited the Pledge of Allegiance.

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**President Lindsay** recognized **Council Member Foote** who opened the meeting in **In Memory of Fred Adams.**

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**President Lindsay** recognized **Tim Howard,** City Attorney, who stated that an order was passed unanimously by City Council Members, present and voting at the meeting, to temporarily suspend sections of the Jackson City Council's Regular Meeting agenda concerning public comments, proclamations, special presentations, commendations and resolutions honoring individuals, businesses, groups or organizations. This action was taken due to Mayor Chokwe Antar Lumumba Civil Emergency issued on March 16, 2020 regarding COVID-19.

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There came on for consideration Agenda Item No. 2, Public Hearing:

**ORDER REQUESTING THE CITY COUNCIL REVIEW AND VOTE TO APPROVE THE SIGN VARIANCE REQUEST FOR NURSERY RHYMES TO ERECT TWO BUILDING SIGNS TOTALING 71 SQUARE FEET WITHIN A CMU-1 ZONE WHICH ONLY ALLOWS A TOTAL OF 15 SQUARE FEET FOR BUILDING SIGNAGE.** Said item was tabled until a Special Council Meeting to be held at a later date.

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There came on for consideration Agenda Item No. 3, Public Hearing:

**ORDER REQUESTING THE CITY COUNCIL REVIEW AND VOTE TO DENY THE SIGN VARIANCE REQUEST FOR NURSERY RHYMES TO ERECT TWO BUILDING SIGNS TOTALING 71 SQUARE FEET WITHIN A CMU-1 ZONE WHICH ONLY ALLOWS A TOTAL OF 15 SQUARE FEET FOR BUILDING SIGNAGE.** Said item was tabled until a Special Council Meeting to be held at a later date.

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There came on for consideration Agenda Item No. 4, Public Hearing:

**ORDER REQUESTING THE CITY COUNCIL REVIEW AND VOTE TO APPROVE THE SIGN VARIANCE REQUEST FOR PJ'S COFFEE OF NEW ORLEANS TO ERECT A 15 SQUARE FOOT MONUMENT SIGN AT 6 FEET IN HEIGHT AT FIVE FEET FROM THE PUBLIC RIGHT-OF-WAY WITHIN A UTC ZONE WHICH REQUIRE MONUMENT SIGNS TO BE TEN FEET FROM THE PUBLIC RIGHT-OF-WAY.** Said item was tabled until a Special Council Meeting to be held at a later date.

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There came on for consideration Agenda Item No. 5, Public Hearing:

**ORDER REQUESTING THE CITY COUNCIL REVIEW AND VOTE TO DENY THE SIGN VARIANCE REQUEST FOR PJ'S COFFEE OF NEW ORLEANS TO ERECT A 15 SQUARE FOOT MONUMENT SIGN AT 6 FEET IN HEIGHT AT FIVE FEET FROM THE PUBLIC RIGHT-OF-WAY WITHIN A UTC ZONE WHICH REQUIRE MONUMENT SIGNS TO BE TEN FEET FROM THE PUBLIC RIGHT-OF-WAY.** Said item was tabled until a Special Council Meeting to be held at a later date.

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**President Lindsay** recognized **Tim Howard,** City Attorney, who stated that an order was passed unanimously by City Council Members, present and voting at the meeting, to temporarily suspend sections of the Jackson City Council's Regular Meeting agenda concerning public comments, proclamations, special presentations, commendations and resolutions honoring individuals, businesses, groups or organizations. This action was taken due to Mayor Chokwe Antar Lumumba Civil Emergency issued on March 16, 2020 regarding COVID-19.

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**RESOLUTION DECLARING CERTAIN PARCELS OF REAL PROPERTY IN THE CITY OF JACKSON TO BE A MENACE TO PUBLIC HEALTH, SAFETY AND WELFARE PURSUANT TO SECTION 21-19-11 OF THE MISSISSIPPI CODE AND BASED ON ADMINISTRATIVE HEARINGS HELD MARCH 10, 2020 FOR THE FOLLOWING CASES:**

| | | | | |
|---|---|---|---|---|
| **2020-1088** | **2020-1090** | **2020-1093** | **2020-1094** | **2020-1095** |
| **2020-1097** | **2020-1098** | **2020-1099** | **2020-1100** | **2020-1101** |

**WHEREAS**, Section 21-19-11 of the Mississippi Code as amended provides that a governing authority shall conduct a hearing to determine whether property or parcels of land located within a municipality is in such a state of uncleanliness as to be a menace to the public health, safety and welfare of the community; and

**WHEREAS,** Section 21-19-11 of the Mississippi Code as amended sets forth the procedure for mailing and posting notice of the hearing; and

**WHEREAS,** hearings were held on March 10, 2020; and

**WHEREAS,** the hearing officer determined that notice was provided in accordance with Section 21-19-11 prior to the hearings; and

**WHEREAS,** after hearing testimony and reviewing evidence, the hearing officer made findings and recommendations for adjudication concerning certain parcels as follows:

1) **Case #2020-1088: Parcel #153-37** located at **1231 PITTSBURG STREET**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $500.00. Ward 5

Scope of Work: Demolish and remove remains of dilapidated structure, trash, debris, foundation, steps, driveway, tries, and any other items to insure property is clear and free of any and all health hazards; cut grass and weeds.

2) **Case #2020-1090: Parcel #158-132-2** located at **1118 ALTA VISTA BOULEVARD**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $750.00. Ward 5

Scope of Work: Demolish and remove remains of dilapidated structure, trash, debris, foundation, steps, driveway, tries, and any other items to insure property is clear and free of any and all health hazards; cut grass and weeds.

3) **Case #2020-1093: Parcel #411-89** located at **2849 QUEENSROAD AVENUE**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $500.00. Ward 4

Scope of Work: Board-up and secure house and cut grass, weeds, fence line, bushes, saplings and remove trash and debris, building materials, tree parts, tree limbs, tires, clean curbside.

4) **Case #2020-1094: Parcel #500-820** located at **311 FRANCIS STREET**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $500.00. Ward 2

Scope of Work: Cutting of grass, weeds and removing of trash and debris, white Cadillac, dark colored Honda, tan Ford car.

5) **Case #2020-1095: Parcel #517-262** located at **614 BENNING ROAD**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $500.00. Ward 73

Scope of Work: Cutting of grass, weeds and removing of trash and debris, remove, white Ford truck, white Toyota, white Acura, white dodge neon, dark colored vehicle parked in vehicles parked in back yard..

6) **Case #2020-1097: Parcel #517-120** located at **701 LAWRENCE ROAD**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $500.00. Ward 3

Scope of Work: Demolish and remove remains of dilapidated structure, trash, debris, foundation, steps, driveway, tires, and any other items to insure property is clear and free of any and all health hazards; cut grass and weeds.

7) **Case #2020-1098: Parcel #56-67-1** located at **224 TAYLOR STREET**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $500.00. Ward 7

Scope of Work: Board-up and secure house and cut grass, weeds, bushes, saplings, tree limbs, tree parts, and remove trash and debris, tries, building material, wooden boards, old furniture, clean curbside.

8) **Case #2020-1099: Parcel #56-66-1** located at **218-20 TAYLOR STREET**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $750.00. Ward 7

Scope of Work: Board-up and secure house and cut grass, weeds, bushes, saplings, tree limbs, tree parts, and remove trash and debris, tries, building material, wooden boards, old furniture, clean curbside.

9) **Case #2020-1100: Parcel #432-70** located at **4863 WOODMONT DRIVE**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $1000.00. Ward 13

Scope of Work: Cutting of grass, weeds and removing of trash and debris, tree parts, inoperable vehicles, clean curbside.

10) **Case #2020-1101: Parcel #517-96** located at **LOT WEST OF 510 LAWRENCE ROAD**: No appearance by owner or an interested party. Hearing officer recommends that the property be adjudicated as a menace to public health and safety with assessment of actual costs and a penalty of $500.00. Ward 3

Scope of Work: Cutting of grass, weeds, bushes, saplings, and removing of trash and debris, wooden boards, building materials, tree parts, old furniture, crates, clean curbside.

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

The Notices of Hearing pursuant to Section 21-19-11 of the Mississippi Code, as it relates to each parcel of property, is incorporated herein in their entirety, and located in Public Notices, located in the Municipal Clerk Department of the City of Jackson, Mississippi.

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**ORDINANCE CREATING SECTION 110-29 OF THE JACKSON CODE OF ORDINANCES REGULATING URBAN CAMPING AND THE IMPROPER USE OF PUBLIC PLACES.** Said item is to be placed on the next Regular Council agenda for adoption.

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**President Lindsay** recognized **Tim Howard,** City Attorney, who stated that Agenda Items No. 32, 35, 36, 37, 38 and 39 should be discussed in Executive Session.

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**President Lindsay** stated that Agenda Items No. 32, 35, 36, 37, 38 and 39 would be moved to the end of the Agenda for Executive Session.

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**President Lindsay** requested that Agenda Item No. 33 be moved forward on the Agenda. Hearing no objections, the Clerk read the following:

**RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF JACKSON, MISSISSIPPI (THE "CITY") AUTHORIZING THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE (JACKSON, MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT) IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED FORTY MILLION DOLLARS ($40,000,000) (THE "NOTE") TO SECURE A LOAN (THE "LOAN") FROM THE MISSISSIPPI DEVELOPMENT BANK TO THE CITY FOR THE PURPOSES OF PROVIDING FUNDS FOR (A) CONSTRUCTING, IMPROVING AND PAVING ROADS AND STREETS; (B) REPAIRING, RECONSTRUCTING AND RESURFACING PROJECTS BASED ON TRAFFIC PATTERNS, NEED AND USAGE; (C) PAYING THE COSTS OF WATER, SEWER AND DRAINAGE PROJECTS; AND (D) FOR AND OTHER AUTHORIZED PURPOSES UNDER MISSISSIPPI CODE ANN. SECTIONS 27-65-141 ET SEQ., AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME,**

**THE MUNICIPAL SALES TAX ACT AND SECTIONS 31-25-1 ET SEQ., MISSISSIPPI CODE OF 1972, AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME AND OTHER APPLICABLE LAWS OF THE STATE OF MISSISSIPPI, INCLUDING FUNDING CAPITALIZED INTEREST, IF APPLICABLE, FUNDING A DEBT SERVICE RESERVE FUND, IF APPLICABLE, AND PAYING FOR THE COST OF ISSUANCE; APPROVING THE FORM OF AN INDENTURE OF TRUST AND THE FORM OF AND THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, A TAX INTERCEPT AGREEMENT AND A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF THE NOTE AND THE ISSUANCE BY THE MISSISSIPPI DEVELOPMENT BANK OF ITS NOT TO EXCEED $40,000,000 SPECIAL OBLIGATION BONDS, SERIES 2020 (JACKSON, MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT) FOR THE PURPOSE OF FUNDING THE LOAN TO THE CITY; AUTHORIZING THE SALE OF SAID MISSISSIPPI DEVELOPMENT BANK BONDS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE LOAN AND SAID MISSISSIPPI DEVELOPMENT BANK BONDS; AND FOR RELATED PURPOSES.**

**WHEREAS**, the Mayor and City Council (the "**Governing Body**") of the City of Jackson, Mississippi (the "**City**"), acting for and on behalf of the City, is authorized by Sections 27-65-141 et seq., Mississippi Code of 1972, as amended and/or supplemented from time to time (the "**Municipal Sales Tax Act**"), and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "**Bank Act**" and, together with the Municipal Sales Tax Act, the "**Act**"), and other applicable laws of the State of Mississippi (the "**State**") to enter into a loan with the Mississippi Development Bank (the "**Bank**") for the purposes set forth therein, including, but not limited to, (a) constructing, improving and paving roads and streets; (b) repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; (c) paying the costs of water, sewer and drainage projects; and (d) for other authorized purposes under the Act, including funding capitalized interest, if applicable, funding a debt service reserve fund, if applicable, and paying the costs of issuance (the "**City Project**"); and

**WHEREAS**, the City is a political 'subdivision duly created and validly existing pursuant to the Constitution and laws of the 'State and constitutes a "local governmental unit" under the Bank Act; and

**WHEREAS**, on October 1, 2019, the Governing Body adopted a resolution (the "**Intent Resolution**") declaring its intention to enter into a loan (the "**Loan**") with the Bank in an amount not to exceed $40,000,000, all for the purpose of providing financing for the City Project, and for the Bank to issue its not to exceed $40,000,000 Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) (the "**Bank Bonds**") to finance the Loan and the Note (as defined herein); and

**WHEREAS**, pursuant to applicable law and as directed by the Intent Resolution, the Intent Resolution was published once a week for at least three (3) consecutive weeks in *The Mississippi Link* and *The Clarion Ledger*, both newspapers published in and having a general circulation within the City, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended and supplemented from time to time, with the first publication being not less than twenty-one (21) days prior October 29, 2019, and the last publication being made not more than seven (7) days prior to October 29, 2019 thereby allowing the Governing Body to authorize entering into a Loan with the Bank secured by the Note, such notice being published in *The Mississippi Link on* October 3, 10, 17 and 24, 2019 and *The Clarion Ledger* on October 6, 13, 20 and 27, 2019; and

**WHEREAS**, on or prior to the hour of 10:00 o'clock a.m. on October 29, 2019, no petition signed by ten percent (10%) of or Fifteen Hundred (1500), whichever is less, qualified electors of the City objecting to and protesting against the Loan and the Note nor any other objection of any kind or character against the Loan and the Note described in the Intent Resolution had been filed with the City Clerk of the City (the "**City Clerk**") or presented by the qualified electors of the City; and

**WHEREAS**, on October 29, 2019, at the usual meeting place of the Governing Body, the Governing Body convened and adopted a resolution finding and determining that the Intent

Resolution was duly published as required by law and that no written protest or other objection of any kind or character against the issuance of the Loan, the Note and the Bank Bonds was filed by qualified electors of the City and the Governing Body did authorize and approve the issuance of such Loan to raise money for the City Project, all in accordance with the Act; and

**WHEREAS**, the City is authorized under the provisions of the Act to borrow from the Bank in such 'amounts as it may find necessary and proper in 'order to provide (a) funding for the City Project, (b) paying capitalized interest, if applicable, (c) funding a debt service reserve, if applicable, and (d) paying the 'costs incurred by the City and the Bank in connection with such Loan, Note and the Bank Bonds (together, the "**Project**"); and

**WHEREAS**, it would be in the best interest of the City for the Governing Body to provide funding for the costs of the Project by entering into the Loan with the Bank in accordance with the Act; and

**WHEREAS**, the Loan will be secured by the City's Promissory Note (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) (the "**Note**") in an aggregate 'principal 'amount of not to exceed $40,000,000, payable by the City to the Bank; and

**WHEREAS**, the Loan and Note shall not constitute an indebtedness of the City within the meaning of any statutory or charter restriction, limitation, or provision, and the taxing power of the City will not be pledged to the payment of said Loan and Note, but the same, together with the interest thereon, shall be payable solely from the special sales tax of the City authorized by Senate Bill 3268 (2009 Regular Session) allowing, among other things, certain municipalities to impose a special sales tax of not more than one percent (1%) on the gross proceeds of sales or gross income of the business, as the case may be, derived from any of the activities taxed at the rate of seven percent (7%) or more under the Mississippi Sales Tax Law (the "**Special Sales Tax**"), including any other collateral required by the Bank; and

**WHEREAS**, pursuant to an Indenture of Trust, dated as of the date of delivery (the "**Indenture**"), between the Bank and a to be determined trustee (the "**Trustee**"), the Bank will issue its Bank Bonds in an aggregate principal amount of not to exceed $40,000,000 to fund the Loan and will assign the Note to the Trustee as security for the Bank Bonds; and

**WHEREAS**, the City will enter into a Loan Agreement, dated as of the date of delivery, with the Bank (the "**Loan Agreement**") pursuant to which the Bank will loan the 'proceeds of the Bank 'Bonds to the City to pay the 'costs of the City Project and the costs incurred by the City and the Bank in connection with the Loan and the Bank Bonds; and

**WHEREAS**, under the Loan Agreement and the Note, the City will agree to make payments on the Note in amounts sufficient to pay the 'principal of, premium, if any, and 'interest on the Bank 'Bonds, as and when the same shall become due and payable; and

**WHEREAS**, the City and the Bank will, under the Bank Act, enter into a Tax Intercept Agreement, dated as of the date of delivery (the "**Tax Intercept Agreement**"), securing 'payment of the Note and the Bank 'Bonds, pursuant to which the City will agree to the withholding of certain monies to which it may be entitled from the 'State in 'order to satisfy any delinquent payments on the Note; and

**WHEREAS**, the Bank 'Bonds will be sold pursuant to the terms and provisions of a Bond Purchase Agreement, to be dated as of the date of the 'sale of the Bank Bonds (the "**Bond Purchase Agreement**"), by and among the Bank, the Underwriter (as herein defined) and the City; and

**WHEREAS**, there have been submitted to this meeting forms of

(a) the Indenture under which the Bank 'Bonds will be issued and by which they will be secured,

(b) the Loan Agreement between the City and the Bank providing for the Loan,

(c) the Note from the City to the Bank, securing 'payment of the Loan,

(d) the Bank's Preliminary Official Statement (the "**Preliminary Official Statement**") describing the Bank Bonds, the terms of the Indenture and other matters in connection with the sale and issuance of the Bank Bonds,

(e) the Tax Intercept Agreement providing security for the Note and the Bank 'Bonds,

(f) the Bond Purchase Agreement providing for the 'terms and conditions of the 'sale of the Bank 'Bonds to the Underwriter;

(g) a continuing disclosure certificate (the "**Continuing Disclosure Certificate**"), of the City, in connection with the Bank Bonds, dated the date of issuance and delivery of the Bank Bonds; and

(h) a Tax Regulatory Agreement and Arbitrage Certificate (the "**Tax Regulatory Agreement and Arbitrage Certificate**") by and between the Mississippi Development Bank and the City, in connection with the Bank Bonds, dated the date of issuance and delivery of the Bank Bonds; and

**WHEREAS**, it appears that each of the documents above referred to, which documents are now before the Governing Body, is in appropriate 'form and is an appropriate document for the 'purposes identified; and

**WHEREAS**, it would be in the best 'interest of the City for the Bank to proceed with the 'sale and issuance of the Bank 'Bonds because the interest payable on the Note will be the same as the interest payable on the Bank Bonds as set forth in detail in the Bond Purchase Agreement; and

**WHEREAS**, the Loan and the Bank Bonds shall be conditioned upon the approval by the Board of Directors of the Bank; and

**WHEREAS**, all other 'conditions, acts and things required by the Act and the Constitution and laws of the 'State to have existed, to have happened and to have been per 'formed precedent to and in connection with the 'adoption of this resolution, the issuance of the Note, the 'execution of the Loan Agreement, the Tax Intercept Agreement and the Bond Purchase Agreement have happened and have been performed in regular and due 'time, form and manner as required by law; and

**WHEREAS**, that in order to prepare the necessary documents for the sale and issuance of the Bank Bonds and to enter into the Loan with the Bank, it is in the best interest of the City to authorize the law firms of The Charleston Group, Fayetteville, North Carolina and Butler Snow LLP, Ridgeland, Mississippi, as Co-Bond Counsel ("**Co-Bond Counsel**"), Kimberly Banks PLLC, Ridgeland, Mississippi, as City Counsel ("**City Counsel**"), Benjamin Law Firm, LLC, Columbia, South Carolina, as Underwriter's Counsel ("Underwriter's Counsel"), Haley Law Firm LLC, New Orleans, Louisiana, as Disclosure Counsel ("Disclosure Counsel"), PFM Financial Advisors, LLC, Memphis, Tennessee, as Municipal advisor to the City (the "**Municipal Advisor**") and Siebert Williams Shank & Co., LLC, as Underwriter (the "**Underwriter**" and, together with Co-Bond Counsel, City Counsel, Underwriter's Counsel, Disclosure Counsel and the Municipal Advisor, the "**Professionals**"), to prepare and distribute such documents necessary in order to facilitate the sale and issuance of the Bank Bonds or Loan subject to the approval of the Governing Body of the City; and

**WHEREAS**, it is proposed that the City should take all such additional 'actions, authorize the preparation and 'distribution of such documents and authorize such other 'actions and proceedings as shall be necessary in connection with the issuance of the Note, the 'sale and issuance of the Bank 'Bonds and the financing of the Project and the costs incurred by the City and the Bank in connection with the Loan and the Bank Bonds; and

**WHEREAS**, the issuance of the Note will not exceed any limitation upon 'indebtedness which may be incurred by the City; and

**WHEREAS**, it has now become necessary that the Governing Body proceed to make provision for the 'execution, issuance and 'delivery of the Note and the Bank Bonds.

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

**SECTION 1.** This resolution is adopted pursuant to the provisions of the Act and the Constitution and laws of the State.

**SECTION 2.** The Governing Body hereby authorizes the 'execution and delivery of the Note in the 'principal 'amount of not to exceed $40,000,000 in accordance with the Act and subject to the provisions of this resolution and the Loan Agreement. All terms and provisions of the Note, including the repayment thereof, shall be as set forth in the Loan Agreement and the Note.

**SECTION 3.** The 'principal of and 'interest on the Note shall be payable over a period of not to exceed thirty (30) years solely from the Special Sales Tax of the City, including any other collateral required by the Bank subject to pre 'payment as set forth in the Loan Agreement. The Note shall not constitute a general obligation of the City within the meaning of any constitutional or statutory restrictions, 'limitations, or provisions, and the taxing power of the City will not be pledged to the payment of the Note, but the same, together with the interest thereon, shall be payable solely from Special Sales Tax of the City, including any other collateral required by the Bank specifically the terms and provisions of the Tax Intercept Agreement.

**SECTION 4.** The Governing Body does hereby find and determine that the Bank 'Bonds are being issued to fund the Loan, the 'proceeds of which will be used to finance the City Project, to pay capitalized interest, if applicable, to fund a debt service reserve fund, if applicable, and to pay the 'costs incurred by the City and the Bank in connection with the 'sale and issuance of the Bank Bonds and the 'execution and delivery of the Loan Agreement, the Note, the Tax Intercept Agreement and the Bond Purchase Agreement.

**SECTION 5.** The Indenture by and between the Bank and the Trustee in the 'form submitted to this meeting and attached hereto as **EXHIBIT A**, is hereby made a part of this resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The Mayor, the City Clerk and the President of the Governing Body (together, the "**Authorized Officers**") are authorized to approve such additional changes thereto as may be requested by the Bank. The City hereby approves and acknowledges the Indenture and the terms and provisions thereof and recognizes that many items governing the 'terms and 'conditions of the Note are based upon terms, 'limitations and conditions provided in the Indenture.

**SECTION 6.** The 'form of the Loan Agreement by and between the City and the Bank in the form submitted to this meeting and attached hereto as **EXHIBIT B**, is hereby made a part of this resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The Authorized Officers are hereby authorized and directed to execute and deliver the Loan Agreement with such changes, insertions and omissions as may be approved by such 'officers, said 'execution being conclusive 'evidence of such approval.

**SECTION 7.** The 'form of the Note from the City to the Bank in the form attached to the Loan Agreement, shall be, and the same hereby is, approved in substantially said form. The Authorized Officers are hereby authorized and directed to execute and deliver the Note to the Bank with such changes, insertions and omissions as may be approved by such 'officers, said 'execution being conclusive 'evidence of such approval.

**SECTION 8.** The 'form of the Tax Intercept Agreement by and between the Bank and the City in the form submitted to this meeting and attached hereto as **EXHIBIT C**, is hereby made a part of this resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The Authorized Officers are hereby authorized and directed to execute and deliver the Tax Intercept Agreement with such changes, insertions and omissions as may be approved by such 'officers, said 'execution being conclusive 'evidence of such approval.

**SECTION 9.** The Bond Purchase Agreement, in the 'form submitted to this meeting and attached hereto as **EXHIBIT D** is hereby made a part of this resolution as though set forth in full herein and, shall be, and the same hereby is, approved in substantially said form. The Authorized Officers are hereby authorized and directed to execute the Bond Purchase Agreement for and on behalf of the City, subject to the following 'conditions: (a) compliance by the City with the provisions of the Bank Act regarding the issuance of the Note; (b) the aggregate 'principal 'amount of the Note and the Bank 'Bonds shall not exceed $40,000,000; (c) the Bank Bonds will bear 'interest at the 'rates to be provided in the Bond Purchase Agreement and the Bank Bonds shall not bear a greater overall maximum interest rate to maturity than that allowed in Section 75-17-101, Mississippi Code of 1972, as amended and supplemented from time to time; (d) the term of Bank Bonds does not exceed thirty (30) years; and (e) the terms and provisions of the Bank Bonds are in compliance with the Bank Act.

**SECTION 10.** The Preliminary Official Statement, in the form submitted to this meeting and attached hereto as **EXHIBIT E**, is hereby made part of this resolution as though set forth in full

herein and shall be, and the same hereby is, approved in substantially said form. The distribution by the Bank of the Preliminary Official Statement to the Underwriter is hereby authorized and approved. The City hereby deems the Preliminary Official Statement to be "final" as described in the SEC Rule 15c2-12(b)(1). The Mayor or the City Clerk are hereby, authorized and directed to approve the form of a final Official Statement (the "**Official Statement**") in substantially the form of the Preliminary Official Statement in connection with the sale and issuance of the Bank Bonds with such changes, insertions and omissions as may be approved by the Mayor or the City Clerk.

**SECTION 11.** The Continuing Disclosure Certificate, in the form attached to the Preliminary Official Statement, is hereby made part of this resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The Authorized Officers are hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by such officers, said execution being conclusive evidence of such approval.

**SECTION 12.** The Tax Regulatory Agreement and Arbitrage Certificate, in the form submitted to this meeting and attached hereto as **EXHIBIT F**, is hereby made part of this resolution as though set forth in full herein and shall be, and the same hereby is, approved in said form, which form is subject to change from time to time in accordance with the requirements and needs of the City and City Project. The Authorized Officers are hereby authorized and directed to execute and deliver the Tax Regulatory Agreement and Arbitrage Certificate with such changes, insertions and omissions as may be approved by such officers, said execution being conclusive evidence of such approval.

**SECTION 13.** If in the opinion of Co-Bond Counsel, the Underwriter and the Municipal Advisor, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Bank Bonds, the Governing Body of the City hereby authorizes (a) Co-Bond Counsel to prepare and distribute such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by the Underwriter, and (b) the Underwriter to provide distribution of such supplement or amendment to the Preliminary Official Statement and/or Official Statement, as the case may be, in connection with the sale of the Bank Bonds, with the distribution of such supplement or amendment being conclusive evidence of the approval of the Governing Body.

**SECTION 14.** The Authorized Officers, and any other officer of the Governing Body are each hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary or advisable in connection with the Project and the 'authorization, 'sale, preparation, 'execution, issuance and 'delivery of the Loan Agreement, the Note, the Tax Intercept Agreement, the Continuing Disclosure Certificate and the Bond Purchase Agreement.

**SECTION 15.** The Authorized Officers and any other officer of the Governing Body are each hereby authorized and directed to cooperate with the Bank and to take all such 'actions and do all such things and to execute all such documents as may be necessary or advisable in connection with the 'authorization, 'sale, preparation, 'execution, issuance and 'delivery of the Bank Bonds.

**SECTION 16.** The Charleston Group and Butler Snow, LLP, are hereby selected to serve as Co-Bond Counsel, Kimberly Banks PLLC is hereby selected to serve as City Counsel, Benjamin Law Firm, LLC, is hereby selected to serve as Underwriter's Counsel, Haley Law Firm LLC is hereby selected to serve as Disclosure Counsel, PFM Financial Advisors LLC, is hereby selected to serve as the Municipal Advisor and Siebert Williams Shank & Co., LLC, is hereby selected to serve as Underwriter to the City, and the Mayor is hereby authorized and directed to execute engagement letters to retain the independent services of the Professionals in connection with the sale and issuance of the Bank Bonds and the Loan.

**SECTION 17.** The City Clerk is hereby directed to forward a certified copy of this resolution to the Bank.

**SECTION 18.** If any one or more of the provisions of this resolution, the Loan Agreement, the Tax Intercept Agreement, the Note or the Bond Purchase Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution, the Loan Agreement, the Tax Intercept Agreement, the Note or the Bond Purchase Agreement; but this resolution, the Loan Agreement, the Tax Intercept Agreement, the Note and the Bond Purchase Agreement shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein or therein.

**SECTION 19.** The previous 'actions of the Mayor, the City Clerk and the Governing Body in connection with the City Project and preparation for the issuance of the Note and the 'sale and issuance of the Bank 'Bonds shall be, and the same hereby are, approved, ratified and confirmed.

**SECTION 20.** The Governing Body hereby authorizes and approves the Mayor and/or the City Clerk and the Executive Director of the Bank to designate the Trustee for the Bank Bonds in the Bond Purchase Agreement, the execution of the Bond Purchase Agreement as evidence thereof.

**SECTION 21.** No stipulation, obligation or agreement herein contained or contained in the Loan Agreement, the Tax Intercept Agreement, the Bond Purchase Agreement or other documents necessary to conclude the issuance of the Note shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the City in his individual 'capacity, and no such officer, agent or employee shall be personally liable on the Note or be subject to personal 'liability or accountability by reason of the issuance thereof.

**SECTION 22.** When the Note is issued, the City Clerk is hereby authorized and directed to prepare and furnish to the Bank certified copies of all of the 'proceedings and 'records of the City relating to the Note and the Loan, and such other affidavits and 'certificates as may be required to show the facts relating to the 'legality of the Note and the Loan as such facts appear from the books and records in the City Clerk's 'custody and 'control or as otherwise known to her; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all 'statements contained therein.

**SECTION 23.** From and after the 'execution and 'delivery of the documents hereinabove authorized, the proper 'officers, 'agents and 'employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all further 'actions and execute and deliver any and all other documents and 'certificates as may be necessary or desirable in connection with the issuance of the Note, the issuance and delivery of the Bank 'Bonds and the execution and delivery of the Loan Agreement, the Tax Intercept Agreement, the Bond Purchase Agreement or other documents necessary to conclude the issuance of the Note, from 'time to time.

**SECTION 24.** The City covenants to comply with each requirement of the Internal Revenue Code of 1986 as amended (the "**Code**") necessary to maintain the exclusion of interest on the Bank Bonds from gross income for federal income tax purposes, and in furtherance thereof, to comply with a certificate of the City to be executed and delivered concurrently with the issuance of the Bank Bonds, or such other covenants as may, from time to time, be required to be complied with in order to maintain the exclusion of interest on the Bank Bonds from gross income for federal income tax purposes. The City shall not use or permit the use of any of the proceeds of the Bank Bonds, or any other funds of the City, directly or indirectly, to acquire any securities, obligations or other investment property, and shall not take or permit to be taken any other action or actions, which would cause any Bank Bond to be an "arbitrage bond" as defined in Section 148 of the Code. Notwithstanding any other provisions to the contrary, so long as necessary in order to maintain the exclusion of interest on the Bank Bonds from gross income for federal income tax purposes under the Code, the covenants contained in this Section 22 shall survive the payment of the Bank Bonds and the interest thereon, including any payment or defeasance thereof.

**SECTION 25.** The City represents as follows:

(a) The City shall take no action that would cause the Bank Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(b) The City shall take all necessary action to have the Bank Bonds registered within the meaning of Section 149(a) of the Code; and

(c) The City will not employ any device or abusive transaction with respect to the investment of the proceeds of the Bank Bonds.

**SECTION 26.** The City hereby covenants that it shall make, or cause to be made to the United States of America, the rebate payments required by Section 148(f) of the Code and the regulations promulgated thereunder and to that end, to enter into the Arbitrage Rebate Agreement (as defined in the Indenture) with the Bank and the Trustee.

**SECTION 27.** The Authorized Officers are hereby authorized to sign and file or cause to be filed a completed I.R.S. Form 8038-G "Information Return for Governmental Obligations" if required by Section 149(e) of the Code, if applicable.

**SECTION 28.** The Authorized Officers are hereby authorized to execute a non-arbitrage certification or similar document in order to comply with Section 148 of the Code and the applicable regulations thereunder.

**SECTION 29.** The City is an "obligated person" under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "**Rule**"). The City covenants and agrees to execute the Continuing Disclosure Certificate setting forth the City's agreement with regard to continuing disclosure and to comply with the covenants set forth therein and carry out all of the provisions of the Continuing Disclosure Certificate. In the event the City fails to comply with the provisions of the Continuing Disclosure Certificate, the beneficial owners of the Bank Bonds may take such actions as may be necessary and appropriate, including mandamus or specific performance by court order, to cause the City to comply with its obligations set forth in the Continuing Disclosure Certificate and this Section.

**SECTION 30.** If the Bank executes a commitment for the provision of municipal bond insurance for the Bank Bonds and any additional documents and certificates which are required by any provider of such municipal bond insurance elected to provide credit enhancement in connection with the issuance of the Bank Bonds, the Authorized Officers are hereby authorized to approve any changes, insertions and omissions as may be required by the provider of the municipal bond insurance to the Indenture, the Loan Agreement, the Note, the Bond Purchase Agreement, the Tax Intercept Agreement, the Preliminary Official Statement or Official Statement as are approved by the Executive Director of the Bank or an authorized officer of the Bank, evidenced by the execution of the commitment for said municipal bond insurance and other additional documents and certificates. The Governing Body hereby authorizes and approves the execution of said commitment by the Executive Director of the Bank, the President of the Board of Directors of the Bank or an authorized officer of the Bank, for and on behalf of the City, if applicable.

**SECTION 31.** The Authorized Officers are hereby authorized to execute a requisition and perform such other acts as may be necessary to authorize the payment by the Trustee under the Indenture on the closing date of the Bank Bonds, the costs of issuance for the Bank Bonds and costs of issuance for the Note; provided, however, total costs of issuance for said Bank Bonds and the Note shall not exceed five (5%) percent of the par amount of the Bank Bonds (excluding Underwriters' discount and any premiums for municipal bond insurance, if applicable).

**SECTION 32.** Upon receiving the recommendation of the Municipal Advisor and Co-Bond Counsel, the Mayor, the City Clerk and an Authorized Officer are hereby authorized and directed to make all final determinations necessary to prepare the Indenture, the sale of the Bank Bonds, including the date of sale, the dated date of the Bank Bonds, the final principal amount of the Bank Bonds, the maturity schedule relating to the Bank Bonds, the redemption terms of the Bank Bonds, the series designation of the Bank Bonds and any other terms thereof; provided, however, that all such determinations shall be made subject to approval by the Bank, to be evidenced by the execution of the Bond Purchase Agreement for the sale of the Bank Bonds.

**SECTION 33.** All orders, resolutions or proceedings of the Governing Body in conflict with the provisions of this resolution shall be and are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

**EXHIBIT A**

**FORM OF INDENTURE**

**INDENTURE OF TRUST**

**By and Between**

**MISSISSIPPI DEVELOPMENT BANK**

**and**

**_____ Bank,**
**AS TRUSTEE**

**DATED _____, 2020**

**Relating to the Issuance of**

**$_____**
**MISSISSIPPI DEVELOPMENT BANK**
**SPECIAL OBLIGATION BONDS, SERIES 2020**
**(JACKSON, MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT)**

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**INDENTURE OF TRUST**

**THIS INDENTURE OF TRUST**, dated _____, 2020, is by and between the **MISSISSIPPI DEVELOPMENT BANK**, a 'public body corporate and politic of the 'State of Mississippi (the "**State**"), exercising essential public functions (the "**Bank**"), organized under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as from 'time to time amended (the "**Bank Act**"), and _____ Bank, a national 'banking association duly organized and existing under and by virtue of the laws of the United States of America and authorized to accept and execute 'trusts of the character herein with its 'principal corporate trust office in Jackson, Mississippi, as Trustee (the "**Trustee**").

**WITNESSETH:**

**WHEREAS**, the Bank is authorized and empowered by the provisions of the Bank Act to issue 'Bonds for the purpose of entering into 'loan agreements with 'Local Governmental Units (as defined herein and in the Bank Act); and

**WHEREAS**, the 'execution and delivery of this Indenture of Trust (this "**Indenture**") have been in all respects duly and validly authorized by a resolution duly passed and approved by the Board of Directors of the Bank.

**NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:**

**GRANTING CLAUSES**

The Bank, in 'consideration of the premises and the 'acceptance by the Trustee of the 'trusts hereby created and of the purchase and acceptance of the 'Bonds (as defined herein) by the 'owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in 'order to secure the 'payment of the 'principal of and 'interest on the Bonds according to their tenor and 'effect and to secure the performance and observance by the Bank of all 'covenants expressed or implied herein and in the Bonds, does hereby grant, 'transfer, bargain, sell, convey, mortgage, assign and pledge, and grant a security interest in the 'rights, interests, properties, monies and other 'assets described in the following Granting Clauses to the Trustee and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Bank hereinafter set forth, such grant, transfer, bargaining, 'sale, conveyance, mortgage, 'assignment, pledge and security interest, as described in the following Granting Clauses.

**GRANTING CLAUSE FIRST**

All cash and 'securities now or hereafter held in the Funds and 'Accounts created or established under this Indenture (other than the Rebate Fund) and the investment 'earnings thereon (other than the Rebate Fund) and all 'proceeds thereof (except to the extent in the Rebate Fund or any amounts

which are transferred from such Funds and Accounts (as defined herein) from 'time to time in accordance with this Indenture).

**GRANTING CLAUSE SECOND**

The Loan Agreement (as defined herein) and the Note (as defined herein) acquired and held by the Trustee pursuant to this Indenture and the 'earnings thereon and all 'proceeds thereof, and any Permitted Indebtedness acquired and held by the Trustee in connection with the issuance of Refunding Bonds or Additional Bonds issued under the provisions of a supplemental indenture.

**GRANTING CLAUSE THIRD**

All funds, 'accounts and monies hereinafter pledged to the Trustee as security by the Bank to the extent of that pledge, including any Tax Monies (as defined herein) received by the Trustee under Section 5.09 hereof.

**TO HAVE AND TO HOLD** all and singular the hereinafter defined Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever;

**IN TRUST NEVERTHELESS**, upon the terms and trust herein set forth for the equal and proportionate benefit, security and 'protection of all present and future 'owners of the 'Bonds issued under and secured by this Indenture without 'privilege, 'priority or distinction as to the 'lien or otherwise of any of the Bonds over any of the other Bonds except as otherwise expressly provided herein;

**PROVIDED HOWEVER**, that if the Bank shall pay or cause to be paid, or there shall otherwise be paid or made provision for 'payment of, the 'principal of and 'interest on the 'Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds, and shall pay or cause to be paid or there shall otherwise be paid or made provision for payment to the Trustee of all sums of 'money due or to become due according to the provisions hereof and shall otherwise comply with Article IX hereof, then this Indenture and the 'rights hereby granted shall cease, determine and be void; otherwise this Indenture to be and remain in full force and effect.

**THIS INDENTURE OF TRUST FURTHER WITNESSETH**, and it is expressly declared, that all 'Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said 'property, rights and interests, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, 'conditions, stipulations, 'covenants, 'agreements, 'trusts, uses and 'purposes hereinafter expressed, and the Bank has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective 'owners, from 'time to time, of the Bonds, or any part thereof, as follows (subject, however, to the provisions of Sections 3.11 and 3.12 hereof):

**ARTICLE I.**

**DEFINITIONS AND RULES OF INTERPRETATION**

**SECTION 1.01. Definitions.**

Terms 'used herein, unless the context hereof shall require otherwise, shall have the following meanings, and any other terms used herein and not defined herein shall have the meanings given such terms in Section 1.1 of the Loan Agreement unless the context or use thereof indicates another or different meaning or intent.

**'Accounts**

"Accounts" shall mean the accounts created pursuant to Article VI hereof.

**Act**

"Act" shall mean the Bank Act and the Municipal Sales Tax Act.

**Additional Bonds**

"Additional Bonds" shall mean those obligations provided for in Section 2.05(b) of this Indenture.

**Arbitrage Rebate Agreement**

"Arbitrage Rebate Agreement" shall mean the Arbitrage Rebate Agreement among the Bank, the City and the Trustee, in connection with the Series 2020 Bonds.

**Authorized City Representative**

"Authorized City Representative" shall mean any person or persons at the time designated to act on behalf of the City by a written certificate, signed on behalf of the City by the Mayor or other duly authorized Person and the Clerk or other authorized member of the Governing Body or Person and furnished to the Bank and the Trustee, containing the specimen signature of each such person.

**Authorized Officer**

"Authorized Officer" shall mean the President, Vice President, 'Executive Director, Secretary or Assistant Secretary of the Bank or such other person or persons who are duly authorized to act on behalf of the Bank.

**Bank**

"Bank" shall mean the Mississippi Development Bank, a 'public body corporate and politic of the 'State, exercising essential public functions and organized under the provisions of the Bank Act.

**Bank Act**

"Bank Act" shall mean Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from 'time to time.

**Bond or Bonds**

"Bond" or "Bonds" shall mean the Series 2020 Bonds, Refunding Bonds and any Additional Bonds issued pursuant to this Indenture.

**Bondholder**

"Bondholder" "Holder" or "holder of 'Bonds" or "owner of Bonds" or any similar term shall mean the Registered Owner of any Bond in whose 'name a Bond is registered in the Bond Register.

**Bond Issuance Expense Account**

"Bond Issuance Expense Account" shall mean the account by that 'name created by Section 6.02 hereof.

**Bond Register**

"Bond Register" shall mean the 'registration 'records of the Bank kept by the Trustee to 'evidence the registration and 'transfer of the Bonds.

**Business Day**

"Business Day" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which 'banking institutions in New York, New York or Jackson, Mississippi, are authorized or required not to be open for the transaction of regular banking business, (d) any day the City Hall in Jackson, Mississippi is closed, or (e) a day on which the New York 'Stock Exchange is closed.

**City**

"City" shall mean the City of Jackson, Mississippi or any successor thereto.

**City Bond Resolution**

"City Bond Resolution" shall mean the resolution of the Mayor and City Council of the City adopted on _____, 2020 in connection with the Series 2020 Bonds and the loan of the proceeds thereof to the City.

**City Parity Indebtedness**

"City Parity Indebtedness" shall mean indebtedness of the City, the payments of which are secured by a lien on the Special Sales Tax Revenues on a parity with the lien securing the Note but excluding the Note.

**City Project**

"City Project" shall mean together, providing projects as authorized under the Municipal Sales Tax Act, including but not limited to (a) constructing, improving and paving roads and streets; (b) repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; (c) paying the costs of water, sewer and drainage projects; and (d) for other authorized purposes under the Act, including funding a debt service reserve fund, if applicable, and paying the costs of issuance.

**Closing Date**

"Closing Date" shall mean, in connection with the Series 2020 'Bonds, the date on which the Series 2020 Bonds are delivered by the Bank to, and paid for by, the Underwriter.

**Co-Bond 'Counsel or Bond Counsel**

"Co-Bond 'Counsel" or "Bond Counsel" shall mean an attorney(s) or firm of 'attorneys approved by the City and the Bank that is nationally recognized in the area of municipal law and matters relating to the exclusion of 'interest on 'state and 'local 'government bonds from 'gross income under 'federal tax law, including particularly compliance with Section 148(f) of the Code. Co-Bond Counsel shall initially mean The Charleston Group, Fayetteville, North Carolina and Butler Snow LLP, Ridgeland, Mississippi.

**Code**

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

**'Costs of Issuance**

"Costs of Issuance" shall mean any and all costs and expenses relating to the issuance, sale and delivery of the Series 2020 Bonds, and the execution and delivery of this Loan Agreement, the Indenture and the Note, including, but not limited to, all fees and expenses of legal counsel, municipal advisors or consultants, feasibility consultants and accountants, the initial fees and expenses of the Trustee, any fee to be paid to the Bank, bond or reserve fund insurance premiums, credit enhancements or liquidity facility fees, the preparation and printing of this Loan Agreement, the Note, the Indenture, the Tax Intercept Agreement, any preliminary official statement and final official statement, the Series 2020 Bonds, and all other related closing documents, and all other expenses relating to the issuance, sale and delivery of the Series 2020 Bonds required to be paid from the proceeds of the Series 2020 Bonds.

**Counsel**

"Counsel" shall mean an attorney duly admitted to practice law before the highest court of any 'state and approved by the Bank and the Trustee.

**Debt Service Reserve Fund**

"Debt Service Reserve Fund" shall mean the fund by that name created by Section 6.02 hereof.

**Debt Service Reserve Fund Requirement**

"Debt Service Reserve Fund Requirement" shall mean, the lesser of the following: (i) an amount equal to the maximum amount of principal and interest becoming due in the current or any future bond year on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; and (iii) 10% of the stated principal amount of the Bonds, or if such issue of Series 2020 Bonds has more than a de minimis amount (as defined in Section 1.148-1(b) of the Treasury Regulations) of original issue discount or premium, ten percent (10%) of the issue price (as defined in Section 1.148-1(b) of the Treasury Regulations), which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility; provided, however, that upon initial issuance of the Series 2020 Bonds, the Debt Service Reserve Requirement will mean the amount set forth in

(i) hereinabove and in future years if that amount should equal an amount in excess of the lesser of (i), (ii) and (iii) above, the funds held in the Debt Service Reserve Fund will be not be invested at a yield in excess of the yield on the Series 2020 Bonds. The Debt Service Reserve Requirement shall initially be funded with _____.

**Default**

"Default" shall mean an event or condition the occurrence of which, with the 'lapse of 'time or the giving of 'notice or both, would become an Event of Default hereunder.

**Event of 'Default**

"Event of 'Default" shall mean any occurrence or event specified in Section 10.01 hereof.

**Funds**

"Funds" shall mean the funds created pursuant to Article VI hereof (other than the Rebate Fund).

**General Account**

"General Account" shall mean the account by that 'name created by Section 6.02 hereof.

**General Fund**

"General Fund" shall mean the fund by that 'name created by Section 6.02 hereof.

**Governmental Obligations**

"Governmental Obligations" shall mean to the extent permitted by State law (a) direct obligations of the United States of America; (b) obligations guaranteed as to principal and interest by the United States of America or any federal agency whose obligations are backed by the full faith and credit of the United States of America, including but not limited to: U.S. Treasury obligations, Farmers Home Administration (or the successor thereto), General Services Administration, Guaranteed Title XI financing, Government National Mortgage Association (GNMA); and (c) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) is fully and unconditionally guaranteed or insured by the United States of America, or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by State law.

All 'Government Obligations must provide for the timely 'payment of 'principal and 'interest and cannot be callable or prepayable prior to maturity or earlier 'redemption of the Series 2020 'Bonds (excluding 'securities that do not have a fixed par 'value and/or whose terms do not promise a fixed dollar 'amount at maturity or call date).

**Indenture**

"Indenture" shall mean this Indenture of Trust, and all supplements and 'amendments hereto entered into pursuant to Article XII hereof.

**'Interest 'Payment Date**

"Interest 'Payment Date" shall mean any date on which interest is payable on the 'Bonds, and for the Series 2020 Bonds, ____ 1 and ____ 1, commencing ____ 1, 20___.

**'Investment Securities**

"Investment Securities" means any of the following to the extent such investments are permitted by State law: (a) obligations of the State, any municipality of the State or the United States of America rated at least "A" by S&P or Moody's; (b) obligations the principal and interest of which are fully guaranteed by the State or the United States of America; (c) obligations of any corporation wholly owned by the United States of America; (d) obligations of any corporation sponsored by the United States of America which are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System; (e) obligations of insurance firms or other corporations whose investments are rated "AA" or better by recognized rating companies; (f) certificates of deposit or time deposits of qualified depositories of the State as approved by the State Depository Commission, secured in such manner, if any, as the Bank shall

determine; (g) contracts for the purchase and sale of obligations of the type specified in items (a) through (e) above; (h) repurchase agreements secured by obligations specified in items (a) through (e) above; or (i) money market funds, rated "AAm" or "AAm-G" or better by S&P, the assets of which are required to be invested in obligations specified in items (a) through (f) above.

**Loan Agreement**

"Loan Agreement" shall mean, the Loan Agreement by and between the City and the Bank, dated _____, 2020.

**'Local Governmental Units**

"Local Governmental Units", as defined in the Bank Act, shall mean (a) any county, municipality, 'utility district, regional 'solid waste 'authority, county cooperative 'service district or political 'subdivision of the 'State of Mississippi, (b) the State or any 'agency thereof, (c) the institutions of higher learning of the State, (d) any 'education building corporation established for institutions of higher learning, or (e) any other governmental unit created under State law, such as the City.

**Moody's**

"Moody's" shall mean Moody's Investors 'Service, Inc., a Delaware corporation, its successors and assigns and, if dissolved or liquidated or if it no longer performs the functions of a 'securities rating 'agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City (with the approval of the Bank) by written 'notice to the Trustee.

**Municipal Sales Tax Act**

"Municipal Sales Tax Act" shall mean Sections 27-65-241 et seq., Mississippi Code of 1972, as amended and/or supplemented from time to time.

**Note**

"Note" shall mean the $_____ Promissory Note (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), dated _____, 2020, of the City to the Bank attached as Exhibit A to the Loan Agreement.

**Note 'Payment**

"Note 'Payment" shall mean the amounts paid or required to be paid, from 'time to time, for 'principal of, premium, if any, and 'interest on a the Note held by the Trustee pursuant to this Indenture.

**'Notice Address**

"Notice Address" shall mean, with respect to the City, the City's address given in connection with the 'execution and delivery of the Loan Agreement and Promissory Note to the Bank, and, with respect to the Bank, the Trustee and the Underwriter:

Bank: Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202
Attention: 'Executive Director

Trustee: _____ Bank
_____
_____, MS _____
Attention: Corporate Trust Department

Underwriter: Siebert Williams Shank & Co., LLC
_____
_____, _____
Attention: Public Finance

**Opinion of Co-Bond 'Counsel**

"Opinion of Co-Bond 'Counsel" shall mean the opinions by nationally recognized firms experienced in matters relating to the tax 'exemption for 'interest payable on obligations of 'states and their instrumentalities and political subdivisions under 'federal law, and which is acceptable to the Bank and the Trustee.

**Opinion of 'Counsel**

"Opinion of 'Counsel" shall mean a written opinion of Counsel addressed to the Trustee, for the benefit of the 'owners of the 'Bonds, who may (except as otherwise expressly provided in this Indenture) be Counsel to the Bank or Counsel to the owners of the Bonds and who is acceptable to the Trustee.

**Outstanding**

"Outstanding" or "Bonds Outstanding" shall mean all Bonds which have been authenticated and delivered by the Trustee under this Indenture, including Bonds held by the Bank, except:

(a) 'Bonds canceled after purchase in the open market or because of 'payment at or 'redemption prior to maturity;

(b) 'Bonds deemed paid under Article IX hereof; and

(c) 'Bonds in lieu of which other Bonds have been authenticated under Section 3.05, 3.06 or 3.10 hereof.

**Program**

"Program" shall mean the program for entering into a loan with 'Local Governmental Units by the Bank pursuant to the Bank Act.

**Program 'Expenses**

"Program 'Expenses" shall mean all of the 'fees and expenses of the Trustee and the Bank and 'costs of determining the 'amount rebatable, if any, to the 'United States of America under Section 6.10 hereof, all to the extent properly allocable to the Program and approved in writing by the Bank.

**Project**

"Project" shall mean providing financing to (a) fund a loan to the City under the Loan Agreement in order to finance the City Project, (b) funding the Debt Service Reserve Fund, and (c) paying Costs of Issuance for the Series 2020 Bonds.

**Rebate Fund**

"Rebate Fund" shall mean the fund by that 'name created by Section 6.02 hereof.

**'Record Date**

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

**'Redemption Account**

"Redemption Account" shall mean the account by that 'name created by Section 6.02 hereof.

**'Redemption 'Price**

"Redemption 'Price" shall mean, with respect to any Bond, the 'principal 'amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

**Refunding Bonds**

"Refunding 'Bonds" shall mean Bonds issued pursuant to Section 2.05 hereof and any Supplemental Indenture.

**Registered Owner**

"Registered Owner" shall mean the person or persons in whose 'name any Bond shall be registered on the Bond Register.

**Revenues**

"Revenues" shall mean the Funds and 'Accounts and all 'income, revenues and profits of the Funds and Accounts referred to in the granting clauses hereof including, without limitation, all Note Payments, any Tax Monies and any additional 'amount paid to and held by the Trustee under the Loan Agreement or the Note.

**Reserve Fund Credit Facility**

"Reserve Fund Credit Facility" means an irrevocable and unconditional letter of credit, insurance policy or surety bond, the terms of which have been approved by the City and the Bank, issued by a bank or other financial institution, which is acceptable to the City and the Bank, having a long-term credit rating of "A" or better, as determined by S&P which Reserve Fund Credit Facility names the Trustee as the beneficiary thereunder; provided, that any such Reserve Fund Credit Facility (other than in insurance policy extending to the maturity date of the Bonds) must (a) be renewable or extendable on an annual basis; (b) have an initial term of not less than three (3) years; (c) provide that the bank or other financial institution providing such Reserve Fund Credit Facility must notify the Trustee and the City, no less than 30 days in advance of the expiration of the Reserve Fund Credit Facility of its intention not to renew or extend such Reserve Fund Credit Facility; (d) permit the Trustee to make a drawing thereunder to fund the Debt Service Reserve Fund no later than five (5) Business Days prior to the earlier of (1) the expiration date of such Reserve Fund Credit Facility and (2) the date the proceeds of such drawing will be needed to fund the Debt Service Reserve Fund.

**S&P**

"S&P" shall mean Standard & Poor's 'Credit Market Services, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns and, if dissolved or liquidated or if it no longer performs the functions of a 'securities rating 'agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City (with the approval of the Bank) by written 'notice to the Trustee.

**Security Documents**

"Security Documents" shall mean this Indenture, the Loan Agreement, the Note, the Tax Intercept Agreement, the Series 2020 Bonds and/or any additional or supplemental document executed in connection with the Insured Obligations.

**Series 2020 'Bonds**

"Series 2020 'Bonds" shall mean the $_____ Mississippi Development Bank 'Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) issued pursuant to Section 2.01 of this Indenture.

**Special Sales Tax**

"Special Sales Tax" shall mean the Special Sales Tax authorized by Senate Bill 3268 (2009 Regular Session) allowing, among other things, certain municipalities to impose a special sales tax of not more than one percent (1%) on the gross proceeds of sales or gross income of the business, as the case may be, derived from any of the activities taxed at the rate of seven percent (7%) or more under the Mississippi Sales Tax Law.

**Special Sales Tax Fund**

"Special Sales Tax Fund" shall mean the Special Sales Tax Fund established under Section 5.3 of the Loan Agreement which meets the requirements of Sections (5)(a) and (8) of the Municipal Sales Tax Act.

**Special Sales Tax Revenues**

"Special Sales Tax Revenues" shall mean the revenues generated from the Special Sales as authorized pursuant to the Municipal Sales Tax Act.

**State**

"State" shall mean the State of Mississippi.

**Supplemental Indenture**

"Supplemental Indenture" shall mean an indenture supplemental to or amendatory of this Indenture, executed by the Bank and the Trustee in accordance with Article XII hereof.

**Tax Intercept Agreement**

"Tax Intercept Agreement" shall mean the Tax Intercept Agreement, dated _____, 2020, by and between the City and the Bank, and accepted by the Trustee, as further described in Section 5.09 hereof.

**Tax Monies**

"Tax Monies" shall have the meaning given to it in Section 5.09 hereof.

**Treasury Regulations**

"Treasury Regulations" shall mean all proposed, temporary or permanent 'federal 'income tax regulations then in 'effect and applicable.

**Trust Estate**

"Trust Estate" shall mean the 'property, rights, and amounts pledged and assigned to the Trustee pursuant to the Granting Clauses hereof.

**Trustee**

"Trustee" shall mean _____ Bank, or any successor trustee appointed, qualified and then acting as such under the provisions of the Indenture.

**Underwriter**

"Underwriter" shall mean Siebert Williams Shank & Co., LLC.

**SECTION 1.02. 'Rules of Interpretation.**

For all 'purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a)The words "herein" and "hereof" and "hereunder" and words of similar import, without 'reference to any particular section or 'subdivision, refer to this Indenture as a whole rather than to any particular section or subdivision of this Indenture.

(b) References in this Indenture to any particular article, section or 'subdivision hereof are to the designated article, section or subdivision of this Indenture as originally executed.

(c) All 'accounting terms not otherwise defined herein have the meanings assigned to them in accordance with 'generally accepted accounting principles; and all computations provided for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same 'basis as in prior years.

(d) The Table of 'Contents and titles of articles and sections herein are for convenience only and are not a part of this Indenture.

(e) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(f) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Indenture.

(g) For 'purposes of this Indenture and the Indenture, a petition in 'bankruptcy shall be deemed dismissed only if either (a) the petition is dismissed by 'order of a court of competent 'jurisdiction

and no further 'appeal 'rights exist from such order or (b) the City notifies the Indenture Trustee that such a 'dismissal has occurred.

(h) Any Opinion of 'Counsel required hereunder shall be a written opinion of such counsel.

**ARTICLE II. '**

**AUTHORIZATION AND ISSUANCE OF 'BONDS**

**SECTION 2.01. 'Authorization and Issuance of Series 2020 Bonds.**

(a) In accordance with the Act, the "Mississippi Development Bank 'Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project)" are hereby authorized to be issued. The aggregate 'principal 'amount of Series 2020 Bonds that may be issued, authenticated and Outstanding hereunder is _____ Million Dollars ($_____).

(b) There is hereby created by this Indenture, in the manner and to the extent provided herein, a 'continuing pledge and 'lien to secure the full and final 'payment of the 'principal or 'Redemption 'Price of and 'interest on all of the Series 2019 'Bonds issued pursuant to this Indenture. The Series 2020 Bonds shall be payable solely from the Revenues. The 'State shall not be liable on the Series 2020 Bonds and the Series 2020 Bonds shall not be a debt, 'liability, pledge of the faith or loan of the 'credit of the State. The Series 2020 Bonds shall contain on the face thereof a statement to the 'effect that the Bank is obligated to pay the principal of the Series 2020 Bonds, the interest and the redemption premium, if any, thereon only from the Revenues and that the State is not obligated to pay such principal, interest or redemption premium, if any, and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the Series 2020 Bonds. In the Bank Act, the State has pledged to and agreed with the holders of any Series 2020 Bonds that the State will not limit or alter the 'rights hereby vested in the Bank to fulfill the terms of any 'agreements made with the said Bondholders or in any way impair the rights and 'remedies of such holders until such Series 2020 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all 'costs and 'expenses in connection with any action or proceeding by or on behalf of such holders of Series 2020 Bonds, are fully met and discharged. All Series 2020 Bonds shall mature on or before ___ 1, 20__.

**SECTION 2.02. Purpose and Disposition of Series 2020 Bonds.**

The purpose for issuing the Series 2020 'Bonds is (a) to fund a loan to the City under the Loan Agreement in order to finance the City Project; (b) to fund the Debt Service Reserve Fund, and (c) to fund the Bond Issuance Expense Account of the General Fund to pay the 'Costs of Issuance. Upon the 'delivery of the Series 2020 Bonds and receipt of the net 'proceeds thereof, the Bank shall deliver to the Trustee proceeds of the Series 2020 Bonds in the 'amount of $_____ (being $_____.00 par amount of the Series 2020 Bonds, plus an original issue premium of $_____, less the Underwriter's discount of $_____ paid directly to the Underwriter. The proceeds of the Series 2020 Bonds shall be deposited as follows: (1) into the Bond Issuance Expense Account of the General Fund, the sum of $_____.00 to pay Costs of Issuance; (2) into the Debt Service Reserve Fund the sum of $_____; and (3) into the Loan Account of the General Fund, the sum of $_____ to fund a loan to the City under the Loan Agreement, as secured by the Note.

**SECTION 2.03. General Description of the Series 2020 Bonds.**

The Series 2020 'Bonds shall be issuable as fully registered bonds in the denomination of $5,000 or any integral multiple thereof and shall be numbered from R-1 upward.

Each Series 2020 Bond shall be dated its date of original issuance and shall carry the date on which it is authenticated. If a Series 2020 Bond is authenticated on or prior to ____ 1, 20__, it shall bear 'interest from its date of original issuance. Each Series 2020 Bond authenticated after ____ 1, 20__, shall bear interest from the most recent Interest 'Payment Date to which interest has been paid as of the date of 'authentication of such Series 2020 Bond unless such Series 2020 Bond is authenticated after a 'Record Date and on or before the next succeeding Interest Payment Date, in which event the Series 2020 Bond will bear interest from such next succeeding Interest Payment Date.

'Interest on the Series 2020 'Bonds shall be payable on ____ 1 and ____ 1 of each year, commencing ____ 1, 20___, until the Series 2020 Bonds are paid. Interest will be calculated using a three hundred sixty (360) day year based on twelve (12) thirty (30) day months.

The Series 2020 Bonds shall mature on ____ 1 in the years and in the principal amounts, and shall bear interest at the rates per annum, all as set forth below:

| Year of Maturity | Principal Amount | Interest Rate |
|---|---|---|

$____,000 ____% Term Bonds due __ 1, 20__

$____,000 ____% Term Bonds due __ 1, 20__

**SECTION 2.04. Provisions for Issuance of Bonds.**

Bonds shall be executed by Authorized 'Officers of the Bank for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Bank or to the purchasers thereof, as specified in a written 'order of the Bank, but only upon the receipt by the Trustee of:

(a) An Opinion of 'Counsel dated as of the date of 'delivery thereof to the 'effect that (1) the Indenture and the performance by the Bank of its obligations hereunder, have been duly authorized, and the Indenture has been duly executed and delivered by the Bank and constitutes the legal, valid and binding agreement of the Bank, enforceable in accordance with its terms; (2) the 'Bonds have been duly authorized, sold, executed and delivered by the Bank, and are valid and binding obligations of the Bank enforceable in accordance with their terms; and (3) all resolutions and 'actions of the Bank relating to the documents in question and all related 'proceedings comply with all 'rules and regulations of the Bank and all approvals or other actions required to be obtained or taken by the Bank under the Bank Act have been obtained or taken as required;

(b) A written 'order as to the 'delivery of such 'Bonds, signed by an Authorized Officer;

(c) A copy of the resolution adopted and approved by the Bank, authorizing the 'execution and delivery of the Indenture and the 'sale and issuance of such 'Bonds, certified by an Authorized Officer;

(d) A certificate of an Authorized Officer that the issuance of such 'Bonds will not violate any 'limitations in the Bank Act or any other laws of the 'State as to the 'amount of bonds that may be outstanding from 'time to time under the Bank Act;

(e) Opinions of Co-Bond 'Counsel dated as of the date of 'delivery thereof;

(f) A certificate of an Authorized Officer that the Bank Act has not been repealed or amended in a manner that would adversely affect the 'rights of 'owners of such 'Bonds; and

(g) Such further documents, monies and 'securities as are required by the provisions of Article VII hereof or required by the Underwriter.

**SECTION 2.05. Provisions for Issuance of Refunding Bonds and Additional Bonds.**

(a)All or any part of one or more series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all or any part of the Outstanding Bonds. Refunding Bonds shall be issued in a 'principal 'amount sufficient, together with other monies available therefor, to accomplish such refunding and to make such 'deposits required by the provisions of the Bank Act, this Section and by the Supplemental Indenture authorizing said Refunding Bonds.

(1) Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by the Trustee of the documents required by Section 2.04 hereof) of:

(i) Irrevocable 'instructions to the Trustee, satisfactory to it, to give due 'notice of 'redemption of all the 'Bonds to be refunded on the redemption date specified in such instructions;

(ii) Irrevocable 'instructions to the Trustee, satisfactory to it, to give 'notice provided for in Section 4.05 hereof to the 'owners of the 'Bonds being refunded (which may be a conditional notice of redemption); and

(iii) Either (A) monies in an 'amount sufficient to 'effect 'payment at the applicable 'Redemption 'Price or 'principal payment amount of the 'Bonds to be refunded or paid, respectively, together with accrued 'interest on such Bonds to the redemption or maturity date and all necessary and appropriate 'fees and 'expenses of the Trustee, which monies shall be held by the Trustee or any one or more of the 'Trustees in a separate account irrevocably in trust for and assigned to the respective 'owners of the Bonds to be refunded or paid, or (B) Governmental Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and 'qualifications, as shall be necessary to comply with the provisions of Article IX which Governmental Obligations shall be held in trust and used only as provided in said Article.

Refunding Bonds shall be secured by the Trust Estate with a lien on parity with all other Outstanding Bonds. In connection with the issuance of Refunding Bonds, the City shall provide to the Trustee a written certificate stating that the requirements under Section 4.9 of the Loan Agreement with respect to City Parity Indebtedness have been met; and such City Parity Indebtedness shall be acquired by the Bank and pledged as a part of the Trust Estate under the provisions of a Supplemental Indenture.

(b) Provided there is no Event of Default, Additional Bonds may be issued under a Supplemental Indenture. Such Additional Bonds shall be secured by the Trust Estate with a lien on parity with any other Outstanding Bonds. In connection with the issuance of Additional Bonds:

(1) The City will issue City Parity Indebtedness meeting the requirements under Section 4.9 of the Loan Agreement;

(2) Such City Parity Indebtedness shall be acquired by the Bank and pledged as part of the Trust Estate under the provisions of a Supplemental Indenture; and

(3)The Debt Service Reserve Fund Requirement shall be increased consistent with this Indenture and Section 4.9 of the Loan Agreement.

Additional Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by the Trustee of the documents required by Section 2.04 hereof) of a City written certificate providing that that the requirements of Section 4.9 of the Loan Agreement have been met and complied with by the City.

Additionally, the City may issue other City Parity Indebtedness as authorized by a duly adopted resolution of the City in accordance with the provisions of Section 4.9 of the Loan Agreement. Such resolution of the City and the certificate of the City stating that the requirements of Section 4.9 of the Loan Agreement have been met shall be filed by the City with the Trustee within ten (10) days prior to the closing of such other City Parity Indebtedness.

**SECTION 2.06. 'Form of Bonds.**

The 'Bonds and the 'Trustee's certificate of 'authentication to be endorsed on the Bonds are all to be in substantially the 'following form, with necessary and appropriate variations, omissions and insertions as are permitted or required by this Indenture:

**[FORM OF BOND]**

**UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH**

**OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.**

**UNITED STATES OF AMERICA**
**STATE OF MISSISSIPPI**

**$_____**
**MISSISSIPPI DEVELOPMENT BANK**
**SPECIAL OBLIGATION BOND (JACKSON,**
**MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT), SERIES 2020**

**No. R-1** **$_____**

| Interest Rate | Maturity Date | Original Date | Date of Authentication | CUSIP |
|---|---|---|---|---|
| __% | ____ 1, 20__ | _____, 2020 | _____, 2020 | _____ |

**Registered Owner: CEDE & CO.**

**'Principal 'Amount: _____ DOLLARS**

Mississippi Development Bank, a body corpo 'rate and politic, exercising essential 'public functions ("**Bank**"), and organized under the laws of the 'State of Mississippi, for 'value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon 'surrender hereof, the 'principal 'amount stated above in lawful 'money of the 'United States of America but solely from the sources referred to herein and not otherwise, on the Maturity Date specified above, unless this Bond, as hereinafter defined, shall be redeemable and shall previously have been called for 'redemption and 'payment of the Redemption 'Price made or provided for, and to pay 'interest on such principal amount in like money, but solely from said sources, from the Interest Payment Date to which interest has been paid as of the date of 'authentication of this Bond (unless this Bond is authenticated on or before ____ 1, 20___, then from its original date of issuance, or unless this Bond is authenticated after the fifteenth day of the month preceding the next succeeding Interest Payment Date, then from such Interest Payment Date or unless payment of the interest on this Bond is in 'default, then from such date when interest has been paid in full) at the Interest Rate per annum stated above, payable on each ____ 1 and ____ 1 (each an "**Interest Payment Date**"), commencing ____ 1, 20___, until payment of such principal amount shall have been made upon redemption or at maturity. The principal of this Bond is payable at the principal corporate trust office of _____ Bank, as Trustee, in Jackson, Mississippi, or at the principal corporate trust office of any successor trustee appointed under the Indenture (as defined herein); and payments of interest hereon will be made to the Registered Owner hereof (whose 'name appears on the 'registration ' 'records kept by the Trustee at the close of business on the fifteenth day of the month prior to such Interest Payment Date, each a "**Record Date**") by check mailed on the Interest Payment Date by the Trustee to such Registered Owner at his address as it appears on the registration records of the Bank kept by the Trustee or at such other address as is furnished to the Trustee in writing by such Registered Owner. The Bank may provide for the payment of interest on Bonds to holders of $1,000,000 or more by wire 'transfer or electronic funds transfer or by such other method as is acceptable to the Trustee and the Bondholder upon written 'election of such Bondholder at least one Business Day prior to the applicable Record Date. Principal shall be payable at the principal corporate trust office of the Trustee upon 'presentation of the Bonds to be paid

This Bond and the other 'Bonds, and the 'interest payable hereon and thereon, are payable solely by the Bank from the Revenues (as defined herein) and other funds of the Bank pledged therefor under the Indenture, which Revenues and funds include the 'payments on the Note (as defined in the Indenture) purchased by the Bank and assigned to the Trustee. The Bank has no taxing power. This Bond and the other Bonds, both as to 'principal and interest, do not constitute a debt, 'liability or loan of the 'credit of the 'State or any political 'subdivision thereof, including the City (as defined herein), under the constitution or 'statutes of the State or a pledge of the faith and credit or the taxing power of the State or any political subdivision thereof, including the City. The issuance of the Bonds under

the provisions of the Bank Act (as defined herein) does not, directly, indirectly or contingently, obligate the State or any political subdivision thereof, including the City, to 'levy any 'form of 'taxation for the payment thereof or to make any appropriation for their payment and such Bonds do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution or the statutes of the State and do not now and shall never constitute a charge against the credit of the State or any political subdivision thereof or a charge against the taxing power of the State or any political subdivision thereof, including the City. Neither the State nor any agent, attorney, member or employee of the State or of the Bank shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No 'breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any agent, employee, attorney or member of the State or of the Bank, or any charge upon their general credit or upon the taxing power of the State. In the Bank Act, the State has pledged and agreed with the holders of any Bonds that the State will not limit or alter the 'rights hereby vested in the Bank to fulfill the terms of any 'agreements made with the said Bondholders or in any way impair the rights and 'remedies of such holders until such Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all 'costs and 'expenses in connection with any action or proceeding by or on behalf of such holders of Bonds, are fully met and discharged.

This Bond is one of an authorized issue of 'bonds of the Bank known as $_____ Mississippi Development Bank 'Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) (the "**Bonds**"), issued under and secured by an Indenture of Trust, dated _____, 2020 ("**Indenture**"), duly executed and delivered by the Bank to _____ Bank, Jackson, Mississippi, as Trustee ("**Trustee**"). The Bonds are limited in aggregate 'principal 'amount to _____ Million Dollars ($_____). The Bonds are issued pursuant to Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "**Bank Act**"), to provide funds for a loan to the City of Jackson, Mississippi (the "**City**"), secured by the Note and the Loan Agreement (as defined herein) and to pay 'costs of issuing the Bonds and the Note. The Note is the $_____ Promissory Note (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), dated _____, 2020 (the "**Note**"), of the City, issued pursuant to a loan agreement by and between the City and the Bank, dated _____, 2020 (the "**Loan Agreement**"). The Note will be paid from Special Sales Tax of the City, including, any other collateral required by the Bank, as secured and described in the Loan Agreement. The 'proceeds received by the City under the Loan Agreement will be used by the City to provide funds for providing projects as authorized under Sections 27-65-241 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**Municipal Sales Tax Act**"), including but not limited to providing funding for (a) constructing, improving and paving roads and streets; (b) repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; (c) paying the costs of water, sewer and drainage projects; and (d) for other authorized purposes under the Act, including funding a debt service reserve fund, if applicable, and paying the costs of issuance of the Bonds and the Note (together (a) through (d) constitute, the "**City Project**").

The 'Bonds are all equally and ratably secured by and entitled to the 'protection of the Indenture on a parity one with another and with any Refunding Bonds or Additional Bonds which may be issued pursuant to Section 2.05 of the Indenture and Section 4.9 of the Loan Agreement. To secure 'payment of 'principal of and 'interest on all the Bonds and performance of all other 'covenants of the Bank under the Indenture, the Bank, pursuant to the Indenture, has assigned and pledged to the Trustee, and has granted to the Trustee a security interest in, the Trust Estate (as defined in the Indenture), including all 'rights, title and interest of the Bank in and to all monies and 'securities from 'time to time received and held by the Trustee under the Indenture and all 'income from the deposit, investment and reinvestment thereof except any monies and securities held in the Rebate Fund established under the Indenture (all such 'money and funds and 'accounts referred to in the granting clauses of the Indenture are defined in the Indenture and are herein referred to as the "Revenues"). 'Reference is hereby made to the Indenture for a description of the rights, 'duties and obligations of the Bank, the Trustee and the 'owners of the Bonds, the 'terms and conditions upon which the Bonds are issued and the terms and conditions upon which the Bonds will be paid at or prior to their stated maturity, or will be deemed to be paid upon the making of provision for payment therefor. Copies of the Indenture are on file at the principal corporate trust office of the Trustee in Jackson, Mississippi.

This Bond is 'transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the 'principal corporate trust office of the Trustee, but only in the manner

and subject to the 'limitations prescribed in the Indenture and upon 'surrender and 'cancellation of this Bond. This Bond may be transferred without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer. Upon such transfer a new Bond or 'Bonds of the same maturity and of authorized denomination or denominations for the same aggregate principal 'amount will be issued to the transferee in exchange therefor.

The Bank and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving 'payment of or on account of 'principal hereof and the 'interest due hereon and for all other 'purposes and neither the Bank nor the Trustee shall be affected by any 'notice to the contrary.

The 'Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof. Subject to the 'limitations and upon 'payment of any 'taxes or governmental charges, Bonds may be exchanged for a like aggregate 'principal 'amount of Bonds of the same maturity of authorized denominations.

If the City directs the Bank to redeem Bonds pursuant to the City Bond Resolution, the Bank has agreed under the Indenture to accept redemption and redeem Bonds in the following instances:

The 'Bonds (or any portions thereof in integral multiples of $5,000 or any integral multiple thereof, maturing on or after __ 1, 20__, are subject to optional 'redemption, prior to their stated dates of maturity, in whole or in part, in 'principal amounts and maturities selected by the Bank on any date on or after ____ 1, 20__, at par, plus accrued 'interest to the date of redemption. Under the Indenture, 'selection of Bonds to be redeemed within a maturity will be made by lot by the Trustee.

In the event less than all of the 'Bonds are to be redeemed, the 'principal 'amount and maturity to be redeemed shall be selected by the Bank, and the Trustee, at its sole discretion, shall select the Bonds to be redeemed by lot within a selected maturity, provided that Bonds shall be redeemed only in whole multiples of $5,000 or any integral multiples thereof.

In the event any of the Bonds are called for 'redemption as aforesaid, 'notice thereof identifying the Bonds to be redeemed will be given by 'mailing a copy of the redemption notice by registered or certified mail not less than thirty (30) days nor more than forty-five (45) days prior to the date fixed for redemption to the Registered Owner of the Bond to be redeemed at the address shown on the 'registration 'records kept by the Trustee. Failure to give such notice by mailing, or any defect therein with respect to any Bond, shall not affect the 'validity of any 'proceedings for the redemption of other Bonds. All Bonds so called for redemption will cease to bear 'interest on the specified redemption date, shall no longer be protected by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture, provided funds for their redemption are on deposit at the place of 'payment prior to or on the redemption date.

The Bonds maturing on ___ 1, 20__ in the principal amount of $_____,000 are subject to mandatory sinking fund redemption, in part, prior to maturity, or redemption, in whole, as otherwise provided in the Indenture, on each ___ 1 in the principal amount for each year together with accrued interest to the date of redemption, as follows:

**$_____,000 Term Bonds**
**Maturing ___ 1, 20__**
**____%**

| Date | Principal Amount |
|---|---|
| 20__ | $__,000 |
| 20__ | __,000 |
| 20__ | __,000 |
| 20__ * | __,000 |

* Final Maturity.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the 'covenants therein, or to take any action with respect to any event

of 'default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the 'conditions, in the manner and with the 'effect set forth in the Indenture, the 'principal of all the 'Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with 'interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made to the extent permitted by, and in accordance with, the Indenture.

The Bank hereby certifies, recites and declares that all acts, 'conditions and things required by the constitution and 'statutes of the 'State, the Indenture, and resolutions of the Bank to exist, happen and be per 'formed prior to the issuance of this Bond do exist, have happened and have been performed in due 'time, form and manner as required by the Bank Act; that the issuance of the 'Bonds, together with all other obligations of the Bank, does not exceed or violate any constitutional or statutory limitation applicable to the Bank; and that the Revenues pledged to the 'payment of the 'principal of and 'interest on the Bonds, as the same become due, are designed to be sufficient in 'amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of 'authentication hereon shall have been signed by the Trustee.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture.

[Remainder of page intentionally left blank; signatures to follow.]

**IN WITNESS WHEREOF**, the Mississippi Development Bank has caused this Bond to be executed in its 'name and on its behalf by the facsimile or manual 'signature of its 'Executive Director and a facsimile or manual seal of its official seal to be hereunto impressed or imprinted hereon by any means and attested by the facsimile or manual signature of its Secretary.

(SEAL)

**MISSISSIPPI DEVELOPMENT BANK**

By_____
'Executive Director

ATTEST:

By_____
Secretary

**CERTIFICATE OF 'AUTHENTICATION**

This Bond is one of the 'Bonds issued and delivered pursuant to the provisions of the within mentioned Indenture.

_____ **BANK, as Trustee**

By_____
Authorized Signatory

Date of 'Authentication: _____, 2020

**VALIDATION CERTIFICATE**

**STATE OF MISSISSIPPI )**

) ss:
**COUNTY OF HINDS** )

The undersigned Secretary of the Mississippi Development Bank does hereby certify that the within Bond has been validated and confirmed by Decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, rendered on the ____ day of _____, 2020.

(SEAL)

_____
Secretary

**ASSIGNMENT**

FOR 'VALUE RECEIVED, the undersigned hereby sells, assigns and 'transfers unto

_____
(Please Insert 'Social Security or other Identifying Number of Assignee)

_____
(Please print or typewrite 'name and address of Assignee)

the within Bond and all 'rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney, to 'transfer the within Bond on the 'records kept for 'registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

| | |
|---|---|
| NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever. | NOTE: Signature(s) must be guaranteed by a member of a nationally recognized Medallion Signature Guaranty Program acceptable to the Trustee. |
| By_____<br>Authorized Officer | |

**[END OF BOND 'FORM]**

**SECTION 2.07. Book-Entry Only System.**

Notwithstanding any other provision of this Indenture to the contrary, the terms of this Section 2.07 shall be applicable to the Series 2020 Bonds except as allowed by Section 2.08 hereof. The Series 2020 Bonds shall be initially issued in the form of a separate single fully registered Series 2020 Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2020 Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.09 hereof, all of the Outstanding Series 2020 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

With respect to Series 2020 Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Bank and the Trustee shall have no responsibility or obligation to any participant for whom DTC is a security depository nominee ("**DTC Participants**") or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2020 Bonds. Without limiting the immediately preceding sentence, the Bank, the Underwriters and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2020 Bonds, (b) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown in the Bond Register, of any notice with respect to the Series 2020 Bonds, including any notice of redemption, or (c) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, the Series 2020 Bonds. Notwithstanding any other provision of this Indenture to the contrary, the Bank, the Trustee and each paying agent, if any, shall be entitled to treat and consider the person in whose name each Series 2020 Bonds is registered in the Bond Register as the absolute owner of such Series

2020 Bonds for the purpose of payment of principal, premium, if any, and interest with respect to such Series 2020 Bonds, for the purpose of giving notices of redemption and other matters with respect to such Series 2020 Bonds, for the purpose of registering transfers with respect to such Series 2020 Bonds, and for all other purposes whatsoever. The Trustee and each paying agent, if any, shall pay all principal of, premium, if any, and interest on the Series 2020 Bonds only to or upon the order of the respective Bondholders, as shown in the Bond Register as provided in this Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Bank's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2020 Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the Bond Register, shall receive a bond certificate evidencing the obligation of the Bank to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Indenture shall refer to such new nominees of DTC; and upon receipt of such a notice, the Trustee shall promptly deliver a copy of the same to each paying agent, if any.

**SECTION 2.08. Successor Securities Depository; Transfers Outside Book-Entry Only System.**

In the event that the Bank and the Trustee determine that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations or that it is in the best interest of the Beneficial Owners of the Series 2020 Bonds that they be able to obtain certificated Series 2020 Bonds, the Bank and the Trustee 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 2020 Bond certificates to such successor securities depository or (b) notify DTC and DTC Participants of the availability through DTC of Series 2020 Bond certificates and transfer one or more separate Series 2020 Bond certificates to DTC Participants having Series 2020 Bonds credited to their DTC accounts. In such event, the Series 2020 Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Series 2020 Bonds shall designate, in accordance with the provisions of this Indenture.

**SECTION 2.09. Payments and Notices to Cede & Co.**

Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Series 2020 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 2020 Bonds and all notices with respect to such Series 2020 Bonds shall be made and given, respectively, in the manner provided in DTC's Blanket Letter of Representations. The Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Indenture that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants.

**ARTICLE III.**

**GENERAL TERMS AND PROVISIONS OF 'BONDS**

**SECTION 3.01. Medium, 'Form and Place of Payment.**

The 'Bonds shall be payable, with respect to 'interest, 'principal and 'Redemption 'Price, in any coin or currency of the 'United States of America which at the 'time of 'payment is legal 'tender for the payment of 'public and 'private debts. Interest shall be payable by check mailed on the Interest Payment Date to the Registered 'Owners as of the 'Record Date. The Bank may provide for the payment of interest on Bonds to holders of $1,000,000 or more by wire 'transfer or electronic funds transfer or by such other method as is acceptable to the Trustee and the Bondholder upon written 'election of such Bondholder at least one Business Day prior to the applicable Record Date. Principal shall be payable at the principal corporate trust office of the Trustee upon 'presentation of the Bonds to be paid.

**SECTION 3.02. Legends.**

The 'Bonds may contain or have endorsed thereon such provisions, 'specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, as determined by the Bank prior to the 'delivery thereof.

**SECTION 3.03. Execution.**

The 'Bonds shall be executed on behalf of the Bank with the manual or facsimile 'signature of its 'Executive Director, President or Vice President and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Bank, which seal shall be attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Bank. In case any officer of the Bank whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the 'delivery of such Bonds, such signature or facsimile signature shall nevertheless be valid and sufficient for all 'purposes, the same as if such officer had remained in office until delivery. Any Bond may be executed and attested on behalf of the Bank by such officer as at the 'time of the 'execution of such Bonds shall be duly authorized or hold the proper office of the Bank although at the date borne by the Bonds or at the date of delivery of the Bonds such officer may not have been so authorized or have held such office.

**SECTION 3.04. Authentication.**

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of 'authentication on such Bond substantially in the 'following form shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive 'evidence that such Bond has been authenticated and delivered under this Indenture:

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the 'Bonds issued and delivered pursuant to the provisions of the within mentioned Indenture.

_____ **BANK, as Trustee**

By_____
Authorized Signatory

The 'Trustee's certificate of 'authentication on any Bond shall be deemed to have been executed by it if signed by an authorized representative or signatory of the Trustee, but it shall not be necessary that the same representative or signatory sign the certificate of authentication on all of the Bonds. The 'signature of the authorized representative or signatory of the Trustee shall be manual.

**SECTION 3.05. Mutilated, Lost, Stolen or Destroyed Bonds.**

If any Bond is mutilated, lost, stolen or destroyed, the Bank shall execute and the Trustee shall authenticate a new Bond or 'Bonds of the same maturity and denomination, as that mutilated, lost, stolen or destroyed; provided that in the case of any mutilated Bond, such Bond shall first be 'surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee 'evidence of such loss, 'theft or destruction satisfactory to the Trustee, together with security and/or 'indemnity satisfactory to it. In the event any such Bond shall have matured or been called for 'redemption, instead of issuing and authenticating a duplicate Bond, the Trustee may pay the same without surrender thereof; provided, however, that in the case of a lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee together with security and/or indemnity satisfactory to it, before any 'payment may be made. The Trustee may charge the owner of such Bond its reasonable 'fees and 'expenses in connection with replacing any Bonds mutilated, lost, stolen or destroyed. Any Bond issued pursuant to this Section 3.05 shall be deemed part of the original series of the Bonds in respect of which it was issued and a contractual obligation of the Bank replacing the obligation evidenced by such mutilated, lost, stolen or destroyed Bond.

**SECTION 3.06. 'Registration, 'Transfer and Exchange of 'Bonds; Persons Treated as Owners.**

The Bank shall cause the Bond Register to be kept by the Trustee at its 'principal corporate trust office, and the Trustee is hereby constituted and appointed the bond registrar of the Bank. At reasonable times and under reasonable regulations established by the Trustee, said Bond Register may be inspected by the Bank or by owners (or a designated representative thereof) of five percent (5%) or more in aggregate principal 'amount of the 'Bonds then Outstanding.

Upon 'surrender for 'transfer of any Bond at the 'principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in 'form satisfactory to the Trustee and duly executed by the registered owner or his attorney duly authorized in writing, the Bank shall execute and the Trustee shall authenticate and deliver in the 'name of the transferee or transferees a new Bond or 'Bonds of the same maturity for a like aggregate principal amount. The Bonds may be transferred or exchanged without cost to the Bondholders except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The 'execution by the Bank of any Bond of any denomination shall constitute full and due 'authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required (a) to register, 'transfer or exchange any Bond during a period of fifteen (15) days next preceding mailing of a 'notice of 'redemption of any 'Bonds, or (b) to register, transfer or exchange any Bonds selected, called or being called for redemption prior to their stated maturity in whole or in part after mailing notice of such call has been made.

The person in whose 'name a registered Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all 'purposes, and 'payment of 'principal and 'interest thereon, shall be made only to or upon the 'order of the registered owner thereof or his legal representative, but such 'registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and 'discharge the 'liability upon such Bond to the extent of the sum or sums so paid.

All 'Bonds delivered upon any 'transfer or exchange shall be valid obligations of the Bank, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and 'benefits hereof to the same extent as the Bond surrendered.

**SECTION 3.07. Destruction of Bonds.**

Whenever any Outstanding Bond shall be delivered to the Trustee for 'cancellation pursuant to this Indenture or upon 'payment of the 'principal 'amount or 'interest represented thereby or for replacement pursuant to Section 3.05 hereof, such Bond shall be canceled and destroyed by the Trustee and a counterpart of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Bank.

**SECTION 3.08. Nonpresentment of Bonds.**

In the event any Bond shall not be presented for 'payment when the 'principal thereof comes due, either at maturity, or at the date fixed for 'redemption thereof, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the owner thereof, all 'liability of the Bank to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the 'duty of the Trustee to hold such funds for four (4) years, for the benefit of the owner of such Bond, without liability for 'interest thereon to such owner, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond.

Any money so deposited with and held by the Trustee not so applied to the payment of Bonds within four (4) years after the date on which the same shall become due shall be repaid by the Trustee to the Bank and thereafter the Bondholders shall be entitled to look only to the Bank for payment, and then only to the extent of the amount so repaid, and the Bank shall not be liable for any interest thereon to the Bondholders and shall not be regarded as a trustee of such money.

**SECTION 3.09. Other Obligations Payable from Revenues.**

The Bank shall grant no 'liens or encumbrances on or security interests in the Trust Estate (other than those created by this Indenture), and, except for Refunding Bonds and Additional Bonds issued pursuant to Section 2.05 of this Indenture, shall issue no bonds or other evidences of 'indebtedness payable from the Trust Estate. Notwithstanding the foregoing, the City may issue City Parity Indebtedness pursuant to, and in accordance with, Section 4.9 of the Loan Agreement.

**SECTION 3.10. Temporary Bonds.**

Until the definitive 'Bonds are ready for 'delivery, the Bank may execute, in the same manner as is provided in Section 3.03, and, upon the request of the Bank, the Trustee shall authenticate and deliver, one or more temporary Bonds, which shall be fully registered ("Temporary Bonds"). Such Temporary Bonds shall be subject to the same provisions, 'limitations and 'conditions as the definitive Bonds and shall be substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in the denominations of $100,000 and integral multiples of $5,000 in excess thereof as authorized by the Bank, and with such omissions, insertions and variations as may be appropriate to Temporary Bonds. The Bank at its own expense shall prepare and execute and, upon the 'surrender of such Temporary Bonds shall deliver in exchange therefor definitive Bonds, of the same aggregate 'principal 'amount and maturity as the Temporary Bonds surrendered. Until so exchanged, the Temporary Bonds shall in all respects be entitled to the same 'benefits and security as definitive Bonds issued pursuant to this Indenture.

If the Bank shall authorize the issuance of Temporary Bonds in more than one denomination, the owner of any temporary Bond or Bonds may, at his option, 'surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate 'principal 'amount and maturity of any other authorized denomination or denominations, and thereupon the Bank shall execute and the Trustee, in exchange for the temporary Bond or Bonds so surrendered and upon 'payment of the 'taxes and charges provided for in Section 3.06, shall authenticate and deliver a temporary Bond or Bonds of like aggregate principal amount and maturity in such other authorized denomination or denominations as shall be requested by such owner. All Temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

**SECTION 3.11. 'Limitations on Obligations of Bank.**

The 'Bonds, together with 'interest thereon, shall be limited obligations of the Bank but payable solely from Revenues and shall be a valid claim of the respective 'owners thereof only against the Funds and 'Accounts, other than the Rebate Fund and any Accounts created thereunder, established hereunder and the Note acquired by the Trustee, all of which are hereby assigned and pledged hereunder for the equal and ratable 'payment of the Bonds and shall be used for no other purpose than the payment of the Bonds, except as may be otherwise expressly authorized in this Indenture. The Bonds do not constitute a debt or 'liability of the 'State or of any political 'subdivision thereof under the constitution of the State or a pledge of the faith and 'credit of the State or any political subdivision thereof, including the City, but shall be payable solely from the Revenues and funds pledged therefor in accordance with this Indenture. The issuance of the Bonds under the provisions of the Bank Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof, including the City, to 'levy any 'form of 'taxation for the payment thereof or to make any appropriation for their payment and such Bonds and the interest payable thereon do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the 'statutes of the State and do not now and shall never constitute a charge against the credit or taxing power of the State or any political subdivision thereof, including the City. Neither the State nor any agent, attorney, member or employee of the State or of the Bank, shall in any event be liable for the payment of the 'principal of, and premium, if any, or interest on the Bonds or 'damages, if any, for the nonperformance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No 'breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the 'State's or the 'Bank's 'agents, members, 'attorneys, and 'employees or any charge upon the general credit of the State or a charge against the taxing power of the State or any political subdivision thereof, including the City. In the Bank Act, the State has pledged to and agreed with the holders of any Series 2020 Bonds that the State will not limit or alter the 'rights hereby vested in the Bank to fulfill the terms of any 'agreements made with the said Bondholders or in any way impair the rights and 'remedies of such holders until such Series 2020 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all 'costs and 'expenses in connection with any action or proceeding by or on behalf of such holders of Series 2020 Bonds are fully met and discharged.

**SECTION 3.12. 'Immunity of 'Officers and Directors.**

No recourse shall be had for the 'payment of the 'Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, member, director, agent or employee of the Bank or any officer, member, director, trustee, agent or employee of any successor entities thereto, as such, either directly or through the Bank or any successor entities, under any rule of law or equity, statute or constitution or by the 'enforcement of any 'assessment or penalty or otherwise, and all such 'liability of any such 'officers, members,

directors, 'trustees, 'agents, or 'employees as such, is hereby expressly waived and released as a condition of and 'consideration for the 'execution of this Indenture and issuance of such Bonds.

**ARTICLE IV. '**

**REDEMPTION OF 'BONDS PRIOR TO MATURITY**

**SECTION 4.01. Privilege of 'Redemption and Redemption Prices.**

If the City directs the Bank to redeem the Series 2020 Bonds pursuant to the City Bond Resolution, the Bank agrees to accept redemption and redeem the Series 2020 Bonds in the following instances:

(a) **Optional Redemption**. The Series 2020 'Bonds (or any portions thereof in integral multiples of $5,000 or any integral multiple thereof maturing on or after ___ 1, 20__ are subject to 'redemption, prior to their stated dates of maturity, in whole or in part, in 'principal amounts and maturities selected by the Bank on any date on or after ___ 1, 20__, at par, plus accrued interest to the date of redemption.

(b) **Mandatory Sinking Fund Redemption**. The Series 2020 Bonds maturing on __ 1, 20__ in the principal amount of $____,000 are subject to mandatory sinking fund redemption, in part, prior to maturity, or redemption, in whole, as otherwise provided in the Indenture, on each __ 1 in the principal amount for each year together with accrued interest to the date of redemption, as follows:

**$____,000 Term Bonds**
**Maturing ___ 1, 20__, ____%**

| Date | Principal Amount |
|---|---|
| 20__ | $___,000 |
| 20__ | ___,000 |
| 20__ | ___,000 |
| 20__* | ___,000 |

* Final Maturity.

**SECTION 4.02. Redemption at the 'Election or Direction of the Bank.**

In the case of any 'redemption of 'Bonds, the Bank shall give written 'notice to the Trustee of its 'election or direction so to redeem, of the redemption date, of the 'principal 'amounts of the Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the Bank in its sole discretion, subject to any 'limitations with respect thereto contained in the Bank Act and this Indenture) and of the monies to be applied to the 'payment of the Redemption 'Price. Such notice shall be given at least thirty (30) but no more than forty-five (45) days prior to the redemption date. On or prior to the redemption date, the Bank shall pay to the Trustee an amount in cash which, in addition to other monies, if any, available therefor held by such Trustee, will be sufficient to redeem, on the redemption date at the Redemption Price thereof, together with 'interest accrued to the redemption date, all of the Bonds to be redeemed.

**SECTION 4.03. 'Selection of 'Bonds to be Redeemed.**

If less than all of the 'Bonds are to be redeemed, the Bonds shall be redeemed only in whole multiples of $5,000 or any integral multiple thereof. For 'purposes of 'redemption, each $5,000 of 'principal shall be considered as a Bond. If less than all of the Bonds shall be called for redemption, the principal 'amount and maturity of the particular Bonds to be redeemed shall be selected by the Bank and the Trustee shall select the particular Bonds to be redeemed by lot within a maturity in such manner as the Trustee may determine.

**SECTION 4.04. 'Redemption Payments.**

If funds shall be deposited with the Trustee on or before the redemption date in an 'amount sufficient to pay the Redemption 'Price of the 'Bonds or portions thereof called, including accrued 'interest thereon to the redemption date, the Trustee is hereby authorized and directed to apply such funds to the 'payment of such Bonds. If proper notice of redemption by mailing has been given as provided

in Section 4.05 and sufficient funds for redemption shall be on deposit with the Trustee as aforesaid, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Trustee upon any Bond or portion thereof called for redemption until such Bond or portion thereof shall have been delivered for payment or 'cancellation or the Trustee shall have received the items required by Section 3.05 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

**SECTION 4.05. 'Notice of Redemption.**

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

**SECTION 4.06. Cancellation.**

All 'Bonds which have been redeemed shall not be reissued but shall be canceled and destroyed by the Trustee in accordance with Section 3.07 hereof.

**ARTICLE V.**

**GENERAL 'COVENANTS**

**SECTION 5.01. Payments of 'Principal and Interest.**

The Bank 'covenants and agrees that it will promptly pay the 'principal of and 'interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said 'Bonds according to the true 'intent and meaning thereof, provided that the principal and interest are payable by the Bank solely from Revenues and any other funds or 'assets of the Bank hereinafter pledged to the Trustee as security by the Bank to the extent of that pledge.

**SECTION 5.02. Performance of 'Covenants by the Bank.**

The Bank 'covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, if any, and every Bond executed, authenticated and delivered hereunder and in all of its 'proceedings pertaining thereto. The Bank covenants and agrees that it is duly authorized under the constitution and laws of the 'State, including particularly the Act, to issue the 'Bonds authorized hereby and to execute this Indenture and to pledge the Revenues and all other 'property hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the 'execution and delivery of this Indenture and the Loan Agreement have been duly and effectively taken, and that the Bonds in the hands of the 'owners thereof are and will be valid and enforceable limited obligations of the Bank according to the terms thereof and hereof.

**SECTION 5.03. Instruments of Further Assurance.**

The Bank 'covenants and agrees that the Trustee may defend its 'rights to the 'payment of the Revenues for the benefit of the 'owners of the 'Bonds against the 'claims and demands of all persons whomsoever. The Bank covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and 'transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Trustee all and singular the rights assigned hereby and the amounts and other 'property pledged hereby to the payment of the 'principal of and 'interest on the Bonds.

**SECTION 5.04. 'Covenants Concerning Program.**

(a) In 'order to provide for the 'payment of the 'principal, premium, if any, and 'interest on the 'Bonds and Program 'Expenses, the Bank shall from 'time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Bank Act, the provisions of this Indenture and sound 'banking practices and principles, to the extent necessary to provide for the payment of the Bonds (1) do all such acts and things as shall be necessary to receive and collect Revenues (including 'enforcement of the prompt 'collection of all arrears on Note), and (2) diligently enforce, and take all steps, 'actions and proceedings reasonably necessary in the 'judgment of the Bank to protect its 'rights with respect to or to maintain any 'insurance on the Bonds, the Note and

the Loan Agreement and to enforce all terms, 'covenants and 'conditions of the Note and Loan Agreement including the collection, 'custody and prompt application of all payments and 'deposits required by the terms of the Note and the Loan Agreement for the 'purposes for which they were made.

(b) Whenever necessary in 'order to provide for the 'payment of debt 'service on the 'Bonds, the Bank shall commence or direct the Trustee to commence appropriate 'remedies with respect to the Note and Loan Agreement which are in default.

**SECTION 5.05. 'Possession and 'Inspection of Note and Loan Agreement.**

The Trustee 'covenants and agrees to retain or cause its agent to retain 'possession of the Note and the Loan Agreement and a copy of the transcript or documents related thereto and 'release them only in accordance with the provisions of this Indenture. The Bank and the Trustee covenant and agree that all 'records and documents in their possession relating to the Note and the Loan Agreement shall at all 'times be open to 'inspection by such 'accountants or other 'agencies or persons as the Bank or the Trustee may from time to time designate or approve.

**SECTION 5.06. 'Accounts and Reports.**

The Bank 'covenants and agrees to keep proper 'records and 'accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Program, the Note and the Funds and Accounts established by this Indenture. Such records, and all other records and papers of the Bank, and such Funds and Accounts shall at all reasonable times be subject to the 'inspection of the Trustee and the owners of an aggregate of not less than five percent (5%) in 'principal 'amount of the 'Bonds then Outstanding or their representatives duly authorized in writing.

The Trustee 'covenants and agrees to provide to the Bank, if requested by the Bank, prior to the twentieth (20th) day of the month following the end of each six-month period, commencing with the period ending _____, 20__, a statement of the 'amount on deposit in each Fund and Account as of the first day of that month and of the total 'deposits to and withdrawals from each Fund and Account during the preceding six (6) month or applicable period.

The 'reports, statements and other documents (other than Bondholder lists) required to be furnished to or by the Trustee pursuant to any provision of this Indenture shall be provided to the owners of an aggregate of not less than five percent (5%) in 'principal 'amount of the 'Bonds then Outstanding who file or have filed a written request therefor with the Trustee with any such 'costs of such documents to be paid by such owners.

**SECTION 5.07. Bank 'Covenants with Respect to Note and Loan Agreement.**

(a) The Bank 'covenants and agrees that it will not permit or agree to any material change in the Note or the Loan Agreement.

(b) The Bank 'covenants and agrees that it will enforce or authorize the 'enforcement of all 'remedies available to 'owners or holders of the Note and the Loan Agreement; provided, however, that 'decision as to the enforcement of remedies shall be within the sole discretion of the Trustee.

(c) The Bank 'covenants and agrees that it will not sell or dispose of the Note.

**SECTION 5.08. 'Monitoring Investment.**

The Bank 'covenants and agrees to regularly 'review the 'investments held by the Trustee in the Funds and 'Accounts for the purpose of assuring that the Revenues derived from such investments are sufficient to provide, with other anticipated Revenues, the debt 'service on Outstanding Bonds.

**SECTION 5.09. Agreement Withholding City Monies to Satisfy Delinquent Payments.**

As provided for in the Bank Act, the City and the Bank have entered into and the Trustee has accepted the Tax Intercept Agreement whereby the City has covenanted, agreed and authorized the Mississippi Department of Revenue or any other State 'agency, department or commission to (a) withhold all or any part of any monies which the City is entitled to receive from 'time to time pursuant to any law and which is in 'possession of the Mississippi Department of Revenue or any other State agency, department or commission (the "**Tax Monies**") and (b) pay same over to the

Trustee to satisfy any delinquent 'payment (the "**Delinquent Payment**") with respect to either a Monthly Debt Service Payment or a payment under Section 4.2 and 4.4(e) of the Loan Agreement.

If on the fifteenth (15th ) day of ____ and ____ of each year, beginning ____ 15, 20__, the Trustee has not received sufficient Special Sales Tax Revenues pursuant to Section 5.3(a) of the Loan Agreement to timely make a Monthly Debt Service Payment (as defined in the Loan Agreement) or to make the payments then due under Sections 4.2 and/or 4.4(e) of the Loan Agreement, the Bank has authorized and directed the Trustee under the Tax Intercept Agreement to file the Tax Intercept Agreement and a statement of 'deficiency setting forth the 'amount of any Delinquent Payment with the Mississippi Department of Revenue or any other State agency, department or commission, thereby directing the Mississippi Department of Revenue or any other State agency, department or commission to pay any Tax Monies directly to the Trustee on behalf of the Bank to satisfy any Delinquent Payment, all as permitted under the Bank Act. The Trustee is hereby directed to pay any Tax Monies into the General Account of the General Fund to be applied in accordance with Section 6.05 hereof.

**SECTION 5.10. Covenants Concerning Preservation of Tax Exemption.**

The Bank hereby 'covenants and agrees to take all qualifying 'actions and to not fail to take any qualifying actions which are necessary in 'order to protect and preserve the exclusion from 'gross 'income for 'federal income tax 'purposes of the 'interest on the 'Bonds. For this purpose, the Bank shall approve and deliver to the Trustee a certificate concerning the provisions of the Code necessary to protect and preserve such exclusion. Such certificate may only be amended from 'time to time upon the receipt by the Trustee of the Opinions of Co-Bond 'Counsel to the 'effect that compliance by the Bank with such certificate will not adversely affect the exclusion of interest on the Bonds from gross income of the holders thereof for federal income tax purposes.

**ARTICLE VI.**

**REVENUES AND FUNDS**

**SECTION 6.01. Source of 'Payment of Bonds.**

The 'Bonds and all payments by the Bank hereunder are limited obligations of the Bank payable solely out of the Trust E 'state as authorized by the constitution and 'statutes of the State, including particularly the Bank Act and this Indenture, as provided herein.

**SECTION 6.02. 'Creation of Funds.**

There are hereby created by the Bank and ordered established the following funds to be held by the Trustee: (a) the General Fund; (b) the Rebate Fund; and (c) the Debt Service Reserve Fund. There is hereby created and established in the General Fund a "General Account," a "Bond Issuance Expense Account," a "Redemption Account," and a "Loan Account." Upon the written request of the Bank, the Trustee shall establish and maintain hereunder such additional Funds, 'Accounts or subaccounts as the Bank may specify from 'time to time to the extent that in the 'judgment of the Trustee the 'establishment of such Fund or Account is not to the material prejudice of the Trustee or the Bondholders.

**SECTION 6.03. Deposit of Net 'Proceeds of Bonds.**

(a) The Trustee shall deposit the 'proceeds from the 'sale of the Series 2020 'Bonds in the manner provided in Section 2.02 hereof.

(b) The Trustee shall deposit the 'proceeds of any Refunding Bonds or Additional Bonds in the manner provided in the Supplemental Indenture authorizing the issuance thereof.

**SECTION 6.04. Deposit of Revenues and Other Receipts.**

Upon receipt of any Revenues or other receipts (except the 'proceeds of the 'Bonds and monies received upon 'sale or prepayment prior to maturity of the Note), the Trustee shall deposit such amounts into the General Account.

**SECTION 6.05. Operation of General Account.**

The Trustee shall deposit in the General Account of the General Fund all monies and funds required to be deposited therein pursuant to the provisions of this Article VI.

The Trustee shall invest such funds in the General Account in accordance with Article VIII hereof and shall make the following payments from the General Account on the specified dates and, if there are not sufficient funds to make all the payments required, with the following 'order of 'priority:

(a) On or before each 'Interest 'Payment Date, to the Trustee such 'amount as shall be necessary to pay the 'principal and interest coming due on the 'Bonds on such Interest Payment Date;

(b) As soon as funds become available, to the Debt Service Reserve Fund such sufficient amount to assure that there is on deposit therein the Debt Service Reserve Fund Requirement;

(c) At such times as shall be necessary, to pay Program 'Expenses; and

(d) On or before thirty (30) days after each anniversary of the issuance of the Series 2020 Bonds, the amounts, if any, to be transferred to the Rebate Fund.

After making such 'deposits in subsections (a) through (d) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the 'form of Note Payments in the succeeding twelve (12) months and shall transfer all moneys in the General Account, which, together with such expected receipts for the succeeding twelve (12) months are in excess of the amounts needed to pay principal and interest on the Series 2020 Bonds within the immediately succeeding twelve month period, to the City at the written request of the City.

**SECTION 6.06. Operation of the 'Redemption Account.**

The Trustee shall deposit in the 'Redemption Account all monies received upon the prepayment prior to maturity of the Note and all other monies required to be deposited therein pursuant to the provisions of Article VI hereof, shall invest such funds pursuant to Article VIII hereof and shall disburse the funds held in the Redemption Account to redeem 'Bonds. Such redemption shall be made pursuant to a redemption under the provisions of Article IV hereof. The Trustee shall pay the 'interest accrued on the Bonds so redeemed to the date of redemption from the General Account and the Redemption 'Price from the Redemption Account.

**SECTION 6.07. Operation of the Loan Account.**

The Trustee shall deposit in the Loan Account all monies required to be deposited therein pursuant to the provisions of Section 2.02 and Article VI hereof, shall invest such funds pursuant to Article VIII hereof, and shall disburse the funds held in the Loan Account to provide a loan to the City under the terms and provisions of the Loan Agreement said loan being secured by the Note all in accordance with the procedures established by the Bank as set forth in Article VII hereof upon the submission of requisitions of the Bank signed by an Authorized Officer stating that all 'requirements with respect to such loan set forth in the Indenture have been or will be complied with.

**SECTION 6.08. Operation of Bond Issuance Expense Account.**

The Trustee shall deposit in the Bond Issuance Expense Account the monies required to be deposited therein pursuant to Section 2.02 of this Indenture, shall invest such funds pursuant to Article VIII hereof and shall disburse the funds held in the Bond Issuance Expense Account as follows:

(a) Upon receipt of acceptable invoices and the written 'authorization of an authorized representative of the City and an Authorized Officer of the Bank, to pay the 'Costs of Issuance of the City Project or to reimburse the Bank for amounts previously advanced for such costs; and

(b) On the date which is sixty (60) days after the date of issuance of the 'Bonds, any funds remaining in the Bond Issuance Expense Account shall be transferred to the General Account of the General Fund.

**SECTION 6.09. Operation of the Debt Service Reserve Fund.**

(a) The Trustee shall deposit in the Debt Service Reserve Fund all moneys required to be deposited therein pursuant to Section 2.02 and Article VI hereof, shall invest such funds pursuant to Article VIII hereof, and, except as provided in this Section 6.09, shall disburse the funds held in the Debt Service Reserve Fund solely to the General Account for the payment of interest on and principal of the Bonds and only in the event that moneys in the General Account are insufficient to pay principal of and interest on the Bonds after making all the transfers thereto required to be made under Section 6.06 (from the Redemption Account). In the event that moneys are withdrawn from the Debt Service Reserve Fund, the Bank shall restore such Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Requirement; provided, however, that any obligation of the Bank to restore

any deficiency in Debt Service Reserve Fund to the Debt Service Reserve Requirement shall be a limited obligation of the Bank payable solely from Revenues as provided in Section 3.11 of this Indenture. Pursuant to Section 10.01(j) of this Indenture, failure by the City to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement within 360 days after the end of the Fiscal Year during which a deficiency occurs is an Event of Default.

(b) Any amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement shall be transferred to the General Account; provided, however, such amounts in excess of the Debt Service Reserve Requirement shall be paid to the City at the request of the City with the prior written approval of the Bank.

(c) The City may, at any time, provide the Trustee with a Reserve Fund Credit Facility to be substituted for all or a portion of the amount of money and investments in the Debt Service Reserve Fund equal to the amount available for drawing under such Reserve Fund Credit Facility; provided that such right of substitution shall be subject to the following conditions:

(i) The Trustee shall receive an opinion of counsel acceptable to the Trustee, in form and substance satisfactory to the Trustee, addressed to the Trustee, the Bank and the City as to the due authorization, execution, delivery and enforceability of the Reserve Fund Credit Facility in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of the Reserve Fund Credit Facility is not a domestic entity, an opinion of foreign counsel to the same effect in form and substance satisfactory to the Trustee; and

(ii) The Trustee, the Bank and the City shall receive an opinion of nationally recognized counsel, in form and substance satisfactory to each of them, to the effect that substitution of such Reserve Fund Credit Facility and the proposed application to the amounts in the Debt Service Reserve Fund will not cause the interest of the Bonds to become includable in gross income for federal income taxation purposes; and

(iii) The obligation of the Bank to reimburse the issuer of the Reserve Fund Credit Facility for any fees or expenses or claims or drawings under such Reserve Fund Credit Facility shall be subordinate to the payment of debt service on the Bonds under this Indenture; and

(iv) The Reserve Fund Credit Facility must provide for a revolving feature under which the amount available for drawing thereunder will be reinstated to the extent of any reimbursement of drawings or claims paid; and

(v) The value of the assets (including the amount available for drawing under the Reserve Fund Credit Facility) held in the Debt Service Reserve Fund must equal the Debt Service Reserve Requirement immediately upon such substitution; and

(vi) The approval of the Rating Agency.

If there shall be an insufficiency of funds in the General Account of the General Fund to make any required payment of principal of or interest on any corresponding Bonds and the Trustee is holding a Reserve Fund Credit Facility in lieu of funds in the Debt Service Reserve Fund, the Trustee shall make a drawing under the Reserve Fund Credit Facility in an amount equal to the lesser of (a) the amount then available for drawing under the Reserve Fund Credit Facility or (b) the amount necessary to make up the insufficiency described above, which drawing shall be made in time to prevent the occurrence of an Event of Default under this Indenture; and the proceeds of such drawing shall be deposited into the Debt Service Reserve Fund for application as provided in this Indenture.

On the fifth (5th) Business Day prior to the expiration of any Reserve Fund Credit Facility, the Trustee shall make a drawing of the full amount available thereunder, and shall deposit the proceeds of such drawing into the Debt Service Reserve Fund; provided, however, that the Trustee shall not make a drawing if, not later than the fifth (5th) Business Day prior to the expiration of such Reserve Fund Credit Facility, a substitute Reserve Fund Credit Facility or money or Investment Securities or both money and Investment Securities equal to the Debt Service Reserve Requirement have been delivered to the Trustee for deposit in the Debt Service Reserve Fund.

If the Trustee receives notice that (a) the revolving reinstatement feature described above has been suspended or terminated, (b) the rating of the issuer of the Reserve Fund Credit Facility has fallen below "A" by S&P, (c) the issuer of the Reserve Fund Credit Facility has defaulted in its payment obligations thereunder, or (d) the Reserve Fund Credit Facility will not be extended or renewed, the

Trustee shall immediately notify the City in writing, of the occurrence of such event and shall request that the City make or cause to be made the payments required to replenish the Debt Service Reserve Fund pursuant to this Indenture and the Bond Resolution, which payments may be made from the proceeds of a drawing under the Reserve Fund Credit Facility.

**SECTION 6.10. Operation of the Rebate Fund.**

(a) The Trustee is authorized to establish and maintain, so long as any Series 2020 'Bonds are Outstanding and are subject to a requirement that arbitrage profits be rebated to the st2:country-region 'United States of America/st2:country-region, a separate fund to be known as the "Rebate Fund." The Trustee shall make information regarding the Series 2020 Bonds and 'investments hereunder available to the Bank and shall make 'deposits and disbursements from the Rebate Fund in accordance with the Arbitrage Rebate Agreement received from the Bank pursuant to Sections 5.10 and 8.02 hereof, shall invest funds in the Rebate Fund as directed by the Bank and shall deposit 'income from such investments immediately upon receipt thereof in the Rebate Fund. Anything in this Indenture to the contrary notwithstanding, the provision of this Section may be superseded or amended by an amended Arbitrage Rebate Agreement delivered by the Bank and accompanied by the Opinions of Co-Bond 'Counsel addressed to the Trustee to the 'effect that the 'use of the amended Arbitrage Rebate Agreement will not adversely affect the exclusion from 'gross income for 'federal income tax 'purposes of the 'interest on the Series 2020 Bonds.

(b) If a deposit to the Rebate Fund is required as a result of the computations made by the City pursuant to the Arbitrage Rebate Agreement, the Trustee shall upon receipt of direction from the City accept such 'payment for the benefit of the Bank and make ' 'transfers of monies from the General Account to the Rebate Fund to comply with such direction. If 'amounts in excess of that required to be rebated to the st2:country-region 'United States of America/st2:country-region accumulate in the Rebate Fund, the Trustee shall upon direction from the Bank transfer such amount to the General Account. 'Records of the determinations required by this Section and the investment 'instructions must be retained by the Trustee until six (6) years after the Series 2020 'Bonds are no longer Outstanding.

(c) Not later than sixty (60) days after ___ 1, 20__, and every five (5) years thereafter, the Trustee shall pay to the 'United States of America ninety percent (90%) of the 'amount required to be on deposit in the Rebate Fund as of such 'payment date as required by the Arbitrage Rebate Agreement. Not later than sixty (60) days after the final 'retirement of the Series 2020 'Bonds, the Trustee shall pay to the United States of America the amount required to be paid under the Arbitrage Rebate Agreement. Each payment required to be paid to the st2:country-regionUnited States of America/st2:country-region pursuant to this Section shall be filed with the 'Internal Revenue Service Center, Ogden, Utah 84201. Each payment shall be accompanied by a copy of the 'Form 8038-G originally filed with respect to the Series 2020 Bonds, if any, and a statement of the Bank summarizing the determination of the amount to be paid to the st2:country-regionUnited States of America/st2:country-region.

(d) All payments under this Section 6.10 and the Arbitrage Rebate Agreement shall be paid in accordance with the terms and provisions of the Arbitrage Rebate Agreement.

**SECTION 6.11. Monies to be Held in Trust.**

All monies required to be deposited with or paid to the Trustee for the account of any Fund or Account established under any provision of this Indenture shall be held by the Trustee in trust and applied in accordance with the provisions of this Indenture, except for monies held pursuant to the Rebate Fund and any 'Accounts created thereunder and except for monies deposited with or paid to the Trustee for the 'redemption of 'Bonds, 'notice of the redemption of which has been duly given, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the security 'interest created hereby and shall not be subject to any 'lien or 'attachment by any creditor of the Bank.

**SECTION 6.12. Amounts Remaining in Funds or Accounts.**

Any amounts remaining in any Fund or Account of the 'Bonds after full 'payment of the Bonds and the 'fees, charges (including any required rebate to the 'United 'States of America) and 'expenses of the Trustee (and all other amounts due and owing hereunder) shall be distributed to the City, except

as provided in Section 3.08 hereof and except for any monies owing to the Bank which will be paid to the Bank.

**SECTION 6.13. Certain Verifications.**

The Bank and/or the Trustee from 'time to time may cause a firm of independent certified 'public 'accountants of national 'standing or other nationally recognized 'experts to supply the Bank and the Trustee with such information as the Bank or the Trustee may request in 'order to determine in a manner reasonably satisfactory to the Bank and the Trustee all matters relating to (a) the 'sufficiency of projected cash flow receipts and disbursements with respect to the Funds and 'Accounts to pay the 'principal of and 'interest on the 'Bonds and Program 'Expenses; (b) the actuarial yields on the Outstanding Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Code; (c) the yields on any obligations acquired and held by the Bank and/or the Trustee; and (d) the rebate calculation required by Section 6.10 hereof. The Bank and/or the Trustee from time to time may also obtain the Opinions of Co-Bond 'Counsel concerning post-issuance compliance with any 'federal legislation applicable to the Bonds. The 'fees of such independent certified public accountants, other nationally recognized experts and Co-Bond Counsel shall constitute reimbursable Program Expenses.

**ARTICLE VII.**

**LOAN SECURED BY NOTE**

**SECTION 7.01. 'Terms and Conditions of Loan.**

The loan of funds to the City under the terms and provisions of the Loan Agreement secured by the Note shall be according to the 'terms and conditions of, and upon submission of the documents required by, this Article VII.

**SECTION 7.02. Loan.**

The Trustee shall provide the funds for the loan to the City from the Loan Account upon receipt by the Trustee of:

(a) a written direction of the Bank signed by an Authorized Officer stating to whom the 'proceeds of the loan are to be paid;

(b) a certificate signed by an officer of the Bank, certifying that the City, pursuant to the Loan Agreement, has executed and delivered the Note to the Bank and is obligated to make the Note 'Payments and to pay all 'fees and charges required to be paid to the Bank under the Loan Agreement, and that to the 'knowledge of such officer, such City is in compliance with its covenants under Section 2.2 of the Loan Agreement;

(c) a certified transcript of 'proceedings authorizing the issuance, 'execution and delivery of the Note, which transcript shall contain the certifications required by the Bank Act and such other certifications and representations which are reasonable and appropriate as determined by the Bank or Trustee;

(d) an Opinion of Counsel in 'form satisfactory to the Bank stating that the Note and Loan Agreement constitute valid and binding obligations enforceable in accordance with their terms, subject to such 'enforcement 'limitations customarily contained in such opinions;

(e) an executed Note, registered as to both 'principal and 'interest to the Bank and delivered in accordance with the Bank Act;

(f) an Opinion of Counsel in 'form satisfactory to the Bank stating that the City is a 'Local Governmental Unit within the meaning of the Bank Act;

(g) an executed Loan Agreement;

(h) an executed Tax Intercept Agreement;

(i) an executed Arbitrage Rebate Agreement; and

(j) an amortization schedule for debt 'service on the Bonds.

Upon receipt of all the documents as listed above, the Trustee shall pay the loan 'proceeds directly to the City as specified in the directions received pursuant to subparagraph (a) above.

**SECTION 7.03. Retention and 'Inspection of Documents.**

All requisitions, 'certificates, transcripts, Opinions of Co-Bond 'Counsel, Opinions of Counsel, the Loan Agreement, the Tax Intercept Agreement and the Note received by the Trustee, as required in this Article as 'conditions of 'payment may be relied upon by and shall be retained in the 'possession of the Trustee, subject at all times during normal business 'hours to the 'inspection of the Bank and, after written request received by the Trustee at least five (5) Business Days prior to the date of inspection, by any owner of at least five percent (5%) in 'principal 'amount of Outstanding Bonds. Any 'costs and 'expenses associated with such request shall be paid by the requesting bondholder.

**SECTION 7.04. Report.**

The Trustee shall make a report to the Bank within sixty (60) days after the 'delivery of the 'Bonds covering all receipts and all disbursements made pursuant to the provisions of this Article VII in respect of the 'proceeds of the Bonds deposited in the Loan Account. If requested by the Bank, said report shall be supplemented at least once every sixty (60) days by the Trustee until all of the net proceeds of the Bonds deposited in the Loan Account shall have been expended. If applicable, each such report shall be mailed by the Trustee to the Bank.

**ARTICLE VIII.**

**INVESTMENT OF MONIES**

**SECTION 8.01. General Provisions.**

(a) Any monies held as part of any Fund or Account created under or pursuant to Article VI hereof and the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such 'Investment Securities as may be directed by the City (such direction to be confirmed in writing). All such 'investments shall at all 'times be a part of the Fund or Account in which the monies used to acquire such investments had been deposited and, except as provided in Article VI, all 'income and profits on such investments, other than from monies on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account of the General Fund. The Trustee may make any and all such investments through its investment department or through the investment department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Monies in separate Funds and 'Accounts may be commingled for the purpose of investment or deposit. The Trustee and the Bank agree that all investments under this Indenture and all 'instructions of the Bank to the Trustee with respect thereto shall be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve 'principal without causing any of the 'Bonds to be arbitrage bonds as defined in Section 148 of the Code. Any investment 'losses shall be charged to the Fund or Account in which monies used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of this Section 8.01, the Trustee shall not be liable for any investment losses. Monies in any Fund or Account shall be invested in Investment Securities with a maturity date, or a 'redemption date determined by the owner of the Investment Securities at said 'owner's option, which shall coincide as nearly as practicable with times at which monies in such Funds or Accounts will be required for the 'purposes thereof. The Trustee shall sell and reduce to cash a sufficient 'amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the 'assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account of the General Fund.

(b) The Bank (1) certifies to the 'owners of the 'Bonds from 'time to time Outstanding that monies on deposit in any Fund or Account in connection with the Bonds, whether or not such monies were derived from the 'proceeds of the 'sale of the Bonds or from any other sources, are not intended to be used in a manner which will cause the 'interest on the Bonds to lose the exclusion from 'gross 'income for 'federal income tax 'purposes, and (2) 'covenants with the owners of the Bonds from time to time Outstanding that, so long as any of the Bonds remain Outstanding, monies on deposit in any Fund or Account established in connection with the Bonds, whether or not such monies were derived from the proceeds of the sale of the Bonds or from any other source, will not

be used in any manner which will cause the interest on the Bonds to become subject to federal income taxation.

**SECTION 8.02. Arbitrage Restrictions; 'Bonds to Remain Tax Exempt.**

(a) The Arbitrage Rebate Agreement shall govern the investment of the Funds and Accounts and the application of Section 6.10 hereof.

(b) Without limiting subsection (a) of Section 8.01 hereof, the Bank further 'covenants and agrees that it will not take any action or fail to take any action with respect to the investment of the 'proceeds of any 'Bonds, or with respect to the investment or application of any payments under the Note or any other agreement or instrument entered into in connection therewith or with the issuance of the Bonds, including but not limited to the obligation, if any, to rebate certain funds to the 'United States of America, which would result in constituting any Bonds arbitrage bonds within the meaning of such term as used in Section 148 of the Code. The Bank further agrees that it will not act in any other manner which would adversely affect the exclusion from 'gross 'income tax for 'federal income tax 'purposes of the 'interest on any Bonds.

**ARTICLE IX. '**

**DISCHARGE OF INDENTURE**

Except as provided in this Article IX, if 'payment or provision for payment is made, to the Trustee, of the 'principal of and 'interest due and to become due on the 'Bonds at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee and the Bank all sums of 'money due and to become due according to the provisions hereof, and all other amounts due hereunder have been paid in full, then these presents and the Trust Estate and 'rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and 'discharge the 'lien of this Indenture, and execute and deliver to the Bank such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and 'release, assign and deliver unto the Bank any and all estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee hereby or otherwise subject to the lien of this Indenture, except monies or 'securities held by the Trustee for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Indenture when (a) payment of the principal of (and premium, if any, on) such Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee or other financial institution (which must meet the requirements of Section 11.07 hereof) which provides services as escrow agent for the Bank (for purposes of this Article, an "**Escrow Agent**"), in trust and exclusively for such payment, (A) moneys sufficient to make such payment or (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will ensure the availability of sufficient moneys to make such payment, or (C) a combination of such moneys and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Trustee and the Bank pertaining to the Bonds, including the amount, if any, required to be rebated to the United States of America, with respect to which such deposit is made, shall have been paid or deposited with the Trustee.

Notwithstanding the foregoing, in the case of 'Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a 'payment of such Bonds as aforesaid until the Bank shall have given the Trustee, in 'form satisfactory to the Trustee, irrevocable 'instructions:

(a) stating the date when the 'principal of each such Bond is to be paid, whether at maturity or on a 'redemption date (which shall be any redemption date permitted by this Indenture);

(b) to call for 'redemption pursuant to this Indenture any 'Bonds to be redeemed prior to maturity pursuant to (a) hereof; and

(c) to mail, as soon as practicable, in the manner prescribed by Article IV hereof, a notice to the owners of such Bonds satisfying the requirements thereof.

Any monies so deposited with the Trustee or the Escrow Agent as provided in this Article may at the direction of the Bank also be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth, and all 'income from all Governmental Obligations in the hands of the Trustee or the Escrow Agent pursuant to this Article which is not required for the 'payment of the 'Bonds and 'interest thereon with respect to which such monies shall have been so deposited, shall be deposited in the General Account, as and when collected, for 'use and application as are other monies deposited in such Account.

No such deposit under this Article shall be made or accepted hereunder and no 'use made of any such deposit unless the Trustee shall have received the Opinions of Co-Bond 'Counsel to the 'effect that such deposit and use would not cause any of the 'Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code. Moreover, no such deposit shall be deemed a 'payment of such Bonds unless the Trustee shall have received a 'verification from an accountant or firm of 'accountants appointed by the Bank and acceptable to the Trustee verifying the 'sufficiency of the deposit to pay the 'principal of, premium, if any, and 'interest on the Bonds to the due date, whether such due date be by reason of maturity or upon redemption.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all monies or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the 'payment of 'Bonds (including 'interest thereon but excluding any amounts set aside for rebate to the 'United States of America) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such monies or obligations have been so set aside in trust.

Upon the deposit with the Trustee or the Escrow Agent, in trust, at or before maturity, of 'money or Governmental Obligations in the necessary 'amount to pay or redeem all Outstanding 'Bonds as aforesaid (whether upon or prior to their stated maturity or the 'redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the stated maturity thereof, 'notice of such redemption shall have been given as hereinabove provided, or provisions satisfactory to the Trustee shall have been made for the giving of such notice, and compliance with the other 'payment 'requirements hereof, this Indenture may be discharged in accordance with the provisions hereof but the limited 'liability of the Bank in respect of such Bonds shall continue provided that the 'owners thereof shall thereafter be entitled to payment only out of the monies or Governmental Obligations deposited with the Trustee or the Escrow Agent as aforesaid.

**ARTICLE X. '**

**DEFAULT PROVISIONS AND 'REMEDIES OF TRUSTEE AND BONDHOLDERS**

**SECTION 10.01. Defaults; Events of Default.**

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of 'Default" under this Indenture:

(a) Default in the due and punctual 'payment of any 'interest on any Bond; or

(b) 'Default in the due and punctual 'payment of the 'principal or 'redemption premium, if any, of any Bond whether at the stated maturity thereof or on any date fixed for redemption; or

(c) Failure of the Bank to timely remit to the Trustee within the 'time limits prescribed herein any monies which are required by this Indenture to be so remitted; or

(d) Default in the performance or observance of any other of the 'covenants, 'agreements or 'conditions on the part of the Bank contained in this Indenture or in the 'Bonds and failure to remedy the same within the 'time provided in, and after 'notice thereof pursuant to, Section 10.10 hereof; or

(e) Any 'warranty, representation or other statement by or on behalf of the Bank contained in this Indenture or in any instrument furnished in compliance with or in 'reference to this Indenture is false or misleading, when made, in any material respect, and failure to remedy the same within the 'time provided in, and after 'notice thereof pursuant to, Section 10.10 hereof; or

(f) A petition is filed against the Bank under any 'bankruptcy, reorganization, arrangement, 'insolvency, readjustment of debt, 'dissolution or 'liquidation law of any 'jurisdiction whether now or hereafter in 'effect and is not dismissed within sixty (60) days after such 'filing; or

(g) The Bank files a petition in 'voluntary 'bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, 'insolvency, 'adjustment of debt, 'dissolution or 'liquidation law of any 'jurisdiction whether now or hereafter in 'effect, or consents to the 'filing of any petition against it under such law; or

(h) The Bank is 'generally not paying its 'debts as such debts become due, or becomes insolvent or bankrupt or makes an 'assignment for the benefit of 'creditors, or a liquidator or trustee of the Bank or any of its 'property is appointed by court 'order or takes 'possession of such property and such order remains in 'effect or such possession continues for more than sixty (60) days; or

(i) Default in the due and punctual 'payment of any 'interest or 'principal on the Note; or

(j) The Bank for any reason shall be rendered incapable of fulfilling its obligations under this Indenture; or

(k) There is an "event of 'default" under the Loan Agreement.

**SECTION 10.02. 'Remedies: 'Rights of Bondholders.**

Upon the occurrence of an Event of Default, the Trustee shall, in its discretion, except for Events of Default under paragraphs (a), (b), (i) and (k) above, notify the owners of all Bonds Outstanding of such Event of Default by registered or certified mail, and will have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the 'payment of the 'principal of and 'interest on the 'Bonds then Outstanding, including 'enforcement of any 'rights of the Bank or the Trustee under the Note or Loan Agreement.

(b) The Trustee, may by action or suit in equity require the Bank to account as if it were the trustee of an express trust for the holders of the 'Bonds and may, take such action with respect to the Note and Loan Agreement as the Trustee deems necessary or appropriate and in the best 'interest of the Bondholders, subject to the terms of the Note and Loan Agreement.

(c) Upon the 'filing of a suit or other commencement of judicial 'proceedings to enforce any 'rights of the Trustee and of the Bondholders under this Indenture, the Trustee will be entitled, as a matter of right, to the 'appointment of a receiver or 'receivers of the Trust Estate and of the Revenues, issues, 'earnings, 'income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) The Trustee may, and shall at the direction of the Bondholders, by written notice to the Bank, declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with this Indenture and the Act, by notice to the Bank and the City.

Upon the occurrence of an Event of 'Default, if requested so to do by the owners of twenty-five percent (25%) or more in aggregate 'principal 'amount of all 'Bonds then Outstanding, or (b) if secured and/or indemnified as provided in Section 11.01(k) hereof, the Trustee shall be obligated to exercise such one or more of the 'rights, 'remedies and powers conferred by this Section as the Trustee, being advised by 'counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. The assertion or 'employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of 'Default shall impair any such right or remedy or shall be construed to be a 'waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from 'time to time and as often as may be deemed expedient.

No 'waiver of any Event of 'Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any 'rights or 'remedies consequent thereon.

**SECTION 10.03. 'Rights of Bondholders to Direct Proceedings.**

Subject to the provisions of this Indenture, including the rights of the owners of a majority in aggregate 'principal 'amount of 'Bonds then Outstanding shall have the right, at any 'time during the 'continuance of an Event of 'Default, by an instrument or instruments in writing executed and delivered to the Trustee to direct the time, method and place of conducting all 'proceedings to be taken in connection with the 'enforcement of the 'terms and conditions of this Indenture, or for the 'appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

**SECTION 10.04. 'Appointment of Receivers.**

Upon the occurrence of an Event of 'Default, and upon the 'filing of a suit or other commencement of judicial 'proceedings to enforce any 'rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the 'appointment of a receiver or 'receivers of the Trust Estate and of the Revenues, issues, 'earnings, 'income, products and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

**SECTION 10.05. Application of Monies.**

All monies received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article (including monies received by virtue of action taken under provisions of the Note or Loan Agreement) shall, after 'payment of the 'costs and 'expenses of the 'proceedings resulting in the 'collection of such monies and of the expenses, 'liabilities and 'advances incurred or made by Trustee and any other monies owed to Trustee hereunder, be deposited in the General Account and all monies in the General Account shall be applied as follows:

(a) Unless the 'principal of all the 'Bonds shall have become due and payable, all such monies shall be applied:

**FIRST** - To the payment of any amounts owed under the Arbitrage Rebate Agreement;

**SECOND** - To the 'payment to the 'persons entitled thereto of all 'installments of 'interest then due on the 'Bonds, including interest on any past due 'principal of any Bond at the 'rate borne by such Bond, in the 'order of the maturity of the installments of such interest and, if the 'amount available shall not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any 'discrimination or 'privilege;

**THIRD** - To the 'payment to the 'persons entitled thereto of the unpaid 'principal of any of the 'Bonds which shall have become due either at maturity or pursuant to a call for 'redemption (other than Bonds called for redemption for the payment of which other monies are held pursuant to the provisions of this Indenture), in the 'order of their due dates, and, if the 'amount available shall not be sufficient to pay in full the principal of Bonds due on any particular date, together with such 'interest, then to such payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any 'discrimination or 'privilege;

**FOURTH** - To be held for the 'payment to the 'persons entitled thereto as the same shall become due of the 'principal of and 'interest on the 'Bonds which may then become due either at maturity or upon call for 'redemption prior to maturity and, if the 'amount available shall not be sufficient to pay in full the principal of and interest on Bonds due on any particular date, such payment shall be made ratably according to the amount of principal and interest due on such date to the persons entitled thereto without any 'discrimination or privilege;

(b) If the 'principal of all the 'Bonds shall have become due or shall have been declared due and payable, all such monies shall be applied to the 'payment of any amounts owed under the Arbitrage Rebate Agreement and then to the payment of the principal and 'interest then due and unpaid upon

the Bonds, without preference or 'priority of principal over interest or of interest over principal, or of any 'installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the 'persons entitled thereto without any 'discrimination or privilege.

Whenever monies are to be applied pursuant to the provisions of this Section, such monies shall be applied at such 'times, and from time to time, as the Trustee shall determine, having due regard for the 'amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an 'Interest 'Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of 'principal to be paid on such dates shall cease to accrue. The Trustee shall give such 'notice as it may deem appropriate of the deposit with it of any such monies and of the fixing of any such date, and shall not be required to make payment of principal to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for 'cancellation if fully paid.

Whenever all 'principal of and 'interest on all 'Bonds have been paid under the provisions of this Section and all 'expenses and charges of the Trustee have been paid and all other amounts due hereunder and under the Loan Agreement and the Note have been paid in full, any balance remaining in the General Account shall be paid as provided in Article VI hereof.

**SECTION 10.06. 'Remedies Vested in the Trustee.**

All 'rights of action (including the right to file proof of 'claims) under this Indenture or under any of the 'Bonds may be enforced by the Trustee without the 'possession of any of the Bonds or the production thereof in any 'trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its 'name as Trustee without the 'necessity of joining as plaintiffs or defendants any 'owners of the Bonds, and any recovery of 'judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

**SECTION 10.07. 'Rights and 'Remedies of Bondholders.**

No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the 'enforcement of this Indenture or for the 'execution of any trust hereof or for the 'appointment of a receiver or any other remedy hereunder, unless (a) a 'Default has occurred, (b) such Default shall have become an Event of Default and the owners of not less than twenty-five percent (25%) in aggregate 'principal 'amount of 'Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the 'remedies hereinbefore granted or to institute such action, suit or proceeding in its own 'name, (c) such Bondholders have offered to the Trustee security and/or 'indemnity as provided in Section 11.01(k) hereof, and (d) the Trustee has refused, or for sixty (60) days after receipt of such request and offer of security and/or 'indemnification, has failed to exercise the remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such request and offer of security and/or indemnity are hereby declared in every case at the option of Trustee to be 'conditions precedent to the execution of the powers and 'trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the 'lien of this Indenture by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all 'proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Bonds then Outstanding. However, nothing contained in this Indenture shall affect or impair the right of any Bondholder to enforce the 'payment of the principal of and 'interest on any Bond at and after the maturity thereof, or the limited obligation of the Bank to pay the principal of and interest on each of the Bonds issued hereunder to the respective owners thereof at the 'time and place, from the source and in the manner expressed in the Bonds.

**SECTION 10.08. 'Termination of Proceedings.**

In case the Trustee or any owner of any 'Bonds shall have proceeded to enforce any right under this Indenture by the 'appointment of a receiver or otherwise, and such 'proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in

every such case the Bank, the Trustee and the Bondholders shall be restored their former positions and 'rights hereunder, respectively, and with regard to the 'property herein subject to this Indenture, and all rights, 'remedies and powers of the Trustee and the 'owners of Bonds shall continue as if no such proceedings had been taken.

**SECTION 10.09. 'Waivers of Events of Default.**

The Trustee may at its discretion waive any Event of 'Default hereunder and its consequences, and shall do so upon the written request of the owners of (a) more than sixty-six and two thirds percent (66 2/3%) in aggregate 'principal 'amount of all the 'Bonds then Outstanding in respect of which an Event of Default in the 'payment of principal or 'interest exists, or (b) more than fifty percent (50%) in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (1) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein, or (2) any Event of Default in the payment when due of the interest on any Outstanding Bond unless prior to such 'waiver all of the interest or all of the payments of principal when due, as the case may be, with interest on overdue principal at the 'rate borne by such Bond, and all 'expenses of the Trustee in connection with such Event of Default shall have been paid or provided for, or (3) any Event of Default for 'nonpayment of Program Expenses; and in case of any such waiver or 'rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and 'rights hereunder, respectively, but no such waiver or recession shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

**SECTION 10.10. 'Notice of Defaults under Section 10.01(d) or (e); Opportunityof the Bank to Cure Such Defaults.**

Anything herein to the contrary notwithstanding, no 'Default under Section 10.01(d) or (e) hereof shall constitute an Event of Default until actual 'notice of such Default by registered or certified 'mail shall be given to the Bank by the Trustee or the owners of not less than twenty-five percent (25%) in aggregate 'principal 'amount of all 'Bonds then Outstanding and the Bank shall have had sixty (60) days after receipt of such notice to correct the Default or cause the Default to be corrected, and shall not have corrected the Default or caused the Default to be corrected within the 'applicable period; provided, however, if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Bank within the applicable period and diligently pursued until the Default is corrected. If a Default is cured under this Section 10.10, then it will not constitute an Event of Default.

With regard to any alleged 'Default for which 'notice is given to the Bank under the provisions of this Section, the Bank hereby grants to the Trustee full 'authority for the account of the Bank to perform any covenant or obligation the 'failure of performance which is alleged in said notice to constitute an Event of Default, in the 'name and stead of the Bank with full power to do any and all things and acts to the same extent that the Bank could do and perform any such things and acts and with power of substitution.

**ARTICLE XI.**

**TRUSTEE**

**SECTION 11.01. 'Acceptance of the Trusts.**

The Trustee hereby accepts the 'trusts and 'duties imposed upon it by this Indenture, and agrees to perform said trusts and duties with the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or 'use under the circumstances in the 'conduct of its own affairs, but only upon and subject to the following express 'terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of 'Default and after the curing of all Events of Default which may have occurred, undertakes to perform such 'duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise the 'rights and powers vested in it by this Indenture in accordance with the standard specified above.

(b) The Trustee may execute any of the 'trusts or powers hereof and perform any of its 'duties by or through 'attorneys, 'agents, 'receivers or 'employees but shall not be answerable for the 'conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to advice

of its 'counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable 'compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney or firm of attorneys (who may be the attorney or firm of attorneys for the Bank), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in 'good faith in 'reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the 'Bonds, other than the Certificate of 'Authentication required by Section 3.04 hereof, or for the 'validity of the 'execution by the Bank of this Indenture or of any supplements hereto or instruments of further assurance, or for the 'sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) The Trustee shall not be accountable for the 'use of any 'Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same 'rights which it would have if not the Trustee and Bonds owned by the Trustee shall be deemed Outstanding unless canceled pursuant to the provisions hereof.

(e) The Trustee shall be protected in acting upon any 'notice, request, 'consent, certificate, 'order, affidavit, letter, telegram or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee shall not withhold unreasonably its consent, approval or action to any reasonable request of the Bank. Any action taken by the Trustee pursuant to this Indenture upon the request of the Bank or consent of any person who at the 'time of making such request or giving such consent is the owner of any Bond, shall be conclusive and binding upon all future 'owners of the same Bond and upon 'Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the 'sufficiency or 'validity of any instrument, paper or proceeding, the Trustee shall be entitled in 'good faith to rely upon a certificate signed by an Authorized Officer as sufficient 'evidence of the facts therein contained and prior to the occurrence of an Event of 'Default of which the Trustee has become aware shall also be at liberty to accept a similar certificate to the 'effect that any particular dealing, transaction or action is necessary or expedient but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Officer of the Bank to the effect that a resolution in the 'form therein set forth has been adopted by the Bank as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a 'duty and it shall not be answerable for other than its 'negligence or willful default.

(h) At any and all reasonable times the Trustee and its duly authorized 'agents, 'attorneys, 'experts, 'engineers, 'accountants and representatives shall have the right to inspect any and all of the books, papers and 'records of the Bank pertaining to the Revenues and receipts pledged to the 'payment of the 'Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the 'execution of the said 'trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the 'authentication of any 'Bonds, the 'withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, 'certificates, opinions, appraisals or other information, or corporate action or 'evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the Bank to the authentication of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(k) Before taking any action referred to in Section 10.02, 10.03, 10.07 or 12.02 hereof, the Trustee may require that satisfactory security and/or 'indemnity be furnished the Trustee for the 'reimbursement of all costs and 'expenses to which it may be put and to protect it against all 'liability, except liability which is adjudicated to have resulted from its 'negligence or willful 'default, by reason of any action so taken.

(l) All monies received by the Trustee shall, until used, applied or invested as herein provided, be held in trust for the 'purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any 'liability for 'interest on any monies received hereunder except such as may be agreed upon.

(m) The Trustee for all 'purposes of this Indenture shall be deemed to be aware of any Event of 'Default in the 'payment of 'principal or 'interest on any of the Bonds.

**SECTION 11.02. 'Fees, Charges and 'Expenses of the Trustee.**

The Trustee shall be entitled to prompt 'payment and 'reimbursement upon demand for reasonable 'fees for its services rendered hereunder and all 'advances, 'counsel fees and other 'expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as paying agent and registrar for the 'Bonds but only as hereinabove provided. Upon any Event of 'Default, but only upon an Event of Default, the Trustee shall have a first 'lien with right of payment prior to payment on account of 'principal of or 'interest on any Bond upon the Trust Estate for the foregoing fees, charges and expenses incurred by it, respectively.

**SECTION 11.03. 'Intervention by the Trustee.**

In any judicial proceeding to which the Bank is a party and which in the opinion of the Trustee and its 'Counsel has a substantial bearing on the interests of the 'owners of the 'Bonds, the Trustee may intervene on behalf of the Bondholders, and shall do so if requested in writing by the owners of at least twenty-five percent (25%) of the aggregate 'principal 'amount of Bonds then Outstanding upon receiving 'indemnification satisfactory to the Trustee.

**SECTION 11.04. Successor Trustee.**

Any corporation or 'association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or 'transfer its corporate trust business and 'assets as a whole or substantially as a whole, or any corporation or association resulting from any such 'conversion, 'sale, 'merger, 'consolidation or transfer to which it is a party ("Reorganization"), ipso facto shall be and become successor Trustee hereunder, if legally qualified to serve as such, and vested with all of the title to the Trust Estate and all the 'trusts, powers, discretions, immunities, 'privileges and all other matters as was its predecessor, without the 'execution or 'filing of any instrument or any further act, deed or conveyance on the part of any of the 'parties hereto, anything herein to the contrary notwithstanding; provided that within thirty (30) days of the 'effective date of such Reorganization, the Bank may object to such corporation or association becoming successor Trustee by filing written 'notice of such objection with the Trustee and by mailing such notice to each Bondholder whereupon a successor or temporary Trustee shall be appointed in accordance with Section 11.07 hereof.

**SECTION 11.05. 'Resignation by the Trustee.**

The Trustee and any successor Trustee may at any 'time resign from the 'trusts hereby by giving thirty (30) days' written 'notice by registered or certified 'mail to the Bank and the owner of each Bond as shown by the Bond Register, and such 'resignation shall take 'effect upon the 'appointment of a successor Trustee in accordance with Section 11.07 hereof and 'acceptance of such appointment by the successor Trustee. Notwithstanding any other provision of this Indenture, no 'removal, resignation or 'termination of the Trustee shall take effect until a successor.

**SECTION 11.06. 'Removal of the Trustee.**

The Trustee may be removed at any 'time with or without cause by an instrument or concurrent instruments in writing delivered to the Trustee and to the Bank and signed by the owners of a majority in aggregate 'principal 'amount of all 'Bonds then Outstanding or their attorneys-in-fact duly authorized. 'Notice of the 'removal of the Trustee shall be given in the same manner as provided in Section 11.05 hereof with respect to the 'resignation of the Trustee. So long as no Event of 'Default or an event which, with the passage of time would become an Event of Default, shall have occurred and be 'continuing, the Trustee may be removed at any time by resolution or other official action taken by the Bank with such action to be filed with the Trustee.

**SECTION 11.07. 'Appointment of Successor Trustee by the Bondholders; Temporary Trustee.**

In case the Trustee shall resign or be removed, or be dissolved, or shall be in course of 'dissolution or 'liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the 'control of any 'public officer or 'officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate 'principal 'amount of all 'Bonds then Out 'standing by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys-in-fact duly authorized, a copy of which shall be delivered personally or sent by registered 'mail to the Bank. Nevertheless, in case of such vacancy the Bank by resolution may appoint a temporary Trustee to fill such vacancy. Within ninety (90) days after such 'appointment, the Bondholders may appoint a successor Trustee; and any such temporary Trustee so appointed by the Bank shall become the successor Trustee if no appointment is made by the Bondholders within such period, but in the event an appointment is made by the Bondholders, the temporary Trustee shall immediately and without further act be superseded by any Trustee so appointed by such Bondholders. 'Notice of the appointment of a temporary or successor Trustee shall be given in the same manner as provided by Section 11.05 hereof with respect to the 'resignation of the Trustee. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the 'State duly authorized to exercise trust powers and be subject to 'examination by 'federal or State 'authority, having a reported capital and surplus of not less than $75,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

**SECTION 11.08. Concerning Any Successor Trustee.**

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also to the Bank an instrument in writing accepting such 'appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the 'estates, properties, 'rights, powers, 'trusts, 'duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Bank, after the 'payment of all 'fees, charges and 'expenses which may be due and owing to such predecessor pursuant to the provisions of Section 11.02 hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all 'securities, monies and other 'property or documents held by it as Trustee hereunder to its or his successor hereunder. Should any instrument in writing from the Bank be required by any successor Trustee for more fully and certainly 'vesting in such successor the estate, rights, 'powers and duties hereby vested or intended to be vested in the predecessor any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Bank. The 'resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each 'recording office where this Indenture shall have been filed or recorded.

**SECTION 11.09. Successor Trustee as Trustee of Funds, Paying Agent and Registrar.**

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee of the funds provided hereunder and registrar and paying agent for 'principal of, premium, if any, and 'interest on the 'Bonds, and the successor Trustee shall become such Trustee, registrar and paying agent.

**ARTICLE XII.**

**SUPPLEMENTAL INDENTURES**

**SECTION 12.01. Supplemental Indentures not Requiring 'Consent of Bondholders.**

The Bank and the Trustee may, without the 'consent of, or 'notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture for any one or more of the following 'purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional 'benefits, 'rights, 'remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the opinions of Co-Bond 'Counsel, does not materially and adversely affect the 'interest of the 'owners of Outstanding 'Bonds and does not require unanimous 'consent of the Bondholders pursuant to Section 12.02 hereof;

(c) To subject to this Indenture additional Revenues, properties or collateral;

(d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar 'federal statute hereafter in 'effect or to permit the qualification of the 'Bonds for 'sale under the 'securities laws of the 'United 'States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, 'conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(e) To 'evidence the 'appointment of a separate or co-trustee or the succession of a new Trustee hereunder or the succession of a new registrar and/or paying agent; and

(f) In connection with issuance of Refunding Bonds or Additional Bonds pursuant to Section 2.05 of this Indenture.

**SECTION 12.02. Supplemental Indentures Requiring 'Consent of Bondholders.**

Exclusive of Supplemental Indentures provided for by Section 12.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the 'owners of not less than a majority in aggregate 'principal 'amount of the 'Bonds then Outstanding which are affected (exclusive of Bonds held by the Bank), shall have the right, from 'time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the 'execution by the Bank and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular manner, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting, without the consent of the owners of all then Outstanding Bonds, (a) an extension of the maturity of the principal of or the 'interest or 'redemption date on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or change in the 'rate of interest or redemption premium of any Bond, or (c) a 'privilege or 'priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the 'creation of any 'lien securing any Bonds other than a lien ratably securing all of the Bonds at any time Outstanding hereunder, or (f) any 'modification of the 'trusts, powers, 'rights, obligations, 'duties, 'remedies, immunities and 'privileges of the Trustee without the written consent of the Trustee.

If at any 'time the Bank shall request the Trustee to enter into any such Supplemental Indenture for any of the 'purposes set forth in this Section, the Trustee shall, upon being satisfactorily secured and/or indemnified in accordance with Section 11.01(k) hereof, cause 'notice of the proposed 'execution of such Supplemental Indenture to be 'mailed by registered or certified mail to each owner of a Bond at the address shown on the 'registration 'records maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall 'state that copies thereof are on file at the 'principal corporate trust office of the Trustee for 'inspection by all Bondholders. If, within sixty (60) days, or such longer period as shall be prescribed by the Bank, following the mailing of such notice, and the 'owners of not less than fifty-one percent (51%) in aggregate principal 'amount of the 'Bonds Outstanding at the time of the execution of any such Supplemental Indenture (exclusive of Bonds held by the Bank) shall have consented to and approved the execution of such Supplemental Indenture as provided in Section 12.01 hereof, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

**ARTICLE XIII.**

**MISCELLANEOUS**

**SECTION 13.01. Consents etc. of Bondholders.**

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number or concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed

in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it or them under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved (1) by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or (2) by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register maintained by the Trustee pursuant to Section 3.06 hereof.

**SECTION 13.02. Limitation of Rights.**

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the owners of the Bonds any legal or suitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners of the Bonds as herein provided.

**SECTION 13.03. Severability.**

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

**SECTION 13.04. Notices.**

Any notice, request, complaint, demand, communication or other paper shall be sufficiently given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed to the appropriate Notice Address. A duplicate copy of each notice required to be given hereunder by the Trustee or the Bank to the City or the Underwriter shall also be given to the other. The Bank, the Trustee or the Underwriter may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**SECTION 13.05. Trustee as Paying Agent and Registrar.**

The Trustee is hereby designated and agrees to act as paying agent and registrar for and in respect to the Bonds.

**SECTION 13.06. Payments Due on Saturdays, Sundays and Holidays.**

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be in the city of payment a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal may be made on the next Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption.

**SECTION 13.07. Counterparts.**

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

**SECTION 13.08. Receipt of Money or Revenues by Trustee.**

The Trustee is an authorized agent of the Bank for purposes of receiving money and Revenues on behalf of the Bank. It is not the intent of this Section 13.08, or any other Section of this Indenture, to create a power of attorney relationship between the Bank and the Trustee.

**SECTION 13.09. Applicable Provisions of Law.**

This Indenture shall be governed by and construed in accordance with the laws of the State.

[Signature Page to Follow]

**IN WITNESS WHEREOF**, the Bank has caused this Indenture to be executed on its behalf by its 'Executive Director and the seal of the Bank to be hereunto affixed and duly attested by its Secretary and the Trustee, to 'evidence its 'acceptance of the 'trusts created hereunder, has caused this Indenture to be executed in its 'name by its duly authorized 'officers and its corporate seal to be hereunto affixed and duly attested, all as of the day and year first above written.

(SEAL)

**MISSISSIPPI DEVELOPMENT BANK**

By _____
'Executive Director

ATTEST:

_____
Secretary

(SEAL)

_____ **BANK, as Trustee**

By _____

Title _____

**EXHIBIT B**

**FORM OF LOAN AGREEMENT**

**LOAN AGREEMENT**

**By and Between**

**MISSISSIPPI DEVELOPMENT BANK**

**and**

**CITY OF JACKSON, MISSISSIPPI**

_____

**DATED _____, 2020**

_____

**Acknowledged and Accepted by:**

_____ **Bank, as Trustee**

**Secured By:**

**$_____**

**PROMISSORY NOTE**
**(JACKSON, MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT)**

**The interest of the Mississippi Development Bank in this Loan Agreement, except for certain rights retained by it pursuant to Section 4.6 hereof, has been assigned to _____ Bank, _____, Mississippi, as Trustee, under that certain Indenture of Trust, dated _____, 2020, by and between the Mississippi Development Bank and the Trustee and securing the $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project)**

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**THIS LOAN AGREEMENT**, dated _____, 2020 (this "**Loan Agreement**"), is by between the **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic of the State of Mississippi (the "**State**"), exercising essential public functions (the "**Bank**") and organized under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as from time to time amended (the "**Bank Act**"), and the **CITY OF JACKSON, MISSISSIPPI**, a political subdivision organized and validly existing under the Constitution and laws of the State (the "**City**") and a "governmental unit" within the meaning of the Bank Act.

**WITNESSETH:**

**WHEREAS**, the Bank is authorized by the provisions of the Bank Act to, among other things, loan money to local governmental units for any purposes set forth under the Bank Act and to finance such assistance to such local governmental units by the issuance of revenue bonds; and

**WHEREAS**, the Bank is further authorized to issue revenue bonds for the purpose of providing funds to pay all or a part of the cost of providing the aforementioned loans to local governmental units and to pledge or assign any money, rents, charges, fees or other revenues and any proceeds derived from the loans with such local governmental units; and

**WHEREAS**, the Bank has duly authorized as a project under the Bank Act the financing of the City Project (as hereinafter defined); and

**WHEREAS**, the Bank has duly authorized the issuance, as provided in the Indenture (as hereinafter defined), of its Mississippi Development Bank Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) (the "**Series 2020 Bonds**") pursuant to the Bank Act in the aggregate principal amount of $_____; and

**WHEREAS**, the Series 2020 Bonds are to be issued pursuant to and secured by an Indenture of Trust (the "**Indenture**") dated of even date herewith, by and between the Bank and the Trustee (as hereinafter defined); and

**WHEREAS**, in order to provide financing for the City Project, the proceeds of the Series 2020 Bonds will be loaned to the City by the Bank pursuant to this Loan Agreement which loan will be secured by a promissory note (the "**Note**") whereby the amount of payments to be made to the Bank by the City under the Note shall be sufficient to pay the principal of, premium, if any, and interest on the Series 2020 Bonds as and when the same shall become due and payable; and

**WHEREAS**, to further secure the payment of the Series 2020 Bonds, the Bank has or will assign its rights in the Note and this Loan Agreement (except certain rights retained by the Bank) to the Trustee; and

**WHEREAS**, to provide for the payment of and to secure the payment of the Note, the City has agreed to pledge (a) the Special Sales Tax Revenues (as defined herein) authorized pursuant to the Municipal Sales Tax Act (as defined herein) and (b) certain Tax Monies as described in Section 4.8 hereof.

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS LOAN AGREEMENT WITNESSETH:**

That the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree as follows:

## ARTICLE I.

## DEFINITIONS, EXHIBITS AND MISCELLANEOUS

### SECTION 1.1. Definitions.

Terms used herein, unless the context hereof shall require otherwise, shall have the following meanings, and any other terms used herein and not defined herein shall have the meanings given such terms in Section 1.01 of the Indenture unless the context or use thereof indicates another or different meaning or intent.

**Accountant**

"Accountant" shall mean _____

**Act**

"Act" shall mean the Bank Act and the Municipal Sales Tax Act.

**Additional Bonds**

"Additional Bonds" shall mean those obligations provided for in Section 2.05(b) of the Indenture.

**Additional Charges**

"Additional Charges" shall mean the payments required by Section 4.4 of this Loan Agreement.

**Additional Charges Invoice**

"Additional Charges Invoice" shall mean, with respect to any Additional Charges under Section 4.4(a) through (d) of this Loan Agreement, an invoice, statement or other report providing for the payment of such Additional Charges then due (with supporting documentation as reasonably required by the City) which shall be delivered to the City Clerk and _____ of the Public Works Department of the City.

**Administrative Expenses**

"Administrative Expenses" shall mean the reasonable and necessary fees, costs or expenses incurred or payable by the City to the Bank pursuant to this Loan Agreement or the Indenture, including, compensation and expenses paid to or incurred by the Trustee or any paying agent under this Loan Agreement or the Indenture.

**Authorized City Representative**

"Authorized City Representative" shall mean any person or persons at the time designated to act on behalf of the City by a written certificate, signed on behalf of the City by the Mayor or the President of the Governing Body, the City Clerk or other duly authorized Person and the City Clerk or other authorized member of the Governing Body or Person and furnished to the Bank and the Trustee, containing the specimen signature of each such person.

**Bank**

"Bank" shall mean the Mississippi Development Bank, a public body corporate and politic of the State, exercising essential public functions and organized under the provisions of the Bank Act.

**Bank Act**

"Bank Act" shall mean Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

**Basic Payments**

"Basic Payments" shall mean the payments required by Section 4.2 of this Loan Agreement.

**Bond Documents**

"Bond Documents" shall mean the Indenture, this Loan Agreement, the Note, the Tax Intercept Agreement, the Tax Certificate and all other agreements, instruments, documents, notices of assignment, schedules, assignments, pledges, powers of attorney, leases, trust account agreements, certificates, consents, contracts, notices, and all other written matter and all amendments, modifications, supplements, extensions and restatements thereof and thereto, and all agreements, notes, documents or instruments delivered in substitution therefor, or in lieu thereof, whether heretofore, now, or hereafter executed by or on behalf of the City, or any other person which are delivered to the Trustee, the Bank or any participant with respect to the transactions contemplated in the Indenture.

**Bond Purchase Agreement**

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement, dated _____, 2020, by and among the Underwriter, the Bank and the City in connection with the Series 2020 Bonds.

**Bond Register**

"Bond Register" shall mean the registration records of the Bank kept by the Trustee to evidence the registration and transfer of the Series 2020 Bonds.

**Bondholder**

"Bondholder," "Holder" or "holder of Series 2020 Bonds" or "owner of Series 2020 Bonds" or any similar term shall mean the Registered Owner of any Series 2020 Bond in whose name a Series 2020 Bond is registered in the Bond Register.

**Bond or Bonds**

"Bond" or "Bonds" shall mean the Series 2020 Bonds, Refunding Bonds and any Additional Bonds issued pursuant to the Indenture.

**Capital Improvements Fund**

"Capital Improvements Fund" shall mean the fund by that name established by Section 5.1 hereof.

**Certificate**

"Certificate" shall mean, as the case may be, either (a) a signed document attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (b) a signed document setting forth matters to be determined by an Authorized City Representative pursuant to this Loan Agreement.

**City**

"City" shall mean the City of Jackson, Mississippi.

**City Clerk**

"City Clerk" shall mean the duly appointed and/or acting City Clerk of the City.

**City Project**

"City Project" shall mean together, providing projects as authorized under the Municipal Sales Tax Act, including but not limited to (a) constructing, improving and paving roads and streets; (b) repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; (c) paying the costs of water, sewer and drainage projects; and (d) for other authorized purposes under the Act, including funding a debt service reserve fund, if applicable, and paying the costs of issuance.

**Closing Date**

"Closing Date" shall mean, in connection with the Series 2020 Bonds, the date on which the Series 2020 Bonds are delivered by the Bank to, and paid for by, the Underwriter and, in connection with the Loan, the date on which the Note is delivered to the Bank.

**Co-Bond Counsel or Bond Counsel**

"Co-Bond Counsel" or "Bond Counsel" shall mean an attorney or firm of attorneys approved by the City and the Bank that is nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with Section 148(f) of the Code. Bond Counsel shall initially mean The Charleston Group, Fayetteville, North Carolina and Butler Snow LLP, Ridgeland, Mississippi.

**Code**

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

**Completion Certificate**

"Completion Certificate" shall mean the Certificate of Completion required by Section 3.5 hereof.

**Completion Date**

"Completion Date" shall mean the date set forth in the Completion Certificate in Section 3.5 hereof.

**Costs of the City Project**

"Costs of the City Project" shall mean, to the extent permitted by the Act and the Code and as applicable, whether incurred prior to or after the date of this Loan Agreement, all moneys necessary to fund the City Project.

**Depository**

"Depository" shall mean any bank, trust company or national banking association selected by the City and approved by the Trustee as a depository of monies and securities held under the provisions of this Loan Agreement, and its successor or assign or successors or assigns.

**Debt Service Reserve Fund**

"Debt Service Reserve Fund" shall mean the Debt Service Reserve Fund by that name created by Section 6.02 of the Indenture for the Series 2020 Bonds.

**Debt Service Reserve Requirement**

"Debt Service Reserve Requirement" shall mean the amount required to be on deposit in the Debt Service Reserve Fund as provided in the Indenture.

**Discharge Date**

"Discharge Date" shall mean the date on which all Outstanding Series 2020 Bonds are discharged under Article IX of the Indenture.

**Event of Default**

"Event of Default" shall mean any of the events set forth in Section 9.1 hereof.

**Fiduciary**

"Fiduciary" or "Fiduciaries" shall mean the Trustee, the paying agent, the Depository or any or all of them, as may be appropriate.

**Fiscal Year**

"Fiscal Year" shall mean, when used with respect to the City, a period beginning on October 1 in any year and ending on September 30 of the following year or such other twelve-month period as may be adopted by the City in accordance with law.

**Fund**

"Fund" shall mean any fund described in Article VI of the Indenture.

**General Account**

"General Account" shall mean the account by that name established by Section 6.02 of the Indenture.

**Governing Body**

"Governing Body" shall mean the Mayor and City Council of the City.

**Indenture**

"Indenture" shall mean the Indenture of Trust, dated _____, 2020, by and between the Bank and Trustee, as the same may from time to time be amended or supplemented as therein provided.

**Interest Payment Date**

"Interest Payment Date" shall mean each ___ 1 and ____ 1, commencing ____ 1, 20__, and ending on the date of payment in full of the Series 2020 Bonds.

**Investment Securities**

"Investment Securities" shall have the meaning ascribed thereto in the Indenture.

**Issuance Expenses**

"Issuance Expenses" shall mean any and all costs and expenses relating to the issuance, sale and delivery of the Series 2020 Bonds, and the execution and delivery of this Loan Agreement, the Indenture and the Note, including, but not limited to, all fees and expenses of legal counsel, financial consultants, feasibility consultants and accountants, the initial fees and expenses of the Trustee, any fee to be paid to the Bank, bond or reserve fund insurance premiums, credit enhancements or liquidity facility fees, the preparation and printing of this Loan Agreement, the Note, the Indenture, the Tax Intercept Agreement, any preliminary official statement and final official statement, the Series 2020 Bonds, and all other related closing documents, and all other expenses relating to the issuance, sale and delivery of the Series 2020 Bonds required to be paid from the proceeds of the Series 2020 Bonds and any other costs which are treated as "issuance costs" within the meaning of Section 147(g) of the Code.

**Loan**

"Loan" shall mean the loan of the Net Proceeds by the Bank to the City as described in Section 4.1 hereof.

**Loan Agreement**

"Loan Agreement" shall mean this Loan Agreement, dated _____, 2020, by and between the Bank and the City, as the same may from time to time be amended or supplemented as provided herein and in the Indenture.

**Loan Proceeds**

"Loan Proceeds" shall mean the Net Proceeds of the sale of the Series 2020 Bonds and investment earnings thereon, if any, held by the City.

**Mayor**

"Mayor" shall mean the duly elected and/or acting Mayor of the City.

**Monthly Debt Service Payment**

"Monthly Debt Service Payment" shall mean the deposits to be made by the City on the first day of each month under Section 5.3(a) hereof with respect to (i) Section 5.3(a) – FIRST for principal and interest installments and (ii) Section 5.3(a) - SECOND to replenish the Debt Service Reserve Fund.

**Municipal Sales Tax Act**

"Municipal Sales Tax Act" shall mean Sections 27-65-241 et seq., Mississippi Code of 1972, as amended and/or supplemented from time to time.

**Municipal Sales Tax Act Requirements**

"Municipal Sales Tax Act Requirements" shall mean the requirements with respect to the City Project as provided under the Municipal Sales Tax Act and the Master Plan duly adopted by the Municipal Sales Commission, as such Municipal Sales Tax Act and Master Plan may be amended from time to time.

**Net Bond Proceeds**

"Net Bond Proceeds" shall mean proceeds from the sale of the Series 2020 Bonds at the public offering price including accrued interest, if any, from the dated date of the Series 2020 Bonds to the date of delivery thereof, including interest earnings thereon.

**Net Proceeds**

"Net Proceeds" shall mean Net Bond Proceeds, including any interest earnings thereon, less (a) accrued interest, if any, and (b) such Net Bond Proceeds used to pay or reimburse for the payment of Issuance Expenses and any other neutral costs paid under the Indenture.

**Note**

"Note" shall mean that certain Promissory Note (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), dated _____, 2020, delivered by the City payable to the order of the Bank in the original principal amount of $_____ in the form set forth in **Exhibit A**.

**Note Payments**

"Note Payments" shall mean all payments required to be paid by the City under the Note.

**Opinions of Co-Bond Counsel**

"Opinions of Co-Bond Counsel" shall mean opinions by nationally recognized firms experienced in matters relating to the tax exemption for interest payable on obligations of states and their instrumentalities and political subdivisions under federal law, and which are acceptable to the Bank and the Trustee.

**Outstanding**

"Outstanding" shall mean all Bonds which have been authenticated and delivered by the Trustee under the Indenture, including any Bonds held by the Bank, except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds deemed paid under Article IX of the Indenture; and

(c) Bonds in lieu of which other Bonds have been authenticated under Section 3.05, 3.06 or 3.10 of the Indenture.

**Parity Indebtedness**

"Parity Indebtedness" shall mean indebtedness of the City, the payments of which are secured by a lien on the Special Sales Tax Revenues on a parity with the lien securing the Note but excluding the Note.

**Redemption Account**

"Redemption Account" shall mean the account by that name established by Section 6.02 of the Indenture.

**Redemption Price**

"Redemption Price," when used with respect to any Series 2020 Bond to be redeemed, shall mean the price at which it is to be redeemed pursuant to the Indenture.

**Series 2020 Bonds**

"Series 2020 Bonds" shall mean the $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) issued pursuant to the Indenture.

**Special Sales Tax**

"Special Sales Tax" shall mean the Special Sales Tax authorized by Senate Bill 3268 (2009 Regular Session) allowing, among other things, certain municipalities to impose a special sales tax of not more than one percent (1%) on the gross proceeds of sales or gross income of the business, as the case may be, derived from any of the activities taxed at the rate of seven percent (7%) or more under the Municipal Sales Tax Act.

**Special Sales Tax Fund**

"Special Sales Tax Fund" shall mean the Special Sales Tax Fund established under Section 5.3 hereof which meets the requirements of Sections (5)(a) and (8) of the Municipal Sales Tax Act.

**Special Sales Tax Revenues**

"Special Sales Tax Revenues" shall mean the revenues generated from the Special Sales as authorized pursuant to the Municipal Sales Tax Act.

**State**

"State" shall mean the State of Mississippi.

**Tax Certificate**

"Tax Certificate" shall mean the Tax Regulatory Agreement and Arbitrage Certificate by and between the Bank and the City delivered as of the Closing Date.

**Tax Intercept Agreement**

"Tax Intercept Agreement" shall mean the Tax Intercept Agreement, dated _____, 2020, by and between the City and the Bank and accepted by the Trustee, as set forth in Section 4.8 hereof, securing the Series 2020 Bonds.

**Tax Monies**

"Tax Monies" shall have the meaning given to it in Section 4.8 hereof.

**Term of this Loan Agreement**

"Term of this Loan Agreement" shall mean the period of time commencing on the date of this Loan Agreement and terminating on the final maturity date of the Series 2020 Bonds or upon earlier termination of this Loan Agreement under Section 8.1 hereto, whichever date occurs sooner.

**Treasury Regulations**

"Treasury Regulations" shall mean all proposed, temporary or permanent federal income tax regulations then in effect and applicable.

**Trustee**

"Trustee" shall mean _____ Bank, _____, Mississippi, or any successor trustee appointed, qualified and then acting as such under the provisions of the Indenture.

**Underwriter**

"Underwriter" shall mean Siebert Williams Shank & Co., LLC, as the initial purchaser of the Series 2020 Bonds.

**SECTION 1.2. Exhibits.**

The form of the Note is attached as **Exhibit A** hereto and by reference made a part of this Loan Agreement.

**SECTION 1.3. City's Acts.**

Where the City is permitted or required to do or accomplish any act or thing hereunder, the City may cause the same to be done or accomplished by a third party selected by the City with the same force and effect as if done or accomplished by the City.

**SECTION 1.4. Rules of Interpretation.**

(a) The words "herein" and "hereof" and "hereunder" and words of similar import, without reference to any particular section or subdivision, refer to this Loan Agreement as a whole rather than to any particular section or subdivision of this Loan Agreement.

(b) References in this Loan Agreement to any particular article, section or subdivision hereof are to the designated article, section or subdivision of this Loan Agreement as originally executed.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and all computations provided

for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same basis as in prior years.

(d) The Table of Contents and titles of articles and sections herein are for convenience only and are not a part of this Loan Agreement.

(e) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(f) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Loan Agreement.

(g) For purposes of this Loan Agreement and the Indenture, a petition in bankruptcy shall be deemed dismissed only if either (a) the petition is dismissed by order of a court of competent jurisdiction and no further appeal rights exist from such order or (b) the City notifies the Trustee that such a dismissal has occurred.

(h) Any opinion of counsel required hereunder shall be a written opinion of such counsel.

**ARTICLE II.**

**ARTICLE II.**
**REPRESENTATIONS OF THE BANK AND CITY**

**SECTION 2.1.** Representations by the Bank.

The Bank makes the following representations as the basis for the undertakings on the part of the City herein contained:

(a) The Bank is a public body corporate and politic of the State, exercising essential public functions and organized under the provisions of the Bank Act.

(b) The Bank has full power and authority to enter into the transactions contemplated by this Loan Agreement, the Indenture and the other Bond Documents to which it is a party and to perform its obligations hereunder and thereunder.

(c) The Bank is not in default under any provisions of the laws of the State material to the performance of its obligations under this Loan Agreement, the Indenture, the Tax Intercept Agreement and the other Bond Documents.

(d) The Bank has been duly authorized to execute and deliver this Loan Agreement, the Indenture, the Tax Intercept Agreement and the assignment of the Note to the Trustee and by proper action has duly authorized the execution and delivery hereof and thereof and as to the Bank, this Loan Agreement, the Indenture, the Tax Intercept Agreement, the assignment of the Note to the Trustee and the other Bond Documents to which it is a party are valid and legally binding and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited (1) by bankruptcy, reorganization, or similar laws limiting the enforceability of creditors' rights generally or (2) by the availability of any discretionary equitable remedies.

(e) The loan of the Net Proceeds by the Bank to the City in order to provide financing for the City Project, as provided by this Loan Agreement, will further the purposes of the Bank Act, to wit: to assist local governmental units in obtaining financing for those purposes set forth under the Bank Act in furtherance of its governmental purpose.

(f) Under existing statutes and decisions no taxes on income or profits are imposed on the Bank.

(g) There is not pending any suit, action or proceeding against the Bank before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the Bank, of this Loan Agreement or the Indenture, any of its obligations hereunder or thereunder or any of the transactions contemplated hereby or thereby.

(h) No public official of the Bank has either a direct or indirect financial interest in this Loan Agreement nor will any public official either directly or indirectly benefit financially from this Loan Agreement.

**SECTION 2.2. Representations and Warranties of the City.**

The City represents, covenants and warrants as follows:

(a) The City is a political subdivision of the State duly organized and validly existing under the Constitution and the laws of the State and the City is a "local governmental unit" within the meaning of the Bank Act.

(b) The execution, delivery and performance by the City of this Loan Agreement, the Tax Intercept Agreement and the Note and each of the other Bond Documents to which it is a party are (1) within the City's governmental powers, and (2) have been duly authorized by all necessary actions of the governing body of the City.

(c) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the City of this Loan Agreement, the Tax Intercept Agreement, the Note and the other Bond Documents to which the City is a party.

(d) The City Project comprises an authorized purpose within the meaning of the Act.

(e) The Net Proceeds, together with any other funds to be contributed to the City Project by the City or otherwise in accordance with this Loan Agreement, will be sufficient to pay the Costs of the City Project.

(f) The City has reviewed and approved the provisions of the Indenture.

(g) To the best of City's knowledge, no public official of the City has either a direct or indirect financial interest in this Loan Agreement nor will any public official either directly or indirectly benefit financially from this Loan Agreement.

(h) This Loan Agreement, the Tax Intercept Agreement, the Note and the other Bond Documents to which the City is a party are legal, valid and binding obligations of the City, and are enforceable against the City, in accordance with their respective terms, except to the extent that the enforceability thereof may be limited (1) by bankruptcy, reorganization, or similar laws limiting the enforceability of creditors' rights generally or (2) by the availability of any discretionary equitable remedies.

(i) There is no pending action or proceeding before any court, governmental agency or arbitrator against or directly involving the City and, to the best of the City's knowledge, there is no threatened action or proceeding affecting the City or any of its assets before any court, governmental agency or arbitrator (1) which, in any case, may materially and adversely affect the financial condition or operations of the City as it relates to the City Project, the collection and pledge of the Special Sales Tax and the transactions contemplated herein, (2) which seeks to restrain or would otherwise have a material adverse effect on the transactions contemplated herein, or (3) which would affect the validity or enforceability of this Loan Agreement, the Tax Intercept Agreement, the Note or the other Bond Documents.

(j) The City is not in default in the payment or performance of any of its obligations or in the performance of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which it is a party or by which it or any of its assets may be bound, which default would have a material and adverse effect on the City Project or the collection or the pledge of the Special Sales Tax in accordance with the provisions of the Municipal Sales Tax Act and this Loan Agreement. No Event of Default hereunder or an "event of default" under the Note or any other Bond Document has occurred and is continuing. The City is not in default under any order, award or decree of any court, arbitrator, or governmental authority binding upon or affecting it or by which any of its assets may be bound or affected which default would have a material adverse effect on the City Project or the collection or the pledge of the Special Sales Tax in accordance with the provisions of the Municipal Sales Tax Act and this Loan Agreement, and no such order, award or decree adversely affects the ability of the City to carry on its governmental functions as currently conducted or the ability of the

City to perform its obligations under this Loan Agreement, the Tax Intercept Agreement, the Note and the other Bond Documents to which it is a party.

(k) The City is not a party to any contract or agreement or subject to any restriction which materially and adversely affects its governmental functions, its property or assets, or financial condition. The City is not a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness of the City, any agreement relating thereto or any other contract or agreement (including their charters) which restricts or otherwise limits the incurring of the indebtedness to be represented by this Loan Agreement, the Note and the other Bond Documents to which it is a party.

(l) The City is in compliance with all laws, orders, regulations and ordinances of all federal, foreign, state and local governmental authorities binding upon or affecting the governmental functions, operation or assets of the City, except for laws, orders, regulations and ordinances the violation of which would not, in the aggregate, have a material and adverse effect on the City's financial condition.

(m) There is no fact known to the City which materially adversely affects or in the future may (so far as the City can now foresee) materially adversely affect the property, assets or financial condition of the City which has not been set forth in this Loan Agreement, the Note or in the other Bond Documents, prior to the date hereof in connection with the City Project, the collection and pledge of the Special Sales Tax and the transactions contemplated under the Bond Documents.

(n) The City hereby incorporates herein and makes each of the representations and warranties contained in the other Bond Documents to which it is a party, operative and applicable for the benefit of the Bank and the Trustee as if the same were set forth at length herein.

(o) The City has approved the terms and provisions of the Indenture and the other Bond Documents.

**SECTION 2.3. Survival.**

The foregoing representations, covenants and warranties of the City shall be continuing and shall survive the execution and delivery of this Loan Agreement, the Tax Intercept Agreement, the Note and the other Bond Documents. The disbursement of Loan Proceeds from the Capital Improvements Fund shall constitute a certification by the City that the aforesaid representations, covenants and warranties are true and correct in all material respects as of the date of such disbursement.

## ARTICLE III.

## APPLICATION OF LOAN PROCEEDS; PAYMENT OF COSTS OF CITY PROJECT

**SECTION 3.1. Application of Loan Proceeds.**

Simultaneously with the delivery of the Series 2020 Bonds by the Trustee on the Closing Date, the Loan Proceeds in the amount of $_____ will be deposited by the Trustee, as the assignee for the Bank under this Loan Agreement and the Note, in the Capital Improvements Fund to be held by the City and used to pay the Costs of the City Project, as provided in Article V hereof.

**SECTION 3.2. Construction of the City Project.**

The City shall construct and equip or cause to be constructed and equipped the City Project in accordance with Municipal Sales Tax Act Requirements. The City shallobtain all approvals requisite to the construction and installation of the City Project and shall construct and install the City Project in compliance with all federal, State and local laws and regulations. The City will take such action and institute suchproceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts, including the correction of any defective work. Any amounts recovered as damages, refunds adjustments or otherwise in connectionwith the foregoing (1) if the City has corrected, at its own expense, the matter whichgave rise to such default or breach, shall be paid to the City

or (2) if the City has notcorrected, at its own expense, the matter which gave rise to such default or breach, shall be paid into the Capital Improvements Fund, unless recovered after delivery of the Completion Certificate and full disposition of the Capital Improvements Fund in accordance with Section 3.5 herein, in which case they shall be paid into the General Account under the Indenture.

**SECTION 3.3. Completion of Construction.**

The City shall construct and install the City Project or cause the City Project to beconstructed and installed, with all reasonable dispatch and shall cause the City Project to be completed on or before the Completion Date.

**SECTION 3.4. Payment for City Project.**

(a) Payments of Costs of the City Project by the City, including Costs of the City Project expended or incurred as of the time of delivery of the Series 2020 Bonds, shall be made from time to time by the City out of the Capital Improvements Fund upon presentation to the City (with copies to be furnished to the Issuer upon itsrequest) of invoices or statements from a contractor, vendor or other payee or other document reasonably acceptable to the City. All payments of Costs of the City Project by the City shall be made in accordance with the Municipal Sales Tax Act Requirements.

(b) Construction costs may have to be paid in advance of work or while work is in progress, but prior to acceptable completion. The City may at its discretion makepayments for such construction costs based on its reliance with respect to theacceptable completion of such work, but subject to the Municipal Sales Tax Act Requirements.

(c) Money in the Capital Improvements Fund, except as otherwise provided herein, shall be used solely for making disbursements by the City for payment of the Costs of the City Project as provided in this Article.

**SECTION 3.5. Completion of City Project.**

The completion of the City Project shall be evidenced to the Trustee (and the Issuerupon its request) by a certificate of completion (the "Completion Certificate") signed by an Authorized City Representative to the effect that, except for amounts retained by the City for the payment of Costs of the City Project not then due and payable, which shall be retained as provided in Section 3.6 herein, the City Project has been constructed and installed and substantially completed as of a date stated in such Completion Certificate to the City's satisfaction and in accordance with the Municipal Sales Tax Requirements, and is suitable and sufficient for its intended purposes.

The Completion Certificate shall specify the date as of which construction of the City Project was substantially completed. Notwithstanding the foregoing, the Completion Certificate shall state that it is given without prejudice to any rights the Issuer or the City may have against third parties which may exist at the date of such Completion Certificate or which may subsequently come into being. If additional payments out ofthe Capital Improvements Fund are then required, such payments shall be deliveredby the City in the form specified in Section 3.4(a). Upon receipt of the items specified in this Section and Section 3.4, the City shall pay to the City or any payee designated by the City the amount requested, including any amount withheld pursuant to this Section 3.5.

**SECTION 3.6. Disposition of Surplus Funds.**

(a)(a) If any monies remain in the Capital Improvements Fund (excluding monies earned on investments made pursuant to the Indenture) after payment of all costs then due and payable, such monies (except for amounts retained in the Capital Improvements Fund for payment of Costs of the City Project incurred but not then due and payable, which amounts shall be disbursed by the City on the terms and conditions set forth in Section 3.2 hereof) shall be deposited in the General Account and used to pay debt service on the Series 2020 Bonds.

**SECTION 3.7. Insufficient Proceeds from Series 2020 Bonds.**

The Bank does not make any warranty, either express or implied, that the monies which will be paid into the Capital Improvements Fund and which, under the provisions of this Loan Agreement, will

be available for payment of the Costs of the City Project, will be sufficient to pay all such costs. If after exhaustion of the monies in the Capital Improvements Fund, including the interest earned thereon, if any, the City pays any portion of the Costs of the City Project, it shall not be entitled to any reimbursement therefor from the Bank, the Trustee or the Bondholders, nor shall it be entitled to any diminution or postponement of the Basic Payments or Additional Charges payable hereunder and under the Note.

**SECTION 3.8. Issuance of Series 2020 Bonds.**

Upon execution of this Loan Agreement and the Indenture, or as soon thereafter as practicable, the Bank will execute the Series 2020 Bonds and cause them to be authenticated by the Trustee and delivered to the Underwriter in accordance with the Bond Purchase Agreement upon payment of the purchase price and filing with the Trustee of the opinion of Co-Bond Counsel as to the legality of the Series 2020 Bonds and the furnishing of all other documents required by this Loan Agreement and the Indenture to be furnished before delivery. The Bank will then cause the proceeds of the Series 2020 Bonds to be transmitted to the Trustee.

**ARTICLE IV.**

**THE LOAN, BASIC PAYMENTS AND ADDITIONAL CHARGES**

**SECTION 4.1. The Loan.**

The Bank agrees, upon the terms and conditions herein specified, to lend to the City the Net Proceeds received by the Bank from the sale of the Series 2020 Bonds, by causing such Net Proceeds to be deposited with the Trustee and the City, as applicable, for disposition as provided herein and in the Indenture. The amount of the Loan shall also be deemed to include any "discount" or any other amount by which the aggregate price at which the Bank sells the Series 2020 Bonds to the Underwriter is less than the aggregate principal amount of the Series 2020 Bonds, plus accrued interest. The obligation of the Bank to make the Loan shall be deemed fully discharged upon so depositing the Net Proceeds with the Trustee as set forth herein and in the Indenture.

**SECTION 4.2. Basic Payments.**

Subject to the provisions for prepayment set forth in Section 8.1 hereof, the City agrees to pay or cause to be paid the Loan as follows:

(a) The City shall pay from the Special Sales Tax Revenues to be deposited in the Special Sales Tax Fund established pursuant to, and in the manner provided in Section 5.3 hereof.

(b) Additionally, the City shall timely remit or cause to be remitted to the Trustee for deposit into the Redemption Account the amounts required for the payment of the purchase or Redemption Price including accrued interest on Outstanding Bonds being redeemed or purchased for retirement, and in each such case, such amounts shall be applied by the Trustee to such payments.

**SECTION 4.3. Pledge of The Special Sales Tax Revenues.**

The Note will be an obligation of the City payable solely from the monies, rights and interests pledged under this Loan Agreement as set forth in the immediately succeeding paragraph. **The Note will never constitute a general obligation of the City or, within the meaning of any constitutional or statutory limitation, a debt, liability, or obligation of the State or any political subdivision of the State other than the City, and neither the full faith and credit nor taxing power of the State or any political subdivision thereof, including the City, is pledged to the payment of such principal, premium, if any, and interest except as set forth herein.** The Note initially issued under this Loan Agreement shall be issued for the purposes of providing funds to finance the Costs of the City Project, fund the Debt Service Reserve Fund and paying Issuance Expenses for the Series 2020 Bonds and the Note.

Pursuant to the terms of this Loan Agreement, the principal of and interest on the Note and other amounts due under this Loan Agreement are to be paid from the Special Sales Tax Revenues. The City hereby covenants in this Loan Agreement to take such action as may be necessary to include all the Note Payments and amounts due under this Loan Agreement. The Notes and any Parity Indebtedness shall be payable from and secured by a pledge of and first lien on the Special Sales Tax Revenues. In addition, the Bank Act and this Loan Agreement provide for the intercept of certain

monies owed the City by the Mississippi Department of Revenue and any other State agency if the City is deficient in its payments under the Note.

The obligation of the City to make Note Payments and pay amounts due under this Loan Agreement constitutes a binding obligation of the City in accordance with the terms of the Note and this Loan Agreement, respectively. The City shall make said payments from the Special Sales Tax Revenues. The City will not create or allow any lien on or payment from the Special Sales Tax Revenues prior or superior to the obligation to make the payments on the Note or any Parity Indebtedness or which may impair the security of the Notes or any Parity Indebtedness provided for under Section 4.9 hereof.

**The obligations of the City under the Note and this Loan Agreement are not general obligations and do not constitute a pledge of the full faith and credit of the City, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.**

**SECTION 4.4. Additional Charges.**

The City agrees to pay as additional charges, when due, each and all of the following from Sales Tax Revenues to be deposited in the Special Sales Tax Fund established pursuant to, and in the manner provided in Section 5.3 hereof:

(a) all Issuance Expenses to the extent not paid from the proceeds of the Series 2020 Bonds;

(b) to or upon the order of the Trustee, upon demand, all fees of the Trustee for services rendered under the Indenture and all fees and charges of the paying agent, registrars, legal counsel, accountants, public agencies and others incurred in the performance on request of the Trustee of services required under the Indenture for which the Trustee and such other persons are entitled to payment or reimbursement; provided that after payment in full thereof the City may, without creating a default hereunder, contest in good faith the necessity or reasonableness of any such services, fees or expenses other than the Trustee's fees for ordinary services as set forth in the Indenture, paying agency fees and any fees or charges of public agencies;

(c) to the Bank and the Trustee, the Administrative Expenses, and all other reasonable expenses incurred by the Bank and the Trustee in relation to the Series 2020 Bonds which are not otherwise specifically required to be paid by the City under the terms of this Loan Agreement and all indemnity payments required to be made under Section 7.3;

(d) any and all out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of any counsel, accountants or other professionals) incurred by the Trustee or the Bank at any time, in connection with (1) the preparation, negotiation and execution of this Loan Agreement, the Indenture, the Tax Intercept Agreement, the Note, and all other Bond Documents, any amendment of or modification of this Loan Agreement, the Indenture, the Tax Intercept Agreement, the Note or the other Bond Documents (including in connection with any sale, transfer, or attempted sale or transfer of any interest herein to a participant or assignee); (2) any litigation, contest, dispute, suit, proceeding or action, whether instituted by the Bank, the Trustee, the City or any other person in any way relating to the Series 2020 Bonds, the Note or the other Bond Documents; (3) any attempt to enforce any rights of the Trustee or the Bank against the City or any other person which may be obligated to the Trustee and/or the Bank by virtue of this Loan Agreement, the Note, the other Bond Documents or any other Series 2020 Bonds related documents; and (4) performing any of the obligations relating to or payment of any obligations of the City hereunder in accordance with the terms hereof or any other Bond Documents;

(e) if there is on deposit in the Debt Service Reserve Fund an amount less than the Debt Service Reserve Requirement as of any Interest Payment Date based on the Trustee's valuation under Section 6.09 of the Indenture, the City will pay directly to the Trustee an amount for deposit into the Debt Service Reserve Fund which, when added to the amount on deposit in the Debt Service Reserve Fund equals the Debt Service Reserve Requirement, such payment to be made no later than thirty (30) days after the applicable Interest Payment Date;

(f) upon notice by the Trustee that any event described in Section 6.09 of the Indenture has occurred, the City will make or cause to be made the required payments to replenish the Debt

Service Reserve Fund within five (5) days of such notice. Said payments may be made from proceeds of a drawing under a Reserve Fund Credit Facility (as defined in the Indenture); and

(g) All amounts owed under the Tax Certificate.

With respect to any Additional Charges under Section 4.4(a) through (d) above, the party requesting payment shall provide an Additional Charges Invoice.

**SECTION 4.5. City's Obligations Unconditional.**

The City will not suspend or discontinue any Basic Payments or Additional Charges, and will perform and observe all of its other agreements in this Loan Agreement, and, except as expressly permitted in Section 8.1 hereof, will not terminate this Loan Agreement for any cause, including, but not limited to, the invalidity or unenforceability or lack of due authorization or other infirmity of this Loan Agreement or the Note, or lack of right, power or authority of the Bank to enter into this Loan Agreement, commercial frustration of purpose, bankruptcy or insolvency of the Bank or the Trustee, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State or any political subdivision thereof, or failure of the Bank to perform and observe any agreement, whether express or implied or any duty, liability or obligation arising out of or connected with this Loan Agreement or the Note, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Basic Payments, Additional Charges and other amounts payable by the City hereunder shall be paid in full when due without any delay or diminution whatever.

**SECTION 4.6. Assignment of the Bank's Rights.**

As security for the payment of the Series 2020 Bonds, the Bank will pledge the amounts payable hereunder and under the Note and assign, without recourse or liability, to the Trustee, the Bank's rights under this Loan Agreement (except certain rights retained by the Bank) and under the Note. The rights pledged and assigned by the Bank hereunder will include the right to receive payments hereunder (except the right to receive payments, if any, under Section 4.4, 6.7, 7.3, 9.5, 10.8 and 10.11 hereof) and the Bank hereby directs the City to make said payments directly to the Trustee. The City herewith assents to such assignment and will make payments under this Loan Agreement directly to the Trustee without defense or set off by reason of any dispute between the City and the Trustee.

**SECTION 4.7. City's Remedies.**

Nothing contained in this Article shall be construed to release the Bank from the performance of any of its agreements herein, and if the Bank should fail to perform any such agreements, the City may institute such action against the Bank as the City may deem necessary to compel the performance so long as such action for specific performance shall not violate the City's agreements in Section 4.5 or diminish or delay the amounts required to be paid by the City pursuant to Sections 4.2 and 4.4 of this Loan Agreement. The City acknowledges however and agrees that any pecuniary obligation of the Bank created by or arising out of this Loan Agreement shall be payable solely out of the proceeds derived from this Loan Agreement or the sale of the Series 2020 Bonds upon a default by the City, the Bank or otherwise.

**SECTION 4.8. Agreement Withholding City Monies to Satisfy Delinquent Payments.**

As provided for in the Bank Act, the City and the Bank have entered into and the Trustee has accepted the Tax Intercept Agreement, whereby the City has covenanted, agreed and authorized the Mississippi Department of Revenue or any other State agency, department or commission to (a) withhold all or any part of any monies which the City is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi Department of Revenue or any other State agency, department or commission (the "**Tax Monies**") and (b) pay same over to the Trustee (as assignee of the Bank) to satisfy any delinquent payment (the "**Delinquent Payment**") with respect to either a Monthly Debt Service Payment or a payment under Section 4.2 or 4.4(e) of this Loan Agreement.

If on the [fifteenth (15th ) day] of any month, beginning ___ 15, 20___, the Trustee has not received sufficient Special Sales Tax Revenues pursuant to Section 5.3(a) of this Loan Agreement to timely make a Monthly Debt Service Payment, or to make the payments then due under Sections 4.2 or

4.4(e) of this Loan Agreement, the Bank has authorized and directed the Trustee under the Tax Intercept Agreement to file the Tax Intercept Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the Mississippi Department of Revenue or any other State agency, department or commission, thereby directing the Mississippi Department of Revenue or any other State agency, department or commission to pay any Tax Monies directly to the Trustee on behalf of the Bank to satisfy any Delinquent Payment, all as permitted under the Bank Act. The Trustee is hereby directed to pay any Tax Monies into the General Account of the General Fund to be applied in accordance with Section 6.05 of the Indenture.

**SECTION 4.9. Parity Indebtedness.**

(a) No Parity Indebtedness shall be issued unless all of the following conditions are complied with:

(i) the City must be current in all deposits into the Special Sales Tax Fund and all payments theretofore required to have been deposited or made by it under the provisions of this Loan Agreement;

(ii) (1) the Special Sales Tax Revenues during the last audited fiscal year or any twelve (12) consecutive months of the eighteen (18) months immediately preceding delivery of the Parity Indebtedness, as certified by an Accountant, will be at least equal to one hundred fifty percent (150%) of the debt service requirement, calculated by including the current year debt service on the Note, plus the annual average debt service on any Parity Indebtedness plus the proposed Parity Indebtedness, or

(2) if the proposed Parity Indebtedness is issued for the purpose of refunding any Parity Indebtedness (or bonds or notes secured by such Parity Indebtedness), then the annual debt service requirement must be equal to or lower after such refunding for each fiscal year of scheduled debt service payments during the term of the refunding bonds or notes than Outstanding Parity Indebtedness (or bonds or notes secured by such Outstanding Parity Indebtedness) that are not being refunded in the event of a partial redemption; and

(iii) the Parity Indebtedness shall be issued for a purpose or purposes authorized by the Municipal Sales Tax Act.

(b) Such Parity Indebtedness:

(i) shall be dated, shall bear interest at a rate or rates not in excess of the rate then permitted by applicable law, and shall be payable as to principal and interest and shall mature on such payment dates as shall be specified in the bond resolution adopted in connection with the issuance of the Parity Indebtedness;

(ii) shall have such particular designations added to their title as the City may determine, and may be in such denominations as shall be specified in the bond resolution adopted in connection with the issuance of the Parity Indebtedness; and

(iii) may contain provisions for the redemption thereof at such redemption price or prices, at such time or times, upon such notice, in such manner and upon such other terms and conditions as shall be specified in the bond resolution adopted in connection with the issuance of the Parity Indebtedness.

(c) The City hereby covenants and agrees that in the event additional Parity Indebtedness is issued, it shall:

(i) Adjust the monthly deposits into the Special Sales Tax Fund in an amount that will be sufficient to pay the principal of and interest on the Note and the Parity Indebtedness.

(ii) Deposit into the debt service reserve fund (if a debt service revenue fund is required for the Parity Indebtedness under the bond resolution for such Parity Indebtedness) an amount equal to the lesser of the following:

(1) The Debt Service Reserve Requirement as calculated for the Series 2020 Bonds and such Parity Indebtedness (or bonds or notes secured by such Parity Indebtedness); and

(2) the maximum amount which, if deposited therein, in the opinion of nationally recognized bond counsel, would not adversely affect the tax-exempt status of interest on the Series 2020 Bonds and such Parity Indebtedness (or bonds or notes secured by such Parity Indebtedness).

(d) The City may refund all or any part of the Series 2020 Bonds or other Parity Indebtedness under Section 4.9(a)(ii)(2), so long as the debt service on the Parity Indebtedness (or bonds or notes secured by Parity Indebtedness), after refunding, provides debt service savings on the refunded bonds as provided in Section 31-27-1 *et seq.* of the Mississippi Code of 1972, as amended from time to time or issued in accordance with Section 31-15-1 *et seq.* of the Mississippi Code of 1972, as amended from time to time.

(e) All of such Parity Indebtedness, regardless of the time or times of their issuance, shall rank equally with the Note and all other Parity Indebtedness with respect to their lien on the Special Sales Tax Revenues and their source of and security for payment therefrom without preference of any Parity Indebtedness over any other.

(f) The City shall not issue any obligations whatsoever payable from the Special Sales Tax Revenues which rank equally as to lien and source and security for their payment for such Special Sales Tax Revenues with the Note, except in the manner and under the conditions provided in this Section 4.9, however, junior and subordinate bonds or notes may be issued from time to time within the discretion of the City.

**SECTION 4.10. Additional Parity Indebtedness Covenant.** Upon satisfying the requirements set forth in Section 4.9 hereof, the City hereby covenants that it shall not authorize the issuance of any Parity Indebtedness unless such Parity Indebtedness shall be on parity lien on Special Sales Tax Revenues with the Note entitled to the same rights, privileges, benefits, pledge of Special Sales Tax Revenues pledged to the Note except for such security as may be provided by any financial guaranty insurance policy issued by a bond insurance company, if any.

**ARTICLE V.**

**Establishment and creation of loan agreement funds**

**SECTION 5.1. Establishment of Capital Improvements Fund and the Special Sales Tax Fund.**

(a)The Capital Improvements Fund is hereby created and established as funds under this Loan Agreement. The amounts in the Capital Improvements Fund shall be held by the City. Monies held by the City shall be deposited with one or more Depositories in

accordance with applicable law. All monies or securities received by the City pursuant to this Loan Agreement shall be held and applied only in accordance with the provisions hereof.

(b) The Special Sales Tax Fund is hereby created and established as a fund under this Loan Agreement. The Special Sales Tax Fund shall be held and deposited with the City. All Special Sales Tax Revenues received by the City pursuant to the Loan Agreement shall be held and applied only in accordance with the provisions hereof.

**SECTION 5.2. Application of Monies Held in Capital Improvements Fund.**

(a) There shall be deposited into the Capital Improvements Fund, the amount required to be so deposited by the provisions of Section 3.1 hereof. There may also be paid into the Capital Improvements Fund, at the option of the City, any monies received by the City from any other source, unless required to be otherwise applied as provided by this Loan Agreement. All earnings, if any, on the investment of monies in the Capital Improvements Fund shall be accumulated therein for the purposes set out in this Section 5.2.

(b) Except as otherwise provided in this Loan Agreement and the Indenture, amounts in the Capital Improvements Fund shall be applied only to pay the Costs of the City Project.

(c) To the extent that amounts in the Special Sales Tax Fund or the Debt Service Reserve Fund are insufficient or unavailable therefor, amounts on deposit in the Capital Improvements Fund may be applied to pay the Note when due, but only in the event that there shall have been filed with the Trustee (1) a Certificate of an Authorized City Representative in form and substance satisfactory to the Trustee stating (A) that the Special Sales Tax Revenues expected to be received thereafter together with such other specified amounts as are expected to be made available therefor by the City will not be sufficient to pay in full all Outstanding Series 2020 Bonds when and as the same shall become due in accordance with their terms, (B) that such payment will not result in a violation of the provisions of Section 6.4 hereof, and (C) in reasonable detail, the basis for such certification, and (2) Opinions of Co-Bond Counsel satisfactory to the Trustee that such payment will not result in a violation of any applicable existing law including the Code.

(d) At any time, the City may apply amounts in the Capital Improvements Fund to the prepayment of the Note in accordance with its terms and provisions of Section 7.1 hereof, but only to the extent that such amounts are not required to be retained therein for the purpose of completing the City Project as provided in Article III.

**SECTION 5.3. Special Sales Tax Fund**

All Special Sales Tax Revenues shall be set aside as collected by the City and shall be deposited into the Special Sales Tax Fund to be utilized for the purposes of accounting for the Special Sales Tax Revenues. Special Sales Tax Revenues on deposit in the Special Sales Tax Fund (and any earnings thereon) are pledged to secure the Note and any Parity Indebtedness as provided for under Section 4.3 hereof and are subject to the application of Special Sales Tax Revenues under this Section 5.3. Monies in the Special Sales Tax Fund shall not be subject to lien or attachment by any other creditor of the City, and shall be allocated and deposited with the City by an Authorized City Representative to the extent available in the following order of preference in the following special funds, without further direction of or action by the City:

(a) On the first day of each month, commencing in the first month after deliver of the Note, the City shall deposit with the Trustee the following amounts in the following order of priority:

FIRST, an amount equal to one-sixth($1/6^{th}$) or such applicable fraction necessary to provide the interest due on the Note and any Parity Indebtedness on the next succeeding Interest Payment Date and one-twelfth ($1/12^{th}$) or such applicable fraction necessary to provide the next installment of principal becoming due on the Note and any Parity Indebtedness. The Trustee shall transfer (i) such funds to the General Fund for the payment of debt service due on the Bonds pursuant to Section 6.05 of the Indenture and (ii) such funds to the City or as directed by the City, for the payment of debt service due on any Parity Indebtedness pursuant to the bond resolution adopted in connection with the issuance of the Parity Indebtedness.

SECOND, there shall be deposited with the Trustee the amount, if any, required to be paid into the Debt Service Reserve Fund in order to ensure that the amount on deposit therein equals the Debt Service Reserve Requirement.

THIRD, there shall be deposited with the Trustee, the amount, if any, to pay such fees and expenses pursuant to Section 4.4(b), (c), and (d) hereof.

FOURTH, any excess Special Sales Tax Revenues remaining in the Special Sales Tax Fund after the application of FIRST through THIRD immediately above each month shall be retained in the Special Sales Tax Fund and used (i) for the purposes of this Section 5.3 and (ii) as directed by the City for any other purposes authorized under the Municipal Sales Tax Act, including but not limited to constructing, improving and paving roads and streets; repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; paying the costs of water, sewer and drainage projects; and for other authorized purposes under the Municipal Sales Tax Act.

**SECTION 5.4. Investment of Monies Held by Any Fiduciary.**

Monies in the Capital Improvements Fund, and the Special Sales Tax Fund, shall be invested to the fullest extent possible in Investment Securities, provided that the maturity date or the date on which such Investment Securities may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event later than) the date or dates on which monies in the Capital Improvements Fund and the Special Sales Tax Fund for which the investments were made will be required for the purpose thereof.

The income or interest earned by or increment to the Capital Improvements Fund due to the investment thereof shall be retained therein and applied toward the purposes set forth in Section 5.2 hereof. The income or interest earned by or increment to the Special Sales Tax Fund due to the investment thereof shall be retained therein and applied toward the purpose set forth in Section 5.3 hereof.

The City shall sell at the best price obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Capital Improvements Fund or the Special Sales Tax Fund.

**SECTION 5.5. Liability of Fiduciaries for Investments.**

A Fiduciary shall not be liable or responsible for the making of any investment authorized by the provisions of this Article V in the manner provided in this Article V or for any loss resulting from any such investment so made, except for its own negligence or willful misconduct.

**SECTION 5.6. Reserved.**

**SECTION 5.7. Reserved.**

**SECTION 5.8. Conduct of Government Operations.**

The City shall maintain its existence as a political subdivision and "local governmental unit" within the meaning of the Bank Act organized and validly existing under the Constitution and laws of the State. The City will comply with all applicable laws and regulations of any federal, state or local governmental authority, except for such laws and regulations, the violation of which would not, in the aggregate, have a material adverse effect on the City's financial condition.

**SECTION 5.9. Payment of Indebtedness.**

The City shall pay any indebtedness for which it is liable when due and shall not permit any default to occur under any document evidencing or securing any such indebtedness.

**SECTION 5.10. Performance of Obligations.**

The City shall observe and perform its obligations under this Loan Agreement, the Note, the other Bond Documents to which it is a party and the other agreements relating to the transaction contemplated hereby to which it is a party or by which it is bound and shall not suffer or permit any default or Event of Default to exist hereunder or an "event of default" thereunder. The City shall use its good faith efforts to cause the other parties to the other Bond Documents to deliver notices

and documents required to be delivered to the Bank and cause such parties to observe and perform those obligations and covenants contained in the Bond Documents required to be observed and performed thereunder.

**SECTION 5.11. RESERVED.**

**SECTION 5.12. Environmental Indemnity.**

Without limitation on any other provision hereof or in the other Bond Documents, the City, to the extent permitted by law, hereby agrees to indemnify and hold the Trustee and the Bank harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, "**Environmental Laws**"): the Comprehensive Environmental Response, Compensation, and Liability Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to, or imposing liability or standards of conduct concerning any hazardous material) paid, incurred, suffered by or asserted against the Bank and/or the Trustee as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, the City: (a) the presence of any hazardous material on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any hazardous material at (1) the City Project, (2) any other real property in which the City holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust the beneficial interest in which is owned, in whole or in part, by the City) or (3) an off-site location if the liability or obligation relates to the prior generation or use of hazardous material at the City Project or (b) any liens against the City Project, or any part of either of them, permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations of the City or under any Environmental Laws, or (c) any actual or asserted liability or obligations of the Bank under any Environmental Law relating to the City Project or the City's, or any of the predecessors' possession, use or activities at or relating to the City Project. Notwithstanding any other provision of this Loan Agreement, the covenants, indemnities and obligations provided for in this paragraph shall be continuing and shall survive the payment, performance, satisfaction, discharge, cancellation, termination and release of the other obligations of the City under this Loan Agreement.

Without limitation on any other provision hereof, the City shall use and maintain the City Project or cause the City Project to be used and maintained in accordance and compliance with all applicable Environmental Laws.

**ARTICLE VI.**

**CITY'S COVENANTS**

**SECTION 6.1. Covenant for the Benefit of the Trustee and the Bondholders.**

The City recognizes the authority of the Bank to assign its interest in and pledge monies receivable under this Loan Agreement (other than certain payments required to be made to the Bank under Sections 4.4, 6.3, 6.4, 8.5, 9.8 and 9.11) to the Trustee as security for the payment of the principal of and interest and redemption premium, if any, on the Series 2020 Bonds, and the payment of all fees and expenses of the Trustee; and hereby agrees to be bound by, and joins with the Bank in the grant of a security interest to the Trustee in any rights and interest the City may have in sums held in the Funds described in Article VI of the Indenture pursuant to the terms and conditions of the Indenture, all to secure payment of the Series 2020 Bonds. Each of the terms and provisions of this Loan Agreement is a covenant for the use and benefit of the Trustee and the Holders of the Series 2020 Bonds, so long as any thereof shall remain Outstanding; but upon payment in full of the Series 2020 Bonds in accordance with Article IX of the Indenture and of all fees and charges of the Trustee and any paying agent, all references in this Loan Agreement to the Series 2020 Bonds, the Holders thereof and the Trustee shall be ineffective, and neither the Trustee nor the Bondholders shall thereafter have any rights hereunder, save and except those that shall have theretofore vested or that arise from provisions hereunder which survive termination of this Loan Agreement.

**SECTION 6.2. Certificate of Compliance and Other Reports.**

The City will at the request of the Trustee, and at the City's expense, furnish to the Trustee and the Bank at such times and in such form as the Trustee may reasonably require a copy of reports containing such information as is necessary to comply with any lawful reporting or continuing registration requirements imposed by any agency of the State under the Bank Act, the State's Blue Sky Laws or any other applicable State law as it now exists or may hereafter be amended or any

agency of any other state in which the Series 2020 Bonds have been sold, or such information as necessary to comply with federal securities law.

**SECTION 6.3. Indemnification.**

The City, will, to the fullest extent permitted by law, protect, indemnify and save the Bank and Trustee and their elected and appointed officials, board members, officers, agents, and employees and any person who controls the Bank or Trustee within the meaning of the Securities Act of 1933, harmless from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the Bank), taxes, causes of action, suits, claims, demands and judgments of any nature arising from:

(a) violation of any agreement, provision or condition of this Loan Agreement, the Series 2020 Bonds or the Indenture except a violation by the Bank;

(b) any statement or information relating to the expenditure of the proceeds of the Series 2020 Bonds contained in the Tax Certificate or similar document furnished by the City to the Bank which, at the time made, is misleading, untrue or incorrect in any material respect; and

(c) any untrue statement or alleged untrue statement of a material fact contained in any offering material relating to the sale or remarketing of the Series 2020 Bonds (as from time to time amended or supplemented) or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or failure to properly register or otherwise qualify the sale of the Series 2020 Bonds or failure to comply with any licensing or other law or regulation which would affect the manner whereby or to whom the Series 2020 Bonds could be sold.

Promptly after receipt by the Bank or any such other indemnified person, as the case may be, of notice of the commencement of any action with respect to which indemnity may be sought against the City under this Section, such person will notify the City in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the City shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to the Bank, or such other person as the case may be, and the payment of expenses). Insofar as such action shall relate to any alleged liability with respect to which indemnity may be sought against the City, the Bank or any such other indemnified person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the City unless the employment of such Counsel has been specifically authorized by the City. The City shall not be liable to indemnify any person for any settlement of any such action effected without its consent.

The indemnity specified in this Section 6.3 shall not be effective to relieve any indemnified party from damages that result wholly or in part from the gross negligence or intentional misconduct on the part of such indemnified party. The provisions of this Section 6.3 shall survive the payment and discharge of the Series 2020 Bonds.

**SECTION 6.4. Tax Covenants.**

(a) In order to maintain the exclusion of interest on the Series 2020 Bonds from gross income of the holders thereof for federal income tax purposes, and for no other purpose, the City covenants to comply with the applicable requirements of the Code. In furtherance of the covenant contained in the preceding sentence, the City agrees to comply with the Tax Certificate executed by the City on the date of the issuance and delivery of the Series 2020 Bonds, as such Tax Certificate may be amended from time to time.

(b) The City covenants and agrees with the Trustee and the Bondholders that the City shall not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Series 2020 Bonds, would cause the Series 2020 Bonds to be "private activity bonds" or "arbitrage bonds" within the meaning of Sections 141(a) and 148(a), respectively, of the Code, or any successor provisions.

(c) Upon the authentication and delivery of the Series 2020 Bonds, the City shall furnish to the Trustee certificates of the Authorized City Representative of the City to the

effect that, on the basis of the facts, estimates and circumstances in existence on the date of such authentication and delivery, it is not expected that the proceeds of the Series 2020 Bonds will be used in a manner that would cause such Series 2020 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Treasury Regulations thereunder, and in such certificates the City shall set forth such facts and circumstances which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized City Representative, there are no other facts or circumstances that would materially change the expectations expressed in such certificate.

(d) The City shall operate the City Project in such a manner as is necessary in order to maintain the exclusion of interest on the Series 2020 Bonds from gross income of the Holders thereof for federal income tax purposes under Section 103(a) of the Code.

(e) Notwithstanding any other provisions of this Loan Agreement to the contrary, so long as necessary in order to maintain the exclusion of interest on the Series 2020 Bonds from gross income of the Holders thereof for federal income tax purposes under Section 103(a) of the Code, the covenants contained in this Section 6.4 shall survive the payment of the Series 2020 Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Articles IV and IX of the Indenture.

**SECTION 6.5. Affirmative Covenants of the City.**

Until the termination date and thereafter until no amount is due or owing to the Bank hereunder, the City shall comply with each of the covenants, undertakings and agreements set forth in this Loan Agreement unless the Trustee and the Bank shall otherwise consent in writing which consent may be withheld in their sole and absolute discretion.

**SECTION 6.6. Covenants in Bond Documents.**

The City shall keep and perform all covenants and agreements set forth in the Indenture and each and every other Bond Document to which it is a party, which covenants are incorporated herein by reference as if fully set forth herein.

**ARTICLE VII.**

**CITY's option to prepay; direction of investments**

**SECTION 7.1. Prepayment of the Note and Termination of the Loan Agreement.**

(a) Unless an Event of Default has occurred and is continuing, the City shall have the option to direct the Trustee to call for redemption prior to maturity the Outstanding Series 2020 Bonds, in whole or in part, as provided in Section 4.01 of the Indenture. The Series 2020 Bonds to be redeemed shall be redeemed at a price equal to their principal amount plus accrued interest as set forth in Section 4.01 of the Indenture upon not less than thirty (30) but no more than forty-five (45) days prior written notice. In the event the Series 2020 Bonds are called for redemption in whole or in part under the Indenture, a Basic Payment shall be made by the City in the amount of principal plus accrued interest and all other fees due hereunder and under the Indenture to effectuate said redemption.

(b) If, after the City exercises its option to redeem all Series 2020 Bonds, no Series 2020 Bonds remain Outstanding, the Indenture is discharged, and the City has satisfied all of its obligations hereunder and under the Note, the Trustee and the Bank shall execute and deliver to the City such instruments as the City reasonably determines are necessary to terminate this Loan Agreement. All further obligations of the City hereunder, except as set forth in Sections 6.3, 6.5, 6.4, 8.5, 9.8 and 9.11, shall thereupon terminate.

(c) The City shall pay from Special Sales Tax Revenues, or any other funds available, to the Trustee at least five (5) days prior to the Discharge Date, an amount equal to the Trustee's and any paying agent's fees and expenses owed under the Indenture, accrued and to accrue until final payment and redemption of the Series 2020 Bonds and all other advances, fees, costs and expenses reasonably incurred and to be incurred on or before the termination date by the Trustee and any paying agent under the Indenture and by the Bank under this Loan Agreement.

(d) On the Discharge Date, a closing shall be held at the principal office of the Trustee, or any other office mutually agreed upon. Upon termination of this Loan Agreement as provided for in this Section 7.1, the Bank will cause the Trustee to deliver a release of the Indenture and the estate created by this Loan Agreement and the Note, and all further obligations of the City hereunder, except under Sections 6.3, 6.5, 6.4, 8.5, 9.8 and 9.11 shall thereupon terminate; provided, however, that the City shall also remain obligated to pay or reimburse the Bank and Trustee for the payment of all other fees, costs and expenses unaccounted for in the sum paid in accordance with subsection (c) above and reasonably incurred before or subsequent to such closing in connection with the Series 2020 Bonds.

**SECTION 7.2. Direction of Investments.**

Except during the continuance of an Event of Default, the City shall have the right during the Term of this Loan Agreement to direct the Trustee to invest or reinvest all monies held for the credit of the Funds established by Article VI of the Indenture and held by the Trustee, in Investment Securities, subject, however, to the further conditions of Article VIII of the Indenture.

**ARTICLE VIII.**

**Events of default and remedies**

**SECTION 8.1. Events of Default.**

Any one or more of the following events is an Event of Default under this Loan Agreement, and the term "Event of Default," wherever used herein, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) if the City shall fail to pay any Basic Payments due under this Loan Agreement;

(b) if the City shall fail to pay any (1) Additional Charges under an Additional Charges Invoice on or before the date that the payment is due and shall continue to be in arrears for thirty (30) days after the due date thereof and (2) Additional Charges described in Section 4.4(e) through (g) on or before the date that the payment is due and shall continue to be in arrears for thirty (30) days after the due date;

(c) if the City shall fail to observe and perform or shall breach any other covenant, condition or agreement on its part under this Loan Agreement for a period of fifteen (15) days after mailing of a notice to it by the Bank or the Trustee, specifying such default or breach and requesting that it be remedied; and provided that if the failure stated in the notice cannot be corrected within fifteen (15) days, the Bank and Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within said fifteen (15) days and is diligently pursued, for an additional thirty (30) days;

(d) if the City shall be dissolved or is no longer a "local governmental unit" within the meaning of the Bank Act;

(e) if any representation or warranty made by the City herein, or by an officer or representative of the City in any document or certificate furnished the Trustee or the Bank in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made;

(f) the occurrence of an "event of default" under any other Bond Document which is not cured within the time period provided therefor, if any; and/or

(g) if there is a declaration or proceeding in bankruptcy regarding the City.

**SECTION 8.2. Remedies.**

(a) Whenever any Event of Default specified in Section 8.1(a) above shall have happened and be continuing, the Trustee shall declare all the Basic Payments payable for the remainder of the Term of this Loan Agreement (an amount equal to that necessary to pay in full the Note and the interest thereon assuming acceleration of the Series 2020 Bonds under the Indenture and to pay all other indebtedness thereunder) to be immediately due and

payable whereupon the same shall become immediately due and payable by the City to the Trustee but only if the acceleration of payment of Series 2020 Bonds has been declared by the Trustee under Section 10.02 of the Indenture.

(b) Whenever any Event of Default shall have occurred and be continuing any one or more of the following remedial steps may also be taken to the extent permitted by law:

(1) the Trustee or the Bank may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the City, under this Loan Agreement, the Note or other Bond Document; or to otherwise compensate the Bank, the Trustee or the Bondholders for any damages on account of such Event of Default; and

(2) the Bank with prior notice to the Trustee (without the prior written consent of the Trustee if the Trustee is not enforcing the Bank's right in a manner to protect the Bank or is otherwise taking action that brings adverse consequences to the Bank) may take whatever action at law or in equity may appear necessary or appropriate to enforce its rights of indemnification under Section 7.3 hereof and to collect all sums then due and thereafter to become due to the Bank under Section 4.4, 6.3, 6.5, 6.4, 8.5, 9.8 and 9.11 of this Loan Agreement. Notwithstanding the foregoing, the Bank is not precluded from exercising any of its rights reserved to it as set forth in this Section, even if the Trustee is exercising the rights of the Bank hereunder.

**SECTION 8.3. Disposition of Funds.**

Any amounts collected pursuant to action taken under Section 9.2 above (other than sums collected for the Bank on account of its rights to indemnification and certain direct payments to be made to the Bank under Sections 4.4, 6.3 and 8.5 hereof) shall be applied in accordance with the provisions of the Indenture.

**SECTION 8.4. Nonexclusive Remedies.**

No remedy herein conferred upon or reserved to the Bank or Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank (or the Trustee) to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required or be required by law.

**SECTION 8.5. Attorney's Fees and Expenses.**

If an Event of Default shall exist under this Loan Agreement and the Bank or the Trustee should employ attorneys or incur other expenses for the collection of any amounts due hereunder, or the enforcement of performance of any obligation or agreement on the part of the City, the City will upon demand pay to the Bank or the Trustee the reasonable fees of such attorneys and such other expenses so incurred.

**SECTION 8.6. Effect of Waiver.**

In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**SECTION 8.7. Waiver of Stay or Extension.**

The City covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisement, valuation, stay, or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Loan Agreement and the City (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Bank or the

Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

**SECTION 8.8. Bank May File Proofs of Claim.**

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the City or the City Project, the Trustee or the Bank with the prior consent of the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Bank and the Trustee (for themselves and on behalf of Bondholders) (including any claim for the reasonable compensation, expenses, disbursements and advances of the Bank and Trustee, their agents and counsel) allowed in such judicial proceeding, and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

**SECTION 8.9. Restoration of Positions.**

If the Bank or the Trustee have instituted any proceeding to enforce any right or remedy under this Loan Agreement or the Note, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Bank or the Trustee, then and in every such case the City and the Bank shall, subject to any determination in the proceeding, be restored to the positions they held prior to commencement of such proceedings, and thereafter all rights and remedies of the Bank and the Trustee shall continue as though no such proceeding had been instituted.

**SECTION 8.10. Suits to Protect the City Project.**

If the City shall fail to do so after thirty (30) days prior written notice from the Bank or the Trustee, the Bank shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the City Project or any portion thereof, by any acts which may be unlawful or in violation of this Loan Agreement, and such suits and proceedings as the Bank may deem expedient to protect its interests in the City Project or any portion thereof, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule or order would impair or adversely affect the City Project or be prejudicial to the interests of the Bondholders.

**SECTION 8.11. Performance by Third Parties.**

The Bank may permit third parties to perform any and all acts or take such action as may be necessary for and on behalf of the City to cure any Event of Default hereunder. The acceptance by the Bank or the Trustee of any such performance by third parties shall not in any way diminish or absolve the City of primary liability hereunder.

**SECTION 8.12. Exercise of the Bank's Remedies by Trustee.**

Whenever any Event of Default shall have happened and be subsisting the Trustee may, but except as otherwise provided in the Indenture shall not be obliged to, exercise any or all of the rights of the Bank under this Article VIII.

## ARTICLE IX.

## GENERAL

**SECTION 9.1. Amounts Remaining in Funds.**

Except during the continuance of an Event of Default, any amounts remaining in the Funds created under Article VI of the Indenture and held by the Trustee, upon expiration or earlier termination of this Loan Agreement, as provided herein, and after adequate provision has been made for payment in full of the Series 2020 Bonds, in accordance with Article IX of the Indenture, any Additional Charges payable to the Trustee and the Bank, including paying agent's fees and expenses, and all other amounts required to be paid under this Loan Agreement, the Indenture and the other Bond

Documents, shall forthwith be paid to the City by the Trustee except as provided in Section 3.08 of the Indenture.

**SECTION 9.2. Notices.**

All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given five (5) days following mailing when mailed by registered or certified mail or commercially expedited delivery service, with proper address as indicated below. The Bank, the City and the Trustee may, by written notice given by each of them to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Loan Agreement. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Bank: Mississippi Development Bank
723 Riverside Drive, Suite 300
Jackson, MS 39202
Attention: Executive Director

To the City: City of Jackson, Mississippi
219 S. President Street
Jackson, MS 39201
Attention: City Clerk

To the Trustee: _____ Bank
_____
_____,MS _____
Attention: Corporate Trust Department

**SECTION 9.3. Binding Effect.**

This Loan Agreement shall inure to the benefit of and shall be binding upon the Bank and the City and their respective successors and assigns.

**SECTION 9.4. Severability.**

In the event any provisions of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**SECTION 9.5. Amendments, Changes, and Modifications.**

Except as otherwise provided in this Loan Agreement or in the Indenture, subsequent to the issuance of the Series 2020 Bonds and before the lien of the Indenture is satisfied and discharged in accordance with its terms, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, the City and the Bank; provided, however, the Loan Agreement may be amended or supplemented to provide for the issuance of Parity Indebtedness in accordance with the provisions of Section 4.9 hereof.

**SECTION 9.6. Execution Counterparts.**

This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 9.7. Required Approvals.**

Consents and approvals required by this Loan Agreement to be obtained from the City, the Bank or the Trustee shall be in writing.

**SECTION 9.8. Limitation on the Bank's Liability.**

It is understood and agreed by the City and the Holders that no covenant, provision or agreement of the Bank herein or in the Series 2020 Bonds or in any other document executed by the Bank in connection with the issuance, sale and delivery of the Series 2020 Bonds, or any obligation herein or therein imposed upon the Bank or breach thereof, shall give rise to a pecuniary liability of the Bank or a charge against its general credit or shall obligate the Bank financially in any way except with respect to this Loan Agreement and the Note and the application of revenues therefrom and the proceeds of the Series 2020 Bonds. No failure of the Bank, unless wrongful, to comply with any term, condition, covenant or agreement herein or therein shall subject the Bank to liability for any

claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from this Loan Agreement and the Note or revenues therefrom or proceeds of the Series 2020 Bonds. No execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit or general funds of the Bank. In making the agreements, provisions and covenants set forth herein, the Bank has not obligated itself except with respect to this Loan Agreement and the application of revenues hereunder as hereinabove provided. The Series 2020 Bonds constitute special obligations of the Bank, payable solely from Sales Tax Revenues pursuant to this Loan Agreement and the Indenture, and do not now and shall never constitute an indebtedness or a loan of the credit of the Bank, the State or any political subdivision thereof or a charge against general taxing powers within the meaning of any constitutional or statutory provision whatsoever. It is further understood and agreed by the City and the Holders that the Bank shall incur no pecuniary liability hereunder and shall not be liable for any expenses related hereto. If, notwithstanding the provisions of this Section, the Bank incurs any expense, or suffers any losses, claims or damages or incurs any liabilities, the City, to the extent allowed by law, will indemnify and hold harmless the Bank from the same and will reimburse the Bank for any legal or other expenses incurred by the Bank in relation thereto, and this covenant to indemnify, hold harmless and reimburse the Bank shall survive delivery of and payment for the Series 2020 Bonds. All references to the Bank under this Section 9.8 shall include its employees, directors, attorneys and/or agents as applicable.

**SECTION 9.9. Representations of City.**

All representations made in this Loan Agreement by the City are based on the City's independent investigation of the facts and law, and accordingly no such representations are made in reliance upon any representations made or legal advice given by the Bank, Co-Bond Counsel, or any of its appointed or elected officials, agents, officers or employees.

**SECTION 9.10. Survivorship of Obligations.**

All obligations of the City under Sections 4.4, 6.3, 6.5, 6.4, 8.5, 9.8 and 9.11 hereof shall survive payment of the Series 2020 Bonds or earlier termination of this Loan Agreement.

**SECTION 9.11. Administrative Fees, Attorney's Fees and Costs.**

The City shall reimburse the Bank, upon demand, for all costs and expenses, including without limitation attorneys' fees, paid or incurred by the Bank in connection with (a) the discussion, negotiation, preparation, approval, execution and delivery of the Series 2020 Bonds, the Indenture, this Loan Agreement, the Note, the Tax Intercept Agreement and the documents and instruments related hereto or thereto; (b) any amendments or modifications to any of the foregoing documents, instruments or agreements and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; (c) the servicing and administration of the Loan during the term hereof or thereafter; and (d) the enforcement by the Bank during the term hereof or thereafter of any of the rights or remedies of the Bank hereunder or under the foregoing documents, or any document, instrument or agreement related hereto or thereto, including, without limitation, costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto.

**SECTION 9.12. Release.**

The City hereby acknowledges and agrees that the Bank shall not be liable to the City, and, to the extent allowed by law, hereby releases and discharges the Bank from any liability, for any and all losses, costs, expenses (including attorneys' fees), damages, judgments, claims and causes of action, paid, incurred or sustained by the City as a result of or relating to any action, or failure or refusal to act, on the part of the Bank, the Trustee or any other party with respect to the City Project, the Series 2020 Bonds, the Indenture, this Loan Agreement, the Note, the Tax Intercept Agreement, or the documents and transactions related hereto or thereto or contemplated hereby or thereby, including, without limitation, the exercise by the Trustee or any third party of any of its rights or remedies pursuant to any of such documents.

**SECTION 9.13. Choice of Law; Venue.**

This Loan Agreement has been delivered in Jackson, Mississippi. The provisions of this Loan Agreement and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State and to the extent they preempt such laws, the laws of the United States of America.

**IN WITNESS WHEREOF**, the Bank and the City have caused this Loan Agreement to be executed by their duly authorized officers.

(SEAL)

**MISSISSIPPI DEVELOPMENT BANK**

By_____
Executive Director

ATTEST:

By_____
Secretary

(SEAL)

**CITY OF JACKSON, MISSISSIPPI**

By_____
Mayor

ATTEST:

By_____
City Clerk

**ACKNOWLEDGED AND ACCEPTED BY:**

_____ **BANK, as Trustee**

By_____
Authorized Signatory

**EXHIBIT A**

**FORM OF NOTE**

**$_____**
**PROMISSORY NOTE**
**(JACKSON, MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT)**

**Dated _____, 2020**

City of Jackson, Mississippi (the "**City**"), a political subdivision organized and validly existing under the Constitution and laws of the State of Mississippi (the "**State**"), for value received, hereby promises to pay, in immediately available funds, to the order of the Mississippi Development Bank (the "**Bank**") or its assigns, the aggregate principal sum equal to the outstanding principal amount of the Series 2020 Bonds (as hereinafter defined) outstanding up to a maximum principal amount of $_____ together with interest on the unpaid principal balance thereof from the date hereof

until fully and finally paid, premium, if any, together with all taxes levied or assessed on this Note or the debt evidenced hereby against the holder hereof and all other amounts payable by the City under the Loan Agreement (as hereinafter defined). This Note shall bear interest at the Interest Rate (as such terms are defined in the Indenture, as hereinafter defined) on the Series 2020 Bonds except as otherwise provided hereunder.

This Note has been executed under and pursuant to a Loan Agreement, dated, _____, 2020, between the Bank and the City (the "**Loan Agreement**") which Loan Agreement is incorporated herein in its entirety by reference. The City has agreed under the Loan Agreement to make payments under the Loan Agreement from the avails of its Special Sales Tax Revenues (as defined in the Loan Agreement). This Note is issued to evidence the obligation of the City under the Loan Agreement to repay the loan made by the Bank to the City from the proceeds of its $_____ Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), dated as of their date of delivery (the "**Series 2020 Bonds**"), together with interest thereon at the interest rate or rates as defined and set forth in the Indenture, premium, if any, and all other amounts, fees, penalties, premiums, adjustments, expenses, counsel fees and other payments of any kind required to be paid by the City under the Loan Agreement. The Loan Agreement includes provisions permitting the City, at its election, to prepay this Note, in whole or in part, all as more particularly described in the Indenture and the Loan Agreement. The Loan Agreement includes provisions permitting the Trustee (as hereinafter defined), at the direction of the Bondholders, to require mandatory prepayment of this Note at certain times and under certain circumstances, all as set forth in the Indenture. In the event that the terms of this Note conflict with the terms of the Indenture or the Loan Agreement, the terms of the Indenture or the Loan Agreement shall control.

If the City shall fail to pay on the due date therefor, whether by acceleration or otherwise, any principal, premium, if any, or interest owing hereunder, then interest shall accrue on such unpaid amounts from the date due until and including the date on which such amounts are paid in full.

The Loan Agreement and this Note have been assigned to _____ Bank, _____, Mississippi, as Trustee (the "**Trustee**") pursuant to an Indenture of Trust, dated _____, 2020, by and between the Bank and the Trustee (the "**Indenture**"). Such assignment is made as security for the payment of the Series 2020 Bonds issued by the Bank pursuant to the Indenture and is subject to the reservation of certain unassigned rights of the Bank under the Loan Agreement.

As provided in the Loan Agreement and subject to the provisions thereof, payments hereon are to be made at the principal office of the Trustee as shown in the Loan Agreement in an amount which, together with other monies available therefor pursuant to the Indenture, will equal the amount payable as principal of, premium, if any, and interest on the Series 2020 Bonds outstanding on such due date.

The City shall make payments on this Note on the dates and in the amounts specified herein and in the Loan Agreement and in addition shall make such other payments as are required pursuant to the Loan Agreement, the Indenture and the Series 2020 Bonds. Upon the occurrence of an "event of default", as defined in the Indenture or the Loan Agreement, the principal of, premium, if any, and interest on this Note may be declared immediately due and payable as provided in the Loan Agreement. Upon any such declaration the City shall pay all costs, disbursements, expenses and reasonable counsel fees of the Bank and the Trustee in seeking to enforce their rights under the Loan Agreement and this Note.

The City waives diligence, demand, presentment for payment, notice of nonpayment, protest and notice of protest, notice of any renewals or extension of this Note, and all rights under any statute of limitations. Any delay on the part of the Bank or the Trustee in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent or continuing default.

All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered or certified mail or commercially expedited delivery service, with proper address as indicated below. The Bank, the City and the Trustee may, by written notice given by each of them to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Note. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Bank: Mississippi Development Bank

735 Riverside Drive, Suite 300
Jackson, MS 39202
Attention: Executive Director

To the City: City of Jackson, Mississippi
219 S. President Street
Jackson, MS 39201
Attention: City Clerk

To the Trustee: _____ Bank
_____
_____, MS _____
Attention: Corporate Trust Department

This Note has been delivered in Jackson, Mississippi. The provisions of this Note and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State and to the extent they preempt such laws, the laws of the United States.

The City agrees that Trustee shall have the right to proceed against the City or its property in a court in any location to enable the Trustee to realize on such property, or to enforce a judgment or other court order entered in favor of Trustee. The City, to the extent allowed by law, agrees that it shall not assert any permissive counterclaims in any proceeding brought in accordance with this provision by the Trustee or the Bank to realize on such property, or to enforce a judgment or other court order in favor of Trustee and waives any objection that it may have to the location of the court in which the Trustee has commenced a proceeding described in this paragraph.

**IN WITNESS WHEREOF**, the undersigned has caused this Note to be executed in its name and, if applicable, its corporate seal to be hereunto affixed and attested to by its duly authorized officers all as of the day and year first above written.

(SEAL)

**CITY OF JACKSON, MISSISSIPPI**

By _____
Mayor

ATTEST:

By_____
City Clerk

**ASSIGNMENT OF NOTE**

**FOR VALUE RECEIVED,** the Mississippi Development Bank hereby assigns and transfers, without recourse, this Note to _____ Bank, _____, Mississippi, as Trustee under the Indenture herein mentioned, provided, however, that the rights pledged and assigned hereunder do not include unassigned rights reserved by the Mississippi Development Bank in Sections 4.4, 6.3, 6.4, 8.5, 9.8 and 9.11 of the Loan Agreement, dated _____, 2020, by and between the Mississippi Development Bank and City of Jackson, Mississippi.

Date: _____, 2020

(SEAL)

**MISSISSIPPI DEVELOPMENT BANK**

By _____
Executive Director

## EXHIBIT C

## FORM OF TAX INTERCEPT AGREEMENT

**TAX INTERCEPT AGREEMENT**

This **TAX INTERCEPT AGREEMENT**, dated _____, 2020 (this "**Agreement**"), is by and between the **MISSISSIPPI DEVELOPMENT BANK**, a 'public body corporate and politic (the "**Bank**"), created pursuant to the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (hereinafter referred to as the "**Act**") and the **CITY OF JACKSON, MISSISSIPPI** (hereinafter referred to as the "**City**"), a "local governmental unit" under the Act.

**WITNESSETH**

**WHEREAS**, pursuant to the Act, the Bank is authorized to loan 'money (as set forth in the Act) to "local governmental units" (as defined in the Act); and

**WHEREAS**, the Bank has duly authorized a loan between the Bank and the City (the "**Loan**") pursuant to the terms of a Loan Agreement, dated _____, 2020 (the "**Loan Agreement**"), by and between the Bank and the City secured by a Promissory Note (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), of the City, in the 'principal 'amount of _____Million Dollars ($_____) (the "**Note**") and the Bank expects to provide the funds for the Loan from the 'proceeds of the 'Bonds of the Bank as hereinafter set forth; and

**WHEREAS**, pursuant to the Indenture of Trust, dated _____, 2020 (the "**Indenture**"), by and between the Bank and _____ Bank, as Trustee (the "**Trustee**"), the Bank has duly authorized the issuance of its 'bonds designated as $40,000,000 Mississippi Development Bank 'Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), dated as of 'delivery thereof (the "**Bonds**"), the 'proceeds of which will be used to provide the funds for the Loan between the Bank and the City; and

**WHEREAS**, any 'local governmental unit is authorized under Section 31-25-28(5) of the Act to agree in writing with the Bank that the Mississippi Department of Revenue (the "**Department**") or any other 'agency, department or commission of the State of Mississippi (the "**State**") shall (a) withhold all or any part (as agreed by the local governmental unit) of any monies which such local governmental unit is entitled to receive from 'time to time pursuant to any law and which is in the 'possession of the Department, or any State agency, department or commission created pursuant to State law and (b) pay the same over to the Trustee to satisfy any delinquent payments on any loan made to such local governmental unit under provisions of the Act and any other delinquent payments due and owing the Bank by such local governmental unit, all as the same shall occur.

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

1. As authorized by the Act, the City hereby 'covenants, agrees and authorizes the Department or any other 'state 'agency, department or commission created pursuant to State law to (a) withhold all or any part of any monies which the City is entitled to receive from 'time to time pursuant to any law and which is in 'possession of the Department or any other State agency, department or commission created (the "**Tax Monies**") and (b) pay same over to the Trustee to satisfy any delinquent 'payment (the "**Delinquent Payment**") under Sections 4.2 and/or 4.4(e) of the Loan Agreement.

2. Subject to paragraph 1 above, if on the fifteenth (15th ) day of ___ and _____ of each year, beginning _____. 20__, the Trustee has not received sufficient City Revenues (as defined in the Loan Agreement) to timely make the payments under Sections 4.2 and/or 4.4(e) of the Loan Agreement, the Bank hereby authorizes and directs the Trustee under the provisions of this Agreement to file this Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the Department or any other State agency, department or commission, thereby directing the Department or any other State agency, department or commission to pay any Tax Monies directly to the Trustee on behalf of the Bank to satisfy any Delinquent Payment, all as permitted under the Act.

3. The Trustee is hereby directed under the Indenture to pay any Tax Monies into the General Account of the General Fund to be applied in accordance with Section 6.05 under the Indenture.

4. The term Tax Monies as defined herein shall exclude any monies held by the Department or any other 'State 'agency, department or commission created pursuant to State law to the extent amounts are to be paid to the City for the benefit of a separate school district or any other political 'subdivision other than the City.

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

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

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

[Remainder of page intentionally left blank; signatures to follow.]

**IN WITNESS WHEREOF**, we have hereunto set our hands as of the date first above written.

**MISSISSIPPI DEVELOPMENT BANK**

By _____
'Executive Director

ATTEST:

_____
Secretary

**CITY OF JACKSON, MISSISSIPPI**

By _____
Mayor

ATTEST:

_____
City Clerk

ACCEPTED BY:

_____ **BANK,AS TRUSTEE**

By _____
Authorized Signatory

**EXHIBIT D**

**FORM OF BOND PURCHASE AGREEMENT**

**$_____**
**MISSISSIPPI DEVELOPMENT BANK**
**SPECIAL OBLIGATION BONDS, SERIES 2020**
**(JACKSON, MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT)**

BOND PURCHASE AGREEMENT

_____, 2020

City of Jackson
219 S. President Street
Jackson, Mississippi 39201

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

Ladies and Gentlemen:
The undersigned, Siebert Williams Shank & Co., LLC (the "Underwriter"), formerly known as Siebert Cisneros Shank & Co., L.L.C., hereby offers to enter into this Bond Purchase Agreement (this "Bond Purchase Agreement"), with the Mississippi Development Bank (the "Bank") and the City of Jackson, Mississippi (the "City") which, upon your acceptance of this offer as evidenced by your execution hereof, will be in full force and effect in accordance with its terms and binding upon the Bank, the Underwriter and the City.

This offer is made subject to acceptance by you of this agreement on or before 5:00 p.m., Central Time on _____, 2020. Unless otherwise provided, the terms used in this Bond Purchase Agreement have the meanings set forth in the Indenture of Trust to be dated as of _____, 2020 (the "Indenture"), between the Bank and _____, as trustee (the "Trustee"), as previously approved by the Bank and the City.

1. Upon the terms and conditions and upon the basis of the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Bank for offering to the public, and the Bank hereby agrees to sell to the Underwriter for such purpose, (i) all (but not less than all) of the $_____ aggregate principal amount of the Bank's Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), dated the date of delivery (the "Series 2020 Bonds"), at the purchase price of $_____ (such price representing the principal amount of the Series 2020 Bonds less an Underwriter's discount of $_____.00 not to exceed percent of the principal amount of the Series 2020 Bonds, plus original issue premium of $_____). The Series 2020 Bonds will be limited obligations of the Bank and will be issued under and pursuant to, and are to be secured by, the Indenture. The Series 2020 Bonds shall mature on the date or dates as stated in Exhibit I hereto, shall bear interest payable on _____ 1 and _____ 1, beginning _____ 1, 20___, and semi-annually thereafter on _____ 1 and _____ 1 in each year, at the rate or rates as stated in Exhibit I hereto, shall be redeemable prior to maturity and shall have the other terms and provisions as stated in the Indenture.

2. (a) The Underwriter agrees to assist the Bank in establishing the issue price of the Series 2020 Bonds and shall execute and deliver to the Bank at Closing a certificate, together with the supporting pricing wires or equivalent communications, specifying such facts as are necessary to establish the "issue price" of the Series 2020 Bonds within the meaning of Section 1.148-l(f) of the Treasury Regulations.

(b) The Bank will treat the first price at which 10% of each maturity of the Series 2020 Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report

to the Bank the price or prices at which it has sold to the public each maturity of the Series 2020 Bonds. **[If at that time the 10% test has not been satisfied as to any maturity of the Series 2020 Bonds, the Underwriter agrees to promptly report to the Bank the prices at which it sells the unsold Series 2020 Bonds of that maturity to the public. The reporting obligation shall continue, including after the Closing, until the 10% test has been satisfied as to the Series 2020 Bonds of each maturity.]**

(c) **[The Underwriter confirms that it has offered the Series 2020 Bonds to the public, on or before the date of this Bond Purchase Agreement, at the initial public offering price or prices (or at yield or yields) set forth on Exhibit I. Exhibit I also sets forth, as of the date hereof, the maturities, if any, of the Series 2020 Bonds for which the 10% test has not been satisfied and for which the Bank and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Bank to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2020 Bonds, the Underwriter will neither offer nor sell unsold Series 2020 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:**

**(1) The close of the fifth (5th) business day after the sale date; or**

**(2) The date on which the Underwriter has sold at least 10% of that maturity of the Series 2020 Bonds to the public at a price that is no higher than the initial offering price to the public].**

The Underwriter shall promptly advise the Bank when it has sold 10% of that maturity of the Series 2020 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Series 2020 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer which is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2020 Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been met as to the Series 2020 Bonds of that maturity or all Series 2020 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Bank acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) if a selling group has been created in connection with the initial sale of the Series 2020 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) if a retail distribution agreement was employed in connection with the initial sale of the Series 2020 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Bank further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2020 Bonds.

(e) The Underwriter acknowledges that sales of any Series 2020 Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Bank (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2020 Bonds to the public),

(iii) a purchaser of any of the Series 2020 Bonds is a "related party" to any underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (x) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (y) more than 50% common ownership of their capital interests or profits interest, if both entities are partnerships (including direct ownership by one partnership of another), or (z) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

3. As soon as practicable after the date hereof, and in any event not later than seven (7) business days from the date hereof, the Bank shall deliver to the Underwriter not to exceed _____ copies of the final Official Statement dated the date hereof (the "Official Statement"), at the cost of the City executed by the Bank and the City (which Official Statement shall be substantially in the form of the Preliminary Official Statement dated _____, 2020 (the "Preliminary Official Statement"), incorporating only such changes as are contained in the draft Official Statement and such other changes from such Preliminary Official Statement as are approved by the Bank, the Underwriter and the City). The Bank and the City authorize the use of the Official Statement (or drafts thereof prior to availability of the Official Statement) in connection with the public offering or sale of the Series 2020 Bonds and ratify and approve the prior use of the Preliminary Official Statement for such purpose. If between the date of this Bond Purchase Agreement and the date which is 90 days after the end of the underwriting period for the Series 2020 Bonds, as defined in paragraph (f)(2) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("Rule 15c2-12"), any event shall occur or be discovered which would cause the Official Statement to contain any untrue statement of a material fact or to 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, the Bank and the City shall notify the Underwriter thereof, and if in the sole opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Bank and the City, at the sole expense of the City, will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and will furnish such supplemented or amended Official Statement to the Underwriter in sufficient quantity to enable the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and the Rules of the Municipal Securities Rulemaking Board (the "MSRB"); provided, however, that if such event shall occur on or prior to the Closing and if in the reasonable opinion of the Underwriter the occurrence of such event materially and adversely affects the market for the Series 2020 Bonds, the Underwriter in its sole discretion shall have the right to terminate its obligations hereunder by written notice to the Bank and the City (whereupon the Bank and the City shall have no obligation under this paragraph to supplement or amend the Official Statement), and thereafter the Underwriter shall be under no obligation to purchase and pay for the Series 2020 Bonds. The Bank and the City agree that they shall not, prior to the date which is 90 days after the end of the underwriting period, adopt any amendment of or supplement to the Official Statement except as set forth in this paragraph or with the consent of the Underwriter, which shall not be unreasonably withheld. The Underwriter agrees to notify the Bank and the City of the end of such underwriting period; provided that the failure to give such notice shall not affect the Bank's or the City's responsibilities herein.

The Bank represents that it has, or agrees to, authorize, execute and deliver the Indenture and this Bond Purchase Agreement prior to the date of Closing with only such changes therein from the forms thereof on the date hereof as are approved by the Underwriter, the Closing in all events to be deemed such approval.

The City has authorized and agrees to execute and deliver this Bond Purchase Agreement and the Continuing Disclosure Certificate of the City to be dated the date of the Closing (the "Continuing Disclosure Certificate").

4. The Bank hereby represents and warrants to and covenants with the Underwriter that:

(a) The Bank is and will be as of the date of the Closing a public body corporate and politic of the State of Mississippi.

(b) The Bank is and will be as of the date of Closing authorized under the laws of the State of Mississippi, including particularly the Act, to: (i) adopt such resolutions as are necessary to approve the issuance of the Series 2020 Bonds; (ii) issue the Series 2020 Bonds for the purposes described in the Official Statement; (iii) lend the proceeds of the Series 2020 Bonds to the City for the purposes set forth in the Official Statement; (iv) enter into, execute and deliver this Bond Purchase Agreement, the Indenture, and the Official Statement.

(c) The Bank has full power and authority to consummate the transactions contemplated to be consummated by it pursuant to this Bond Purchase Agreement, the Series 2020 Bonds, the Indenture, and the Official Statement.

(d) The information contained in the sections of the Preliminary Official Statement and the Official Statement captioned "INTRODUCTION," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS", "THE MISSISSIPPI DEVELOPMENT BANK", "LITIGATION," "VALIDATION" and "MISCELLANEOUS" (in each case, to the extent applicable to the Bank) is, in the case of the Preliminary Official Statement, and in the case of the Official Statement will be on the date thereof and as of the date of Closing true and correct in all material respects; such sections of the Preliminary Official Statement do not contain and such sections of the Official Statement will not, as of the date of delivery of the Official Statement or as of the date of Closing, contain any untrue statement of a material fact; and such sections of the Preliminary Official Statement do not omit and such sections of the Official Statement will not omit, as of the date of delivery of the Official Statement or the date of Closing, to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(e) The Bank shall have prior to the Closing duly authorized all necessary action to be taken by it for:

(i) The issuance and sale of the Series 2020 Bonds upon the terms set forth herein, in the Official Statement and in the Indenture;

(ii) the execution, delivery and/or receipt of this Bond Purchase Agreement, the Indenture, the Series 2020 Bonds, and the Official Statement, the approval and the execution, delivery, receipt and/or approval of any and all such other agreements and documents as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and

(iii) the effectuation and consummation of the transactions contemplated by this Bond Purchase Agreement, the Official Statement, and the Indenture.

(f) The Series 2020 Bonds, when issued, delivered and paid for as herein and in the Indenture provided, will have been duly authorized and issued and will constitute valid and binding special limited obligations of the Bank enforceable in accordance with their terms and entitled to the benefits and security of the Indenture (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights from time to time in effect and further subject to the availability of equitable remedies).

(g) No event affecting the Bank has occurred since the date of the Preliminary Official Statement, or is expected by the Bank to occur, which should be described in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading.

(h) The resolution of the Board of Directors of the Bank authorizing the issuance and sale of the Series 2020 Bonds adopted on _____, 2020 (the "Bank Resolution"), has not been modified, amended or repealed and is in full force and effect on the date hereof.

(i) The Bank will direct the Trustee to apply the proceeds from the sale of the Series 2020 Bonds immediately upon the Closing as specified in the Indenture and in any instructions delivered at Closing by an authorized officer of the Bank.

(j) The Bank is in compliance with all material laws and regulations applicable to it and its operations which, if violated by the Bank, could adversely affect the Bank's ability to take the actions contemplated hereby and by the Official Statement and the Indenture.

(k) The Bank is not, in any way which could adversely affect the Bank's ability to take the actions contemplated hereby and by the Official Statement and the Indenture, in breach of or in default under any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it or its property is or may be bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder which could adversely affect the Bank's ability to take the actions contemplated hereby or by the Official Statement or the Indenture.

(l) The execution and delivery by the Bank of this Bond Purchase Agreement, the Official Statement, the Series 2020 Bonds, the Indenture, the Official Statement, and the compliance by the Bank with the provisions of each of the foregoing documents will not, to any extent or in any way which could adversely affect the Bank's ability to take the actions contemplated hereby and by Indenture, conflict with or constitute on the part of the Bank a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage or loan agreement by which the Bank or its property is or may be bound.

(m) Other than the anticipated court proceedings to validate the Series 2020 Bonds, no litigation or proceeding to which the Bank is a party is pending or, to the knowledge of the Bank, threatened against or affecting the Bank (i) contesting the due organization or valid existence of the Bank, (ii) to restrain or enjoin the issuance or delivery of the Series 2020 Bonds, the application of the proceeds thereof as provided in the Official Statement and in the Indenture, the functioning of the Bank or the payment, collection or application of revenues pursuant to the Indenture, (iii) in any way contesting or affecting any authority for, or the validity or execution of the Series 2020 Bonds, the Indenture, or this Bond Purchase Agreement, the application of the proceeds of the Series 2020 Bonds as provided in the Official Statement and in the Indenture or the payment, collection or application of revenues or the pledge thereof pursuant to the Indenture or the Series 2020 Bonds, or (iv) in any way contesting the right and power of the Bank to take the actions to be taken by the Bank contemplated by such documents. To the knowledge of the Bank, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or threatened against or affecting the Bank (or any meritorious basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity of any agreement or instrument to which the Bank is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement.

(n) The Bank covenants that between the date hereof and the Closing it will not take any action or permit any action within its control to be taken which will cause the representations and warranties of the Bank made herein to be untrue as of the Closing.

(o) The Bank agrees to cooperate with the Underwriter in any endeavor to qualify the Series 2020 Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request. The Bank consents to the use of drafts of the Preliminary Official Statement and drafts of the Official Statement prior to the availability of the Official Statement by the Underwriter in obtaining such qualification.

(p) The Bank agrees that all representations, warranties and covenants made by it hereunder shall remain in full force and effect despite any investigation by or on behalf of the Underwriter and shall survive any termination of this Bond Purchase Agreement.

(q) Except as otherwise provided in the Preliminary Official Statement and Official Statement, the Bank has complied in all material respects during the preceding five years with all previous undertakings in its written continuing disclosure undertakings, contracts and agreements under Rule 15c2-12.

5. The City hereby represents and warrants to and covenants with the Underwriter that:

(a) The City is and will be as of the date of the Closing a political subdivision of the State of Mississippi.

(b) The City is and will be as of the date of Closing authorized under the laws of the State of Mississippi, including particularly the Act to: (i) adopt such resolutions as are necessary to approve the borrowing of the proceeds of the Series 2020 Bonds; (ii) borrow the proceeds of the Series 2020 Bonds from the Bank for the purposes set forth in the Official Statement; and (iii) enter into, execute and deliver this Bond Purchase Agreement, the Continuing Disclosure Certificate and the Official Statement.

(c) The City has full power and authority to consummate the transactions contemplated to be consummated by it pursuant to this Bond Purchase Agreement, the Series 2020 Bonds, the Indenture, the Continuing Disclosure Certificate, and the Official Statement.

(d) The information contained in the Preliminary Official Statement and the Official Statement is, in the case of the Preliminary Official Statement, and, in the case of the Official Statement will be on the date thereof and as of the date of Closing, true and correct in all material respects; the Preliminary Official Statement does not contain and the Official Statement will not, as of the date of delivery of the Official Statement or as of the date of Closing, contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement will not omit as of the date of delivery of the Official Statement or the date of Closing, to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(e) The City shall have prior to the Closing duly authorized all necessary action to be taken by it for:

(i) approving the borrowing of the proceeds of the Series 2020 Bonds from the Bank and the use of such proceeds as contemplated by the Official Statement;

(ii) the execution, delivery and/or receipt of this Bond Purchase Agreement, the Continuing Disclosure Certificate and the Official Statement, the approval and the execution, delivery, receipt and/or approval of any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and

(iii) the effectuation and consummation of the transactions contemplated by this Bond Purchase Agreement, the Official Statement, the Continuing Disclosure Certificate, and the Indenture.

(f) The Series 2020 Bonds, when issued, delivered and paid for as herein, in the City Resolution (hereinafter defined) and in the Indenture provided, will have been duly authorized and issued and will constitute a valid and binding limited obligations of the Bank enforceable in accordance with the terms of the Official Statement and the Indenture. The Series 2020 Bonds will be payable from and secured only by the certain payments and funds to be received by the Bank and the Trustee and pledged to the Series 2020 Bonds under the Indenture.

(g) No event affecting the City has occurred since the date of the Preliminary Official Statement, or is expected by the City to occur, which should be described in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading.

(h) The resolution of the City Council of the City, authorizing the issuance of the City Bond and the borrowing of the proceeds of the Series 2020 Bonds, adopted on _____, 2020 (the "City Resolution"), has not been modified, amended or repealed and is in full force and effect on the date hereof.

(i) The City will direct the Bank to apply the proceeds from the sale of the Series 2020 Bonds immediately upon the Closing as specified in the Indenture and in any instructions delivered at Closing by an authorized officer of the City.

(j) The City is in compliance with all material laws and regulations applicable to it and its operations which, if violated by the City, could adversely affect the City's ability to take the actions contemplated hereby and by the Official Statement, the Indenture, and the Continuing Disclosure Certificate.

(k) The City is not, in any way which could adversely affect the City's ability to take the actions contemplated hereby and by the Official Statement, the Continuing Disclosure Certificate and the Indenture, in breach of or in default under any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it or its property is or may be bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder which could adversely affect the City's ability to take the actions contemplated hereby or by the Official Statement, the Continuing Disclosure Certificate or the Indenture.

(l) The execution and delivery by the City of this Bond Purchase Agreement, Official Statement, the Continuing Disclosure Certificate and the other documents contemplated hereby and by the Preliminary Official Statement and the compliance by the City with the provisions of each of the foregoing documents will not, to any extent or in any way which could adversely affect the City's ability to take the actions contemplated hereby and by the Official Statement, the Continuing Disclosure Certificate and the Indenture, conflict with or constitute on the part of the City a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage or loan agreement by which the City or its property is or may be bound.

(m) Other than the anticipated court proceedings to validate the City Bond, no litigation or proceeding to which the City is a party is pending or, to the knowledge of the City, threatened against or affecting the City (i) contesting the due organization or valid existence of the City, (ii) to restrain or enjoin the issuance or delivery of the Series 2020 Bonds, the application of the proceeds thereof as provided in the Official Statement, the City Resolution and the Indenture, the functioning of the City or the payment, collection or application of revenues pursuant to the City Resolution or the Indenture, (iii) in any way contesting or affecting any authority for, or the validity or execution of the Series 2020 Bonds, the Indenture, the Continuing Disclosure Certificate or this Bond Purchase Agreement, the application of the proceeds of the Series 2020 Bonds as provided in the Official Statement, the City Resolution and the Indenture or the payment, collection or application of revenues or the pledge thereof pursuant to the City Resolution or the Indenture, or (iv) in any way contesting the right and power of the City to take the actions to be taken by the City contemplated by such documents. To the knowledge of the City, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or threatened against or affecting the City (or any meritorious basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity of any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement.

(n) The City covenants that between the date hereof and the Closing it will not take any action or permit any action within its control to be taken which will cause the representations and warranties of the City made herein to be untrue as of the Closing.

(o) The City agrees to cooperate with the Underwriter in any endeavor to qualify the Series 2020 Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request. The City consents to the use of drafts of the Preliminary Official Statement and drafts of the Official Statement prior to the availability of the Official Statement by the Underwriter in obtaining such qualification.

(p) The City agrees that all representations, warranties and covenants made by it hereunder shall remain in full force and effect despite any investigation by or on behalf of the Underwriter and shall survive any termination of this Bond Purchase Agreement.

(q) The City is an "obligated person" within the meaning of Rule 15c2-12 and shall have duly authorized, executed and delivered the Continuing Disclosure Certificate which complies with the provisions of Rule 15c2-12 and which shall substantially set forth those provisions set forth in the Preliminary Official Statement; and

(r) Except as otherwise provided in the Preliminary Official Statement and Official Statement, or as otherwise disclosed, the City has complied in all material respects during the preceding five years with all previous undertakings in its written continuing disclosure undertakings, contracts and agreements under Rule 15c2-12.

6. At 10:00 a.m., Central Time, on [**at least three days prior to Closing**], 2020, or at such other time or such other date, as shall have been mutually agreed upon by the Bank, the City and the Underwriter, the Bank will deliver, or cause to be delivered, to Cede & Co., as nominee of the Depository Trust Company ("DTC"), the Series 2020 Bonds, in a form acceptable to Co-Bond Counsel, duly executed and duly authenticated by the Trustee, together with the other documents hereinafter mentioned, against payment to the Trustee at Closing of the purchase price therefor plus accrued interest, if any, in immediately available funds by check or wire transfer or transfers.
Delivery of the Series 2020 Bonds as aforesaid shall be made at such location as is mutually agreed upon by the Underwriter, the Bank and the Trustee. Concurrent with such delivery, the Bank and the City shall deliver the certificates, reports and documents described in Section 7 hereof at the offices of **[Closing Location]** or such other place as shall have been mutually agreed upon by the Bank, the City and the Underwriter. Such delivery is herein called the "Closing." The Series 2020 Bonds will be delivered to or as directed by DTC as definitive fully registered bonds in denominations equal to the principal amount of each maturity.

The Underwriter shall have the right to cancel its obligation to purchase the Series 2020 Bonds if between the date hereof and the Closing, (a) the marketability of the Series 2020 Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets, or (b) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the City's obligations.

7. The obligations of the Underwriter hereunder to purchase the Series 2020 Bonds shall be subject to the performance by the Bank of its obligations to be performed hereunder at and prior to the Closing, to the performance by the City of its obligations to be performed hereunder at or prior to the Closing, to the accuracy in all material respects, in the reasonable judgment of the Underwriter, of the representations and warranties of the Bank and of the City herein, in both cases, as of the date hereof and as of the time of the Closing and, in compliance with the following conditions:

(a) At the time of the Closing, (i) the Indenture, the City Resolution, and the Continuing Disclosure Certificate, shall have been executed by the party or parties thereto and shall be in full force and effect and the forms of such instruments and the form of the Official Statement as of the date hereof shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, the Closing in all events however to be deemed such approval, (ii) the Bank and the City shall have duly adopted and there shall be in full force and effect such resolutions as shall, in the opinion of Bond Counsel, be necessary in connection with the transactions contemplated hereby, (iii) the representations and warranties of the Bank provided in Section 4 hereof and of the City in Section 5 hereof shall be true, complete and correct in all material respects as if then made, (iv) the Bank and the City shall perform or have performed all obligations required under or specified in this Bond Purchase Agreement to be performed at or prior to the Closing, and (v) the proceeds of the sale of the Series 2020 Bonds shall be applied and deposited as described in the Official Statement and the Indenture.

(b) At or prior to the Closing, the Bank shall have delivered the Series 2020 Bonds.

(c) At or prior to the Closing, the Underwriter shall receive the following documents:

(1) the approving opinions of Co-Bond Counsel dated the date of the Closing, substantially in the form attached as an appendix to the Preliminary Official Statement, together with a letter to the Underwriter authorizing reliance thereon;

(2) an opinion, dated the date of Closing, of counsel for the Bank, in form and content reasonably acceptable to the Underwriter, either addressed to the Underwriter or accompanied by a letter to the Underwriter authorizing reliance thereon;

(3) an opinion, dated the date of the Closing, of counsel for the City, in form and content reasonably acceptable to the Underwriter, either addressed to the Underwriter or accompanied by a letter to the Underwriter authorizing reliance thereon;

(4) a certificate of the City, addressed to the Bank and the Underwriter, dated the date of the Closing, signed by authorized officers of the City, in form and content reasonably acceptable to the Underwriter;

(5) a certificate of the Bank dated the date of the Closing and signed by an appropriate official or representative of the Bank, in form and content reasonably acceptable to the Underwriter;

(6) one copy of the Official Statement executed on behalf of the Bank by the Executive Director of the Bank and on behalf of the City by the Mayor of the City;

(7) opinions of Co-Bond Counsel dated the date of Closing with respect to certain provisions of the Official Statement, in form and content reasonably acceptable to the Underwriter;

(8) executed or conformed copies of the Indenture and the Continuing Disclosure Certificate, duly executed by the parties thereto;

(9) a certified copy of the Bank Resolution of the Bank authorizing, approving or ratifying the execution and delivery of the Series 2020 Bonds, the Indenture, the Preliminary Official Statement, the Official Statement and this Bond Purchase Agreement;

(10) certified copies of the City Resolution of the City authorizing the execution and delivery of the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Certificate, together with a certification as to incumbency of officers;

(11) a certificate of the Trustee to the effect that (i) all moneys and securities delivered to the Trustee under and pursuant to the Indenture have been duly deposited to the credit of the appropriate funds established under or in accordance with the Indenture or otherwise applied as provided in the Indenture, (ii) the Indenture has been duly executed and delivered by the Trustee, (iii) the Series 2020 Bonds have been authenticated and (iv) the Trustee has no knowledge of any default under the Indenture;

(12) evidence of validation of the Series 2020 Bonds by judgment of the Chancery Court of the First Judicial District of Hinds County, Mississippi;

(13) Rating letter evidencing that Fitch, Inc., has assigned a rating of "___" ( outlook) to the Series 2020 Bonds;

(14) Rating letter evidencing that S&P Global Ratings has assigned a rating of "___" ( outlook) to the Series 2020 Bonds; and

(15) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Co-Bond Counsel may reasonably request to evidence compliance by the Bank and the City with legal requirements, the truth and accuracy, as of the time of Closing, of their respective representations contained herein and the due performance or satisfaction by each thereof at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each thereof.

The Bank and the City will furnish the Underwriter with additional conformed copies of such opinions, certificates, letters and documents as the Underwriter reasonably requests.

If either the Bank or the City shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement (and such conditions shall not be waived), or if the obligations of the Underwriter to purchase and accept delivery of the Series 2020 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Bank shall be under further obligation hereunder. However, the Underwriter may, in its sole discretion, waive one or more of the conditions imposed by this Bond Purchase Agreement for the protection of the Underwriter and proceed with the Closing contemplated hereby.

8. The Bank will pay or cause to be paid from, but only from, the proceeds of the Series 2020 Bonds, and other moneys provided by the City, all expenses incident to the performance of the Bank's and the City's obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the Series 2020 Bonds, costs of printing the Series 2020 Bonds, the Preliminary Official

Statement, and the Official Statement, including the mailing and delivery thereof by the printer, fees and disbursements of Co-Bond Counsel, Underwriter's counsel, Bank counsel and counsel for the City, expenses of the Bank, fees for bond ratings, costs and expenses of preparing and reproducing this Bond Purchase Agreement, the Indenture and the Continuing Disclosure Certificate and fees and expenses of the Trustee. The Underwriter shall pay the cost of all advertising expenses in connection with the public offering of the Series 2020 Bonds.

9. Any notice or other communication to be given to the Bank, the City or the Underwriter under this Bond Purchase Agreement shall be given in writing and shall be mailed or delivered to the following respective addresses until otherwise directed by written notice to the other parties hereto:

| | |
|---|---|
| The Bank: | Mississippi Development Bank<br>753 Riverside Drive, Suite 300<br>Jackson, Mississippi 39202<br>Attention: E.F. "Buddy" Mitcham, Executive Director |
| The City: | City of Jackson<br>210 S. President Street<br>Jackson, Mississippi 39201<br>Attention: LaaWanda Horton |
| The Underwriter: | Siebert Williams Shank & Co., LLC<br>150 West Jefferson St., Suite 1350<br>Detroit, Michigan 48226<br>Attention: Sean Werdlow, Senior Managing Director |

10. This Bond Purchase Agreement is made solely for the benefit of the Bank, the City and the Underwriter and their respective successors and assigns and no other person shall acquire or have any right hereunder or by virtue hereof. The terms "successors" and "assigns" as used in the preceding sentence shall not include any purchasers of any Series 2020 Bonds from or through the Underwriter merely because of such purchase. All representations, warranties and agreements in this Bond Purchase Agreement shall remain in full force and effect, regardless of (a) delivery of and payment for the Series 2020 Bonds hereunder and (b) any termination of this Bond Purchase Agreement.

11. The Bank and the City acknowledge and agree that (i) the purchase and sale of the Series 2020 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the Bank, the City and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Bank or the City; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Bank or the City with respect to the offering of the Series 2020 Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer on other matters) nor has it assumed any other obligation to the Bank or the City except the obligations expressly set forth in this Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Bank and the City; and each the Bank and the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2020 Bonds. The City has engaged PFM Financial Advisors, LLC, as its municipal advisor in connection with this transaction.

12. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi.

13. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Very truly yours,

Siebert Williams Shank & Co., LLC

By: _____

Title: _____

Accepted and agreed to as of
5:00 p.m., Central Time,
on the date first above written:

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

[Signature page of the Bank – Bond Purchase Agreement.]

Accepted and agreed to as of
5:00 p.m., Central Time,
on the date first above written:

CITY OF JACKSON, MISSISSIPPI

By: _____
Mayor

[Signature page of the City – Bond Purchase Agreement.]

EXHIBIT I

SERIES 2020 BONDS

| Maturity Date | Principal Amount | Interest Rate | Yield | Price |
|---|---|---|---|---|
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| **Total** | | | | |

**EXHIBIT E**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**PRELIMINARY OFFICIAL STATEMENT**
**DATED _____, 2020**

**ONE NEW ISSUE/BOOK- ENTRY ONLY**

**RATINGS: Moody's "___" Applied For (See "RATINGS" herein)**

*In the opinion of Butler Snow LLP, Ridgeland, Mississippi, and The Charleston Group, Fayetteville, North Carolina, (collectively, "Co-Bond Counsel"), under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenant of the City and the Bank, as defined and described herein, interest on the Series 2020 Bonds (as defined below) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code (as defined herein) and interest on the Series 2020 Bonds is excludable from alternative minimum taxable income as defined in Section 55(b)(2) of the Code. Such excludability is conditioned on continuing compliance with certain tax covenants of the Bank and the City. In the opinion of Co-Bond Counsel under existing laws, regulations, rulings and judicial decisions, interest on the Series 2020 Bonds is exempt from all income taxation in the State of Mississippi. See "TAX MATTERS" herein and APPENDIX C - FORM OF OPINIONS OF CO-BOND COUNSEL attached hereto.*

**$_____***
**MISSISSIPPI DEVELOPMENT BANK**
**SPECIAL OBLIGATION BONDS, SERIES 2020**
**(JACKSON, MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT)**

**Dated: Date of Delivery Due:**

**_____ 1, as shown on**

**inside front cover**

The $_____* Mississippi Development Bank Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) (the "**Series 2020 Bonds**") will be dated as of the date of delivery thereof and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside cover of this Official Statement. The Series 2020 Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("**DTC**"). Purchases of beneficial interests in the Series 2020 Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2020 Bonds will not receive physical delivery of certificates representing their interests in the Series 2020 Bonds. Interest on the Series 2020 Bonds is payable on _____ 1 and _____ 1 of each year, commencing _____ 1, 2020. So long as DTC or its nominee is the Registered Owner (as defined herein) of the Series 2020 Bonds, interest, together with the principal of and premium, if any, on the Series 2020 Bonds will be paid directly to DTC by _____, _____, Mississippi, as trustee (the "**Trustee**") under the Indenture (as defined herein). See "DESCRIPTION OF THE SERIES 2020 BONDS - Book-Entry-Only System."

The Series 2020 Bonds are issued by the Mississippi Development Bank (the "**Bank**") for the principal purpose of providing funds (a) for a loan to the City, (b) to fund a debt service reserve fund, and (c) to pay for the costs of the sale and issuance of the Series 2020 Bonds and the Note (as defined herein), all as more fully described in this Official Statement.

The Series 2020 Bonds are subject to redemption as more fully described herein. See "DESCRIPTION OF THE SERIES 2020 BONDS -- Redemption."

**THE SERIES 2020 BONDS ARE PAYABLE SOLELY OUT OF THE REVENUES AND FUNDS OF THE BANK PLEDGED THEREFOR UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN. THE SERIES 2020 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MISSISSIPPI OR A PLEDGE OF THE FAITH, CREDIT AND**

**TAXING POWER OF THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. THE SOURCES OF PAYMENT OF, AND SECURITY FOR, THE SERIES 2020 BONDS ARE MORE FULLY DESCRIBED HEREIN. THE BANK HAS NO TAXING POWER.**

Purchase of the Series 2020 Bonds involves a certain degree of risk, and reference is made to the caption "RISKS TO THE OWNERS OF THE SERIES 2020 BONDS" for a discussion of such risks.

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

The Series 2020 Bonds are offered subject to the final approval of the legality thereof by Butler Snow LLP, Ridgeland, Mississippi, and The Charleston Group, Fayetteville, North Carolina, as Co-Bond Counsel. Certain legal matters in connection with the Series 2020 Bonds will be passed upon for the City by the City's Department of Law and by its counsel, Kimberly Banks PLLC, Ridgeland, Mississippi. Certain legal matters have been passed upon for the Bank by its counsel, Balch & Bingham LLP, Jackson, Mississippi. Haley Law Firm, New Orleans, Louisiana, has served as Disclosure Counsel in connection with the Series 2020 Bonds. Benjamin Firm, LLC, Columbia, South Carolina, has served as Underwriters Counsel in connection with the Series 2020 Bonds. PFM Financial Advisors, LLC, Memphis, Tennessee, has served as the Municipal Advisor to the City in connection with the sale and issuance of the Series 2020 Bonds. The Series 2020 Bonds are expected to be available in definitive form for delivery on or about _____, 2020*.

**Siebert Cisneros Shank**

**A Division of Siebert Williams Shank & Co., LLC**

Dated: ____, 2020

* Preliminary, subject to change.

**SERIES 2020 BONDS**

**MATURITY SCHEDULE***

| Maturity (_____ 1) | Principal Amount* | Interest Rate | Yield | CUSIP[1] |
|---|---|---|---|---|
| 2021 | | | | |
| 2022 | | | | |
| 2023 | | | | |
| 2024 | | | | |
| 2025 | | | | |
| 2026 | | | | |
| 2027 | | | | |
| 2028 | | | | |
| 2029 | | | | |
| 2030 | | | | |

[1] The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2020 Bonds only, and the Bank, the City and the Underwriter do not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2020 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2020 Bonds.

*Preliminary, subject to change.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE SERIES 2020 BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2020 BONDS BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE SERIES 2020 BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER (AS DEFINED HEREIN) HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

UPON ISSUANCE, THE SERIES 2020 BONDS WILL NOT BE REGISTERED BY THE BANK UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE BANK (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2020 BONDS FOR SALE.

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

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE BANK AND THE PURCHASERS OR HOLDERS OF THE SERIES 2020 BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. INFORMATION HEREIN HAS BEEN OBTAINED FROM THE BANK, THE CITY, DTC AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT CONTAINS FORECASTS, PROJECTIONS AND ESTIMATES THAT ARE BASED ON EXPECTATIONS AND ASSUMPTIONS WHICH EXISTED AT THE TIME SUCH FORECASTS, PROJECTIONS AND ESTIMATES WERE PREPARED. IN LIGHT OF THE IMPORTANT FACTORS THAT MAY MATERIALLY

**AFFECT ECONOMIC CONDITIONS OF THE STATE, THE UNITED STATES OF AMERICA, AND THE CITY, THE INCLUSION IN THIS OFFICIAL STATEMENT OF SUCH FORECASTS, PROJECTIONS AND ESTIMATES SHOULD NOT BE REGARDED AS A REPRESENTATION BY THE BANK, THE CITY OR THE UNDERWRITERS THAT SUCH FORECASTS, PROJECTIONS AND ESTIMATES WILL OCCUR. SUCH FORECASTS, PROJECTIONS AND ESTIMATES ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS.**

**IF AND WHEN INCLUDED IN THIS OFFICIAL STATEMENT, THE WORDS "EXPECTS," "FORECASTS," "PROJECTS," "INTENDS," "ANTICIPATES, "ESTIMATES" AND ANALOGOUS EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS AND ANY SUCH STATEMENTS INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, LITIGATION AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE BANK AND THE CITY. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE BANK DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE BANK'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.**

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**OFFICIAL STATEMENT**

**$_____***
**MISSISSIPPI DEVELOPMENT BANK**
**SPECIAL OBLIGATION BONDS, SERIES 2020**
**(JACKSON, MISSISSIPPI SALES TAX REVENUE INFRASTRUCTURE PROJECT)**

## INTRODUCTION

The purpose of this Official Statement, including its Appendices, is to set forth certain information concerning the issuance and sale by the Mississippi Development Bank (the "**Bank**" or the "**Issuer**") of its Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) to be dated the date of delivery thereof, issued in the aggregate principal amount of $_____* (the "**Series 2020 Bonds**").

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in this entire Official Statement, including the cover page and all appendices hereto, and the documents summarized or described herein. A full review should be made of this entire Official Statement. The offering of the Series 2020 Bonds to potential investors is made only by means of this entire Official Statement.

### The Bank

The Bank was established in 1986 as a separate body corporate and politic of the State of Mississippi (the "**State**") for the public purposes set forth under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "**Bank Act**"). The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power. The Bank is governed by a Board of Directors composed of nine members.

Pursuant to the Bank Act, the purpose of the Bank is to assist "local governmental units," as defined in the Bank Act to be (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district, or political subdivision of the State, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under State law, through programs of providing loans to such local governmental units under loan agreements between such local governmental units and the Bank. The City of Jackson, Mississippi (the "**City**"),

the entity described in "APPENDIX A - INFORMATION CONCERNING THE CITY" is such a local governmental unit.

**Sources of Payment and Security for the Series 2020 Bonds**

The Series 2020 Bonds will be issued under and secured by an Indenture of Trust, dated as of _____, 2020 (the "**Indenture**"), between the Bank and _____, _____, Mississippi, as Trustee (the "**Trustee**"). The principal of, premium, if any, and interest on any and all of the Series 2020 Bonds, together with any refunding bonds (the "**Refunding Bonds**") and any additional bonds (the "**Additional Bonds**") in compliance with Section 2.05 of the Indenture and Section 4.9 of the Loan Agreement (as hereinafter defined) that may be authorized and issued by the Bank under the Indenture on a parity with the Series 2020 Bonds (collectively, the "**Bonds**"), are payable from those revenues and funds of the Bank which, together with the loan agreement (the "**Loan Agreement**") and the promissory note delivered by the City (the "**Note**") as more particularly described herein, are pledged pursuant to the Indenture for the benefit of the owners of the Bonds without priority.

**NEITHER THE FULL FAITH, CREDIT AND TAXING POWER OF THE STATE NOR THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON ANY OF THE BONDS. THE BONDS ARE NOT A DEBT, LIABILITY, LOAN OF THE CREDIT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. THE BANK HAS NO TAXING POWER, AND HAS ONLY THOSE POWERS AND SOURCES OF REVENUE SET FORTH IN THE BANK ACT. THE BONDS ARE ISSUED AND SECURED SEPARATELY FROM ANY OTHER OBLIGATIONS ISSUED BY THE BANK.**

The Series 2020 Bonds are secured by the pledge of the Trust Estate established under the Indenture (the "**Trust Estate**"), defined to be (a) all cash and securities in the funds and accounts established by the Indenture (except the Rebate Fund, as defined herein) (the "**Funds**" and "**Accounts**") and the investment earnings thereon (other than the Rebate Fund) and all proceeds thereof, (b) the Loan Agreement and the Note and payments due thereunder and the earnings thereon and the proceeds thereof, (c) any City Parity Indebtedness issued in connection with any Refunding Bonds or Additional Bonds, and (d) all funds, accounts and moneys hereinafter pledged to the Trustee as security by the Bank, including Tax Monies (as hereinafter defined). All Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS."

The principal of and interest on the Note are payable out of Special Sales Tax Revenue (the "**Special Sales Tax Revenues**") and the Bank Act and the Loan Agreement provide for the intercept of certain moneys owed the City by the Mississippi Department of Revenue and any other State Agency if the City is deficient in its payments under the Note. The Loan (as defined herein), will be provided from the proceeds of the Series 2020 Bonds. The sources of payment on the Note are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS – Provisions for Payment of the Note Payments" and "Appendix F – Sales Tax Collections."

**Purpose of the Series 2020 Bonds**

The Series 2020 Bonds are being issued pursuant to the Bank Act and Section 27-65-241 et seq., Mississippi Code of 1972, as amended and/or supplemented from time to time (the "**Municipal Sales Tax Act**" and together with the Bank Act, the "**Act**") to (a) fund a loan (the "**Loan**") to the City under the Loan Agreement, secured by the Note, for the purposes set forth in the Municipal Sales Tax Act, including but not limited to: (a) constructing, improving and paving roads and streets; (b) repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; (c) paying the costs of water, sewer and drainage projects; and (d) for other authorized purposes under the Act, funding a debt service reserve fund, if applicable, and paying the costs of issuance (together (a) through (d) constitute, the "**City Project**"), all as more particularly described in the Loan Agreement.

**Authority for Issuance**

The Series 2020 Bonds are issued pursuant to the provisions of the Act and the Indenture.

**Description of the Series 2020 Bonds**

***Redemption***. The Series 2020 Bonds are subject to optional redemption [and mandatory sinking fund redemption], as more fully described under the caption "DESCRIPTION OF THE SERIES 2020 BONDS - Redemption" herein.

***Denominations***. The Series 2020 Bonds will be issued in denominations of $5,000 or any integral multiple thereof.

***Registration, Transfers, and Exchanges***. The Series 2020 Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("**DTC**"). Purchases of beneficial interests in the Series 2020 Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Series 2020 Bonds will not receive physical delivery of certificates representing their respective interests in the Series 2020 Bonds.

***Payments***. Interest on the Series 2020 Bonds is payable on _____ 1 and _____ 1 of each year (each an "**Interest Payment Date**"), commencing _____ 1, 2020, and principal of the Series 2020 Bonds will be payable on each _____ 1, commencing _____ 1, 202_, in the principal amounts and in the years as set forth on the inside cover hereof. So long as DTC or its nominee is the Registered Owner (as defined herein) of the Series 2020 Bonds, such interest, together with the principal of and premium, if any, on the Series 2020 Bonds will be paid directly to DTC by the Trustee under the Indenture. The final disbursement of such payments to the Beneficial Owners (as defined herein) of the Series 2020 Bonds will be the responsibility of the DTC Participants (as defined herein) and the Indirect Participants (as defined herein), all as more fully defined and described herein under the caption "DESCRIPTION OF THE SERIES 2020 BONDS - Book-Entry-Only System."

For a more complete description of the Series 2020 Bonds and the basic documentation pursuant to which the Series 2020 Bonds are being issued, see "DESCRIPTION OF THE SERIES 2020 BONDS," "REVENUES, FUNDS AND ACCOUNTS UNDER THE INDENTURE," and "OPERATION OF FUNDS AND ACCOUNTS UNDER THE INDENTURE," in this Official Statement.

In addition to the Series 2020 Bond, the Indenture further authorizes the issuance of Refunding Bonds and Additional Bonds in accordance with the provisions thereof. For a more complete description of the Refunding Bonds and Additional Bonds, see sections _____.

**Tax Matters**

In the opinions of Butler Snow, LLP, Ridgeland, Mississippi and The Charleston Group, Fayetteville, North Carolina ("**Co-Bond Counsel**"), under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2020 Bonds is excludable from gross income for federal tax purposes, with such excludability conditioned upon continuing compliance with certain tax covenants of the Bank and the City, and under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2020 Bonds is exempt from all income taxation in the State of Mississippi. Interest on the Series 2020 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; however, it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. For a more complete description of such opinion and certain other tax consequences incident to the ownership of the Series 2020 Bonds, see the captions "TAX MATTERS" herein. Also, see "APPENDIX C" for the proposed form of opinions of Co-Bond Counsel.

**Professionals Involved in the Offering**

_____, _____, Mississippi, will act as Trustee under the Indenture for the Series 2020 Bonds. PFM Financial Advisors LLC, Memphis, Tennessee, is employed as municipal advisor (the "**Municipal Advisor**") to the City with respect to the Series 2020 Bonds. Certain proceedings in connection with the issuance of the Series 2020 Bonds are subject to the approval of Co-Bond Counsel. The purchaser of the Series 2020 Bonds shall receive the opinion of Haley Law Firm, as Disclosure Counsel and Benjamin Firm, LLC, as Underwriters Counsel, to the effect that, based upon their participation in the preparation of the Official Statement, no facts have come to their attention which would lead them to believe that the Official Statement (except for financial statements and other financial and statistical data contained therein, as to which they will express no opinion or belief) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Certain legal matters will be passed upon for the City by the City's Department of Law and by Kimberly Banks PLLC, Ridgeland, Mississippi, and for the Bank by

Balch & Bingham, LLP, Jackson, Mississippi. See "LEGAL MATTERS" and "MISCELLANEOUS" in this Official Statement.

**Risks to the Owners of the Series 2020 Bonds**

There are certain risks involved in the ownership of the Series 2020 Bonds which should be considered by prospective purchasers thereof. The ability of the Bank to pay principal of, premium, if any, and interest on the Series 2020 Bonds depends primarily upon the receipt by the Bank of note payments (the "**Note Payments**") from the City which is obligated under the Loan Agreement and the Note to make such payments to the Bank, together with investment earnings on certain amounts in the Funds and Accounts defined in and established under the Indenture. There can be no representation or assurance that the City will realize sufficient Special Sales Tax Revenues to make the required Note Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS," herein. Failure of the Bank and/or the City to comply with certain tax covenants may also adversely affect the exempt status of the interest on all of the Series 2020 Bonds. See "RISKS TO THE OWNERS OF THE SERIES 2020 BONDS" in this Official Statement.

**Other Information**

This Official Statement speaks only as of its date, and certain information contained herein is subject to change.

Copies of other documents and information are available, upon request, and upon payment to the Bank of a charge for copying, mailing, and handling, from E. F. Mitcham, Executive Director, Mississippi Development Bank, 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Bank, the City, DTC and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank or the City since the date hereof.

**Format of Official Statement**

There follows in this Official Statement a description of the security and sources of payment for the Series 2020 Bonds, the purposes and operation of the Bank's program to be financed out of the proceeds of the Series 2020 Bonds, the Bank, and summaries of certain provisions of the Series 2020 Bonds, the Indenture, the Loan Agreement, and certain provisions of the Act. All discussions of the Act, the Indenture and the Loan Agreement are qualified in their entirety by reference to the Act, copies of which are available from the Bank, and all discussions of the Series 2020 Bonds are qualified in their entirety by reference to the definitive form and the information with respect to the Series 2020 Bonds contained in the Indenture. Certain information relating to the City is set forth in "APPENDIX A - INFORMATION CONCERNING THE CITY," certain financial information on the City is included in "APPENDIX B - FINANCIAL INFORMATION OF THE CITY," the proposed form of opinions of Co-Bond Counsel with respect to the Series 2020 Bonds is set forth in "APPENDIX C - FORM OF CO-BOND COUNSEL OPINIONS", the form of the continuing disclosure certificate of the City is set forth in "APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE," certain definitions used herein are set forth in "APPENDIX E – CERTAIN DEFINITIONS" and "APPENDIX F - SALES TAX COLLECTIONS. Each of the APPENDICES to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Series 2020 Bonds.

Capitalized terms not defined herein shall have the definitions set forth in "APPENDIX E - CERTAIN DEFINITIONS."

**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS**

**General**

The Series 2020 Bonds are payable only out of, and are secured by the pledge of, the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Series 2020 Bonds. The Series 2020 Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof under the constitution of the State or a pledge of the faith, credit and taxing power of the State or any political subdivision thereof including the City. The Bank has no taxing power. The sources of payment of, and security for, the Series 2020 Bonds are more fully described below.

Under the Indenture, the Series 2020 Bonds are secured by the assignment to the Trustee of the Note and all Note Payments, as described herein. In addition, the Indenture pledges to the payment of the Series 2020 Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, except for the Rebate Fund, together with investment earnings thereon, except for the Rebate Fund, and proceeds thereof (except to the extent transferred to the Rebate Fund or from such Funds and Accounts under the Indenture), and all other funds, accounts and moneys hereinafter to be pledged by the Bank to the Trustee as security under the Indenture, to the extent of any such pledge.

**The Loan Agreement and the Note**

From the proceeds of the Series 2020 Bonds, the Bank intends to loan funds to the City under the Loan Agreement to be secured by the Note. The Bank will assign to the Trustee under the Indenture the proceeds of the Loan Agreement and will assign the Note and the Note Payments of the City to the Trustee, all as described in "THE LOAN AGREEMENT AND THE NOTE" herein.

**Provisions for Payment of the Note Payments**

The Note will be an obligation of the City payable solely from the moneys, rights and interests pledged under the Loan Agreement as set forth in the immediately succeeding paragraph. **The Note will never constitute a general obligation of the City or, within the meaning of any constitutional or statutory limitation, a debt, liability, or obligation of the State or any political subdivision of the State other than the City, and neither the full faith and credit nor taxing power of the State or any political subdivision thereof including the City is pledged to the payment of such principal, premium, if any, and interest. The City has not pledged the levy of any taxes for the repayment of the Note.** The Note initially issued under the Loan Agreement shall be issued for the purposes of providing funds to finance Costs of the City Project, fund the Debt Service Reserve Fund, and paying the Issuance Expenses for the Series 2020 Bonds and the Note.

Pursuant to the terms of the Loan Agreement, the principal of and interest on the Note and other amounts due under the Loan Agreement are to be paid from the Special Sales Tax Revenues. The City hereby covenants in the Loan Agreement to take such action as may be necessary to include all the Note Payments and amounts due under the Loan Agreement. The Notes and any City Parity Indebtedness shall be payable from and secured by a pledge of and first lien on the Special Sales Tax Revenues. In addition, the Bank Act and the Loan Agreement provide for the intercept of certain monies owed the City by the Mississippi Department of Revenue and any other State agency if the City is deficient in its payments under the Note. See "THE LOAN AGREEMENT AND THE NOTE - Agreement Withholding City Moneys to Satisfy Delinquent Payments" herein.

The obligation of the City to make Note Payments and pay amounts due under the Loan Agreement constitutes a binding obligation of the City in accordance with the terms of the Note and the Loan Agreement, respectively. The City shall make said payments from the Special Sales Tax Revenues. The City will not create or allow any lien on or payment from the Special Sales Tax Revenues prior or superior to the obligation to make the payments on the Note or any City Parity Indebtedness or which may impair the security of the Notes or any City Parity Indebtedness provided for under Section 4.9 of the Loan Agreement.

**THE OBLIGATIONS OF THE CITY UNDER THE NOTE AND THE LOAN AGREEMENT ARE NOT GENERAL OBLIGATIONS AND DO NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.**

The execution and delivery of the Loan Agreement and the Note shall be authorized by a resolution of the City adopted pursuant to the Act. See "THE LOAN AGREEMENT AND THE NOTE" herein for further description of the Loan Agreement and the Note.

**Special Sales Tax Revenues**

The Municipal Sales Tax Act, as passed by the Mississippi Legislature pursuant to Senate Bill 3268 (2009 Regular Session), as amended by Senate Bill (2839 (2011 Regular Session) and House Bill 787 (2014 Regular Session), authorized the City to hold an election on the proposition of whether to levy a special sales tax of not more than one percent (1%) on the gross proceeds of sales or gross income of a business located in the City, derived from any of the activities taxed at the rate of seven percent (7%) or more (excluding wholesale sales of food and drink for human consumption sold to full service vending machine operators and wholesale sales of light wine, beer and alcoholic beverages) (the "**Special Sales Tax**") to incur debt to pay the cost of road and street repair, reconstruction and resurfacing projects based on traffic patterns, need and usage, and to pay the costs of water, sewer and drainage projects.

The City held a special election on January 14, 2014 and more than three-fifths (?) of the qualified electors of the City voted in favor of levying the Special Sales Tax and on August 1, 2014 the City began collecting the Special Sales Tax. As required by the Municipal Sales Tax Act, the Municipal Sales Tax Commission of the City of Jackson, Mississippi (the "**Commission**") adopted and approved a Master Plan of the Commission (the "**Master Plan**") on March 1, 2017 as later reviewed and updated on May 8, 2019. The Commission approved by resolution on ____ that expenditures of Special Sales Tax in connection with the Series 2020 Bonds complies with the Master Plan.

Pursuant to the Loan Agreement, the Note Payments and the other amounts due under the Loan Agreement are to be paid with Sales Tax Revenues which are revenues generated from the Special Sales Tax as authorized under the Municipal Sales Tax Act. The Note and any City Parity Indebtedness issued under the provisions of the Loan Agreement shall be payable and secured by a pledge of and first lien on the Special Sales Tax Revenues consistent with the provisions of the Municipal sales Tax Act. Special Sales Tax Revenues shall be deposited in the Special Sales Tax Fund established under the Loan Agreement and applied in the following order of priority: first to make monthly deposits to fund debt service on the Note and any City Parity Indebtedness; second to replenish the Debt Service Reserve Fund; and third to pay Additional Charges. After the application of amounts each month as provided in the immediately preceding sentence, any excess Special Sales Tax Revenues remaining in the Special Sales Tax Fund shall be retained in the Special Sales Tax Fund for the purposes of the Fund and may also be used as directed by the City for other purposes authorized under the Municipal Sales Tax Act. [A schedule providing the amounts of Special Sales Tax collected for each year over the last ___ years, together with a calculation of a Special Sales Tax debt service coverage ratio, is included under "APPENDIX F - Sales Tax Collections." For further discussion of the Loan Agreement, the Note, any City Parity Indebtedness and sources of security and payment thereof see the caption "THE LOAN AGREEMENT AND THE NOTE" herein.]

**Debt Service Reserve Fund**

The Indenture requires the Bank to establish and maintain the Debt Service Reserve Fund in order to further secure the payment of principal of and interest on the Bonds and maintain the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Requirement. The Debt Service Reserve Requirements equal to the lesser of the following: (i) the maximum amount of principal and interest becoming due in the current or any future bond year (meaning each one year period beginning on _____ 2 of one year and ending on _____ 1 of the following year) on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; and (iii) 10% of the stated principal amount of the Bonds, or if such issue of Bonds has more than a de minimis amount (as defined in Section 1.148-1(b) of the Treasury Regulations) of original issue discount or premium, ten percent (10%) of the issue price (as defined in Section 1.148-1(b) of the Treasury Regulations), which Debt Service Reserve Requirement may be funded with cash or the Reserve Fund Credit Facility; provided, however, that for the Bonds, the term "Debt Service Reserve Requirement" will mean the amount set forth in (i) hereinabove; provided further, however, that if in future years the amount of such Debt Service Reserve Requirement for the Bonds should equal an amount in excess of the lesser of (i), (ii) and (iii) above, then the funds held in the Debt Service Reserve Fund equal to such Debt Service Reserve Requirement shall not be invested at a yield in excess of the yield on the Bonds.

**Tax Intercept Agreement**

As provided for in the Bank Act, the City and the Bank will enter into and the Trustee will accept the Tax Intercept Agreement (the "**Tax Intercept Agreement**"), dated as of _____, 2020, whereby the City has covenanted, agreed and authorized the Mississippi Department of Revenue or any other State agency, department or commission to (a) withhold all or any part of any monies which the City is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi Department of Revenue or any other State agency, department or commission (the "**Tax Monies**") and (b) pay same over to the Trustee (as assignee of the Bank) to satisfy any delinquent payment (the "**Delinquent Payment**") with respect to either a Monthly Debt Service Payment or a payment under Section 4.2 or 4.4(e) of the Loan Agreement.

If on the [fifteenth (15th ) day] of any month, beginning ___ 15, 20___, the Trustee has not received sufficient Special Sales Tax Revenues pursuant to Section 5.3(a) of the Loan Agreement to timely make a Monthly Debt Service Payment, or to make the payments then due under Sections 4.2 or 4.4(e) of the Loan Agreement, the Bank has authorized and directed the Trustee under the Tax Intercept Agreement to file the Tax Intercept Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the Mississippi Department of Revenue or any other State agency, department or commission, thereby directing the Mississippi Department of Revenue or any other State agency, department or commission to pay any Tax Monies directly to the Trustee on behalf of the Bank to satisfy any Delinquent Payment, all as permitted under the Bank Act. The Trustee is directed to pay any Tax Monies into the General Account of the General Fund to be applied in accordance with Section 6.05 of the Indenture.

The Monthly Debt Service payment includes _____ the payment of debt service and the replenishment of the Debt Service Reserve Fund. The Monthly Debt Service Payment is defined as the deposits to be made by the City on the first day of each month under Section 5.3(a) hereof with respect to (i) Section 5.3(a) – FIRST for principal and interest installments and (ii) Section 5.3(a) - SECOND to replenish the Debt Service Reserve Fund.

[Diligence Issue: Determine other City Debt that may be secured by other intercepts]. Global for City Parity Indebtedness.

**RISKS TO THE OWNERS OF THE SERIES 2020 BONDS**

**General**

The Series 2020 Bonds will be payable solely from the payments to be made by the Bank under the Indenture. Pursuant to the Indenture, such payments are to be made solely from payments due from the City under the Loan Agreement and the Note, which are to be paid from the Special Sales Tax Revenues and if necessary, the Tax Monies. Purchasers of the Series 2020 Bonds are advised of certain risk factors with respect to the Series 2020 Bonds.

In addition, purchasers of the Series 2020 Bonds are advised of certain additional information in connection with the City as set forth in "APPENDIX F – SALES TAX COLLECTIONS" AND "APPENDIX B - FINANCIAL INFORMATION OF THE CITY." Such information is relative to the ability of the City to make payments under the Loan Agreement and the Note sufficient to provide debt service on the Series 2020 Bonds.

**Note Payments**

The ability of the Bank to pay principal of, premium, if any, and interest on the Series 2020 Bonds depends primarily upon the receipt by the Bank of the Note Payments from the City, which is obligated under the Loan Agreement to make such payments to the Bank, together with earnings on the amounts in the Funds and Accounts sufficient to make such payments. There is a Debt Service Reserve Fund which is required to contain amounts to make up for any deficiencies in the event of one or more defaults by the City in making such Note Payments, providing a source from which the General Fund will be replenished in addition to the Note Payments and investment income on moneys in the Funds and Accounts. While the City covenants to take such action as may be necessary to include all Note Payments and amounts due under the Loan Agreement and with respect to the pledge of the Special Sales Tax Revenue, there can be no representation or assurance, that the City will realize sufficient revenues to meet its financial obligations with regard to the moneys in the Special Sales Tax Fund. Certain financial statements and budgets of the City are contained in "APPENDIX F – SALES TAX COLLECTIONS" and "APPENDIX B - FINANCIAL INFORMATION OF THE CITY." The realization of sufficient revenues can be subject to, among other things, future economic and demographic conditions, and other conditions which are variable and not certain of prediction. For a description of the City, see "APPENDIX A - INFORMATION CONCERNING THE CITY." For a description of procedures for providing for the payment of the

Note, see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS - Provisions for Payment of the Note Payments and – Special Sales Tax Revenues."

**Tax Covenants**

The Bank has covenanted under the Indenture that it will comply with certain requirements under the Internal Revenue Code of 1986, as amended (the "**Code**") to ensure the continuing excludability from gross income for federal income tax purposes of interest on the Series 2020 Bonds. Failure by the Bank to comply with such covenants could cause the interest on the Series 2020 Bonds to be taxable retroactive to the date of issuance of the Series 2020 Bonds. In the Loan Agreement, the City has made certain covenants regarding the preservation of the tax-exempt status of the interest on the Series 2020 Bonds. Failure by the City to comply with such requirements could cause the interest on the Series 2020 Bonds to be taxable retroactive to the date of issuance of the Series 2020 Bonds. See "TAX MATTERS," herein.

**Ratings**

There is no assurance that the ratings assigned to the Series 2020 Bonds at the time of issuance (see "RATINGS" herein) will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Series 2020 Bonds. If and when a Bondholder elects to sell a Series 2020 Bond prior to maturity, there is no assurance that a market will have been established, maintained and in existence for the purchase and sale of the Series 2020 Bonds, and there is no assurance as to the purchase price which a buyer would be willing to pay.

**Remedies; Litigation; Bankruptcy**

The remedies available to the Trustee, to the Bank or to the owners of the Series 2020 Bonds upon an "event of default" under the Indenture or under the terms of the Loan Agreement and Note are in many respects dependent upon judicial actions which are often subject to discretion and delay.

In the event the City were to become a debtor under 11 U.S.C. Section 100 *et seq.*, as amended and supplemented from time to time (the "**United States Bankruptcy Code**"), payments under the Loan Agreement and the Note may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the Trustee in such payments may not extend to payments required after the commencement of such bankruptcy case or within 90 days prior thereto. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code, the remedies provided in the Indenture and under the Loan Agreement and the Note may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

Furthermore, if a bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the City, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable equivalent" and "adequate protection" under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the Loan Agreement, the Note or related documents that make bankruptcy and related proceedings by the City an "event of default" thereunder. All of these events would adversely affect the payment of debt service on the Series 2020 Bonds.

**DESCRIPTION OF THE SERIES 2020 BONDS**

**General Description**

The Series 2020 Bonds are issuable under the Indenture as fully registered bonds. When issued, the Series 2020 Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Series 2020 Bonds will be made in book-entry-only form (without certificates) in the denomination of $5,000 or any integral multiple thereof.

The Series 2020 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement. Interest on the Series 2020 Bonds will be payable semiannually on _____ 1 and _____ 1 of each year, commencing _____ 1, _____. Interest will be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

Each Series 2020 Bond will be dated as of the date of delivery. If any Series 2020 Bond is authenticated on or prior to _____ 1, _____, it will bear interest from its date of original issuance. Each Series 2020 Bond authenticated after _____ 1, _____, will bear interest from the most recent Interest Payment Date on which interest was payable and has been paid on or prior to the date of authentication of such Series 2020 Bond, unless such Series 2020 Bond is authenticated after the fifteenth day of the calendar month preceding an Interest Payment Date (the "**Record Date**") and on or prior to the next following Interest Payment Date, in which case such Series 2020 Bond will bear interest from such following Interest Payment Date.

So long as DTC or its nominee is the Registered Owner of the Series 2020 Bonds, payments of the principal of, premium, if any, and interest on the Series 2020 Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to DTC Participants (as defined herein) will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, of the Series 2020 Bonds will be the responsibility of the DTC Participants and the Indirect Participants.

If the Series 2020 Bonds are no longer in a book-entry-only system, the principal of the Series 2020 Bonds will be payable upon maturity or redemption at the principal corporate trust office of the Trustee in _____, Mississippi, and interest on the Series 2020 Bonds will be paid by check of the Trustee dated the due date and mailed or delivered on or before the Business Day prior to each Interest Payment Date to the Registered Owners of record as of the close of business on the most recent Record Date or, at the written election of the Registered Owner of $1,000,000 or more in aggregate principal amount of Series 2020 Bonds delivered to the Trustee at least one Business Day prior to the applicable Record Date for which such election will be effective, by wire transfer or electronic funds transfer to the Registered Owner or by such other method as is acceptable to the Trustee.

**Book-Entry-Only System**

The Bank has determined that it will be beneficial to have the Series 2020 Bonds held by a central depository system and to have transfers of the Series 2020 Bonds affected by book-entry on the books of DTC as such central depository system. Accordingly, Beneficial Ownership interests in the Series 2020 Bonds will be available in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of Beneficial Ownership interests in the Series 2020 Bonds (the "**Beneficial Owners**") will not receive certificates representing their interests in the Series 2020 Bonds purchased.

The information provided under this caption has been provided by DTC. No representation is made by the Bank, the Underwriter or the Trustee as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be initially issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered certificate for each maturity of the Series 2020 Bonds will be issued for the Series 2020 Bonds in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York banking law, a "banking organization" within the meaning of the New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both

U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2020 Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' (together, the "**DTC Participants**") records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices are to be sent to DTC. If less than all of the Series 2020 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2020 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an "Omnibus Proxy" to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments and interest payments on the Series 2020 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bank or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the Bank subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the Bank or the Trustee. Under such circumstances, and in the event that a successor depository is not obtained, Series 2020 Bond certificates are required to be printed and delivered.

In addition, the Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2020 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bank and the Underwriter believe to be reliable, but the Bank and the Underwriter take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered holder of the Series 2020 Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Series 2020 Bonds mean Cede & Co. and not the Beneficial Owners of the Series 2020 Bonds.

THE BANK, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2020 BONDS (A) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE SERIES 2020 BONDS; (B) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2020 BONDS; OR (C) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2020 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE BANK, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE SERIES 2020 BONDS; (C) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

**Redemption**

***Redemption Generally***. If the City directs the Bank to redeem the Series 2020 Bonds in accordance with the Loan Agreement, the Bank has agreed under the Indenture to accept redemption and to redeem the Series 2020 Bonds in accordance with the Indenture.

***Optional Redemption***. The Series 2020 Bonds (or any portions thereof in integral multiples of $5,000 each) maturing on or after _____ 1, 20__, are subject to optional redemption, prior to their stated dates of maturity, in whole or in part, in principal amounts and maturities selected by the Bank on any date on or after _____ 1, 20__, at par, plus accrued interest to the date of redemption. Under the Indenture, selection of Series 2020 Bonds to be redeemed within a maturity will be made by lot by the Trustee. In accordance with DTC's standard practices and its agreement with the Bank, DTC and the DTC Participants will make this selection so long as the Series 2020 Bonds are in book-entry form.

***Mandatory Sinking Fund Redemption***. The Series 2020 Bonds maturing on _____ 1, 20___ in the principal amount of $_____ are subject to mandatory sinking fund redemption, in part, prior to maturity, or redemption, in whole, as otherwise provided in the Indenture, on each _____ 1 in the principal amount for each year together with accrued interest to the date of redemption, as follows:

| Term Bonds | |
|---|---|
| **Date** | **Principal Amount** |

* Final Maturity.

***Notice of Redemption***. Notice of the call for any redemption, identifying the Series 2020 Bonds (or any portions thereof in integral multiples of $5,000 each) to be redeemed, will be given by the Trustee at least 30 days but not more than 45 days prior to the date fixed for redemption by mailing a copy of the redemption notice by registered or certified mail to the registered owner of each Series 2020 Bond to be redeemed at the address shown on the Bond Register (as defined herein) and to the Underwriter of the Series 2020 Bonds. Failure to mail such notice to any particular owner of Series 2020 Bonds, or any defect in the notice mailed to any such owner of Series 2020 Bonds, will not affect the validity of the call for the redemption of any other Series 2020 Bonds. So long as DTC or its nominee is the Registered Owner of the Series 2020 Bonds, notice of the call for any redemption will be given to DTC, and not directly to Beneficial Owners. See "DESCRIPTION OF THE SERIES 2020 BONDS - Book-Entry-Only System."

***Redemption Payments***. Prior to the date fixed for redemption, there must be on deposit with the Trustee sufficient funds to pay the Redemption Price of the Series 2020 Bonds called, together with accrued interest on the Series 2020 Bonds to the Redemption Date. After the Redemption Date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Series 2020 Bonds that have been called for redemption.

**EXPECTED APPLICATION OF THE PROCEEDS OF THE SERIES 2020 BONDS**

The proceeds of sale of the Series 2020 Bonds which are equal to $_____ are expected to be applied as follows:

| | |
|---|---|
| **SOURCES OF FUNDS** | |
| Par Amount of Series 2020 Bonds | $_____.00 |
| Plus/Minus Net Original Issue Premium/Discount | |
| Total Sources of Funds | |
| **USES OF FUNDS** | |
| Deposit to the General Fund, Loan Account to fund the Loan to the City, for further deposit into the Capital Improvements Fund | |
| Deposit to the Debt Service Reserve Fund | |
| Deposit to the General Fund, Bond Issuance Expense Account for payment of Costs of Issuance[1] | |
| Total Uses of Funds | |

[1] Includes payments for Costs of Issuance, which include but are not limited to, legal fees and expenses, municipal advisory fees and expenses, the Underwriter's Discount paid directly to the Underwriter.

Proceeds of the Series 2020 Bonds deposited in the Loan Account will be paid to the City pursuant to the Loan Agreement and the City will deposit such proceeds into the Capital Improvements Fund created under the Loan Agreement and use them to fund the City Project.

**ANNUAL DEBT SERVICE REQUIREMENTS ON THE SERIES 2020 BONDS**

| Fiscal Year | Principal* | Interest[1] | Total |
|---|---|---|---|
| 2020 | | | |
| 2021 | | | |
| 2022 | | | |

| | |
|---|---|
| 2023 | |
| 2024 | |
| 2025 | |
| 2026 | |
| 2027 | |
| 2028 | |
| 2029 | |
| TOTAL | |

1 Calculated based on interest rates set forth on the inside cover page hereof.

* Preliminary, subject to change.

## THE MISSISSIPPI DEVELOPMENT BANK

### General

The Bank was created in 1986 and is organized and existing under and by virtue of the Bank Act as a separate body corporate and politic for the public purposes set forth in the Bank Act. The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power.

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes and purposes of (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State, or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under State law, including the City.

**NEITHER THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE NOR THE CITY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON ANY OF THE SERIES 2020 BONDS, AND THE SERIES 2020 BONDS ARE NOT A DEBT, LIABILITY, LOAN OF THE CREDIT, MORAL OBLIGATION OR PLEDGE OF THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE OR THE CITY.**

Under the Bank Act, the Bank is granted the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the State provided for under the Bank Act, including the purchasing of securities of local governmental units (as defined in the Bank Act) and the making of loans to such local governmental units (the "**Program**").

### Organization and Membership of the Bank

The Bank is governed by a nine (9) member Board of Directors (the "**Board of Directors**"). The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation (the "**MBFC**") at the time and place fixed by the MBFC's by-laws. Appointments are for terms of one year. Members of the Board of Directors serve until they are replaced or re-appointed. The members of the Board of Directors as of the date of this Official Statement are as follows:

| Name | Occupation | Term |
|---|---|---|
| Carolyn Boteler | Owner, Temp Staff | 08/01/19 – 07/31/20 |
| Jabari Edwards | Owner, J5GBL Construction Co. | 08/01/19 – 07/31/20 |
| William L. Freeman, Jr. | Retired Bank President | 08/01/19 – 07/31/20 |
| William Griffin | Owner, Griffin & Griffin Exploration LLC | 08/01/19 – 07/31/20 |
| Gary Harkins | Real Estate Developer | 08/01/19 – 07/31/20 |
| Joel Horton | Retired Bank President | 08/01/19 – 07/31/20 |
| Bobby James | Operations Manager, Atmos Energy | 08/01/19 – 07/31/20 |
| William D. Sones | Bank Chairman | 08/01/19 – 07/31/20 |

| | | |
|---|---|---|
| Mark Wiggins | Retired Business Owner | 08/01/19 – 07/31/20 |

The operations of the Bank are administered by E.F. "Buddy" Mitcham, Jr., Executive Director. Mr. Mitcham is a graduate of Mississippi State University with a degree in Business Administration.

**Prior Bonds of Bank**

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes by Local Governmental Units. As of _____ 1, 2020, the Bank has previously issued bonds for various purposes totaling in principal approximately $_____. Of such amount, approximately $_____ was outstanding as of _____ 1, 2020.

**THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON ANY OF THE BONDS ISSUED OR PLANNED FOR ISSUANCE BY THE BANK; AND ALL SUCH BONDS ARE NOT A DEBT, LIABILITY, LOAN OF THE CREDIT OR PLEDGE OF THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE. THE BANK HAS NO TAXING POWER.**

The Bank is presently considering the issuance under the Bank Act of additional special obligation bonds for other purposes authorized under the Bank Act.

**REVENUES, FUNDS AND ACCOUNTS UNDER THE INDENTURE**

**Creation of Funds and Accounts**

The Indenture establishes the following special Funds and Accounts to be held by the Trustee:

(a) General Fund - comprised of the following:

(i) General Account,

(ii) Loan Account,

(iii) Redemption Account, and

(iv) Bond Issuance Expense Account;

(b) Debt Service Reserve Fund; and

(c) Rebate Fund.

**Revenues and Other Receipts**

The Trustee will deposit Revenues, as defined in the Indenture, and other receipts (except the proceeds of the Series 2020 Bonds, interest earnings on any amounts in the Rebate Fund and moneys received by the Bank from the sale or prepayment prior to maturity of the Note) into the General Account of the General Fund and will deposit any moneys received from the sale or prepayment prior to maturity of the Note into the Redemption Account of the General Fund. A sufficient amount of the funds remitted by the City as Note Payments under the Note shall be transferred to the General Account by the Trustee as least five days prior to each Interest Payment Date to provide funds for the debt service payments on the Series 2020 Bonds. The Trustee will deposit the proceeds of any Refunding Bonds and Additional Bonds as provided in the supplemental indenture authorizing the issuance of such Bonds.

**OPERATION OF FUNDS AND ACCOUNTS UNDER THE INDENTURE**

**General Fund**

The Trustee will disburse the amounts held in the General Account all moneys and funds required to be deposited therein pursuant to the Indenture. The Trustee shall make the following payments from the General Account on the specified dates and for the following purposes, and, in the event of insufficient funds to make all of such required disbursements, in the following order of priority:

(a) On or before each Interest Payment Date, to the Trustee such amount as shall be necessary to pay the principal and interest coming due on the Bonds on such Interest Payment Date;

(b) As soon as funds become available, to the Debt Service Reserve Fund sufficient amount to assure that there is on deposit therein the Debt Service Reserve Fund Requirement;

(c) At such times as shall be necessary, to pay Program Expenses; and

(d) On or before thirty (30) days after each anniversary of the issuance of the Series 2020 Bonds, the amounts, if any, to be transferred to the Rebate Fund.

After making such deposits in subsections (a) through (d) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of Note Payments in the succeeding twelve (12) months and shall transfer all moneys in the General Account, which, together with such expected receipts for the succeeding twelve (12) months are in excess of the amounts needed to pay principal and interest on the Series 2020 Bonds within the immediately succeeding twelve month period, to the City at the written request of the City.

***Bond Issuance Expense Account.*** Upon receipt of invoices or requisitions acceptable to the Trustee and the written authorization of an Authorized City Representative and the Authorized Officer of the Bank, the Trustee will disburse the amounts held in the Bond Issuance Expense Account for the payment or reimbursement of the Costs of Issuance. On the date which is 60 days after the date of issuance of the Series 2020 Bonds, any amounts remaining in the Bond Issuance Expense Account will be transferred to the General Account.

***Loan Account.*** Upon submission of a duly authorized written certificate of an Authorized Officer of the Bank stating that all requirements for the Loan under the Act, the Indenture and the established policies of the Bank have been or will be met, the Trustee will disburse the amounts held in the Loan Account to the City as loan proceeds under the Loan Agreement. See "LOAN AGREEMENT AND THE NOTE – Capital Improvements Fund."

***Redemption Account.*** The Trustee will deposit in the Redemption Account all moneys received upon the prepayment prior to maturity of the Note. Moneys in the Redemption Account shall be used to redeem Series 2020 Bonds. The Trustee shall pay the interest accrued on the Series 2020 Bonds so redeemed to the date of redemption from the General Account and the Redemption Price from the Redemption Account.

**Debt Service Reserve Fund**

The Indenture requires the Trustee to deposit the following into the Debt Service Reserve Fund:

(a) All moneys required to be deposited therein pursuant to Section 2.02 and Article VI of the Indenture, shall invest such funds pursuant to the Indenture, and, except as provided in the Indenture, shall disburse the funds held in the Debt Service Reserve Fund solely to the General Account for the payment of interest on and principal of the Bonds and only in the event that moneys in the General Account are insufficient to pay principal of and interest on the Bonds after making all the transfers thereto required to be made under Section 6.06 of the Indenture (from the Redemption Account). In the event that moneys are withdrawn from the Debt Service Reserve Fund, the Bank shall restore such Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Requirement; provided, however, that any obligation of the Bank to restore any deficiency in Debt Service Reserve Fund to the Debt Service Reserve Requirement shall be a limited obligation of the Bank payable solely from Revenues as provided in Section 3.11 of the Indenture. Pursuant to Section 10.01(j) of the Indenture, failure by the City to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement within 360 days after the end of the Fiscal Year during which a deficiency occurs is an Event of Default.

(b) Any amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement shall be transferred to the General Account; provided, however, such amounts in excess of the Debt Service Reserve Requirement shall be paid to the City at the request of the City with the prior written approval of the Bank.

(c) The City may, at any time, provide the Trustee with a Reserve Fund Credit Facility to be substituted for all or a portion of the amount of money and investments in the Debt Service Reserve Fund equal to the amount available for drawing under such Reserve Fund Credit Facility; provided that such right of substitution shall be subject to the following conditions:

(1) The Trustee shall receive an opinion of counsel acceptable to the Trustee, in form and substance satisfactory to the Trustee, addressed to the Trustee, the Bank and the City as to

the due authorization, execution, delivery and enforceability of the Reserve Fund Credit Facility in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of the Reserve Fund Credit Facility is not a domestic entity, an opinion of foreign counsel to the same effect in form and substance satisfactory to the Trustee; and

(2) The Trustee, the Bank and the City shall receive an opinion of nationally recognized counsel, in form and substance satisfactory to each of them, to the effect that substitution of such Reserve Fund Credit Facility and the proposed application to the amounts in the Debt Service Reserve Fund will not cause the interest of the Bonds to become includable in gross income for federal income taxation purposes; and

(3) The obligation of the Bank to reimburse the issuer of the Reserve Fund Credit Facility for any fees or expenses or claims or drawings under such Reserve Fund Credit Facility shall be subordinate to the payment of debt service on the Bonds under the Indenture; and

(4) The Reserve Fund Credit Facility must provide for a revolving feature under which the amount available for drawing thereunder will be reinstated to the extent of any reimbursement of drawings or claims paid; and

(5) The value of the assets (including the amount available for drawing under the Reserve Fund Credit Facility) held in the Debt Service Reserve Fund must equal the Debt Service Reserve Requirement immediately upon such substitution; and

(6) The approval of the Rating Agency.

If there shall be an insufficiency of funds in the General Account of the General Fund to make any required payment of principal of or interest on any corresponding Bonds and the Trustee is holding a Reserve Fund Credit Facility in lieu of funds in the Debt Service Reserve Fund, the Trustee shall make a drawing under the Reserve Fund Credit Facility in an amount equal to the lesser of (a) the amount then available for drawing under the Reserve Fund Credit Facility or (b) the amount necessary to make up the insufficiency described above, which drawing shall be made in time to prevent the occurrence of an Event of Default under the Indenture; and the proceeds of such drawing shall be deposited into the Debt Service Reserve Fund for application as provided in the Indenture.

On the fifth (5th) Business Day prior to the expiration of any Reserve Fund Credit Facility, the Trustee shall make a drawing of the full amount available thereunder, and shall deposit the proceeds of such drawing into the Debt Service Reserve Fund; provided, however, that the Trustee shall not make a drawing if, not later than the fifth (5th) Business Day prior to the expiration of such Reserve Fund Credit Facility, a substitute Reserve Fund Credit Facility or money or Investment Securities or both money and Investment Securities equal to the Debt Service Reserve Requirement have been delivered to the Trustee for deposit in the Debt Service Reserve Fund.

If the Trustee receives notice that (a) the revolving reinstatement feature described above has been suspended or terminated, (b) the rating of the issuer of the Reserve Fund Credit Facility has fallen below "A" by S&P, (c) the issuer of the Reserve Fund Credit Facility has defaulted in its payment obligations thereunder, or (d) the Reserve Fund Credit Facility will not be extended or renewed, the Trustee shall immediately notify the City in writing, of the occurrence of such event and shall request that the City make or cause to be made the payments required to replenish the Debt Service Reserve Fund pursuant to the Indenture and the Bond Resolution, which payments may be made from the proceeds of a drawing under the Reserve Fund Credit Facility.

**Rebate Fund**

Upon the direction of the Bank and in accordance with the Arbitrage Rebate Agreement (as defined herein), the Trustee will deposit amounts for the benefit of the Bank from the General Account of the General Fund into the Rebate Fund and will deposit into the Rebate Fund all income from investments in the Rebate Fund. In the event and to the extent that amounts in the Rebate Fund exceed the amounts required to be rebated to the United States of America, the Trustee will transfer such excess amounts to the General Account of the General Fund upon the direction of the Bank in accordance with the Arbitrage Rebate Agreement.

Not more than 60 days after _____ 1, 202_, and at intervals of every five years thereafter, upon the written request of the Bank the Trustee will pay to the United States of America 90% of the amount required to be paid to the United States of America as of such payment date. Not later than 60 days following the retirement of all of the Series 2020 Bonds, upon the written request of

the Bank the Trustee will pay to the United States of America 100% of the amount to be paid to the United States of America. Each payment to the United States of America will be accompanied by a statement of the Bank summarizing the determination of the amount of such payment, together with copies of any reports originally filed with the Internal Revenue Service with respect to the Series 2020 Bonds.

With respect to the Rebate Fund, the Bank may direct the Trustee to proceed other than as set forth in the Indenture and described above by delivering to the Trustee an amended Arbitrage Rebate Agreement accompanied by an Opinion of Co-Bond Counsel to the effect that compliance with such memorandum will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2020 Bonds.

**Amounts Remaining in Funds or Accounts**

Any amounts remaining in any Fund or Account after full payment of all of the Series 2020 Bonds Outstanding under the Indenture, all required rebates to the United States of America and the fees, charges and expenses of the Trustee will be distributed to the City, except as provided in Section 3.08 of the Indenture which deals with the nonpresentment of Series 2020 Bonds and except for any moneys owing to the Bank which will be paid to such parties.

**Investment of Funds**

Any moneys held as part of any Fund or Account created under or pursuant to Article VI of the Indenture and the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed by the Bank (such direction to be confirmed in writing). All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and, except as provided in Article VI of the Indenture, all income and profits on such investments, other than from moneys on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account of the General Fund. The Trustee may make any and all such investments through its investment department or through the investment department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts may be commingled for the purpose of investment or deposit. The Trustee and the Bank agree that all investments under the Indenture, and all instructions of the Bank to the Trustee with respect thereto shall be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal without causing any of the Series 2020 Bonds to be arbitrage bonds as defined in Section 148 of the Code. Any investment losses shall be charged to the Fund or Account in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of Section 8.01 of the Indenture, the Trustee shall not be liable for any investment losses. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date determined by the owner of the Investment Securities at said owner's option, which shall coincide as nearly as practicable with times at which moneys in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account of the General Fund.

The Bank (a) will certify in the Indenture to the owners of the Series 2020 Bonds from time to time Outstanding that moneys on deposit in any Fund or Account in connection with the Series 2020 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2020 Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2020 Bonds to lose the exclusion from gross income for federal income tax purposes and (b) will covenant in the Indenture with the owners of the Series 2020 Bonds from time to time Outstanding that, so long as any of the Series 2020 Bonds remain Outstanding, moneys on deposit in any Fund or Account established in connection with the Series 2020 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2020 Bonds or from any other source, will not be used in any manner which will cause the interest on the Series 2020 Bonds to become subject to federal income taxation.

**THE INDENTURE**

The following is a summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, a copy of which may be obtained upon written request to the Bank.

**Provisions for Issuance of Refunding Bonds and Additional Bonds**

(a) All or any part of one or more series of Refunding Bonds may be issued under the Indenture, authenticated and delivered upon original issuance to refund all or any part of the Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Act, the Indenture and by the Supplemental Indenture authorizing said Refunding Bonds.

(1) Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by the Trustee of the documents required by Section 2.04 of the Indenture) of:

(i) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on the redemption date specified in such instructions;

(ii) Irrevocable instructions to the Trustee, satisfactory to it, to give notice provided for in Section 4.05 of the Indenture to the owners of the Bonds being refunded (which may be a conditional notice of redemption); and

(iii) Either (A) monies in an amount sufficient to effect payment at the applicable Redemption Price or principal payment amount of the Bonds to be refunded or paid, respectively, together with accrued interest on such Bonds to the redemption or maturity date and all necessary and appropriate fees and expenses of the Trustee, which monies shall be held by the Trustee or any one or more of the Trustees in a separate account irrevocably in trust for and assigned to the respective owners of the Bonds to be refunded or paid, or (B) Governmental Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Article IX of the Indenture which Governmental Obligations shall be held in trust and used only as provided in said Article.

Refunding Bonds shall be secured by the Trust Estate with a lien on parity with all other Outstanding Bonds. In connection with the issuance of Refunding Bonds, the City shall provide to the Trustee a written certificate stating that the requirements under Section 4.9 of the Loan Agreement with respect to City Parity Indebtedness have been met; and such City Parity Indebtedness shall be acquired by the Bank and pledged as a part of the Trust Estate under the provisions of a Supplemental Indenture.

(b) Provided there is no Event of Default, Additional Bonds may be issued under a Supplemental Indenture. Such Additional Bonds shall be secured by the Trust Estate with a lien on parity with any other Outstanding Bonds. In connection with the issuance of Additional Bonds:

(1) The City will issue City Parity Indebtedness meeting the requirements under Section 4.9 of the Loan Agreement;

(2) Such City Parity Indebtedness shall be acquired by the Bank and pledged as part of the Trust Estate under the provisions of a Supplemental Indenture; and

(3) The Debt Service Reserve Fund Requirement shall be increased consistent with the Indenture and Section 4.9 of the Loan Agreement.

Additional Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by the Trustee of the documents required by Section 2.04 of the Indenture) of a City written certificate providing that that the requirements of Section 4.9 of the Loan Agreement have been met and complied with by the City.

Additionally, the City may issue other City Parity Indebtedness as authorized by a duly adopted resolution of the City in accordance with the provisions of Section 4.9 of the Loan Agreement. Such

resolution of the City and the certificate of the City stating that the requirements of Section 4.9 of the Loan Agreement have been met shall be filed by the City with the Trustee within ten (10) days prior to the closing of such other City Parity Indebtedness.

**Mutilated, Lost, Stolen or Destroyed Bonds**

If any Bond is mutilated, lost, stolen or destroyed, the Bank shall execute and the Trustee shall authenticate a new Bond or Bonds of the same maturity and denomination, as that mutilated, lost, stolen or destroyed; provided that in the case of any mutilated Bond, it shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with security and/or indemnity satisfactory to it. In the event any such Bond shall have matured or been called for redemption instead of issuing and authenticating a duplicate Bond, the Trustee may pay the same without surrender thereof; provided, however, that in the case of a lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee together with security and/or indemnity satisfactory to it. The Trustee may charge the owner of such Bond its reasonable fees and expenses in connection with replacing any Bonds mutilated, lost, stolen or destroyed. Any Bond issued as described in this paragraph shall be deemed part of the original series of the Bonds in respect of which it was issued and a contractual obligation of the Bank replacing the obligation evidenced by such mutilated, lost, stolen or destroyed Bond.

**Registration, Transfer and Exchange of Bonds; Persons Treated as Owners**

The Bank shall cause records for the registration and for the transfer of the Bonds to be kept by the Trustee at its principal corporate trust office, and the Trustee is constituted and appointed the bond registrar of the Bank for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said records may be inspected and prepared by the Bank or by Beneficial Owners (or a designated representative thereof) of five percent or more in aggregate principal amount of the Bonds then Outstanding.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Registered Owner or his attorney duly authorized in writing, the Bank shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity for a like aggregate principal amount. The Bonds may be transferred or exchanged without cost to the Bondholders except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The execution by the Bank of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required to (a) register, transfer or exchange any Bond during a period of 15 days next preceding mailing of a notice of redemption of any Bond, or (b) to register, transfer or exchange any Bond selected, called or being called for redemption in whole or in part after mailing notice of such call has been made.

The person in whose name a registered Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and interest thereon, shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove described. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

All Bonds delivered upon any transfer or exchange shall be valid obligations of the Bank, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

**Nonpresentment of Bonds**

In the event any Bond shall not be presented for payment when the principal thereof comes due, either at maturity or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the owner thereof, all liability of the Bank to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds for four years, for the benefit of the owner of such Bond, without liability for interest thereon to such owner, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under the Indenture or on, or with respect to, said Bond.

Any money so deposited with and held by the Trustee not so applied to the payment of Bonds within four years after the date on which the same shall become due shall be repaid by the Trustee to the Bank and thereafter the Bondholders shall be entitled to look only to the Bank for payment, and then only to the extent of the amount so repaid, and the Bank shall not be liable for any interest thereon to the Bondholders and shall not be regarded as a trustee of such money.

**Other Obligations Payable from Revenues**

The Bank shall grant no liens or encumbrances on or security interests in the Trust Estate (other than those created by the Indenture), and, except for Refunding Bonds and Additional Bonds issued pursuant to Section 2.05 of the Indenture, shall issue no bonds or other evidences of indebtedness payable from the Trust Estate. Notwithstanding the foregoing, the City may issue City Parity Indebtedness pursuant to, and in accordance with, Section 4.9 of the Loan Agreement.

**Limitations on Obligations of Bank**

The Bonds, together with interest thereon, shall be limited obligations of the Bank but payable solely from Revenues and shall be a valid claim of the respective owners thereof only against the Funds and Accounts, other than the Rebate Fund and any Accounts created thereunder, established hereunder and the Note acquired by the Trustee, all of which are hereby assigned and pledged hereunder for the equal and ratable payment of the Bonds and shall be used for no other purpose than the payment of the Bonds, except as may be otherwise expressly authorized in the Indenture. The Bonds do not constitute a debt or liability of the State or of any political subdivision thereof under the constitution of the State or a pledge of the faith and credit of the State or any political subdivision thereof, including the City, but shall be payable solely from the Revenues and funds pledged therefor in accordance with the Indenture. The issuance of the Bonds under the provisions of the Bank Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof, including the City, to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds and the interest payable thereon do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the statutes of the State and do not now and shall never constitute a charge against the credit or taxing power of the State or any political subdivision thereof, including the City. Neither the State nor any agent, attorney, member or employee of the State or of the Bank, shall in any event be liable for the payment of the principal of, and premium, if any, or interest on the Bonds or damages, if any, for the nonperformance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the State's or the Bank's agents, members, attorneys, and employees or any charge upon the general credit of the State or a charge against the taxing power of the State or any political subdivision thereof, including the City. In the Bank Act, the State has pledged to and agreed with the holders of any Series 2020 Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Series 2020 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Series 2020 Bonds are fully met and discharged.

**Payment of Debt Service**

The Bank covenants and agrees under the Indenture that it will promptly pay the principal of, Redemption Price and interest on every Bond issued under the Indenture at the place, on the dates and in the manner provided in the Indenture and in said Bonds according to the true intent and meaning thereof, provided that the principal, Redemption Price and interest are payable by the Bank solely from the Revenues and any other funds or assets constituting the Trust Estate pledged to the Trustee as security by the Bank to the extent of that pledge.

**Performance of Covenants; Bank**

The Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture and every Bond executed, authenticated and delivered under the Indenture and in all of its proceedings pertaining thereto. The Bank covenants and agrees under the Indenture that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds authorized and to execute the Indenture and to pledge the Revenues and all other property pledged in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken, and that the Bonds in the

possession of the owners thereof are and will be valid and enforceable limited obligations of the Bank according to the terms thereof and of the Indenture.

**Discharge of Indenture**

Except as provided herein below, if payment or provision for payment is made to the Trustee, of the principal of, premium, if any, and interest due and to become due on the Bonds at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions of the Indenture, and all other amounts due under the Indenture have been paid in full, then the Trust Estate and rights granted under the Indenture shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Bank such instruments in writing as shall be requisite to cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Bank any and all estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee by the Indenture or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of (and premium, if any, on) such Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee or other financial institution (which must meet the requirements of the Indenture) which provides services as escrow agent for the Bank (an "**Escrow Agent**"), in trust and exclusively for such payment, (A) moneys sufficient to make such payment or (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment, or (C) a combination of such moneys and Governmental Obligations, (b) all necessary and proper fees and expenses of the Trustee pertaining to the Bonds, including the amount, if any, required to be rebated to the United States of America in accordance with the Arbitrage Rebate Agreement and the Indenture, with respect to which such deposit is made, shall have been paid or deposited with the Trustee.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Bank shall have given the Trustee, in a form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Indenture);

(b) to timely call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to (a) of this paragraph; and

(c) to timely mail, in the manner prescribed by Article IV of the Indenture, a notice to the owners of such Bonds satisfying the requirements thereof.

Any moneys so deposited with the Trustee or the Escrow Agent as provided above may at the direction of the Bank also be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Governmental Obligations in the possession of the Trustee as described hereinabove which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the General Account, as and when and collected for use and application as are other moneys deposited in such General Account.

Notwithstanding any provision of the Indenture to the contrary, all moneys or Governmental Obligations set aside and held in trust pursuant to the Indenture for the payment of Bonds (including interest thereon but excluding any amounts, if any, set aside for rebate to the United States of America in accordance with the Arbitrage Rebate Agreement and the Indenture) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or obligations have been set aside in trust.

Upon the deposit with the Trustee or Escrow Agent, in trust, at or before maturity, of money or Governmental Obligations in the necessary amount to pay or redeem all Outstanding Bonds as aforesaid (whether upon or prior to their maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture, or provisions satisfactory to the Trustee shall have

been made for the giving of such notice, and compliance with the other payment requirements of the Indenture, the Indenture may be discharged in accordance with the provisions thereof but the limited liability of the Bank in respect of such Bonds shall continue provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or Governmental Obligations deposited with the Trustee or Escrow Agent as aforesaid.

**Defaults; Events of Default**

If any of the following events occurs, it is defined as and declared to be and to constitute an "Event of Default" under the Indenture:

(a) Default in the due and punctual payment of any interest on any Bond; or

(b) Default in the due and punctual payment of the principal of any Bond whether at the stated maturity thereof or on any date fixed for redemption; or

(c) Failure of the Bank to remit to the Trustee within the time limits prescribed in the Indenture any moneys which are required by the Indenture to be so remitted; or

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Bank contained in the Indenture or in the Bonds and failure to remedy the same within the time provided in, and after notice thereof pursuant to, the Indenture; or

(e) Any warranty, representation or other statement by or on behalf of the Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is false or misleading, when made, in any material respect, and failure to remedy the same within the time provided in, and after notice thereof pursuant to, the Indenture; or

(f) A petition is filed against the Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect and is not dismissed within 60 days after such filing; or

(g) The Bank files a petition in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, adjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(h) The Bank is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt, or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bank or any of its property is appointed by court order or otherwise takes possession of such property and such order remains in effect or such possession continues for more than 60 days; or

(i) Default in the due and punctual payment of any interest or principal on the Note;

(j) The Bank for any reason shall be rendered incapable of fulfilling its obligations under the Indenture; or

(k) There is "event of default" under the Loan Agreement.

**Remedies; Rights of Bondholders**

Upon the occurrence of an "event of default" under the Indenture, the Trustee shall in its discretion, except for Events of Default under paragraphs (a), (b), (i) and (k) above, notify the owners of all Bonds then Outstanding of such Event of Default by registered or certified mail, and will have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds Outstanding, including enforcement of any rights of the Bank or the Trustee under the Note or Loan Agreement.

(b) The Trustee, may by action or suit in equity require the Bank to account as if it were the trustee of an express trust for the holders of the Bonds and may, take such action with respect to the Note and Loan Agreement as the Trustee deems necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the Note and Loan Agreement.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Revenues, issues,

earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) The Trustee may, and shall at the direction of the Bondholders, by written notice to the Bank declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the Indenture and the Act, by notice to the Bank and the City.

Upon the occurrence of an Event of Default, (a) if requested to do so by the holders of 25% or more in aggregate principal amount of all Bonds Outstanding, or (b) if secured and/or indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by the Indenture as set forth above as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

**Rights of Bondholders to Direct Proceedings**

Subject to provisions of the Indenture including the rights of the Beneficial Owners of a majority in aggregate principal amount of Bonds Outstanding shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

**Application of Moneys**

All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of the Indenture (including moneys received by virtue of action taken under provisions of the Note or the Loan Agreement) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and payment of the expenses, liabilities and advances incurred or made by the Trustee and any other moneys owed to the Trustee under the Indenture, be deposited in the General Account and all moneys in such Account shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST – To the payment of any amounts owed under the Arbitrage Rebate Agreement;

SECOND - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, including interest on any past due principal of any Bond at the rate borne by such Bond, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any discrimination or privilege;

THIRD - To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due either at maturity or pursuant to a call for redemption (other than Bonds called for redemption for the payment of which other moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due on any particular date, together with such interest, then to such payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege;

FOURTH - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may then become due either at maturity or upon call for redemption prior to maturity, and, if the amount available shall not be sufficient to pay in full the principal of and interest on Bonds due on any particular date, such payment shall be made ratably according to the amount of principal and interest due on such date to the persons entitled thereto without any discrimination or privilege; and

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied as set forth above, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment of principal to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of and interest on all Bonds have been paid under the provisions of the Indenture and all expenses and charges of the Trustee have been paid and all other amounts due under the Indenture and under the Loan Agreement and the Note have been paid in full, any balance remaining in the General Account shall be paid as provided in Article VI of the Indenture.

**Remedies Vested in the Trustee**

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

**Rights and Remedies of Bondholders**

No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust of the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless (a) a Default has occurred, (b) such Default shall have become an Event of Default and the Beneficial Owners of not less than 25% in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies granted under the Indenture or to institute such action, suit or proceeding in its own name, (c) such Beneficial Owners of Bonds have offered to the Trustee security and/or indemnity as provided in the Indenture and (d) the Trustee has refused or for 60 days after receipt of such request and offer of security and/or indemnification has failed to exercise the remedies granted under the Indenture or to institute such action, suit or proceeding in its own name, and such request and offer of security and/or indemnity are declared under the Indenture in every case at the option of Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its, his, her or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal and ratable benefit of the owners of all Bonds Outstanding. However, nothing contained in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the limited obligation of the Bank to pay the principal of, premium, if any, and interest on each of the Bonds issued under the Indenture

to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

**Termination of Proceedings**

In case the Trustee or any owner of any Bonds shall have proceeded to enforce any right under the Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, and with regard to the property subject to the Indenture, and all rights, remedies and powers of the Trustee and the owners of the Bonds shall continue as if no such proceedings had ever taken place.

**Waivers of Events of Default**

The Trustee may at its discretion waive any Event of Default under the Indenture and its consequences, and shall do so upon the written request of the Beneficial Owners of (a) more than 66 2/3% in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (b) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (x) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (y) any Event of Default in the payment when due of the interest on any Outstanding Bond unless prior to such waiver all of the interest or all payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for or (z) any Event of Default for nonpayment of Program Expenses. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any rights consequent thereon.

**Supplemental Indentures not Requiring Consent of Bondholders**

The Bank and the Trustee may, without the consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the opinion of Co-Bond Counsel, does not materially and adversely affect the interest of the owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to the Indenture;

(c) To subject to the Indenture additional Revenues, properties or collateral;

(d) To modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such a manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental to the Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(e) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture or the succession of a new registrar and/or paying agent; and

(f) In connection with the issuance of Refunding Bonds or Additional Bonds pursuant to Section 2.05 of the Indenture.

**Supplemental Indentures Requiring Consent of Bondholders**

Exclusive of Supplemental Indentures provided for by the Indenture and subject to the terms and provisions contained in this paragraph, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds Outstanding which are affected (exclusive of Bonds held

by the Bank), shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing in the Indenture contained shall permit, or be construed as permitting, without the consent of the owners of all then Outstanding Bonds, (a) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture, or (b) a reduction in the principal amount of any Bond or change in the rate of interest, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the creation of any lien securing any Bonds other than a lien ratably securing all of the Bonds Outstanding under the Indenture, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

If at any time the Bank shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes set forth above, the Trustee shall, upon being satisfactorily secured and/or indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each owner of a Bond at the address shown on the registration records maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days, or such longer period as shall be prescribed by the Bank, following the mailing of such notice, the owners of not less than 51% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture (exclusive of Bonds held by the Bank) shall have consented to and approved the execution of such Supplemental Indenture as provided in the Indenture, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided above, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

## THE LOAN AGREEMENT AND THE NOTE

### General

The Bank shall loan the proceeds of the Series 2020 Bonds to the City pursuant to the terms and provisions of the Loan Agreement which the Bank will assign (except certain rights retained by the Bank) to the Trustee pursuant to the terms and provisions of the Indenture. To further secure the payment of the Series 2020 Bonds pursuant to the Loan Agreement, the City will execute and deliver the Note, which Note and the Note Payments, the Bank has assigned or will assign to the Trustee.

To further secure the payment of the Series 2020 Bonds, the City will enter into the Tax Intercept Agreement which provides for the withholding of all or any part of any moneys which the City is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi Department of Revenue or any other State agency, department or commission. See "Agreement Withholding City Monies to Satisfy Delinquent Payments" herein.

### Application of Loan Proceeds

Simultaneously with the delivery of the Series 2020 Bonds by the Trustee, the Net Proceeds will be transferred by the Trustee, as the assignee for the Bank under the Loan Agreement and the Note, to the City to be deposited in the Capital Improvements Fund created under the Loan Agreement and used to fund the City Project. See "EXPECTED APPLICATION THE PROCEEDS OF THE SERIES 2020 BONDS," and "Capital Improvements Funds" herein.

### The Loan

The Bank agrees, upon the terms and conditions specified in the Loan Agreement, to lend to the City the Net Bond Proceeds received from the sale of the Series 2020 Bonds, by causing such Net Bond Proceeds to be deposited with the Trustee for disposition as provided in the Loan Agreement and in the Indenture. The amount of the Loan shall also be deemed to include any "discount" or any other amount by which the aggregate price at which the Bank sells the Series 2020 Bonds to the Underwriter is less than the aggregate principal amount of the Series 2020 Bonds and any "premium", plus accrued interest. The obligation of the Bank to make the Loan shall be deemed

fully discharged upon so depositing the Net Bond Proceeds with the Trustee as set forth in the Loan Agreement.

**Basic Payments Under the Loan Agreement**

Subject to the provisions for prepayment set forth in Section 8.1 of the Loan Agreement, the City agrees to pay the Loan as follows:

(a)The City shall pay from the Special Sales Tax Revenues to be deposited in the Special Sales Tax Fund established pursuant to, and in the manner provided in Section 5.3 of the Loan Agreement.

(b) Additionally, the City shall timely remit or cause to be remitted to the Trustee for deposit into the Redemption Account the amounts required for the payment of the purchase or Redemption Price including accrued interest on Outstanding Bonds being redeemed or purchased for retirement, and in each such case, such amounts shall be applied by the Trustee to such payments.

**Pledge of Special Sales Tax Revenues**

The Note will be an obligation of the City payable solely from the moneys, rights and interests pledged under the Loan Agreement as set forth in the immediately succeeding paragraph. **The Note will never constitute a general obligation of the City or, within the meaning of any constitutional or statutory limitation, a debt, liability, or obligation of the State or any political subdivision of the State other than the City, and neither the full faith and credit nor taxing power of the State or any political subdivision thereof is pledged to the payment of such principal, premium, if any, and interest. The City has not pledged the levy of any taxes for the repayment of the Note.** The Note initially issued under the Loan Agreement shall be issued for the purposes of providing funds to finance Costs of the City Project, fund the Debt Service Fund and paying the Issuance Expenses for the Series 2020 Bonds and the Note.

Pursuant to the terms of the Loan Agreement, the principal of and interest on the Note and other amounts due under the Loan Agreement are to be paid from the Special Sales Tax Revenues. The City hereby covenants in the Loan Agreement to take such action as may be necessary to include all the Note Payments and amounts due under the Loan Agreement. The Notes and any City Parity Indebtedness shall be payable from and secured by a pledge of and first lien on the Special Sales Tax Revenues. In addition, the Bank Act and the Loan Agreement provide for the intercept of certain Tax Monies owed the City by the Mississippi Department of Revenue and any other State agency if the City is deficient in its payments under the Note.

The obligation of the City to make Note Payments and pay amounts due under the Loan Agreement constitutes a binding obligation of the City in accordance with the terms of the Note and the Loan Agreement, respectively. The City shall make said payments from the Special Sales Tax Revenues. The City will not create or allow any lien on or payment from the Special Sales Tax Revenues prior or superior to the obligation to make the payments on the Note or any City Parity Indebtedness or which may impair the security of the Notes or any City Parity Indebtedness provided for under Section 4.9 of the Loan Agreement.

**The obligations of the City under the Note and the Loan Agreement are not general obligations and do not constitute a pledge of the full faith and credit of the City, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.**

**Additional Charges**

The City agrees to pay as additional charges, when due, each and all of the following from Special Sales Tax Revenues to be deposited in the Special Sales Tax Fund established pursuant to, and in the manner provided in the Loan Agreement:

(a) all of the Issuance Expenses to the extent not paid from the proceeds of the Series 2020 Bonds;

(b) to or upon the order of the Trustee, upon demand, all fees of the Trustee for services rendered under the Indenture and all fees and charges of the paying agent, registrars, legal counsel, accountants, public agencies and others incurred in the performance on request of the Trustee of services required under the Indenture for which the Trustee and such other persons are entitled to payment or reimbursement; provided that after payment in full thereof the City may, without creating

a default under the Loan Agreement, contest in good faith the necessity or reasonableness of any such services, fees or expenses other than the Trustee's fees for ordinary services as set forth in the Indenture, paying agency fees and any fees or charges of public agencies;

(c) to the Bank and the Trustee, the Administrative Expenses, and all other reasonable expenses incurred by the Bank and the Trustee in relation to the Project which are not otherwise required to be paid by the City under the terms of the Loan Agreement and all indemnity payments required to be made under Section 7.3 of the Loan Agreement;

(d) any and all out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of any counsel, accountants, or other professionals) incurred by Trustee or the Bank at any time, in connection with (1) the preparation, negotiation and execution of the Loan Agreement, the Indenture, the Note, the Tax Intercept Agreement and all other Bond Documents, any amendment of or modification of the Loan Agreement, the Indenture, the Note, the Tax Intercept Agreement or the other Bond Documents (including in connection with any sale, transfer, or attempted sale or transfer of any interest in the Loan Agreement to a participant or assignee); (2) any litigation, contest, dispute, suit, proceeding or action, whether instituted by Bank, the Trustee, the City or any other person in any way relating to the Project, the Note, the other Bond Documents, or the City's affairs; (3) any attempt to enforce any rights of the Trustee or the Bank against the City or any other person which may be obligated to Trustee and/or Bank by virtue of the Note, the other Bond Documents or any other Project documents; and (4) performing any of the obligations relating to or payment of any obligations of the City under the Loan Agreement in accordance with the terms of the Loan Agreement or any other Bond Documents;

(e) if there is on deposit in the Debt Service Reserve Fund an amount less than the Debt Service Reserve Requirement as of any Interest Payment Date based on the Trustee's valuation under Section 6.09 of the indenture, the City will pay directly to the Trustee an amount for deposit into the Debt Service Reserve Fund which when added to the amount on deposit in the Debt Service Reserve Fund equals the Debt Service Reserve Requirement, such payment to be made no later than thirty (30) days after the applicable Interest Payment Date;

(f) upon notice by the Trustee that any event described in Section 6.09 of the Indenture has occurred, the City will make or cause to be made the required payments to replenish the Debt Service Reserve Fund within five (5) days of such notice. Said payments may be made from proceeds of a drawing under a Reserve Fund Credit Facility (as defined in the Indenture); and

(g) all amounts owed under the Tax Certificate.

With respect to any Additional Charges under Section 4.4(a) through (d) above, the party requesting payment shall provide an Additional Charges Invoice.

**City's Obligations Unconditional**

The City will not suspend or discontinue any Basic Payments or Additional Charges, and will perform and observe all of its other agreements in the Loan Agreement, and, except as expressly permitted in Section 8.1 of the Loan Agreement (regarding the City's option of prepayment), will not terminate the Loan Agreement for any cause, including, but not limited to, the invalidity or unenforceability or lack of due authorization or other infirmity of the Loan Agreement or the Note, or lack of right, power or authority of the Bank to enter into the Loan Agreement, commercial frustration of purpose, bankruptcy or insolvency of the Bank or the Trustee, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State or any political subdivision thereof, or failure of the Bank to perform and observe any agreement, whether express or implied or any duty, liability or obligation arising out of or connected with the Loan Agreement or the Note, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties to the Loan Agreement that the Basic Payments and other amounts payable by the City under the Loan Agreement shall be paid in full when due without any delay or diminution whatever.

**Assignment of Bank's Rights**

As security for the payment of the Series 2020 Bonds, the Bank will pledge the amounts payable under the Loan Agreement and under the Note and assign, without recourse or liability, to the Trustee, the Bank's rights under the Loan Agreement (except certain rights retained by the Bank) and under the Note. The rights pledged and assigned by the Bank under the Loan Agreement will include the right to receive payments under the Loan Agreement (except the right to receive payments, if any, under Section 4.4, 6.7, 7.3, 9.5, 10.8 and 10.11 of the Loan Agreement) and the

Bank directs the City under the Loan Agreement to make said payments directly to the Trustee. In the Loan Agreement, the City agrees to such assignment and agrees to make payments under the Loan Agreement directly to the Trustee without defense or setoff by reason of any dispute between the City and the Trustee.

**Agreement Withholding City Moneys to Satisfy Delinquent Payments**

As provided for in the Bank Act, the City and the Bank have entered into and the Trustee has accepted the Tax Intercept Agreement, whereby the City has covenanted, agreed and authorized the Mississippi Department of Revenue or any other State agency, department or commission to (a) withhold all or any part of any monies which the City is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi Department of Revenue or any other State agency, department or commission (the "**Tax Monies**") and (b) pay same over to the Trustee (as assignee of the Bank) to satisfy any delinquent payment (the "**Delinquent Payment**") with respect to either a Monthly Debt Service Payment or a payment under Section 4.2 or 4.4(e) of the Loan Agreement.

If on the [fifteenth (15th ) day] of any month, beginning ___ 15, 20___, the Trustee has not received sufficient Special Sales Tax Revenues pursuant to Section 5.3(a) of the Loan Agreement to timely make a Monthly Debt Service Payment, or to make the payments then due under Sections 4.2 or 4.4(e) of the Loan Agreement, the Bank has authorized and directed the Trustee under the Tax Intercept Agreement to file the Tax Intercept Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the Mississippi Department of Revenue or any other State agency, department or commission, thereby directing the Mississippi Department of Revenue or any other State agency, department or commission to pay any Tax Monies directly to the Trustee on behalf of the Bank to satisfy any Delinquent Payment, all as permitted under the Bank Act. The Trustee is hereby directed to pay any Tax Monies into the General Account of the General Fund to be applied in accordance with Section 6.05 of the Indenture.

**City Parity Indebtedness**

No City Parity Indebtedness shall be issued unless all of the following conditions are complied with:

> (i) the City must be current in all deposits into the Special Sales Tax Fund and all payments theretofore required to have been deposited or made by it under the provisions of this Loan Agreement;
>
> (ii) (1) the Special Sales Tax Revenues during the last audited fiscal year or any twelve (12) consecutive months of the eighteen (18) months immediately preceding delivery of the City Parity Indebtedness, as certified by an Accountant, will be at least equal to one hundred fifty percent (150%) of the debt service requirement, calculated by including the current year debt service on the Note, plus the annual average debt service on any City Parity Indebtedness plus the proposed City Parity Indebtedness, or
>
> (2) if the proposed City Parity Indebtedness is issued for the purpose of refunding any City Parity Indebtedness (or bonds or notes secured by such City Parity Indebtedness), then the annual debt service requirement must be equal to or lower after such refunding for each fiscal year of scheduled debt service payments during the term of the refunding bonds or notes than Outstanding City Parity Indebtedness (or bonds or notes secured by such Outstanding City Parity Indebtedness) that are not being refunded in the event of a partial redemption; and
>
> (iii) the City Parity Indebtedness shall be issued for a purpose or purposes authorized by the Municipal Sales Tax Act.

Such City Parity Indebtedness: (i) shall be dated, shall bear interest at a rate or rates not in excess of the rate then permitted by applicable law, and shall be payable as to principal and interest and shall mature on such payment dates as shall be specified

in the bond resolution adopted in connection with the issuance of the City Parity Indebtedness; (ii) shall have such particular designations added to their title as the City may determine, and may be in such denominations as shall be specified in the bond resolution adopted in connection with the issuance of the City Parity Indebtedness; and (iii) may contain provisions for the redemption thereof at such redemption price or prices, at such time or times, upon such notice, in such manner and upon such other terms and conditions as shall be specified in the bond resolution adopted in connection with the issuance of the City Parity Indebtedness.

The City hereby covenants and agrees that in the event additional City Parity Indebtedness is issued, it shall: (i) Adjust the monthly deposits into the Special Sales Tax Fund in an amount that will be sufficient to pay the principal of and interest on the Notes and the City Parity Indebtedness and (ii) Deposit into the debt service reserve fund (if a debt service revenue fund is required for the City Parity Indebtedness under the bond resolution for such City Parity Indebtedness) an amount equal to the lesser of the following: (1) The Debt Service Reserve Requirement as calculated for the Series 2020 Bonds and such City Parity Indebtedness (or bonds or notes secured by such City Parity Indebtedness); and (2) the maximum amount which, if deposited therein, in the opinion of nationally recognized bond counsel, would not adversely affect the tax-exempt status of interest on the Series 2020 Bonds and such City Parity Indebtedness (or bonds or notes secured by such City Parity Indebtedness).

The City may refund all or any part of the Series 2020 Bonds or other City Parity Indebtedness under Section 4.9(a)(ii)(2) of the Loan Agreement , so long as the debt service on the City Parity Indebtedness (or bonds or notes secured by City Parity Indebtedness), after refunding, provides debt service savings on the refunded bonds as provided in Section 31-27-1 *et seq.* of the Mississippi Code of 1972, as amended from time to time or issued in accordance with Section 31-15-1 *et seq.* of the Mississippi Code of 1972, as amended from time to time.

All of such City Parity Indebtedness, regardless of the time or times of their issuance, shall rank equally with the Note and all other City Parity Indebtedness with respect to their lien on the Special Sales Tax Revenues and their source of and security for payment therefrom without preference of any City Parity Indebtedness over any other.

The City shall not issue any obligations whatsoever payable from the Special Sales Tax Revenues which rank equally as to lien and source and security for their payment for such Special Sales Tax Revenues with the Note, except in the manner and under the conditions provided in Section 4.9 of the Loan Agreement, however, junior and subordinate bonds or notes may be issued from time to time within the discretion of the City.

**Capital Improvements Fund**

The Capital Improvements Fund is created and established under the Loan Agreement and held by the City and all monies and securities received by the City pursuant to the Loan Agreement shall be held and applied only in accordance with the provisions of the Loan Agreement. Except as otherwise provided in the Loan Agreement and the Indenture, amounts in the Capital Improvements Fund shall be applied only to pay the Costs of the City Project. To the extent that amounts in the Special Sales Tax Fund or the Debt Service Reserve Fund are insufficient or unavailable therefor, amounts on deposit in the Capital Improvements Fund may be applied to pay the Note when due, but only in the event that there shall have been filed with the Trustee (1) a Certificate of an Authorized City Representative in form and substance satisfactory to the Trustee stating (A) that the Special Sales Tax Revenues expected to be received thereafter together with such other specified amounts as are expected to be made available therefor by the City will not be sufficient to pay in full all Outstanding Series 2020 Bonds when and as the same shall become due in accordance with their terms, (B) that such payment will not result in a violation of the provisions of Section 6.4 hereof, and (C) in reasonable detail, the basis for such certification, and (2) Opinions of Co-Bond Counsel satisfactory to the Trustee that such payment will not result in a violation of any applicable existing law including the Code. At any time, the City may apply amounts in the Capital Improvements Fund to the prepayment of the Note in accordance with its terms and provisions of Section 7.1 of the Loan Agreement, but only to the extent that such amounts are not required to be retained therein for the purpose of completing the City Project as provided in Article III of the Loan Agreement.

**Special Sales Tax Fund**

All Special Sales Tax Revenues shall be set aside as collected by the City and shall be deposited into the Special Sales Tax Fund to be utilized for the purposes of accounting for the Special Sales Tax Revenues. Special Sales Tax Revenues on deposit in the Special Sales Tax Fund (and any earnings thereon) are pledged to secure the Note and any City Parity Indebtedness as provided for under Section 4.3 of the Loan Agreement and are subject to the application of Special Sales Tax Revenues under Section 5.3 of the Loan Agreement. Monies in the Special Sales Tax Fund shall not be subject to lien or attachment by any other creditor of the City, and shall be allocated and deposited with the City by an Authorized City Representative to the extent available in the following order of preference in the following special funds, without further direction of or action by the City:

On the first day of each month, commencing in the first month after deliver of the Note, the City shall deposit with the Trustee the following amounts in the following order of priority:

FIRST, an amount equal to one-sixth(1/6$^{th}$) or such applicable fraction necessary to provide the interest due on the Note and any City Parity Indebtedness on the next succeeding Interest Payment Date and one-twelfth (1/12$^{th}$) or such applicable fraction necessary to provide the next installment of principal becoming due on the Note and any City Parity Indebtedness. The Trustee shall transfer (i) such funds to the General Fund for the payment of debt service due on the Bonds pursuant to Section 6.05 of the Indenture and (ii) such funds to the City or as directed by the City, for the payment of debt service due on any City Parity Indebtedness pursuant to the bond resolution adopted in connection with the issuance of the City Parity Indebtedness.

SECOND, there shall be deposited with the Trustee the amount, if any, required to be paid into the Debt Service Reserve Fund in order to ensure that the amount on deposit therein equals the Debt Service Reserve Requirement.

THIRD, there shall be deposited with the Trustee, the amount, if any, to pay such fees and expenses pursuant to Section 4.4(b), (c), and (d) of the Indenture.

FOURTH, any excess Special Sales Tax Revenues remaining in the Special Sales Tax Fund after the application of FIRST through THIRD immediately above each month shall be retained in the Special Sales Tax Fund and used (i) for the purposes of Section 5.3 of the Loan Agreement and/or (ii) as directed by the City for any other purposes authorized under the Municipal Sales Tax Act, including but not limited to constructing, improving and paving roads and streets; repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; paying the costs of water, sewer and drainage projects; and for other authorized purposes under the Municipal Sales Tax Act.

**Covenants in Bond Documents**

The City will keep and perform all covenants and agreements set forth in the Indenture and each and every other Bond Document to which it is a party, which covenants are incorporated in the Loan Agreement by reference as if fully set forth under the Loan Agreement.

**Conduct of Governmental Operations**

The City will maintain its existence as a political subdivision and "local governmental unit" within the meaning of the Bank Act organized and validly existing under the Constitution and laws of the State. The City will comply with all applicable laws and regulations of any federal, state or local governmental authority, except for such laws and regulations, the violation of which would not, in the aggregate, have a material adverse effect on the City's financial condition.

**Covenant for the Benefit of the Trustee and the Bondholders**

The City recognizes the authority of the Bank to assign its interest in and pledge moneys receivable under the Loan Agreement (other than certain payments required to be made to the Bank under Sections 4.4, 6.3, 6.4, 8.5, 9.8 and 9.11 of the Loan Agreement) to the Trustee as security for the payment of the principal of and interest and redemption premium, if any, on the Series 2020 Bonds, and the payment of all fees and expenses of the Trustee; and agrees to be bound by, and joins with the Bank in the grant of a security interest to the Trustee in any rights and interest the City may have in sums held in the Funds described in Article VI of the Indenture pursuant to the terms and conditions of the Indenture, to secure payment of the Series 2020 Bonds. Each of the terms and provisions of the Loan Agreement is a covenant for the use and benefit of the Trustee and the Bondholders, so long as any thereof shall remain Outstanding; but upon payment in full of the Series 2020 Bonds in accordance with Article IX of the Indenture and of all fees and charges of the Trustee and paying agent, all references in the Loan Agreement to the Series 2020 Bonds, the Bondholders and the Trustee shall be ineffective, and neither the Trustee nor the Bondholders shall thereafter

have any rights under the Loan Agreement, save and except those that shall have theretofore vested or that arise from provisions under the Loan Agreement which survive termination of the Loan Agreement.

**Tax Covenants**

In order to maintain the exclusion of interest on the Series 2020 Bonds from gross income of the holders thereof for federal income tax purposes, and for no other purpose, the City covenants in the Loan Agreement to comply with each applicable requirement of the Code. In furtherance of the covenant contained in the preceding sentence, the City agrees to comply with the Tax Certificate executed by the City on the date of the issuance and delivery of the Series 2020 Bonds, as such Tax Certificate may be amended from time to time.

The City will covenant and agree with the Trustee and the Bondholders that the City will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Series 2020 Bonds, would cause the Series 2020 Bonds to be "private activity bonds" or "arbitrage bonds" within the meaning of Sections 141(a) and 148(a), respectively, of the Code, or any successor provisions.

Upon the authentication and delivery of the Series 2020 Bonds, the City will furnish to the Trustee certificates of an Authorized City Representative to the effect that, on the basis of the facts, estimates and circumstances in existence on the date of such authentication and delivery, it is not expected that the proceeds of the Series 2020 Bonds will be used in a manner that would cause such Series 2020 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Treasury Regulations thereunder, and in such certificates the City shall set forth such facts and circumstances which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized City Representative, there are no other facts or circumstances that would materially change the expectations expressed in such certificate.

The City will covenant to operate the City Project in such a manner as is necessary in order to maintain the exclusion of interest on the Series 2020 Bonds from gross income of the Holders thereof for federal income tax purposes under Section 103(a) of the Code.

Notwithstanding any other provisions of the Loan Agreement to the contrary, so long as necessary in order to maintain the exclusion of interest on the Series 2020 Bonds from gross income for of the holders thereof for federal income tax purposes under Section 103(a) of the Code, the covenants contained in Section 7.4 of the Loan Agreement shall survive the payment of the Series 2020 Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Article IV and IX of the Indenture.

**Prepayment of the Note and Termination of the Loan Agreement**

(a) Unless an "event of default" has occurred and is continuing under the Loan Agreement, the City shall have the option to direct the Trustee to call for redemption prior to maturity the Outstanding Series 2020 Bonds, in whole or in part, as provided in Section 4.01 of the Indenture. The Series 2020 Bonds to be redeemed shall be redeemed at a price equal to their principal amount plus accrued interest as set forth in Section 4.01 of the Indenture upon not less than 30 but no more than 45 days prior written notice. In the event the Series 2020 Bonds are called for redemption in whole or in part under the Indenture, a Basic Payment shall be made by the City in the amount of principal plus accrued interest and all other fees due under the Loan Agreement to effectuate said redemption.

(b) If, after the City exercises its option to redeem all Series 2020 Bonds, no Series 2020 Bonds remain Outstanding, the Indenture is discharged, and the City has satisfied all of its obligations under the Loan Agreement and under the Note, the Trustee and the Bank shall execute and deliver to the City and such instruments as the City reasonably determines are necessary to terminate the Loan Agreement. All further obligations of the City under the Loan Agreement, except as set forth in Sections 6.3, 6.5, 6.4, 8.5, 9.8 and 9.11 of the Loan Agreement, shall thereupon terminate.

(c) The City shall pay to the Trustee at least five days prior to the Discharge Date, an amount equal to the Trustee's and paying agent's fees and expenses under the Indenture, accrued and to accrue until final payment and redemption of the Series 2020 Bonds and all other advances, fees, costs and expenses reasonably incurred and to be incurred on or before the termination date by the Trustee and paying agent under the Indenture and by the Bank under the Loan Agreement; and

(d) On the termination date, a closing shall be held at the principal office of the Trustee, or any other office mutually agreed upon.

Upon termination of the Loan Agreement as provided for in Section 8.1 of the Loan Agreement, the Bank will cause the Trustee to deliver a release of the Indenture and the estate created by the Loan Agreement and the Note, and all further obligations of the City under the Loan Agreement, except under Sections 6.3, 6.5, 6.4, 8.5, 9.8 and 9.11 of the Loan Agreement, shall thereupon terminate; provided, however, that the City shall also remain obligated to pay or reimburse the Bank and Trustee for the payment of all other fees, costs and expenses unaccounted for in the sum paid in accordance with (c) above and reasonably incurred before or subsequent to such closing in connection with the Series 2020 Bonds.

**Direction of Investments**

Except during the continuance of an Event of Default in the Loan Agreement, the City shall have the right during the Term of the Loan Agreement to direct the Trustee to invest or reinvest all moneys held for the credit of the Funds and Accounts established by Article VI of the Indenture in such securities as are authorized by law for such funds, subject, however, to the further conditions of Article VIII of the Indenture.

**Events of Default**

Any one or more of the following events is an Event of Default under the Loan Agreement, and the term "Event of Default," wherever used in the Loan Agreement, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) if the City shall fail to pay any Basic Payments due under the Loan Agreement;

(b) if the City shall fail to pay any (1) Additional Charges under an Additional Charges Invoice on or before the date that the payment is due and shall continue to be in arrears for thirty (30) days after the due date thereof and (2) Additional Charges described in Section 4.4(e) through (g) on or before the date that the payment is due and shall continue to be in arrears for thirty (30) days after the due date;

(c) if the City shall fail to observe and perform or shall breach any other covenant, condition or agreement on its part under the Loan Agreement for a period of 15 days after mailing of a notice to it by the Bank or the Trustee, specifying such default or breach and requesting that it be remedied; and provided that if the failure stated in the notice cannot be corrected within 15 days, the Bank and Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within said 15 days and is diligently pursued, for an additional 30 days;

(d) if the City shall be dissolved or is no longer a "local governmental unit" within the meaning of the Bank Act;

(e) if any representation or warranty made by the City in the Loan Agreement, or by an officer or representative of the City in any document or certificate furnished the Trustee or the Bank in connection with the Loan Agreement or therewith or pursuant to the Loan Agreement or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made;

(f) the occurrence of an "event of default" under any other Bond Document which is not cured within the time period provided therefor, if any; and/or

(g) if there is a declaration or proceeding in Bankruptcy regarding the City.

**Remedies**

(a) Whenever any "event of default" specified in subsection (a) of the previous section shall have happened and be continuing the Trustee shall declare all the Basic Payments payable for the remainder of the Term of the Loan Agreement (an amount equal to that necessary to pay in full the Note and the interest thereon assuming acceleration of the Series 2020 Bonds under the Indenture and to pay all other indebtedness thereunder) to be immediately due and payable whereupon the same shall become immediately due and payable by the City but only if the acceleration of payment of the Series 2020 Bonds has been declared by the Trustee under Section 10.02 of the Indenture.

(b) Whenever any "event of default" under the Loan Agreement shall have occurred and be continuing any one or more of the following remedial steps may also be taken to the extent permitted by law:

(1) the Trustee or the Bank may, take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the City, under the Loan Agreement, the Note or any related instrument; or to otherwise compensate the Bank, Trustee or Bondholders for any damages on account of such "event of default"; and

(2) the Bank (without the prior written consent of the Trustee if the Trustee is not enforcing the Bank's right in a manner to protect the Bank or is otherwise taking action that brings adverse consequences to the Bank) may take whatever action at law or in equity may appear necessary or appropriate to enforce its rights of indemnification under Section 7.3 of the Loan Agreement and to collect all sums then due and thereafter to become due to the Bank under Section 4.4, 6.3, 6.5, 6.4, 8.5, 9.8 and 9.11 of the Loan Agreement. Notwithstanding the foregoing, the Bank is not precluded from exercising any of its rights reserved to it even if the Trustee is exercising the rights of the Bank under the Loan Agreement.

**THE SERIES 2020 BONDS AS LEGAL INVESTMENTS**

The Series 2020 Bonds shall be legal investments in which all public officers and public bodies of the State, its political subdivisions, all municipalities and municipal subdivisions of the State, all insurance companies and associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever and domiciled in the State who are now or may hereafter be authorized to invest funds, including capital, in their control or belonging to them. The Series 2020 Bonds are also securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivisions of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

**LITIGATION**

There is not now pending or, to the Bank's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2020 Bonds or prohibiting the Bank from providing the Loan to the City with the proceeds of such Series 2020 Bonds or in any way contesting or affecting the validity of the Series 2020 Bonds, any proceedings of the Bank taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Series 2020 Bonds. Neither the creation, organization or existence of the Bank nor the title of any of the present Directors or other officers of the Bank to their respective offices is being contested.

There is not now pending or, to the knowledge of the City threatened any litigation restraining or enjoining the execution or delivery of the Loan Agreement or the Note or prohibiting the City from delivering the Note to the Bank or in any way contesting or affecting the validity of the Loan Agreement or the Note, any proceedings of any of the City taken with respect to the execution and delivery thereof or the pledge or application of any moneys or security provided for the payment of the Note.

**TAX MATTERS**

**General**

In the opinions of Co-Bond Counsel, interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes, pursuant to Section 103 of the Code. The opinions of Co-Bond Counsel are based on certain certifications, covenants and representations of the Bank and the City and is conditioned on continuing compliance therewith.

In the opinions of Co-Bond Counsel, interest on the Series 2020 Bonds is exempt from all income taxation in the State under existing laws, regulations, rulings and judicial decisions. The opinion addresses only the exemption of interest on the Series 2020 Bonds under the income tax laws of the State and does not address the tax treatment of the Series 2020 Bonds in any other state or jurisdiction.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2020 Bonds as a condition to the excludability from gross income of interest on the Series 2020 Bonds for federal tax purposes. Non-compliance with such requirements by the Bank or the City

may cause interest on the Series 2020 Bonds to be included in gross income for federal income tax purposes retroactive to their date of issue irrespective of the date on which such noncompliance occurs. Should the Series 2020 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2020 Bonds would be materially and adversely affected.

The Indenture and the Loan Agreement include covenants that (a) the Bank and the City will not take or fail to take any action with respect to the Series 2020 Bonds if such action or omission would result in the loss of the excludability from gross income for federal income tax purposes of interest on the Series 2020 Bonds, under Section 103 of the Code, and neither the Bank nor the City will act in any manner which would adversely affect such exclusion; (b) the Bank and the City will not make any investment or do any other act or thing during the period that the Series 2020 Bonds are Outstanding which would cause the Series 2020 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and (c) if required by the Code, the City will rebate any necessary amounts to the United States of America. It is not an "event of default" under the Indenture if interest on the Series 2020 Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code.

The interest on the Series 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum taxes.

Although Co-Bond Counsel have rendered opinions that interest on the Series 2020 Bonds is excludable from federal gross income and that the Series 2020 Bonds are exempt from all State income tax, the accrual or receipt of interest on the Series 2020 Bonds may otherwise affect a bondholder's federal income tax, State or other state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2020 Bonds. Co-Bond Counsel express no opinions regarding any other such federal or state tax consequences. Prospective purchasers of the Series 2020 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2020 Bonds.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2020 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2020 Bonds. Prospective purchasers of the Series 2020 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Co-Bond Counsel express no opinions.

**Original Issue Premium Bonds**

The initial public offering prices of each maturity of the Series 2020 Bonds maturing _____ 1 in the years 20__ through and including 20__ (the "**Premium Bonds**") are more than the amounts payable at the maturity dates thereof as set forth on the inside front cover of this Official Statement. Under the Code, the difference between the principal amount of a Premium Bond and the cost basis of such Premium Bond to its owner (other than an owner who holds such a Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium." Bond premium is amortized over the term of such a Premium Bond for federal income tax purposes. The owner of a Premium Bond is required to decrease his basis in such Premium Bond by the amount of amortizable bond premium attributable to each taxable year he holds the Premium Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Holders of Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Premium Bonds and with respect to state and local tax consequences of owning and disposing of Premium Bonds.

**Original Issue Discount**

The Series 2020 Bonds maturing _____ 1 in the years 20_ through and including 20_ (the "**Discount Bonds**") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of Underwriter or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on bond will accrue over the term of the bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually (the "**yield to maturity**"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns the Discount Bond is added to such purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

**LEGAL MATTERS**

Certain legal matters incident to the authorization and issuance of the Series 2020 Bonds by the Bank are subject to the approval of Co-Bond Counsel, whose approving opinion will be delivered with the Series 2020 Bonds. Certain legal matters in connection with the Series 2020 Bonds will be passed upon for the City by the City's Department of Law and by its counsel, Kimberly Banks PLLC, Ridgeland, Mississippi. Certain legal matters have been passed upon for the Bank by its counsel, Balch & Bingham LLP, Jackson, Mississippi. Haley Law Firm, New Orleans, Louisiana, has served as Disclosure Counsel in connection with the Series 2020 Bonds. Benjamin Firm, LLC, Columbia, South Carolina, has served as Underwriters Counsel in connection with the Series 2020 Bonds. PFM Financial Advisors, LLC, Memphis, Tennessee, has served as the Municipal Advisor to the City in connection with the sale and issuance of the Series 2020 Bonds.

The remedies available to the Trustee, to the Bank or to the owners of the Series 2020 Bonds upon an "event of default" under the Indenture or under the terms of the Loan Agreement and Note are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code, the remedies provided in the Indenture and under the Loan Agreement and the Note may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

**CONTINUING DISCLOSURE**

The City has covenanted for the benefit of the owners of the Series 2020 Bonds to provide certain financial information and operating data relating to the City within twelve months after the end of each fiscal year of the City beginning with the fiscal year ending on _____ 30, 201_ (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events, in certain cases if deemed material under federal laws. The Annual Report and notices of material events will be filed by the City with (a) the Municipal Securities Rulemaking Board (the "**MSRB**") through MSRB's Electronic Municipal Market Assess system at http://emma.msrb.org ("**EMMA**") in the electronic format then prescribed by the Securities and Exchange Commission (the "**SEC**") pursuant to SEC Rule15c2-12(b)(5) (the "**Rule**"), and with (b) any public or private repository or entity designated by a state as a State Repository, if any, for the purposes of the Rule. This information will be made available free to securities brokers and the general public through EMMA. For the procedures for all filings and notices due to the MSRB, instructions will be provided on the following website for MSRB: http://emma.msrb.org. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX F to this Official

Statement. These covenants have been made in order to assist the Underwriter in complying with the Rule.

The City has previously entered into continuing disclosure undertakings with respect to bonds it has issued or for which it is the "obligated person" within the meaning of Securities and Exchange Commission Rule15c2-12(b)(5) (the "**Rule**"). The City has reviewed the last five years of filings and continuing disclosure undertakings with respect to any outstanding bonds within the meaning of the Rule

Without a determination of materiality, there may have been instances in which some tables included in the City's prior continuing disclosure undertakings were not included in every filing on EMMA. In addition, some of the past filings required of the City may not have been filed under all outstanding CUSIPs and may have been misfiled under the wrong CUSIP or under the wrong heading within the CUSIP.]

The City adopted policies and procedures on _____ __, 20__ (the "**Policy**") to ensure timely filing of its Annual Report, together with any required Accompanying Information. The City has hired a dissemination agent to file the City's required Annual Report, together with any required Accompanying Information.

**RATINGS**

[Fitch/S&P] has assigned a rating of "___" to the Series 2020 Bonds. Information on the rating may be obtained from the City Clerk. Such rating reflects only the view of Moody's and an explanation of the significance of the rating may be obtained only from said rating agency. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2020 Bonds. Such rating is not a recommendation to buy, sell or hold the Series 2020 Bonds.

**PENSION PLAN**

The City has no pension plan or retirement plan for employees. City employees are members of and contribute to the Mississippi Public Employees' Retirement System (PERS), a cost-sharing, multiple employer retirement system administered by the State for the benefit of its local governments and State personnel. Benefit provisions are established by State statute and may be amended from time to time only by the State Legislature.

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 City).

PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The rate at June 30, 2017 was 15.75% of annual covered payroll. On June 26, 2018, the PERS Board of Trustees voted to increase the employer contribution rate from 15.75 to 17.40 percent, effective July 1, 2019. The City contributions (employer share only) to PERS for the years ending September 30, 2017, 2016 and 2015 were $9,523,772, $10,201,773 and $11,504,087, respectively, which equaled the required contributions for each year.

At September 30, 2017, the City reported a liability of $157,007,624 for its proportionate share of the net pension liability. See page 86 in the City's 2017 Audited Financial Statements included in "APPENDIX B - Financial Information Concerning the City".

**MUNICIPAL ADVISOR**

The City has retained the firm of PFM Financial Advisors, LLC as Municipal Advisor to the City in connection with the issuance of the Series 2020 Bonds. In such capacity the Municipal Advisor has provided recommendations and other financial guidance to the City with respect to the preparation of documents, the preparation for the sale of the Series 2020 Bonds and the time of the sale, market conditions and other factors related to the sale of the Series 2020 Bonds.

Although the Municipal Advisor performed an active role in the drafting of 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 the City's records and from other sources which are believed to be reliable, including financial records of the City and other entities, which

records may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the City. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of the same and reference is made to such original sources in all respects.

## POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Effective with the fiscal year ended September 30, 2018 audit, the City will be required to apply GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pension ("**GASB 75**"), to its audited financial statements. GASB 75 changes accounting and financial reporting for OPEB. Fund level statements, including the General Fund statements, will not be impacted by the GASB 75 reporting.

## INDEPENDENT AUDITORS

The audited financial statements of the City for the year ended September 30, 2017 included in this Official Statement as APPENDIX B, have been audited by Tann Brown & Russ CO., PLLC, Certified Public Accountants, as stated in the report appearing therein (the "**Audit Report**").

The City has not and will not obtain a consent letter from its auditor for the inclusion of the Audit Report in this Official Statement. Tann Brown & Russ CO., PLLC, Certified Public Accountants, the City's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Tann Brown & Russ CO., PLLC, also has not performed any procedures relating to this Official Statement.

## UNDERWRITING

The Series 2020 Bonds have been sold by negotiated sale to Siebert Cisneros Shank, a division of Siebert Williams Shank & Co., L.L.C. (the "**Underwriter**"), and the Underwriter has agreed, subject to certain conditions set forth in the Bond Purchase Agreement among the Underwriter, the Bank and the City, to purchase all of the Series 2020 Bonds from the Bank at a purchase price of $_____ (representing the par amount of the Series 2020 Bonds plus a net original issue premium of $_____ and less an underwriter's discount of $_____). No assurance can be given that any trading market will develop for the Series 2020 Bonds after their initial sale to said Underwriter. The City has no control over the prices at which the Series 2020 Bonds will initially be reoffered to the public.

## VALIDATION

The Series 2020 Bonds will be validated before the Chancery Court of the First Judicial District of Hinds County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

## MISCELLANEOUS

The Bank's offices are located at 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

All quotations from, and summaries and explanations of, the Act, the Indenture and the Loan Agreement contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of its provisions. The attached appendices are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in reasonable quantity of the Act, the Indenture, the Loan Agreement and the supplemental materials furnished to the Bank by the City may be obtained upon request directed to the Bank.

Neither any advertisement of the Series 2020 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2020 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the Bank. The Bank will timely provide copies of this Official Statement to the Underwriter of the Series 2020 Bonds.

MISSISSIPPI DEVELOPMENT BANK

By _____
Executive Director

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## APPENDIX A

## INFORMATION ON THE CITY OF JACKSON, MISSISSIPPI

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## APPENDIX A - ECONOMIC AND DEMOGRAPHIC INFORMATION
## CITY OF JACKSON, MISSISSIPPI

### General Description

The City of Jackson, Mississippi (the "City"), is one of two county seats of Hinds County, Mississippi (the "County") along with Raymond, Mississippi, and serves as the state capital, located in the northeastern section of the County, also including a small portion of Madison County. The City, founded in 1821, was named after General Andrew Jackson. The City is located along Interstate 20 which runs east-west, halfway between Atlanta and Dallas. The city is also located along Interstate 55 which runs north-south, halfway between Memphis and New Orleans. Interstate 220 connects Interstates 55 and 20 on the north and west sides of the city.

### Population

The population of the City has been recorded as follows:

| 1990 | 2000 | 2010 | 2018 Estimate |
|---|---|---|---|
| 196,637 | 187,600 | 173,514 | 164,422 |

SOURCE: Census Data at website: www.census.gov; October 2019.

### Government

The City operates under a Mayor-Council form of government. The City Council consists of seven members, each elected by respective voting precincts or wards. The Mayor is full-time and is elected at large. The current Mayor and City Council members, elected for concurrent four-year terms, are as follows:

| Name | Position | Position Held Since |
|---|---|---|
| Chokwe Antar Lumumba | Mayor | 2017 |
| Ashby Foote | Council Member, Ward 1 | 2014 |
| Melvin Priester, Jr. | Council Member, Ward 2 | 2013 |
| Kenneth I. Stokes | Council Member, Ward 3 | 2015 |
| De'Keither Stamps | Council Member, Ward 4 | 2013 |
| Charles Tillman | Council Member, Ward 5 | 2005 |
| Aaron Banks | Council Member, Ward 6 | 2017 |
| Virgi Lindsay | Council Member, Ward 7 | 2017 |

**Transportation**

Canadian National Railway and Kansas City Southern Railway and Amtrak provide rail service to the City. The Jackson Transit System (JATRAN) operates fixed-route and an ADA paratransit demand response service throughout the City of Jackson, Mississippi. Jackson-Medgar Wiley Evers International Airport ("Jackson-Evers") is a municipal owned airport in Jackson, MS serving commercial, private, and military aviation. Formerly, Jackson was served by Hawkins Field Airport which is now used for private air traffic only. Jackson-Evers commercial airline service is provided by: American Airlines, Delta, Frontier, United and Via Air.

**Per Capita Income**

| Year | County | Mississippi | United States | County as % of U.S. |
|---|---|---|---|---|
| 2018 | $39,311 | 37,834 | $54,446 | 72.2% |
| 2017 | $38,758 | $36,636 | $51,640 | 75.0% |
| 2016 | 38,112 | 35,812 | 49,831 | 76.4% |
| 2015 | 38,149 | 35,137 | 48,940 | 77.9% |
| 2014 | 38,073 | 34,633 | 47,025 | 80.9% |

SOURCE: Bureau of Economic Analysis, *Regional Economic Accounts – Per Capita Personal Income*, (data last updated November 14, 2019).

**Retail Sales**

| State Fiscal Year Ended June 30 | Amount |
|---|---|
| 2018 | $29,251,769 |
| 2017 | 28,896,097 |
| 2016 | 32,221,307 |
| 2015 | 31,571,391 |
| 2014 | 31,779,314 |

SOURCE: Annual Reports for each year indicated, Mississippi Department of Revenue's website:www.dor.ms.gov .

**Major Employers**

The following is a partial listing of major employers in the City, their products or services and their approximate number of employees:

| Employer | Employees | Product/Service |
|---|---|---|
| State of Mississippi | 31,556 | State Government |
| University of Mississippi Medical Center | 8,000 | Medical Center |
| Nissan | 6,000 | Manufacturing & Automotive |
| United States Government | 5,500 | Federal Government |
| Jackson Public Schools | 4,000 | Public Education |
| Baptist Health Systems | 3,000 | Healthcare Services |

| | | |
|---|---|---|
| St. Dominic Health Services | 2,600 | Healthcare Services |
| City of Jackson | 2,323 | City Government |
| Jackson State University | 1,300 | Higher Education |
| AT&T | 1,300 | Telecommunications |
| Merit Health Central(formerly CMMC) | 1,200 | Healthcare Services |
| Trustmark National Bank | 1,075 | Financial Services |
| United Parcel Service(UPS) | 975 | Parcel Service |
| Entergy Mississippi | 765 | Electric Utility |

SOURCE: "Top Employers" in the Membership Directory and Business Guide 2018-19.

**Unemployment Statistics of the County**

| Year | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Annual Average |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2013 | 9.7 | 8.6 | 8.4 | 7.8 | 8.7 | 9.4 | 9.1 | 8.1 | 8.2 | 8.2 | 7.6 | 7.6 | 8.4 |
| 2014 | 8.5 | 7.7 | 7.6 | 6.7 | 7.6 | 8.1 | 8.0 | 7.0 | 6.7 | 6.4 | 6.1 | 6.2 | 7.2 |
| 2015 | 6.6 | 6.1 | 5.8 | 5.5 | 6.2 | 6.9 | 6.6 | 5.7 | 5.7 | 5.6 | 5.5 | 5.9 | 6.0 |
| 2016 | 5.9 | 5.4 | 5.4 | 5.0 | 5.7 | 6.5 | 6.0 | 5.3 | 5.2 | 5.1 | 4.7 | 5.0 | 5.4 |
| 2017 | 5.2 | 4.7 | 4.7 | 4.4 | 5.1 | 5.9 | 5.6 | 4.9 | 4.6 | 4.4 | 4.2 | 4.4 | 4.8 |
| 2018 | 4.8 | 4.6 | 4.6 | 4.2 | 4.8 | 5.7 | 5.2 | 4.4 | 4.3 | 4.2 | 4.1 | 4.4 | 4.6 |
| 2019 | 4.9 | 4.5 | 4.7 | 4.5 | 4.8 | 5.8 | 5.8 | 5.4 | 5.3 | 4.9 | 5.2 | N/A | N/A |

www.mdes.ms.gov.

**Employment Statistics of the County**

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| RESIDENCE BASED EMPLOYMENT | | | | | |
| I. Civilian Labor Force | 109,340 | 110,160 | 110,010 | 109,300 | 109,660 |
| II. Unemployed | 6,570 | 5,980 | 5,330 | 5,040 | 5,570 |
| Rate | 6.0 | 5.4 | 4.8 | 4.6 | 5.1 |
| III. Employed | 102,770 | 104,180 | 104,680 | 104,260 | 104,090 |
| ESTABLISHMENT BASED EMPLOYMENT | | | | | |
| I. Manufacturing | 3,620 | 3,730 | 4,060 | 4,240 | 4,270 |
| II. Non-manufacturing | 127,080 | 127,420 | 127,430 | 126,440 | 128,340 |
| A. Natural Resources and Mining | 320 | 260 | 250 | 260 | 240 |
| B. Construction | 3,670 | 3,490 | 3,500 | 3,210 | 3,110 |
| C. Trade, Transportation & Utilities | 18,130 | 18,690 | 18,550 | 18,570 | 18,620 |
| D. Information | 1,620 | 1,810 | 2,100 | 2,040 | 2,050 |
| E. Financial Activities | 6,920 | 6,900 | 6,930 | 6,930 | 6,950 |
| F. Professional & Business Services | 15,630 | 15,920 | 15,870 | 16,100 | 16,500 |
| G. Education & Health Services | 25,790 | 26,080 | 26,400 | 26,210 | 27,090 |
| H. Leisure and Hospitality | 10,330 | 10,360 | 10,360 | 10,130 | 10,700 |
| I. Other Services (except Public Administration) | 6,750 | 6,710 | 6,640 | 6,520 | 6,560 |

| | | | | | |
|---|---|---|---|---|---|
| J. Government | 37,920 | 37,200 | 36,830 | 36,470 | 36,520 |
| K. Public Education | 13,730 | 13,860 | 13,460 | 13,160 | 13,220 |
| III. Total Nonagricultural Employment | **130,680** | **131,150** | **131,470** | **130,680** | **132,600** |

SOURCE: Mississippi Department of Employment Security ("MDES"): Annual Averages: Labor Force and Establishment Based Employment 2011 Forward, Labor Market Information Department at website: www.mdes.ms.gov.

**Educational Facilities**

Jackson Public School District (the "District") serves the entire City and is the second-largest school district in Mississippi, serving nearly 24,000 students. The District currently operates seven (7) high schools, twelve (12) middle schools, thirty-three (33) elementary schools, and five (5) special program schools comprising the District's 57 school sites. Most of the District's administrative offices, including the Superintendent's office and the District's state-of-the-art boardroom, are housed in a two-block complex located at the city's center.

Enrollment figures for the District for the current scholastic year and the four preceding years are as follows:

| Scholastic Year | Enrollment[16] |
|---|---|
| 2018-2019 | 23,935 |
| 2017-2018 | 25,595 |
| 2016-2017 | 26,948 |
| 2015-2016 | 28,019 |
| 2014-2015 | 29,055 |

SOURCE: Jackson Public School District and Mississippi Assessment and Accountability Reporting System, Office of Research and Statistics, Mississippi, Department of Education; Information available as of October 2019.

**TAX INFORMATION**

**Assessed Valuation[2]**

| Fiscal Year | Real Property | Personal Property[3] | Public Utility Property | Total[4] |
|---|---|---|---|---|
| 2019 | | | | |
| 2018 | $797,546,086 | $296,008,918 | $141,276,936 | $1,234,831,940 |
| 2017 | $797,544,121 | $290,033,792 | $142,244,328 | $1,229,822,241 |
| 2016 | $797,782,302 | $284,976,441 | $142,342,389 | $1,225,101,132 |
| 2015 | $782,206,847 | $295,519,779 | $133,771,644 | $1,211,498,270 |
| 2014 | $792,551,066 | $293,347,931 | $129,809,648 | $1,215,708,645 |

SOURCE: Office of City Chief Financial Officer; October 2019.

Assessed valuations are based upon the following assessment ratios:

(a) Real and personal property (excluding single-family, owner-occupied residential real property and motor vehicles, respectively), fifteen percent (15%) of true value;
(b) Single-family, owner-occupied residential real property, ten percent (10%) of true value;
(c) Motor vehicles and public utility property, thirty percent (30%) of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the "Resolution"), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the "Amendment"). The Amendment provided, inter alia, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family, owner-occupied residential real property under the Amendment is set at ten percent (10%) of true value as opposed to fifteen percent (15%) of true value under previously existing law.

The assessed valuation figures above do include property exempt from all City ad valorem tax for a period of up to ten years, primarily for new or expanded manufacturing facilities. Set forth below is a schedule of the assessed valuation of such exempt property which will become subject to City ad valorem tax in the next ten years:

| Exempt Property | Current Assessed Valuation | Date Exemption Ends |
|---|---|---|
| 2050 Forest Avenue | 845,741.00 | 12/31/2023 |
| 2050 Forest Avenue | 88,936.00 | 12/31/2023 |
| 3844 West Northside Drive | 72,269.25 | 13/31/2023 |
| 3844 West Northside Drive | 92,451.60 | 13/31/2023 |
| 120 Beatty Street | 118,069.50 | 12/31/2023 |
| 4355 Milwaukee Street | 668,277.74 | 12/31/2020 |
| **Total:** | **$786,347.24** | |

SOURCE: Office the City Clerk; October 2019.

**Procedure for Property Assessments**

The Tax Assessor of Forrest County assesses all real and personal property subject to taxation in the County, including property in the City, except motor vehicles and property owned by public service corporations, both of which are required by law to be assessed by the Mississippi Department of Revenue.

Section 21-33-9, Mississippi Code of 1972, as amended, provides that the governing authorities of a municipality which is located within a county having completed a county-wide reappraisal approved by the Mississippi Department of Revenue and which has been furnished a true copy of that part of the County assessment roll containing the property located within a municipality as provided in Section 27-35-167, Mississippi Code of 1972, as amended, shall adopt such assessment rolls for its assessment purposes. The City is utilizing the assessment rolls of the County.

The City may not correct or revise such assessment rolls except for the purpose of conforming the municipal assessment roll to corrections or revisions made to the County assessment roll. All objections to the municipal assessment roll may be heard by the Board of Supervisors of the County at the time and in the manner that objections to the County assessment roll are heard. The Board of Supervisors shall notify, in writing, the Governing Body and the Tax Assessor of the City of any corrections or revisions made by it to the part of the County assessment roll adopted as the municipal assessment roll.

**Tax Levy per $1,000 Valuation[5]**

| GENERAL PURPOSES | Year in Which Taxes Levied | | | | |
|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
| General Fund | | 48.56 | 50.94 | 49.97 | 47.39 |
| Parks & Recreation Fund | | 2.00 | 2.00 | 2.00 | 2.00 |
| Bond & Interest Fund | | 6.61 | 3.83 | 3.08 | 2.98 |
| Police & Fireman Pension Fund | | 4.10 | 4.46 | 4.22 | 3.89 |
| Mass Transit | | | | | |
| Library | | 1.76 | 1.80 | 1.76 | 1.77 |
| Sub-total: | | 63.03 | 63.03 | 61.03 | 58.03 |
| **SCHOOL DISTRICT:** | | | | | |
| District Maintenance | | 65.91 | 65.91 | 65.91 | 65.91 |
| Bond & Interest Fund | | 18.82 | 18.90 | 18.68 | 16.76 |
| Sub-total: | | 84.73 | 84.81 | 84.59 | 82.67 |
| **TOTAL LEVY:** | | **147.76** | **147.84** | **145.62** | **140.70** |

SOURCE: Office the Chief Financial Officer; October 2019.

**Ad Valorem Tax Collections**[6]

| Fiscal Year Ended September 30 | Budgeted Amount Levied | Amount Collected | Difference Over/(Under) |
|---|---|---|---|
| 2019 | | | |
| 2018 | $66,618 | $65,568 | $(1,050) |
| 2017 | 64,507 | 63,266 | (1,241) |
| 2016 | 61,601 | 60,777 | (824) |
| 2015 | 59,436 | 59,842 | 406 |
| 2014 | 69,499 | 68,081 | (1,418) |

SOURCE: Office of the Chief Financial Officer; October 2019.

**Procedure for Tax Collections**

The Governing Body is required to levy a special tax upon all of the taxable property within the geographical limits of the City each year sufficient to provide for the payment of the principal of and interest on the City's general obligation bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes bear interest at the rate of one percent (1%) per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Section 21-33-63, Mississippi Code of 1972, as may be amended from time to time, and related statutes provide that after the fifteenth day of February and after the fifteenth day of August in each year, the tax collector for each municipality shall advertise all lands in such municipality on which all the taxes due and in arrears have not been paid, as well as all land liable for sale on the first Monday of April or the third Monday of September following, as the case may be.

**Reappraisal of Property and Limitation on Ad Valorem Levies**

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972 (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes do not increase dramatically as the counties complete reappraisals, the Reappraisal Act provides for the limit on increase in tax revenues discussed below.

The statute limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in State Tax Commission v. Fondren, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the Mississippi Department of Revenue (formerly the State Tax Commission) was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the Mississippi Department of Revenue equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the Chancellor's decree, on November 15, 1980, the Mississippi Department of Revenue filed a master plan to assist counties in determining true value. On February 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its previous deadline past which the Mississippi Department of Revenue could not accept and approve tax rolls from counties which had not yet reappraised. The City has completed reappraisal.

**Homestead Exemption**

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of $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. Beginning with the 1984 supplemental ad valorem tax roll and for each roll thereafter, no taxing unit shall be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to such taxing unit in the next preceding year.

**Ten Largest Taxpayers**

Ten of the largest taxpayers in the City for fiscal year ending 2018 are as follows:

| Taxpayer | Assessed Valuation | Taxes Collected |
|---|---|---|
| Entergy | $145,497,058 | $9,313,143 |
| Bellsouth Telecommunication | 25,065,761 | 1,226,034 |
| Gulf South Pipeline Co. LP | 19,740,321 | 2,218,117 |

| | | |
|---|---|---|
| MidContinent Express Pipeline | 19,543,610 | 2,247,515 |
| Atmos Energy Corp | 15,450,977 | 840,937 |
| Entergy Services | 15,280,720 | 2,900,174 |
| Texas Eastern Transmission Corp. | 14,868,044 | 1,723,054 |
| Grand Truck Railroad-Illinois Central | 9,358,206 | 758,423 |
| Jackson HMA Inc. Lessee | 5,957,252 | 1,127,946 |
| Eaton Aerospace LLC | 5,643,305 | 1,068,503 |
| Totals: | $276,405,254 | $23,423,546 |

SOURCE: Office of the City Clerk.

## DEBT INFORMATION

**Legal Debt Limit Statement**

(As of October 1, 2019)

| | 15% Limit | 20% Limit |
|---|---|---|
| Authorized Debt Limit (Last Completed Assessment for Taxation - $1,234,831,000) | $175,212,000 | $233,617,000 |
| Present Debt Subject to Debt Limits | 115,476,000 | 149,672,000 |
| Margin for Further Debt Under Debt Limits | $59,736,000 | $83,945,000 |
| **Less this Bond Issue** | **40,000,000** | **40,000,000** |
| Margin for Further Debt Under Debt Limits | $19,736,000 | $43,945,000 |

SOURCE: Office of the Chief Financial Officer.

**Statutory Debt Limits**

The City is subject to a general statutory debt limitation under which no municipality in the State may incur general obligation bonded indebtedness in an amount which will exceed fifteen percent (15%) of the assessed value of the taxable property within such municipality according to the last completed assessment for taxation. The principal of and interest on the Note herein in connection with the Series 2019 Bonds are payable out of Special Sales Tax Revenue and the Bank Act and the Loan Agreement provide for the intercept of certain moneys owed the City by the Mississippi Department of Revenue and any other State Agency if the City is deficient in its payments under the Note. The Loan will be provided from the proceeds of the Series 2019 Bonds and specifically under Section 31-25-28 of the Bank Act, will not constitute an indebtedness of the City within the meaning of any constitutional or statutory restrictions, limitations, or provisions, and neither the full faith, credit and taxing power of the State nor the City are pledged to the payment of the principal and interest on any of the Loan or the Bonds.

In computing general obligation bonded indebtedness for purposes of such fifteen percent (15%) limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water and sewerage systems, gas and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying a municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a municipality contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds twenty percent (20%) of the assessed value of the taxable property within such municipality.

In arriving at the limitations set forth above, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipally-owned utility, general obligation industrial bonds issued under the provisions of Sections 57-1-1 to 57-1-51, Mississippi Code of 1972, as amended, and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, as amended, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

**Outstanding General Obligation Bonded Debt**

(As of October 1, 2019)

| Issue | Date of Issue | Outstanding Principal |
|---|---|---|
| General Obligation Bonds Series, 2003 | 01/05/03 | $5,690,000 |
| General Obligation Bonds, Series 2009 | 01/01/09 | 635,000 |
| General Obligation Bonds, Series 2010A | 09/01/10 | 16,655,000 |
| General Obligation Bonds, Series 2010B | 09/01/10 | 7,010,000 |
| General Obligation Bonds, Series 2013 | 02/21/13 | 62,995,000 |
| General Obligation Bonds, Series 2015A | 12/18/15 | 17,465,000 |
| General Obligation Bonds, Series 2015B | 12/18/15 | 170,000 |
| General Obligation Bonds, Series 2016 | 08/30/16 | 11,827,000 |
| **Total** | | **$122,447,000** |

SOURCE: Office of the Chief Financial Officer.

**Outstanding Revenue Bonded Debt**

(As of October 1, 2019)

| Issue | Date of Issue | Principal Outstanding |
|---|---|---|
| Water/Sewer Revenue Refunding, 2011A | 09/01/11 | $36,505,000 |
| Water/Sewer Revenue Refunding, 2011B | 09/01/11 | 2,095,000 |
| Water/Sewer Revenue Refunding, 2012A | 09/01/12 | 63,045,000 |
| Water/Sewer Revenue Refunding, 2012B | 09/01/12 | 4,840,000 |
| Water/Sewer Revenue, 2013 | 06/01/13 | 86,715,000 |
| Water/Sewer Revenue Refunding, 2016 | 08/24/16 | 13,355,000 |
| **Total** | | **$206,555,000** |

SOURCE: Office of the Chief Financial Officer.

Revenue bonds are payable as to principal and interest solely out of and secured by a pledge of the revenue to be derived from the operations of the facilities financed with the proceeds of such bonds and any other sum which may be received from or in connection with such facilities. Such bonds and the interest thereon are limited obligations of the City and shall never constitute nor give rise to any pecuniary liability of the City or a charge against its general credit or taxing powers.

**Other Outstanding Long-Term Debt**

(As of October 1, 2019)

| Issue | Date of Issue | Outstanding Principal |
|---|---|---|
| Tax Increment Financing Bonds, 2007 | 12/28/07 | $490,000 |

| | | |
|---|---|---|
| Tax Increment Financing Bonds, 2009 | 4/23/09 | 199,000 |
| Tax Increment Financing Bonds, 2009 | 06/19/09 | 590,000 |
| Tax Increment Financing Bonds, 2010 | 12/30/10 | 1,703,000 |
| Tax Increment Financing Bonds, 2018 | 08/24/18 | 4,447,000 |
| **Total** | | **$7,429,000** |

SOURCE: Office of the Chief Financial Officer.

**Annual Debt Service Requirements[7]**

| FY EndingSeptember 30 | General Obligation Bonds | | |
|---|---|---|---|
| | Principal | Interest | Total |
| 2019 | 5,826,000 | 4,742,004 | 10,568,004 |
| 2020 | 8,958,000 | 4,445,521 | 13,403,521 |
| 2021 | 9,414,000 | 4,065,272 | 13,479,272 |
| 2022 | 9,911,000 | 3,655,374 | 13,566,374 |
| 2023 | 10,426,000 | 3,221,576 | 13,647,576 |
| 2024 | 10,922,000 | 2,810,126 | 13,732,126 |
| 2025 | 3,980,000 | 2,547,700 | 6,527,700 |
| 2026 | 4,275,000 | 2,353,750 | 6,628,750 |
| 2027 | 4,550,000 | 2,166,450 | 6,716,450 |
| 2028-2036 | 54,185,000 | 10,977,599 | 65,162,599 |
| **Total** | **$122,447,000** | **$40,985,372** | **$163,432,372** |

**General Obligation Bonded Debt**

| Issue | Fiscal Year Ended September 30 | | | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| General Obligation Bonds, 2003 | | 5,690,000 | 5,690 | 5,690 | 10,375 |
| General Obligation Refunding, 2005 | | - | - | - | 5,030 |
| General Obligation Bonds, 2006 | | - | - | - | 2,240 |
| General Obligation Bonds, 2009 | | 635 | 1,865 | 1,865 | 18,045 |
| General Obligation Refunding, 2010A | | 16,655 | 16,655 | 16,655 | 16,655 |
| General Obligation Refunding, 2010B | | 7,010 | 7,010 | 7,010 | 7,010 |
| General Obligation Refunding, 2013 | | 62,995 | 64,490 | 64,490 | 64,795 |
| General Obligation Refunding, 2015A | | 17,465 | 17,465 | 17,465 | - |
| General Obligation Refunding, 2015B | | 170 | 170 | 170 | - |
| General Obligation Refunding, 2016 | | 11,827 | 12,087 | 12,384 | - |
| **Totals:** | | **$122,447** | **$125,432** | **$125,729** | **$124,150** |

**Debt Ratios**

| FY Ended | General Obligation | General Obligation |
|---|---|---|

| September 30 | Debt | Debt to Assessed Value |
|---|---|---|
| 2019 | | |
| 2018 | $128,381 | 1.57% |
| 2017 | 131,834 | 1.59 |
| 2016 | 125,729 | 1.54 |
| 2015 | 124,150 | 1.54 |
| 2014 | 132,380 | 1.64 |

**Overlapping General Obligation Indebtedness**

| County | 2010 Population | Current Assessed Valuation | General Obligation Bonded Debt | General Obligation Bonded Debt Per Capita |
|---|---|---|---|---|
| Hinds County[8] | 245,285 | $1,910,540,120 | $85,939 | $0.35 |

| School District | Current Assessed Valuation[9] | Total General Obligation Bonded Debt[10] |
|---|---|---|
| Jackson Public School District | $1,210,117,285 | $115,565 |

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**APPENDIX B**

**FINANCIAL INFORMATION OF THE CITY**

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**fiscal year 2018**

**audited financial statement**

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**APPENDIX** **C**

**FORM OF CO-BOND COUNSEL OPINION**

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**UPON THE DELIVERY OF THE SERIES 2020 BONDS, BUTLER SNOW LLP AND THE CHARLESTON GROUP PROPOSE TO DELIVER OPINIONS IN SUBSTANTIALLY THE FOLLOWING FORM:**

Re: $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), dated the date of delivery thereof (the "**Series 2020 Bonds**")

Ladies and Gentlemen:

We have acted as Co-Bond Counsel in connection with the issuance by the Mississippi Development Bank (the "**Issuer**") of the above described Series 2020 Bonds, pursuant to an Indenture of Trust (the "**Indenture**"), dated _____, 2020, by and between the Issuer and _____, _____, Mississippi, as Trustee (the "**Trustee**"). The Series 2020 Bonds are being issued by the Issuer for the principal purpose of providing funds to fund a loan to the City of Jackson, Mississippi (the "**City**") to finance certain public improvements in the City. We have examined the law and a certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Series 2020 Bonds and such other papers as we deem necessary to render the legal opinions in this letter, including (a) the tax covenants and representations of the Issuer made in the Indenture and in the Tax Regulatory Agreement and Non-Arbitrage Certificate, dated _____, 2020 (the "**Arbitrage Certificate**") by and among the Issuer, the City and the Trustee, and (b) representations of the City made in the Loan Agreement (the "**Loan Agreement**"), dated _____, 2020, by and between the City and the Issuer and in the Arbitrage Certificate. Together the covenants and representations made in the Indenture, the Loan Agreement and the Arbitrage Certificate are referred to herein as the "**Tax Representations and Covenants**".

Regarding facts material to our opinions, we have relied upon the certified transcript of proceedings of the Issuer and the City and other certificates of public officials, including the Tax Representations and Covenants, and have not undertaken to verify any facts by independent investigation.

Based upon our examination and subject to the qualifications, statements of reliance, and assumptions stated herein, we are of the opinion, as of the date hereof, as follows:

1. The Series 2020 Bonds are legal, valid and binding limited obligations of the Issuer enforceable in accordance with the terms thereof. The Series 2020 Bonds are payable from and secured only by the certain payments and funds to be received by the Issuer and the Trustee and pledged to the Series 2020 Bonds under the Indenture.

2. The Indenture is a valid and binding agreement of the Issuer enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create in the Funds and Accounts and the Note (as such terms are defined in the Indenture), including the investments thereof (excepting therefrom the Rebate Fund), subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

3. Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated below, interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes, and interest on the Series 2020 Bonds is excludable from federal alternative minimum taxable income as defined in Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"). We express no opinion regarding other federal tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2020 Bonds. In rendering

the opinion contained in this paragraph 3, we have assumed continuing compliance with the requirements of the Code, that must be met by the Issuer and the City after the issuance of the Series 2020 Bonds, including the Tax Representations and Covenants, in order that interest on the Series 2020 Bonds not be includable in gross income for federal income tax purposes. The failure to meet such requirements may cause interest on the Series 2020 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2020 Bonds. The Issuer and the City have covenanted to comply with or to require compliance with the requirements of the Code in order to maintain the excludability of interest on the Series 2020 Bonds from gross income for federal income tax purposes.

4. Under and pursuant to the Act, the Series 2020 Bonds and interest thereon are exempt from all income taxes imposed by the State of Mississippi.

In rendering the opinion in paragraph 3 above, Co-Bond Counsel has assumed the continuing compliance by the Issuer and the City with the Tax Representations and Covenants. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Series 2020 Bonds, the use of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the Series 2020 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Co-Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2020 Bonds have resulted in a failure of the Issuer or the City to comply with its covenants. Failure of the Issuer or the City to comply with the Tax Representations and Covenants could result in the interest on the Series 2020 Bonds becoming subject to federal income tax from the date of issue.

Owners of the Series 2020 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of any other collateral federal income tax consequences.

It is to be understood that the rights of the owners of the Series 2020 Bonds and the enforceability of the Series 2020 Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In this opinion letter issued in our capacity as Co-Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement dated _____, 2020 regarding the Series 2020 Bonds, or any other statements made in connection with any offer or sale of the Series 2020 Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Series 2020 Bonds, except those specifically addressed herein.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents and proceedings. In rendering this opinion, we have relied upon the opinion of Balch & Bingham, LLP, Jackson, Mississippi, counsel for the Issuer, dated the date hereof, as to the due authorization and execution by and enforceability against the Issuer as to the Series 2020 Bonds and the Indenture.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur

Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Indenture.

**APPENDIX** **D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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**CONTINUING DISCLOSURE CERTIFICATE**

**THIS CONTINUING DISCLOSURE CERTIFICATE** (this "**Disclosure Certificate**") is executed and delivered by the City of _____, Mississippi (the "**City**") in connection with the of issuance of $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (_____, Mississippi Revenue Project), dated the date of delivery thereof (the "**Series 2020 Bonds**"). The Series 2020 Bonds are being issued pursuant to an Indenture of Trust (the "**Indenture**"), dated ____, 2020, between the Mississippi Development Bank (the "**Bank**") and _____, _____, Mississippi, as trustee (the "**Trustee**"). The proceeds of the Series 2020 Bonds will be used by the Bank to make a loan (the "**Loan**") to the City pursuant to a Loan Agreement (the "**Loan Agreement**"), dated _____, 2020, between the City and the Bank. The proceeds of the Series 2020 Bonds will be used by the Bank to fund a loan to the City to finance the costs of various capital improvements in the City. The City covenants and agrees as follows:

**SECTION 1. Purpose of this Disclosure Certificate**. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Registered Owners (defined below) and the Beneficial Owners (defined below) of the Series 2020 Bonds in order to assist the Participating Underwriter (defined below) in complying with the Rule (defined below).

**SECTION 2. Definitions**. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

**"Annual Report"** shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

**"Dissemination Agent"** shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

**"Material Events"** shall mean any of the events listed in Section 5 of this Disclosure Certificate.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

**"Participating Underwriter"** shall mean the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

**"Rule"** shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**SECTION 3. Provision of Annual Reports.**

a. The City shall, or shall cause the Dissemination Agent to, not later than twelve (12) months following the end of the City's fiscal year of each year, commencing twelve (12) months following the end of the City's fiscal year ending _____ 30, 2020, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). 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 City may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the City; it is not required that the format reflected in this Official Statement be used in future years.

b. If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall file or cause to be filed with the MSRB a notice in substantially the form attached as Exhibit "A" or in another form determined by the City in a timely manner.

**SECTION 4. Content of Annual Reports.** The City's Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, adopted budgets of the City

will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the financial information of the type included in Exhibit B to this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The City shall clearly identify each such document incorporated by reference.

**SECTION 5.** **Reporting of Material Events.** The City shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

a. Principal and interest payment delinquencies;

b. Non-payment related defaults, if material;

c. Unscheduled draws on debt service reserves reflecting financial difficulties;

d. Unscheduled draws on credit enhancements reflecting financial difficulties;

e. Substitution of credit or liquidity providers or their failure to perform;

f. 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 Bonds, or other material events affecting the tax status of the Bonds;

g. Modifications to rights of bondholders, if material;

h. Bond calls, if material, and tender offers;

i. Defeasances;

j. Release, substitution or sale of property securing repayment of the Bonds, if material;

k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the obligated person;

m. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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, if material; and

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

o. Incurrence of a financial obligation[1] of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, *if material*; and

p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[2] of the obligated person, any of which reflect financial difficulties.

**SECTION 6.** **Format; Identifying Information.** All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

**SECTION 7.** **Termination of Reporting Obligation.** The City's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

**SECTION 8.** **Dissemination Agent.** The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

In addition to the filing duties on behalf of the City described in this Disclosure Certificate, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the City least 30 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the District, certify in writing to the District that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A or in another form determined by the District.

**SECTION 9.** **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.

**SECTION 10.** **Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the City 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 Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City 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 Material Event.

**SECTION 11.** **Default.** In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City 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 Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

**SECTION 12.** **Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

**IN WITNESS WHEREOF,** the City has caused this Disclosure Certificate to be executed by a duly authorized officer, all as of this ___ day of _____, 2020.

(SEAL)

**CITY OF JACKSON, MISSISSIPPI**

By_____
Mayor

ATTEST:

By _____
City Clerk

**EXHIBIT A**
**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Mississippi Development Bank

Name of Conduit Borrower: City of _____, Mississippi (the "**City**")

Name of Bond Issue: $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (_____, Mississippi Revenue Project) (the "**Bonds**")

Date of Issuance: _____

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Bonds as required by the Continuing Disclosure Certificate executed on _____ by the City. The City anticipates that the Annual Report will be filed by _____ ___, 20___.

Dated: _____, _____

**EXHIBIT B**

Name of Issuer: Mississippi Development Bank

Name of Conduit Borrower: City of _____, Mississippi (the "**City**")

Name of Bond Issue: $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (_____, Mississippi Revenue Project) (the "**Bonds**")

Date of Issuance: _____

CUSIP Numbers:

**Government**

| Name | Occupation | Position Held Since |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

## TAX INFORMATION

**Assessed Valuation of the City**[12]

| Assessment Year | Real Property | Personal Property | Public Utility Property | Mobile Homes | Auto-Mobiles | Total |
|---|---|---|---|---|---|---|

**Tax Levy Per $1,000 Valuation**[13]

| | | | | | |
|---|---|---|---|---|---|
| City - General Purpose: | | | | | |
| Operating Millage | | | | | |
| Debt Millage | | | | | |
| Total for City: | | | | | |

**Ad Valorem Tax Collections**

| Fiscal Year Ended 30 | Amount Budgeted | Amount Collected | Difference Over/(Under) |
|---|---|---|---|

**Outstanding General Obligation Bonded Debt**

(as of _____)

| Issue | Date of Issue | Outstanding Principal |
|---|---|---|
| | | |

**Other Outstanding Debt**

(as of _____)

| Issue | Date of Issue | Outstanding Principal |
|---|---|---|

**APPENDIX** **E**

**CERTAIN DEFINITIONS**

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The following words and phrases shall have the following meanings unless the context otherwise requires:

**Accounts**

"Accounts" shall mean the accounts created pursuant to Article VI of the Indenture.

**Act**

"Act" shall mean the Bank Act and the Municipal Sales Tax Act.

**Additional Bonds**

"Additional Bonds" shall mean those obligations provided for in Section 2.05(b) of the Indenture.

**Arbitrage Rebate Agreement**

"Arbitrage Rebate Agreement" shall mean the Arbitrage Rebate Agreement among the Bank, the City and the Trustee, in connection with the Series 2020 Bonds.

**Authorized City Representative**

"Authorized City Representative" shall mean any person or persons at the time designated to act on behalf of the City by a written certificate, signed on behalf of the City by the Mayor or other duly authorized Person and the Clerk or other authorized member of the Governing Body or Person and furnished to the Bank and the Trustee, containing the specimen signature of each such person.

**Authorized Officer**

"Authorized Officer" shall mean the President, Vice President, Executive Director, Secretary or Assistant Secretary of the Bank or such other person or persons who are duly authorized to act on behalf of the Bank.

**Bank**

"Bank" shall mean the Mississippi Development Bank, a public body corporate and politic of the State, exercising essential public functions and organized under the provisions of the Bank Act.

**Bank Act**

"Bank Act" shall mean Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

**Bond or Bonds**

"Bond" or "Bonds" shall mean the Series 2020 Bonds, Refunding Bonds and any Additional Bonds issued pursuant to the Indenture.

**Co-Bond Counsel or Bond Counsel**

"Co-Bond Counsel" or "Bond Counsel" shall mean an attorney(s) or firm of attorneys approved by the City and the Bank that is nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with Section 148(f) of the Code. Co-Bond Counsel shall initially mean The Charleston Group, Fayetteville, North Carolina and Butler Snow LLP, Ridgeland, Mississippi.

**Bondholder**

"Bondholder" "Holder" or "holder of Bonds" or "owner of Bonds" or any similar term shall mean the Registered Owner of any Bond in whose name a Bond is registered in the Bond Register.

**Bond Issuance Expense Account**

"Bond Issuance Expense Account" shall mean the account by that name created by Section 6.02 of the Indenture.

**Bond Register**

"Bond Register" shall mean the registration records of the Bank kept by the Trustee to evidence the registration and transfer of the Bonds.

**Business Day**

"Business Day" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or Jackson, Mississippi, are authorized or required not to be open for the transaction of regular banking business, (d) any day the City Hall in Jackson, Mississippi is closed, or (e) a day on which the New York Stock Exchange is closed.

**City**

"City" shall mean the City of Jackson, Mississippi or any successor thereto.

**City Bond Resolution**

"City Bond Resolution" shall mean the resolution of the Mayor and City Council of the City adopted on _____, 2020 in connection with the Series 2020 Bonds and the loan of the proceeds thereof to the City.

**City Parity Indebtedness**

"City Parity Indebtedness" shall mean indebtedness of the City, the payments of which are secured by a lien on the Special Sales Tax Revenues on a parity with the lien securing the Note but excluding the Note.

**City Project**

"City Project" shall mean together, providing projects as authorized under the Municipal Sales Tax Act, including but not limited to (a) constructing, improving and paving roads and streets; (b) repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; (c) paying the costs of water, sewer and drainage projects; and (d) for other authorized purposes under the Act, including funding a debt service reserve fund, if applicable, and paying the costs of issuance.

**Closing Date**

"Closing Date" shall mean, in connection with the Series 2020 Bonds, the date on which the Series 2020 Bonds are delivered by the Bank to, and paid for by, the Underwriter.

**Code**

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

**Costs of Issuance**

"Costs of Issuance" shall mean any and all costs and expenses relating to the issuance, sale and delivery of the Series 2020 Bonds, and the execution and delivery of this Loan Agreement, the Indenture and the Note, including, but not limited to, all fees and expenses of legal counsel, municipal advisors or consultants, feasibility consultants and accountants, the initial fees and expenses of the Trustee, any fee to be paid to the Bank, bond or reserve fund insurance premiums, credit enhancements or liquidity facility fees, the preparation and printing of this Loan Agreement, the Note, the Indenture, the Tax Intercept Agreement, any preliminary official statement and final official statement, the Series 2020 Bonds, and all other related closing documents, and all other expenses relating to the issuance, sale and delivery of the Series 2020 Bonds required to be paid from the proceeds of the Series 2020 Bonds.

**Counsel**

"Counsel" shall mean an attorney duly admitted to practice law before the highest court of any state and approved by the Bank and the Trustee.

**Debt Service Reserve Fund**

"Debt Service Reserve Fund" shall mean the fund by that name created by Section 6.02 of the Indenture.

**Debt Service Reserve Fund Requirement**

"Debt Service Reserve Fund Requirement" shall mean, the lesser of the following: (i) an amount equal to the maximum amount of principal and interest becoming due in the current or any

future bond year on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; and (iii) 10% of the stated principal amount of the Bonds, or if such issue of Bonds has more than a de minimis amount (as defined in Section 1.148-1(b) of the Treasury Regulations) of original issue discount or premium, ten percent (10%) of the issue price (as defined in Section 1.148-1(b) of the Treasury Regulations), which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility; provided, however, that upon initial issuance of the Bonds, the Debt Service Reserve Requirement will mean the amount set forth in (i) hereinabove and in future years if that amount should equal an amount in excess of the lesser of (i), (ii) and (iii) above, the funds held in the Debt Service Reserve Fund will be not be invested at a yield in excess of the yield on the Bonds. The Debt Service Reserve Requirement shall initially be funded with _____.

**Default**

"Default" shall mean an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default hereunder.

**Event of Default**

"Event of Default" shall mean any occurrence or event specified in Section 10.01 of the Indenture.

**Funds**

"Funds" shall mean the funds created pursuant to Article VI of the Indenture. (other than the Rebate Fund).

**General Account**

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

**General Fund**

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

**Governmental Obligations**

"Governmental Obligations" shall mean to the extent permitted by State law (a) direct obligations of the United States of America; (b) obligations guaranteed as to principal and interest by the United States of America or any federal agency whose obligations are backed by the full faith and credit of the United States of America, including but not limited to: U.S. Treasury obligations, Farmers Home Administration (or the successor thereto), General Services Administration, Guaranteed Title XI financing, Government National Mortgage Association (GNMA); and (c) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) is fully and unconditionally guaranteed or insured by the United States of America, or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by State law.

All Government Obligations must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the Series 2020 Bonds (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

**Indenture**

"Indenture" shall mean the Indenture of Trust, and all supplements and amendments hereto entered into pursuant to Article XII of the Indenture.

**Interest Payment Date**

"Interest Payment Date" shall mean any date on which interest is payable on the Bonds, and for the Series 2020 Bonds, ____ 1 and ____ 1, commencing ____ 1, 20___.

**Investment Securities**

"Investment Securities" means any of the following to the extent such investments are permitted by State law: (a) obligations of the State, any municipality of the State or the United States of America rated at least "A" by S&P or Moody's; (b) obligations the principal and interest of which are fully

guaranteed by the State or the United States of America; (c) obligations of any corporation wholly owned by the United States of America; (d) obligations of any corporation sponsored by the United States of America which are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System; (e) obligations of insurance firms or other corporations whose investments are rated "AA" or better by recognized rating companies; (f) certificates of deposit or time deposits of qualified depositories of the State as approved by the State Depository Commission, secured in such manner, if any, as the Bank shall determine; (g) contracts for the purchase and sale of obligations of the type specified in items (a) through (e) above; (h) repurchase agreements secured by obligations specified in items (a) through (e) above; or (i) money market funds, rated "AAm" or "AAm-G" or better by S&P, the assets of which are required to be invested in obligations specified in items (a) through (f) above.

**Loan Agreement**

"Loan Agreement" shall mean, the Loan Agreement by and between the City and the Bank, dated _____, 2020.

**Local Governmental Units**

"Local Governmental Units", as defined in the Bank Act, shall mean (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State of Mississippi, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under State law, such as the City.

**Moody's**

"Moody's" shall mean Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns and, if dissolved or liquidated or if it no longer performs the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City (with the approval of the Bank) by written notice to the Trustee.

**Municipal Sales Tax Act**

"Municipal Sales Tax Act" shall mean Sections 27-65-241 et seq., Mississippi Code of 1972, as amended and/or supplemented from time to time.

**Note**

"Note" shall mean the $_____ Promissory Note (Jackson, Mississippi Sales Tax Revenue Infrastructure Project), dated _____, 2020, of the City to the Bank attached as Exhibit A to the Loan Agreement.

**Note Payment**

"Note Payment" shall mean the amounts paid or required to be paid, from time to time, for principal of, premium, if any, and interest on the Note held by the Trustee pursuant to the Indenture.

**Opinion of Co-Bond Counsel**

"Opinion of Co-Bond Counsel" shall mean the opinions by nationally recognized firms experienced in matters relating to the tax exemption for interest payable on obligations of states and their instrumentalities and political subdivisions under federal law, and which is acceptable to the Bank and the Trustee.

**Opinion of Counsel**

"Opinion of Counsel" shall mean a written opinion of Counsel addressed to the Trustee, for the benefit of the owners of the Bonds, who may (except as otherwise expressly provided in the Indenture) be Counsel to the Bank or Counsel to the owners of the Bonds and who is acceptable to the Trustee.

**Outstanding**

"Outstanding" or "Bonds Outstanding" shall mean all Bonds which have been authenticated and delivered by the Trustee under the Indenture, including Bonds held by the Bank, except:

(c) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(d) Bonds deemed paid under Article IX of the Indenture.; and

(e) Bonds in lieu of which other Bonds have been authenticated under Section 3.05, 3.06 or 3.10 of the Indenture.

**Program**

"Program" shall mean the program for entering into a loan with Local Governmental Units by the Bank pursuant to the Bank Act.

**Program Expenses**

"Program Expenses" shall mean all of the fees and expenses of the Trustee and the Bank and costs of determining the amount rebatable, if any, to the United States of America under Section 6.10 of the Indenture., all to the extent properly allocable to the Program and approved in writing by the Bank.

**Project**

"Project" shall mean providing financing to (a) fund a loan to the City under the Loan Agreement in order to finance the City Project, (b) funding the Debt Service Reserve Fund, and (c) paying Costs of Issuance for the Series 2020 Bonds.

**Rebate Fund**

"Rebate Fund" shall mean the fund by that name created by Section 6.02 of the Indenture.

**Record Date**

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

**Redemption Account**

"Redemption Account" shall mean the account by that name created by Section 6.02 of the Indenture.

**Redemption Price**

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

**Refunding Bonds**

"Refunding Bonds" shall mean Bonds issued pursuant to Section 2.05 of the Indenture. and any Supplemental Indenture.

**Registered Owner**

"Registered Owner" shall mean the person or persons in whose name any Bond shall be registered on the Bond Register.

**Revenues**

"Revenues" shall mean the Funds and Accounts and all income, revenues and profits of the Funds and Accounts referred to in the granting clauses hereof including, without limitation, all Note Payments, any Tax Monies and any additional amount paid to and held by the Trustee under the Loan Agreement or the Note.

**Reserve Fund Credit Facility**

"Reserve Fund Credit Facility" means an irrevocable and unconditional letter of credit, insurance policy or surety bond, the terms of which have been approved by the City and the Bank, issued by a bank or other financial institution, which is acceptable to the City and the Bank, having a long-term credit rating of "A" or better, as determined by S&P which Reserve Fund Credit Facility names the Trustee as the beneficiary thereunder; provided, that any such Reserve Fund Credit Facility (other than in insurance policy extending to the maturity date of the Bonds) must (a) be renewable or extendable on an annual basis; (b) have an initial term of not less than three (3) years; (c) provide that the bank or other financial institution providing such Reserve Fund Credit Facility must notify the Trustee and the City, no less than 30 days in advance of the expiration of the Reserve Fund Credit Facility of its intention not to renew or extend such Reserve Fund Credit Facility; (d) permit the Trustee to make a drawing thereunder to fund the Debt Service Reserve Fund no later than five (5) Business Days prior to the earlier of (1) the expiration date of such Reserve Fund Credit Facility and (2) the date the proceeds of such drawing will be needed to fund the Debt Service Reserve Fund.

**S&P**

"S&P" shall mean Standard & Poor's Credit Market Services, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns and, if dissolved or liquidated or if it no longer performs the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City (with the approval of the Bank) by written notice to the Trustee.

**Security Documents**

"Security Documents" shall mean the Indenture, the Loan Agreement, the Note, the Tax Intercept Agreement, the Series 2020 Bonds and/or any additional or supplemental document executed in connection with the Insured Obligations.

**Series 2020 Bonds**

"Series 2020 Bonds" shall mean the $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) issued pursuant to Section 2.01 of the Indenture.

**Special Sales Tax**

"Special Sales Tax" shall mean the Special Sales Tax authorized by Senate Bill 3268 (2009 Regular Session) allowing, among other things, certain municipalities to impose a special sales tax of not more than one percent (1%) on the gross proceeds of sales or gross income of the business, as the case may be, derived from any of the activities taxed at the rate of seven percent (7%) or more under the Mississippi Sales Tax Law.

**Special Sales Tax Fund**

"Special Sales Tax Fund" shall mean the Special Sales Tax Fund established under Section 5.3 of the Loan Agreement which meets the requirements of Sections (5)(a) and (8) of the Municipal Sales Tax Act.

**Special Sales Tax Revenues**

"Special Sales Tax Revenues" shall mean the revenues generated from the Special Sales as authorized pursuant to the Municipal Sales Tax Act.

**State**

"State" shall mean the State of Mississippi.

**Supplemental Indenture**

"Supplemental Indenture" shall mean an indenture supplemental to or amendatory of the Indenture, executed by the Bank and the Trustee in accordance with Article XII of the Indenture.

**Tax Intercept Agreement**

"Tax Intercept Agreement" shall mean the Tax Intercept Agreement, dated _____, 2020, by and between the City and the Bank, and accepted by the Trustee, as further described in Section 5.09 of the Indenture.

**Tax Monies**

"Tax Monies" shall have the meaning given to it in Section 5.09 of the Indenture.

**Treasury Regulations**

"Treasury Regulations" shall mean all proposed, temporary or permanent federal income tax regulations then in effect and applicable.

**Trust Estate**

"Trust Estate" shall mean the property, rights, and amounts pledged and assigned to the Trustee pursuant to the Granting Clauses of the Indenture.

**Trustee**

"Trustee" shall mean _____ Bank, or any successor trustee appointed, qualified and then acting as such under the provisions of the Indenture.

**Underwriter**

"Underwriter" shall mean Siebert Cisneros Shank & Co., L.L.C.

## APPENDIX F

## SALES TAX COLLECTIONS

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**Historical Special Sales Tax Revenues and Collection**

(insert chart)

**Historical Special Sales Tax Revenues and Pro-Forma Debt Service Coverage**

(insert chart)

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[*] Preliminary, subject to change.

[2] The total assessed valuation is approved in September proceeding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2018 will be collected starting in January 2019 for the 2018-2019 fiscal year budget of the City.

[3] Personal property includes the assessed valuation for mobile homes and automobiles.

[4] Total assessed values include exempt properties.
[5] Tax levy figures are given in mills.
[6] The figures shown for the Ad Valorem Tax Collections chart is based upon the following budgeted funds of the City: General Fund, Parks & Recreation Fund, Bond & Interest Fund and Mass Transit Fund.
[7] As of October 1, 2019.

[8] Source: CFO, October 2019.
[9] Source: Office of the City Clerk, October 2019.
[10] Source: FY 2018 Audited Financial Statements of the School District.
[11] For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. Numerous other terms contained in these subsections and/or in the definition of "financial obligation" are not defined in the Rule; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term "debt obligation" generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

[12] The total assessed valuation is approved in September preceding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 20__ are collected starting in January 20__ for the 20__-20___ fiscal year budget of the City.

[13] Tax levy figures given is mills. The County levies a tax of nine cents per acre on all timbered and/or uncultivated land located in the County.

## EXHIBIT F

## FORM OF TAX REGULATORY AGREEMENT AND ARBITRAGE CERTIFICATE

## TAX REGULATORY AGREEMENT AND ARBITRAGE CERTIFICATE

This Tax Regulatory Agreement and Arbitrage Certificate (this "**Tax Certificate**"), dated _____, 2020, is by and between the MISSISSIPPI DEVELOPMENT BANK (the "**Issuer**"), a political subdivision of the State of Mississippi (the "**State**") created pursuant to the authority of Sections 31-25-1 *et seq.* of the Mississippi Code of 1972, as amended and supplemented from time to time (the "**Bank Act**"), and the CITY OF JACKSON, MISSISSIPPI (the "**City**"), and the parties hereby certify to the statements contained herein in this Tax Certificate.

**ARTICLE I**
**IN GENERAL**

**Section 1.1** **General**(a) This Tax Certificate is entered into by the Issuer and the City on _____, 2020 (the "**Issue Date**") in connection with the issuance of $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (Jackson, Mississippi Sales Tax Revenue Infrastructure Project) (the "**Series 2020 Bonds**").

(b) The undersigned are the Executive Director of the Issuer and the Mayor of the City, both delegated with the responsibility for issuing the Series 2020 Bonds.

(c) The Issuer is a duly created and validly existing separate body corporate and politic of the State. The City is an agency of the State.

(d) The Series 2020 Bonds are being issued pursuant to the Bank Act and Sections 27-65-241 *et seq.*, Mississippi Code of 1972, as amended and supplemented (the "**Municipal Sales Tax Act**"), and that certain Trust Indenture, dated _____, 2020, by and between the Issuer and_____ , as trustee (the "**Indenture**").

(e) In order for interest on the Series 2020 Bonds to be excluded from gross income for federal income tax purposes under the provisions of the Internal Revenue Code of 1986, as amended from time to time (the "**Code**"), and regulations or rulings promulgated or proposed thereunder (the "**Treasury Regulations**"), certain restrictions under the Code and Treasury Regulations must be complied with by the Issuer and the City. The Issuer and the City desire to make certain certifications and representations and enter into certain covenants for the benefit of the holders of the Series 2020 Bonds in order to ensure that interest on the Series 2020 Bonds will be and remain

excludable from gross income for federal income tax purposes, and for the purpose of evidencing compliance with and setting forth procedures which are designed to comply with certain provisions of the Code and Treasury Regulations.

(f) This Tax Certificate is based on the facts and expectations in existence on _____, 2020 (the "**Issue Date**"). The Issuer and the City have made reasonable inquiries into factual matters set forth or otherwise contemplated in this Tax Certificate. The expectations set forth in this Tax Certificate are reasonable within the meaning of Sections 1.148-1(b) and 1.148-2(b) of the Treasury Regulations. The Issuer and the City have made reasonable inquiries into factual matters relating to this Tax Certificate that are not otherwise within their respective knowledge or control. No matters have come to the attention of either the Issuer or the City that would make unreasonable or incorrect the expectations or representations set forth in this Tax Certificate. The Issuer and the City are not aware of any facts or circumstances that would cause either the Issuer or the City to question the accuracy or reasonableness of any representation or certification made in this Tax Certificate.

**Section 1.2** **Definitions**

For purposes of this Tax Certificate, capitalized terms shall have the meanings specified in EXHIBIT A attached hereto. Any terms not defined in EXHIBIT A hereto shall have the meanings set forth in the Indenture.

**Section 1.3** **Purpose of the Series 2020 Bonds; 2020 Improvement Project**

The Proceeds of the Series 2020 Bonds are being used for the purpose of (a) constructing, improving and paving roads and streets; (b) repairing, reconstructing and resurfacing projects based on traffic patterns, need and usage; (c) paying the costs of water, sewer and drainage projects; and (d) for other authorized purposes under the Act, including funding capitalized interest, if applicable, funding a debt service reserve fund, if applicable, and paying the costs of issuance (the "**2020 Improvement Project**").

**Section 1.4** **No Over-Issuance**

The estimated total cost to finance the 2020 Improvement Project, together with financing the costs of issuance of the Series 2020 Bonds and funding of capitalized interest, is not less than the sum of the Sale Proceeds and Investment Proceeds to be derived therefrom. Accordingly, Proceeds of the Series 2020 Bonds, together with investment income thereon, do not exceed the amount necessary to provide financing for such purposes.

**Section 1.5** **Sources and Uses of Funds**

The expected sources and uses of funds available to the Issuer and the City in connection with the issuance of the Series 2020 Bonds are as set forth in Exhibit C hereto.

**TICLE AR II**
**ARBITRAGE YIELD RESTRICTION**

**Section 2.1** **Issue Price and Yield**

(a) Siebert Williams Shank & Co., LLC (the "Underwriter") has certified in the Issue Price Certificate, a copy of which is attached hereto as Exhibit C, that the first price at which the Underwriter sold at least ten percent of each maturity of the Series 2020 Bonds, together with the initial offering price for certain maturities subject to the hold-the-offering-price rule, results in an issue price of $_____ (the "Issue Price"), consisting of the aggregate principal amount of the Series 2020 Bonds of $_____.00 plus net original issue premium of $_____. Accordingly, the Issue Price of the Series 2020 Bonds is $_____.

(b) The Series 2020 Bonds are a fixed Yield issue, as defined in Section 1.148-1(b) of the Regulations. The Yield on the Series 2020 Bonds has been calculated on the Issue Date by taking into account the following: (A) the Yield on the Series 2020 Bonds has been calculated using a semiannual compounding frequency and a day count convention that treats each year as having 12 months comprised of 30 days each; and (B) any maturities of the Series 2020 Bonds that are of a type described in Section 1.148-4(b)(3)(ii) of the Regulations have been treated as being redeemed at the stated redemption price of such maturities of the Series 2020 Bonds on the optional redemption

date that produces the lowest Yield on such maturity. The Yield on the Series 2020 Bonds is _____%.

(c) [For purposes of calculating the yield on the Series 2020 Bonds, the premium paid to acquire the municipal bond insurance policy (the "**Insurance Policy**") has been treated as interest on the 2020 Bonds. The Insurance Policy was essential in marketing the Series 2020 Bonds at the interest rates at which they were sold, and the absence of the Insurance Policy would have materially affected in an adverse manner the interest rates at which the Series 2020 Bonds were sold. The Underwriter has certified in the Issue Price Certificate attached hereto as Exhibit C that the present value of payment pursuant to the Insurance Policy is less than the present value of the interest to be saved on the Series 2020 Bonds as a result of the Insurance Policy, computed by using the yield to maturity on the Series 2020 Bonds (with regard to payments for the Insurance Policy) as the discount rate.]

**Section 2.2** **Costs of Issuance - Bond Issuance Expense Account**

Proceeds of the Series 2020 Bonds allocated to finance the costs of issuance of the Series 2020 Bonds will be deposited to the Bond Issuance Expense Account established within the General Fund pursuant to Section 6.02 of the Indenture. Proceeds of the Series 2020 Bonds deposited therein will be fully expended within one year of the Issue Date of the Series 2020 Bonds, and therefore, may be invested without regard to investment yield limitation. Proceeds of the Series 2020 Bonds deposited into the Bond Issuance Expense Account, and investment earnings thereon, are subject to the Rebate Requirement.

**Section 2.3 General Account (Debt Service Account)**

(a) All payments of principal of and interest on the Series 2020 Bonds are expected to be made from the General Account of the General Fund established pursuant to Section 6.02 of the Indenture. The General Account serves as a debt service fund for the payment of principal of and interest on the Series 2020 Bonds. Amounts deposited into the General Account which are required to pay a portion of the next maturing principal of and next due interest on the Series 2020 Bonds are expected to be deposited monthly (but not more than one year prior to such payment). It is expected that all such amounts (together with investment income thereon) will be used to pay such principal and interest within 13 months from the date of receipt.

(b) Amounts deposited to the General Account are funds which will be used primarily to achieve proper matching of net revenues and debt service within each Bond Year, and each will be fully depleted at least once a year, except for reasonable carryover amounts not to exceed, in the aggregate, (i) the earnings on such funds for the immediately preceding Bond Year, or (ii) one-twelfth of the principal and interest payments on the Series 2020 Bonds for the immediately preceding Bond Year. Accordingly, such amounts may be invested at an unrestricted yield pursuant to Section 1.148-2(e)(5)(ii) of the Treasury Regulations. Amounts deposited to the General Account, and investment earnings thereon, are subject to the Rebate Requirement.

**Section 2.4 2020 Construction Fund & Loan Account**

(a) Proceeds of the Series 2020 Bonds allocated to finance the 2020 Improvement Project will initially be deposited to the Loan Account and then transferred into the 2020 Construction Fund to be established by the City. The City reasonably expects as follows with respect to the Proceeds of the Series 2020 Bonds (the "Improvement Project Proceeds") that will ultimately be deposited to the 2020 Construction Fund (the "Construction Fund").

**(i) The City will allocate at least 85 percent of the Net Sale Proceeds of the Improvement Project Proceeds to expenditures for the 2020 Improvement Project within three years of the Issue Date, as set forth in the City's Spending Schedule attached hereto as Exhibit C;**

**(ii) The City has incurred or within six months of the Issue Date will incur substantial binding obligations to unrelated third parties to spend at least five percent of the Net Sale Proceeds of the Improvement Project Proceeds on expenditures for the 2020 Improvement Project; and**

**(iii) The completion of the 2020 Improvement Project and the allocation of Proceeds of the Series 2020 Bonds to expenditures will proceed with due diligence to completion.**

(b) Based on the foregoing set forth in subsection (a) above, the Improvement Project Proceeds may be invested without regard to Yield limitation for a temporary period of three years following the Issue Date (the "Construction Fund Temporary Period"). After the expiration of the Construction Fund Temporary Period, the Improvement Project Proceeds may not be invested in Nonpurpose Investments that bear a Yield in excess of one-eighth of one percent (0.125 percent) above the Yield on the Series 2020 Bonds. The Improvement Project Proceeds are subject to the Rebate Requirement.

**Section 2.5 Capitalized Interest Account**

Proceeds of the Series 2020 Bonds deposited to the Capitalized Interest Account will be expended to fund capitalized interest on the Series 2020 Bonds, and shall be subject to the investment restrictions described in Section 2.4 above. Additionally, such amounts are subject to the Rebate Requirement.

**Section 2.6 Redemption Account**

No Proceeds of the Series 2020 Bonds will be deposited to the Redemption Account. Amounts deposited to the Redemption Account will be expended to make principal and interest payments on the Series 2020 Bonds, and therefore, shall be subject to the restrictions described in Section 2.3 above. Additionally, such amounts are subject to the Rebate Requirement.

**Section 2.7 No Other Funds**

(a) Except as set forth in this Tax Certificate:

**(i) No debt service fund, redemption fund, reserve fund, replacement fund or similar fund or account has been or will be created or established from which the principal of or premium, if any, or interest on the Series 2020 Bonds (or any portion thereof) is expected to be directly or indirectly paid;**

**(ii) There will be no other amounts (A) that are directly or indirectly pledged to pay the principal of or premium, if any, or interest on the Series 2020 Bonds, and (B) with respect to which there is any reasonable assurance that such amount will be available to pay principal or interest on the Series 2020 Bonds if the Issuer and the City encounters financial difficulties; and**

**(iii) There are and will be no other amounts that have a sufficient nexus with the Series 2020 Bonds or its governmental purpose to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Series 2020 Bonds were not used or to be used for that purpose.**

(b) The weighted average maturity of the Series 2020 Bonds does not exceed 120% of the economic useful life of 2020 Improvement Project. Accordingly, the Series 2020 Bonds will not be outstanding longer than reasonably necessary under Section 1.148-1(c)(4)(i) of the Treasury Regulations.

(c) Accordingly, except as set forth in this Tax Certificate, there will be no Replacement Proceeds of the Series 2020 Bonds within the meaning of Section 1.148-1(c) of the Treasury Regulations.

**Section 2.8 No Abusive Arbitrage Device**

There is no action being taken in connection with the issuance of the Series 2020 Bonds that (a) has the effect of enabling the Issuer and the City to obtain a material financial advantage by exploiting the difference between taxable and tax-exempt interest rates (apart from the savings attributable to lower interest rates), or (b) results in the Issuer and the City issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purpose of the Series 2020 Bonds.

**TICLE AR III**
**ARBITRAGE REBATE AND LIMITATION ON NONPURPOSE INVESTMENTS**

**Section 3.1 In General**

Interest on the Series 2020 Bonds will not be excluded from gross income for federal income tax purposes under Section 103(a) of the Code unless the arbitrage rebate requirement of section 148(f) of the Code is met. Under Sections 1.150-1(c)(3)(ii) and 1.148-9(h)(1)(ii) of the Treasury Regulations, the arbitrage rebate requirement is generally applied to the Series 2020 Bonds in the aggregate. Under this requirement, the Issuer and the City generally must pay to the United States the excess of the amount earned on Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Yield on the Series 2020 Bonds, together with any income attributable to such excess, with certain exceptions.

**Section 3.2 Spending Exceptions**

(a) The Code and Treasury Regulations provide certain exceptions to the arbitrage rebate requirement under which some or all of the Proceeds of a bond issue will be treated as meeting the arbitrage rebate requirement if certain requirements are met relating to the spending of Proceeds.

**(i) Under Section 148(f)(4)(B) of the Code and Section 1.148-7(c) of the Treasury Regulations, an issue is treated as meeting the arbitrage rebate requirement if (A) the Gross Proceeds of the issue (excluding amounts in a reasonably required reserve fund or a bona fide debt service fund, and excluding unanticipated Gross Proceeds arising more than 6 months after the Issue Date) are spent for the governmental purposes of the issue within 6 months of the Issue Date, and (B) the arbitrage rebate requirement is met with respect to any Gross Proceeds not required to be so spent.**

**(ii) Under Section 1.148-7(d) of the Treasury Regulations, an issue is treated as meeting the arbitrage rebate requirement if: (A) the Gross Proceeds of the issue (excluding amounts in a reasonably required reserve fund or a bona fide debt service fund, and excluding unanticipated Gross Proceeds arising more than 18 months after the Issue Date) are expended for the governmental purposes of the issue in accordance with the following schedule measured from the Issue Date: (1) at least 15 percent within 6 months, (2) at least 60 percent within 1 year, and (3) 100 percent within 18 months; (B) the arbitrage rebate requirement is otherwise met with respect to amounts not required to be so spent; and (C) all of the Gross Proceeds of the issue qualify for the initial temporary period for capital expenditures under section 1.148-2(e)(2) of the Treasury Regulations.**

**(iii) Under Section 148(f)(4)(C) and Section 1.148-7(e) of the Treasury Regulations, the Available Construction Proceeds of a Construction Issue are treated as meeting the arbitrage rebate requirement if the Available Construction Proceeds are expended for the governmental purposes of the issue in accordance with the following schedule measured from the Issue Date?(A) at least 10 percent within 6 months, (B) at least 45 percent within 1 year, (C) at least 75 percent within 18 months, and (D) at least 100 percent within 2 years.**

(b) Except to the extent an exception applies as described in Paragraph (a) above, all funds and accounts treated as Gross Proceeds are subject to the requirement of Section 148(f) of the Code, other than the Debt Service Fund for any Bond Year during which earnings on such fund are less than $100,000 (all such funds and accounts are herein referred to as the "**Funds and Accounts**").

**Section 3.3** **Calculation of Rebate Amount**

(a) For each Nonpurpose Investment subject to the arbitrage rebate requirement, the Issuer and the City shall record the purchase date of such investment, its purchase price, its Value as of each Computation Date, accrued interest due on its purchase date, its face amount, its coupon rate, its Yield, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(b) The Issuer and the City shall compute or cause to be computed the Yield on the Series 2020 Bonds as of each Computation Date.

(c) With respect to each Computation Date, the Issuer and the City shall determine or cause to be determined the amount of Nonpurpose Receipts and shall determine the Future Value of all Nonpurpose Receipts as of the Computation Date.

(d) With respect to each Computation Date, the Issuer and the City shall determine or cause to be determined the amount of Nonpurpose Payments and shall determine the Future Value of all Nonpurpose Payments as of the Computation Date.

(e) For each Computation Date, the Issuer and the City shall calculate or cause to be calculated the Rebate Amount, an amount equal to the sum of all amounts determined in subsection (c) of this Section, less the amounts determined in subsection (d) of this Section (which amount may be equal to but shall not be less than $0.00).

**Section 3.4** **Payment to United States**

(a) Unless the Series 2020 Bonds have been paid or redeemed prior to such time, within 60 days after each Installment Computation Date, the Issuer and the City shall pay to the United States an amount that, when added to the Future Value, as of the Installment Computation Date, of previous payments made to the United States under this subsection, equals at least 90 percent of the Rebate Amount as of the Installment Computation Date. The Issuer and the City shall pay to the United States, not later than 60 days after the Final Computation Date, an amount that, when added to the Future Value of previous payments to the United States under this subsection, equals 100 percent of the Rebate Amount as of the Final Computation Date.

(b) The Issuer and the City shall mail each installment payable under subsection (a) of this Section to the appropriate Internal Revenue Service Center. Each payment shall be accompanied by a copy of such Form as the Internal Revenue Service may require and a statement summarizing the determination of the Rebate Amount.

**Section 3.5** **Fair Market Value Requirement**

With respect to Gross Proceeds of the Series 2020 Bonds, the Issuer and the City will not purchase a Nonpurpose Investment for an amount greater than, or sell a Nonpurpose Investment for an amount less than, the fair market value of the Nonpurpose Investment as of the purchase or sale date, adjusted to take into account qualified administrative costs (as defined in Section 1.148-5(e)(2) of the Treasury Regulations) allocable to the investment. The purchase of any certificate of deposit or guaranteed investment contract shall be done in accordance with the safe harbor procedures provided in Section 1.148-5(d)(6) of the Treasury Regulations, or their successor provisions.

**Section 3.6** **Recordkeeping**

In connection with the rebate requirement, the Issuer and the City shall maintain (i) all records pertaining to expenditure and investment of Proceeds of the Series 2020 Bonds (ii) all records pertaining to use of the 2020 Improvement Project, and (iii) all records of rebate calculations and amounts paid to the United States pursuant to Section 3.4 above for the Series 2020 Bonds. The Issuer and the City shall maintain such records until four years after the retirement of the later of (a) the last obligation of the issue comprised of the Series 2020 Bonds or (b) the last tax-exempt obligation issued to refund the Series 2020 Bonds.

**TICLE** **AR IV**
**OTHER TAX MATTERS**

**Section 4.1** **No Private Activity Bonds**

(a) It is reasonably expected, and the Issuer and the City hereby covenants, that:

**(i) Not more than 10 percent of the Proceeds of the Series 2020 Bonds or the 2020 Improvement Project will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit (other than use as a member of the general public) within the meaning of Section 141 of the Code and Section 1.141-3 of the Treasury Regulations; and**

**(ii) Proceeds of the Series 2020 Bonds will not be used in an amount exceeding the lesser of 5 percent of the Proceeds of the Series 2020 Bonds or $5,000,000 to directly or indirectly make or finance loans to persons other than governmental units within the meaning of Section 141 of the Code and Section 1.141-5 of the Treasury Regulations.**

(b) If the use of the Proceeds of the Series 2020 Bonds changes such that the certifications provided in subsections (a) of this Section 4.1 are no longer true, the Issuer and City will take such action, including the redemption of some or all of the Series 2020 Bonds then outstanding, as is necessary to maintain the tax-exempt status of the interest on the Series 2020 Bonds.

**Section 4.2** **Series 2020 Bonds Not Federally Guaranteed**

(a) The payment of principal or interest on the Series 2020 Bonds will not be guaranteed, in whole or in part, by the United States, or any agency or instrumentality thereof.

(b) Less than 5 percent of the of the Proceeds of the Series 2020 Bonds, if any, will be (i) used in making loans the payment of principal or interest on which are guaranteed, in whole or in part, by the United States, or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts.

(c) The payment of principal or interest on the Series 2020 Bonds is not otherwise indirectly guaranteed, in whole or in part, by the United States, or an agency or instrumentality thereof.

(d) Paragraphs (a) through (c) of this Section 4.2 do not apply to (i) Proceeds of the Series 2020 Bonds invested for an initial temporary period until needed for the purpose for which the Series 2020 Bonds were issued, (ii) investments in the Bond Fund, or (iii) investments in Series 2020 Bonds issued by the United States Treasury.

**Section 4.3** **Information Return**

The Issuer and the City will file or cause to be filed with the Internal Revenue Service, not later than the 15th day of the second calendar month after the close of the calendar quarter in which

the Series 2020 Bonds are issued, a completed and signed Form 8038-G. The information reported on that return will be true, correct and complete to the best of the knowledge and belief of the undersigned.

**Section 4.4** **Not Hedge Bonds**

(a) As of the Issue Date of the Series 2020 Bonds, the Issuer and City reasonably expect that at least 85 percent of the spendable proceeds of the Series 2020 Bonds will be used by the City to carry out the governmental purposes of the Series 2020 Bonds within the 3-year period beginning on the Issue Date of the Series 2020 Bonds. The reasonableness of the Issuer and City's expectation is in no way based on expectations as to changes in interest rates or changes in federal tax law, or in regulations or rulings thereunder.

(b) Not more than 50 percent of the spendable proceeds of the Series 2020 Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more.

(c) Accordingly, based on the foregoing, the Issuer and City represent that the Series 2020 Bonds will not constitute a "hedge bond" within the meaning of Section 149(g) of the Code.

**Section 4.5** **Entire Issue**

(a) There are no other tax-exempt obligations of the Issuer and the City that are or will be:

**(i) Sold within 15 days of the Series 2020 Bonds;**

**(ii) Sold pursuant to the same plan of financing as the Series 2020 Bonds; and**

**(iii) Reasonably expected to be paid from substantially the same source of funds as the Series 2020 Bonds, determined without regard to guarantees from unrelated parties.**

(b) Accordingly, no other obligations of the Issuer and the City will be considered part of the same issue as the Series 2020 Bonds within the meaning of Section 1.150-1(c) of the Treasury Regulations.

(c) On _____, 2020, the Issuer will also issue its $_____ Mississippi Development Bank Special Obligation Bonds, Series 2020 (Jackson, Mississippi Water & Sewer System Revenue Refunding Project) (the "**MDB 2020 W&S Refunding Bonds**"). The MDB W&S Refunding Bonds were sold within 15 days of the Series 2020 Bonds, however, they were not sold pursuant to the same plan of financing as the Series 2020 Bonds and the MDB W&S Refunding Bonds will not be paid from the same source of funds as the Series 2020 Bonds. Accordingly, the Series 2020 Bonds and the MDB W&S Refunding Bonds are not part of the same "issue" within the meaning of Section 1.150-1(c) of the Treasury Regulations.

**Section 4.6** **Additional Tax Covenants**

(a) The Issuer and the City hereby covenant for the benefit of the holders of the Series 2020 Bonds that the Issuer and the City (i) will not make any use of the Proceeds of the Series 2020 Bonds, any fund reasonably expected to be used to pay debt service on the Series 2020 Bonds or any other fund of the Issuer and the City that contains Gross Proceeds of the Series 2020 Bonds, (ii) has not and shall not make any use of the projects financed or refinanced with Proceeds of the Series 2020 Bonds and (iii) shall not take (or omit to take) any other action with respect to the Series 2020 Bonds, the Proceeds thereof or otherwise, if such use, action or omission has or would, under the Code, cause the interest on the Series 2020 Bonds to be included in gross income for federal income tax purposes.

(b) The Issuer and the City hereby covenant for the benefit of the holders of the Series 2020 Bonds, that the Issuer and the City will not take (or omit to take) or permit or suffer any action to be taken, if the result of the same would cause the Series 2020 Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, including for such purposes, to the extent applicable, the arbitrage rebate requirement of Section 148(f) of the Code.

**IN WITNESS WHEREOF**, the Issuer and the City have caused this Tax Certificate to be executed on their behalf by their duly authorized representatives on _____, 2020.

**MISSISSIPPI DEVELOPMENT BANK**

By: _____
E.F. "Buddy" Mitcham, Executive Director

**CITY OF JACKSON, MISSISSIPPI**

By: _____
Mayor

## DEFINITIONS

"Available Construction Proceeds" means an amount of Gross Proceeds equal to the Issue Price, increased by earnings on such amounts, earnings on any reasonably required reserve or replacement fund not funded by the issue, and earnings on all of the foregoing earnings, and reduced by the amount of Sale Proceeds deposited in a reasonably required reserve fund and by the amount of Gross Proceeds used for costs of issuance. Notwithstanding the preceding sentence, earnings on a reasonably required reserve or replacement fund are Available Construction Proceeds only to the extent that those earnings accrue before the earlier of the date construction is substantially completed or the date that is 2 years after the Issue Date. The Issuer and the City may elect, on or before the Issue Date, to exclude earnings on a reasonably required reserve or replacement fund from Available Construction Proceeds.

"Adjusted Income" means the adjusted income of a person (together with the adjusted income of all persons who intend to reside with such person in one residential unit) calculated pursuant to Section 142(d)(2)(B) of the Code.

"Bond Year" means each one-year period (or shorter period beginning on the Issue Date or ending on the final maturity date of the Series 2020 Bonds) ending at the close of business on the day selected by the Issuer and the City. If no day is selected by the Issuer and the City before the earlier of the final maturity date of the Series 2020 Bonds or the date that is five years after the Issue Date of the Series 2020 Bonds, each Bond Year ends on each anniversary of the Issue Date of the Bonds.

"Computation Date" means an Installment Computation Date or the Final Computation Date.

"Computation Period" means the period between Computation Dates.

"Construction Issue" means any issue (i) that is not a refunding issue, (ii) any private activity bonds that are a part of which consist of either qualified 501(c)(3) bonds or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization, and (iii) for which the Issuer and the City reasonably expects that at least 75 percent of the Available Construction Proceeds will be allocated to construction expenditures (as opposed to expenditures for the acquisition of land or existing property) for property owned by a governmental unit or a 501(c)(3) organization.

"Final Computation Date" means, with respect to the Series 2020 Bonds, the date the last bond that is part of the same issue as the Bonds is discharged.

"Fixed Rate Investment" means any investment whose yield is fixed and determinable on its Issue Date.

"Future Value" of a payment or receipt at the end of any period is determined under the economic accrual method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Yield on the Series 2020 Bonds, using the same compounding interval and financial conventions used to compute that yield.

"Gross Proceeds" means gross proceeds as defined in Section 1.148-1(b) of the Treasury Regulations, as reduced by operation of the universal cap rule under Section 1.148-6(b)(2) of the Treasury Regulations.

"Installment Computation Date" means, with respect to the Series 2020 Bonds, the last day of any Bond Year selected by the Issuer and the City ending not later than 5 years after the Issue Date of the Series 2020 Bonds, and the last day of the fifth and each succeeding fifth Bond Year.

"Investment Proceeds" means investment proceeds as defined in Section 1.148-1(b) of the Treasury Regulations.

"Investment Property" means any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property. Such term shall not include any "tax-exempt bond" as defined in Section 1.150-1(b) of the Treasury Regulations.

"Issue Date" means _____, 2020.

"Nonpurpose Investment" means any Investment Property in which Gross Proceeds of the Series 2020 Bonds are invested and which is not acquired to carry out the governmental purpose of the Series 2020 Bonds.

"Nonpurpose Payment" means (i) any amount actually or constructively paid to acquire a Nonpurpose Investment (including any payment for "qualified administrative costs" as defined in Section 1.148-5(e) of the Treasury Regulations), (ii) for a Nonpurpose Investment that is first allocated to the Series 2020 Bonds or that becomes subject to the rebate requirement under Section 148(f) of the Code on a date after it is actually acquired, the Value of the investment on that date, (iii) for a Nonpurpose Investment that was allocated to the Series 2020 Bonds at the end of the preceding Computation Period, the Value of the investment at the beginning of the Computation Period, (iv) on the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Series 2020 Bonds that are subject to the rebate requirement, and on the final maturity date of the Bonds, a computation credit of $1,620 (as adjusted annually pursuant to the Treasury Regulations), and (v) any yield reduction payment on Nonpurpose Investments made to United States pursuant to Section 1.148-5(c) of the Treasury Regulations.

"Nonpurpose Receipt" means (i) any amount actually or constructively received from a Nonpurpose Investment, including earnings and return of principal, (ii) for a Nonpurpose Investment that ceases to be allocated to the Series 2020 Bonds or that ceases to be subject to the rebate requirement under Section 148(f) of the Code on a date earlier than its disposition or redemption date, the Value of the investment on that date, and (iii) for a Nonpurpose Investment that is held at the end of a Computation Period, the Value of the investment on that date.

"Plain Par Investment" means an investment that is an obligation (i) issued with an original issue discount or premium of no more than two percent of its stated redemption price at maturity (disregarding any original issue premium that is attributable exclusively to reasonable underwriters' compensation), or, if acquired on a date other than its issue date, acquired with a market discount or premium of no more than two percent of its stated redemption price at maturity; (ii) issued for a price that does not include more than one year's accrued interest or accrued interest to be paid more than one year after the issue date; (iii) that bears interest from its issue date at a single, stated, fixed rate, or that is a variable rate debt instrument under Section 1275 of the Code, in either case with interest unconditionally payable at least annually; and (iv) that has a lowest stated redemption price that is not less than its outstanding stated principal amount.

"Present Value" of an investment on a date means the present value of all unconditionally payable receipts to be received from and payments to be paid for the investment after that date, using the Yield on the investment as the discount rate, computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the Yield on the Bonds.

"Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Treasury Regulations.

"Rebate Amount" means, with respect to the Series 2020 Bonds, the amount computed as described in Section 3.3 of the Tax Certificate.

"Transferred Proceeds" means any transferred proceeds as defined in Section 1.148-1(b) of the Treasury Regulations.

"Value" of an investment on a date means, except as provided in the following sentence, the value determined under one of the following methods: (i) for a Plain Par Investment, its outstanding principal amount, plus any accrued interest, on that date; (ii) for a Fixed Rate Investment, its Present Value on that date; or (iii) its fair market value on that date. Any yield restricted investment must be valued at Present Value, and any other investment that is first allocated to or from an issue as a result of a deemed acquisition or disposition (other than by reason of the transferred proceeds allocation rule under Section 1.148-9(b) of the Treasury Regulations or the universal cap rule under Section 1.148-6(b)(2) of the Treasury Regulations) must be valued at fair market value on the date of the deemed acquisition or disposition, except for investments in a commingled fund (other than a bona fide debt service fund) unless it is a commingled fund described in Section 1.148-6(e)(5)(iii) of the Treasury Regulations.

"Variable Rate Investment" means any investment that is not a Fixed Rate Investment.

"Yield" means, with respect to the Series 2020 Bonds, yield computed under Section 1.148-4 of the Treasury Regulations, or with respect to Nonpurpose Investments, yield computed under Section 1.148-5 of the Treasury Regulations, and otherwise means, except as specifically modified herein, that yield with semiannual compounding which when used in computing the Future Value of all payments of principal and interest on an obligation produces an amount equal to its purchase price.

## SOURCES AND USES STATEMENT

| | |
|---|---|
| **Sources:** | |
| Bond Proceeds: | |
| Par Amount | $ .00 |
| Premium | |
| **Uses:** | |
| Project Fund Deposits: | |
| Project Fund | |
| Capitalized Interest Fund | |
| Bond Insurance | |
| Cost of Issuance | |
| Underwriter's Discount | |

## ISSUE PRICE CERTIFICATE

(Attached)

## 2020 IMPROVEMENT PROJECT - ECONOMIC LIFE ANALYSIS

The economic useful life of the assets financed with Proceeds of the Series 2020 Bonds is 20 years. The weighted average maturity of the Series 2020 Bonds does not exceed 120 percent of the economic useful life of the 2020 Improvement Project.

**Series 2020 Bonds**

| List of Infrastructure Asset Improvements | Proceeds | Useful Life | Allocation | Allocable Life |
|---|---|---|---|---|
| Streets (Sidewalks) | $24,339,000 | 20 years | 69.54% | 13.91 years |
| Bridges | $2,313,500 | 20 years | 6.61% | 1.32 years |
| Water Distribution Lines | $2,513,000 | 30 years | 7.18% | 2.15 years |
| Sewer Collection Lines | $2,513,000 | 30 years | 7.18% | 2.15 years |
| Drainage Structures | $2,012,500 | 30 years | 5.75% | 1.72 years |
| Traffic Signals | $1,309,000 | 15 years | 3.74% | .56 years |
| **TOTAL** | **$35,000,000** | | **100%** | **21.82 Years** |

**SPENDING SCHEDULE**

| Expenditure Period | Expenditure | Balance |
|---|---|---|
| Issue Date | June 1, 2020 | $35,000,000.00 |
| 1st Quarter 2020 | | |
| 2nd Quarter 2020[1] | $1,428,572.00 | |
| 3rd Quarter 2020 | $4,285,714.00 | |
| 4th Quarter 2020 | $4,285,714.00 | $25,000,000 |
| 1st Quarter 2021 | $5,000,000.00 | |
| 2nd Quarter 2021 | $5,000,000.00 | |
| 3rd Quarter 2021 | $3,750,000.00 | |
| 4th Quarter 2021 | $2,500,000.00 | $8,750,000 |
| 1st Quarter 2022 | $2,500,000.00 | |
| 2nd Quarter 2022 | $2,500,000.00 | |
| 3rd Quarter 2022 | $1,250,000.00 | |
| 4th Quarter 2022 | $1,250,000.00 | $1,250,000 |
| 1st Quarter 2023 | $1,250,000.00 | $-0- |

[1] For the purpose of meeting the requirements of the Mississippi Development Bank policies and procedures, according to the City of Jackson, Mississippi Public Works Department, the Medgar Evers Boulevard Project, Riverside Drive Project and the Capitol Street Project combining a total cost of approximately $10,000,000.00 have been designed and engineered and could use bond proceeds on the dated delivery date of the bonds. Funds for these two initial projects could be utilized the 2nd, 3rd and 4th quarter of 2020.

**President Lindsay** moved adoption; **Council Member Tillman** seconded.

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**President Lindsay** recognized, **David Archie**, Hinds County Supervisor District 2, who spoke concerning Hinds County's support and partnership to assist with the projects.

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**President Lindsay** recognized, **Credell Calhoun**, Hinds County Supervisor District 3, who spoke concerning Hinds County's support and partnership to assist with the projects.

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**President Lindsay** recognized, **Trey Hairston**, a representative from Butler Snow, who gave details about the Resolution Bond.

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After a lengthy discussion, **President Lindsay** called for a vote on said item:

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

* * * * * * * * * * * * * *

**ORDER APPROVING CLAIMS NUMBER 5867 TO 5892 APPEARING AT PAGES 893 TO 896 INCLUSIVE THEREON, ON MUNICIPAL "DOCKET OF CLAIMS", IN THE AMOUNT OF $384,681.40 AND MAKING APPROPRIATIONS FOR THE PAYMENT THEREOF.**

**IT IS HEREBY ORDERED** that claims numbered 5867 to 5892 appearing at pages 893 to 896, inclusive thereon, in the Municipal "Docket of Claims", in the aggregate amount of $384,981.40 are hereby approved for payment and said amount is expressly appropriated for the immediate payment thereof.

**IT IS FURTHER ORDERED** that there is appropriated from the various funds the sums necessary to be transferred to other funds for the purpose of paying the claims as follows:

| FROM: | TO ACCOUNTS PAYABLE FUND |
|---|---|
| GENERAL FUND | 29,054.99 |
| JXN CONVENTION & VISITORS BUR | 284,544.53 |
| WATER/SEWER OP & MAINT FUND | 71,081.88 |
| **TOTAL** | **$384,681.40** |

**Council Member Tillman** moved adoption; **President Lindsay** seconded.

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**President Lindsay** recognized **Robert Blaine**, Chief Administrative Officer, who provided a brief overview of the Claims Docket at the request of **President Lindsay.**

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Thereafter, **President Lindsay** called for a vote on said item:

Yeas- Foote, Lindsay, Priester and Tillman.
Nays- Banks and Stamps.
Absent- Stokes.

* * * * * * * * * * * * * *

**ORDER APPROVING GROSS PAYROLL INCLUDING PAYROLL DEDUCTION CLAIMS NUMBERED 5867 TO 5892 AND MAKING APPROPRIATION FOR THE PAYMENT THEREOF.**

**IT IS HEREBY ORDERED** that payroll deduction claims numbered 5867 to 5892 inclusive therein, in the Municipal "Docket of Claims", in the aggregate amount of $140,026.45 plus payroll, are approved for payment and necessary amounts are appropriated from various municipal funds for transfer to the payroll fund for the immediate payment thereof.

**IT IS FINALLY ORDERED** that the following expenditures from the accounts payable fund be made in order to pay amounts transferred thereto from the payroll fund for payment of the payroll deduction claims authorized herein for payment:

| FROM: | TO ACCOUNTS PAYABLE FUND | TO PAYROLL FUND |
|---|---|---|
| GENERAL FUND | | 1,995,946.00 |
| PARKS & RECR FUND | | 67,721.44 |
| LANDFILL FUND | | 13,413.76 |
| SENIOR AIDES | | 2,504.99 |
| WATER/SEWER OPER & MAINT | | 172,801.28 |
| PAYROLL FUND | | 363.00 |
| PAYROLL | 140,026.45 | |
| EARLY CHILDHOOD | | 28,276.98 |
| HOUSING COMM DEV | | 8,843.12 |
| TITLE III AGING PROGRAMS | | 4,247.68 |
| TRANSPORTATION FUND | | 14,577.25 |
| T-WARNER PA/GA FUND | | 4,749.62 |
| **TOTAL** | | **$2,313,445.12** |

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

* * * * * * * * * * * * * *

**ORDER AUTHORIZING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICE AGREEMENT WITH GLOBAL INTERACT TECHNOLOGY FOR WEBSITE DEVELOPMENT, MAINTENANCE AND GRAPHIC DESIGN.**

**WHEREAS,** Global Interact is willing to assist the City of Jackson with adding and maintaining the content of the City of Jackson's website; and

**WHEREAS,** Global Interact is willing to assist the City of Jackson's Office of Publications with graphic design for the embroidery machine and 3D printing machine and direct garment machine so that the City of Jackson may produce uniforms for various departments; and

**WHEREAS,** such services involve specialized processes which will require the input of industry professionals; and

**WHEREAS,** it is in the City of Jackson's best interest to engage Global Interact Technology for such services.

**IT IS HEREBY ORDERED** that the Mayor be authorized to execute an agreement with Global Interact Technology to provide said professional services identified above at a cost not to exceed $45,020.00 per year for two (2) years.

**IT IS FURTHER ORDERED** that the Mayor is authorized to execute any and all documents necessary to effectuate this order.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

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**President Lindsay** recognized **Tim Howard,** City Attorney, who stated that an amendment was needed to substitute the entire body of the Order that gives more details of said item.

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**Council Member Tillman** moved; seconded by **Council Member Banks** to amend said order to reflect the changes as stated by **Tim Howard,** City Attorney. The motion prevailed by the following vote:

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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Thereafter, **President Lindsay** called for a vote on said Order as amended:

**ORDER AUTHORIZING MAYOR TO EXECUTE A PROFESSIONAL SERVICE AGREEMENT WITH GLOBAL INTERACT TECHNOLOGY FOR WEBSITE DEVELOPMENT, MAINTENANCE AND GRAPHIC DESIGN.**

**WHEREAS,** Global Interact is willing to assist the City of Jackson with adding and maintaining the content of the City of Jackson's website; and

**WHEREAS,** Global Interact is willing to assist the City of Jackson's Office of Publications with graphic design for the embroidery machine and 3D printing machine and direct garment machine so that the City of Jackson may produce uniforms for various departments; and

**WHEREAS,** such services involve specialized processes which will require the input of industry professionals; and

**WHEREAS,** it is in the City of Jackson's best interest to engage Global Interact Technology for such services.

**IT IS HEREBY ORDERED** that the Mayor be authorized to execute an agreement with Global Interact Technology to provide said professional services identified above at a cost not to exceed $45,020.00 per year for two (2) years.

**IT IS FURTHER ORDERED** that the Mayor is authorized to execute any and all documents necessary to effectuate this order

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

* * * * * * * * * * * * * *

**ORDER AUTHORIZING THE MAYOR TO RENEW THE 311 MOBILE APPLICATION SUBSCRIPTION WITH CITYSOURCED, INC.**

**WHEREAS**, the City of Jackson ("City") purchased a subscription from CitySourced, Inc. in 2015 for the City's 311 iPhone and Android application; and

**WHEREAS**, the CitySourced application went live on April 5,2018; and

**WHEREAS**, the City uses the CitySourced based application for 311 service requests, CityWorks, and GIS functions; and

**WHEREAS**, the subscription for the application expired onJanuary 11, 2020and needs to be renewed; and

**WHEREAS**, the cost of renewal is $14,400.00; and

**WHEREAS**, CitySourced, Inc. is the sole provider of the City's subscription support; and

**WHEREAS**, the renewal of this subscription has been analyzed and the purchase of the subscription is recommended.

**IT IS THEREFORE ORDERED** that the Mayor be authorized to renew the subscription with CitySourced, Inc. at a cost of $14,400.00 for a period beginning at execution through January 11, 2021.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

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**President Lindsay** recognized **Tim Howard**, City Attorney, who stated that an amendment was needed: "**IT IS THEREFORE ORDERED** that the Mayor be authorized to execute a subscription agreement with CitySourced, Inc. at a cost not to exceed $14,400.00 for a period beginning January 11, 2020 and lasting for one year."

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**Council Member Tillman** moved; seconded by **Council Member Banks** to amend said order to reflect the changes needed as stated by **Tim Howard**, City Attorney. The motion prevailed by the following vote:

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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Thereafter, **President Lindsay** called for a vote on said Order as amended:

**ORDER AUTHORIZING THE MAYOR TO RENEW THE 311 MOBILE APPLICATION SUBSCRIPTION WITH CITYSOURCED, INC.**

**WHEREAS**, the City of Jackson ("City") purchased a subscription from CitySourced, Inc. in 2015 for the City's 311 iPhone and Android application; and

**WHEREAS**, the CitySourced application went live on April 5,2018; and

**WHEREAS**, the City uses the CitySourced based application for 311 service requests, CityWorks, and GIS functions; and

**WHEREAS**, the subscription for the application expired onJanuary 11, 2020and needs to be renewed; and

**WHEREAS**, the cost of renewal is $14,400.00; and

**WHEREAS**, CitySourced, Inc. is the sole provider of the City's subscription support; and

**WHEREAS**, the renewal of this subscription has been analyzed and the purchase of the subscription is recommended.

**IT IS THEREFORE ORDERED** that the Mayor be authorized to execute a subscription agreement with CitySourced, Inc. at a cost not to exceed $14,400.00 for a period beginning January 11, 2020 and lasting for one year.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER RATIFYING SERVICES RENDERED BY PROUDCITY FOR WEBSITE MAINTENANCE AND HOSTING AND AUTHORIZING PAYMENT AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH PRODUCITY FOR CONTINUED ANNUAL MAINTENANCE FOR WEBSITE SERVICES AND HOSTING.**

**WHEREAS**, ProudCity provided services for the City of Jackson related to maintenance of the City's website and support for the City of Jackson's website hosting; and

**WHEREAS**, the City of Jackson received two invoices from ProudCity in the total amount of $3,470.00 for said services; and

**WHEREAS**, ProudCity also provides services that allow the City's website administrators to manage critical aspects of the City's online presence; and

**WHEREAS**, the maintenance agreement with ProudCity expired and a new agreement should be entered into; and

**WHEREAS**, ProudCity is the sole provider of the ProudCity website services and the associated service package; and

**WHEREAS**, it is in the best interest of the City to enter into an agreement with ProudCity for maintenance of the City's website.

**IT IS HEREBY ORDERED** that the services herein listed and rendered by ProudCity are ratified and payment for said services is authorized.

**IT IS FURTHER ORDERED** that the Mayor is authorized to execute an agreement with ProudCity for the purchase of a maintenance agreement for the website services and hosting at a cost not to exceed $20,822.00, for the period beginning upon the execution of the agreement and lasting thorough March 31, 2021.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

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There came on for consideration Agenda Item No. 13:

**ORDER REQUESTING THE CITY COUNCIL REVIEW AND VOTE TO APPROVE THE SIGN VARIANCE REQUEST FOR NURSERY RHYMES TO ERECT TWO BUILDING SIGNS TOTALING 71 SQUARE FEET WITHIN A CMU-1 ZONE WHICH ONLY ALLOWS A TOTAL OF 15 SQUARE FEET FOR BUILDING SIGNAGE.** Said item was tabled until a Special Council Meeting to be held at a later date.

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There came on for consideration Agenda Item No. 14:

**ORDER REQUESTING THE CITY COUNCIL REVIEW AND VOTE TO DENY THE SIGN VARIANCE REQUEST FOR NURSERY RHYMES TO ERECT TWO BUILDING SIGNS TOTALING 71 SQUARE FEET WITHIN A CMU-1 ZONE WHICH ONLY ALLOWS A TOTAL OF 15 SQUARE FEET FOR BUILDING SIGNAGE.** Said item was tabled until a Special Council Meeting to be held at a later date.

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There came on for consideration Agenda Item No. 15:

**ORDER REQUESTING THE CITY COUNCIL REVIEW AND VOTE TO APPROVE THE SIGN VARIANCE REQUEST FOR PJ'S COFFEE OF NEW ORLEANS TO ERECT A 15 SQUARE FOOT MONUMENT SIGN AT 6 FEET IN HEIGHT AT FIVE FEET FROM THE PUBLIC RIGHT-OF-WAY WITHIN A UTC ZONE WHICH REQUIRE MONUMENT SIGNS TO BE TEN FEET FROM THE PUBLIC RIGHT-OF-WAY.** Said item was tabled until a Special Council Meeting to be held at a later date.

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There came on for consideration Agenda Item No. 16:

**ORDER REQUESTING THE CITY COUNCIL REVIEW AND VOTE TO DENY THE SIGN VARIANCE REQUEST FOR PJ'S COFFEE OF NEW ORLEANS TO ERECT A 15 SQUARE FOOT MONUMENT SIGN AT 6 FEET IN HEIGHT AT FIVE FEET FROM THE PUBLIC RIGHT-OF-WAY WITHIN A UTC ZONE WHICH REQUIRE MONUMENT SIGNS TO BE TEN FEET FROM THE PUBLIC RIGHT-OF-WAY.** Said item was tabled until a Special Council Meeting to be held at a later date.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICE AGREEMENT WITH SHERIDAN TRANSCRIPTION SERVICES, LLC TO PROVIDE COURT REPORTING SERVICES FOR THE CITY OF JACKSON, PLANNING BOARD MEETINGS.**

**WHEREAS**, the Jackson Planning Board has been designated by the governing authorities as the advisory committee to the City of Jackson in zoning matters; and

**WHEREAS**, the Planning Board was established to create a better, more healthful, convenient, efficient, and attractive city environment; to lessen congestion in the streets; to secure safety from fire, panic and other dangers; to provide adequate light and air; to prevent overcrowding of land; to avoid undue concentration of population; and to facilitate adequate provisions for transportation, water, sewage, schools, parks and other public requirements in accordance with a carefully thought out, comprehensive official plan to serve both present and future needs of the city; and

**WHEREAS**, the Planning Board meets once a month, on the fourth Wednesday of each month (except in November and December) at 1:30 p.m. at 200 South President Street in downtown Jackson; and

**WHEREAS**, the Planning Board, through the Department of Planning and Development, Zoning Division, is desirous of utilizing a company to provide professional transcription services for its regularly scheduled board meeting; and

**WHEREAS**, Sheridan Transcription Services, LLC has the knowledge, skill and capability to perform said services; and

**WHEREAS**, the term of the agreement shall begin on or about March 17, 2020, at a cost of $250 per month.

**IT IS THEREFORE, ORDERED** that the Mayor is authorized to execute the agreement and related documents with Sheridan Transcription Services, LLC to provide professional transcription services to the Planning Board, through the Department of Planning and Development, Zoning Division beginning March 17, 2020, at a cost of $250 per month.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH HEARTLAND PAYMENT SYSTEMS FOR THE PURPOSE OF PROVIDING MICRO CREDIT CARD PROCESSING FOR PARKING METERS.**

**WHEREAS**, the City of Jackson entered into an agreement with Duncan Parking Technologies, Inc. to provide parking meters and associated software services; and

**WHEREAS**, Heartland Payment Systems was included as a provider of micro credit card processing in the Duncan Parking Technologies, Inc. Proposal; and

**WHEREAS**, Heartland Payment Systems (HPS) is the industry leader in parking payments; and

**WHERAS**, HPS has partnered with CivicSmart to create a cost-effective parking program that reduces processing fees; and

**WHEREAS**, HPS has established a direct connection with CivicSmart, removing the need to contract with third party gateway companies; and

**WHEREAS**, HPS has negotiated lower interchange pricing with Visa and MasterCard for qualified debit transaction that will save, on average, an additional $0.15 per transaction.

**WHEREAS**, Normal interchange fees for debit transactions are priced at 0.05% plus $0.22 and HPS offers micropayment lower interchange pricing of: Visa 1.60% plus $0.05 and MasterCard 2.00% plus $0.02.

**WHEREAS**, These fees are passed on to the customer as a convenience fee and customers choosing to you credit and debit cards for parking meter payments will experience as average fee of $0.25 per transaction with the meter and $0.35 for transaction with the Park Mobile mobile app; and

**WHEREAS**, The City of Jackson will pay a $35.00 per month service fee for the account and all other fees are passed through as convenience fees.

**IT IS, THEREFORE, ORDERED** that the Mayor is authorized to enter into an agreement with Heartland Payment Systems and execute all documents related to the agreement to provide micro credit card processing services for a one-year term with up to four additional one-year extensions by the Mayor without further action by the City Council.

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE A SERVICE AGREEMENT AND RELATED DOCUMENTS WITH EMSL ANALYTICAL, INC. TO CONDUCT ASBESTOS TESTING OF DILAPIDATED STRUCTURES FOR DEMOLITION PURPOSES.**

**WHEREAS**, the governing authorities for the City of Jackson have on occasions approved resolutions declaring certain parcels located in the City to be a menace to public health, safety and welfare; and

**WHEREAS**, the Department of Planning and Development through its Community Improvement Division takes samples from dilapidated structures upon certain parcels of real property in the City of Jackson being declared a menace to public health, safety, and welfare pursuant to Section 21-19-11 of Mississippi Code of 1972; and

**WHEREAS**, said samples must be tested for asbestos prior to demolition for abatement purposes; and

**WHEREAS**, the Community Improvement Division is desirous of utilizing EMSL Analytical, Inc., a professional company that has the knowledge, skill and capability to perform said testing, with a proven track record for asbestos testing; and

**WHEREAS**, the Community Improvement Division is requesting authority to allow EMSL Analytical, Inc. to conduct the asbestos testing on samples from dilapidated structures; and

**WHEREAS**, said services will be provided from April 1, 2020 through September 30, 2020 at a cost not to exceed $10,000.00.

**IT IS THEREFORE, ORDERED** that the Mayor is authorized to execute the agreement and related documents with EMSL Analytical, Inc. to provide professional asbestos testing services on samples from dilapidated structures upon certain parcels of real property in the City of Jackson from April 1, 2020 through September 30, 2020 at a cost not to exceed $10,000.00.

**IT IS FURTHER ORDERED** that the agreement may be renewed under the same terms and conditions up to four (4) years, at a cost not to exceed $25,000.00 per year, subject to the right of the succeeding governing authorities to void.

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH STAFFERS TO PROVIDE TEMPORARY STAFFING SERVICES TO VARIOUS CITY DEPARTMENTS.**

**WHEREAS**, the City of Jackson has a need for temporary staffing services for various City Departments; and

**WHEREAS**, the Department of Personnel Management is responsible for securing temporary staffing services for all City Departments; and

**WHEREAS**, representatives from City Departments will notify the Department of Personnel Management when they are in need of temporary staffing services; and

**WHEREAS**, the Department of Personnel Management sends a request to temporary agencies when there is a need for services; and

**WHEREAS**, the request includes the requesting Department, classification title, duties, quote and schedule; and

**WHEREAS**, the Department of Personnel Management selects the agency with the lowest quote; and

**WHEREAS**, Staffers will provide the City of Jackson on request with qualified temporary staffing services for the classification specifications; and

**WHEREAS**, Staffers has an office located at 1437 Old Square Road, Suite 1007, Jackson, Mississippi; and

**WHEREAS**, Staffers submitted a rate sheet for the temporary positions provided to the City of Jackson as follows:

| | |
|---|---|
| General Office Clerk | $11.14/hour |
| Data Entry Clerk | $11.14/hour |
| Receptionist | $11.69/hour |
| Administrative Assistant | $12.30/hour |
| Accounting Clerk | $12.65/hour |
| Legal Secretary | $16.50/hour |
| Paralegal | $16.50/hour |

**WHEREAS**, Staffers will submit time sheets documenting the time worked and invoices to the City for services performed by assigned employees on a weekly basis, and the City will remit payment within 30-45 days consistent with the statute for timely payment by governmental entities;

**WHEREAS**, the term of the contract will be one (1) year from the date of execution of the agreement but may be extended for additional terms mutually agreed upon; and

**WHEREAS**, Staffers will recruit, screen, interview, hire, and assign its employees to perform the work under the supervision of the City of Jackson and will be responsible for paying the assigned employees' wages and provide them with the benefits Staffers offers to them; and

**WHEREAS**, Staffers will pay, withhold, and transmit payroll taxes, provide unemployment insurance and workers compensation benefits and handle unemployment and workers' compensation claims involving the assigned employees; and

**WHEREAS**, Staffers will comply with federal, state and local labor and employment laws applicable to assigned employees including the Immigration Reform and Control Act of 1986, the Internal Revenue Code, the Employee Retirement Income Security Act, the Health Insurance Portability and Accountability Act, the Family Medical Leave Act, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Fair Labor Standards Act, the Consolidated Omnibus Budget Reconciliation Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, and the Patient Protection and Affordable Care Act; and

**WHEREAS**, Staffers will comply with all provisions of the Affordable Care Act applicable to assigned employees, including the employer shared responsibility provisions related to the offer of minimum essential coverage to "full-time" employees as those terms are defined in the United States Code and related regulations and the applicable employer information reporting provisions set forth in the United States Code and related regulations; and

**WHEREAS**, Staffers will have the right to physically inspect the work site and work processes to review and address unilaterally or in coordination with the City work performance issues of the assigned employee and to enforce Staffers' employment policies related to the assigned employees conduct at the worksite; and

**WHEREAS**, the City will properly supervise the assigned employee performing its work and be responsible for its business operations, products, services, and intellectual property; and

**WHEREAS**, the City will supervise, control, and safeguard its premises, processes, or systems and not permit assigned employees to operate any vehicle or mobile equipment or entrust them with unattended premises, cash, checks, keys, credit cards, merchandise, confidential or trade secret information, negotiable instruments, or other valuables without Staffers' *express prior written approval* or as strictly required by the job description provided to Staffers; and

**WHEREAS**, the City will provide assigned employees with a safe work site and provide appropriate information, training, and safety equipment with respect to any hazardous substances or conditions to which they may be exposed at the work site; and

**WHEREAS**, the City will not change the assigned employees job duties without Staffers' express prior written approval; and

**WHEREAS**, the City will exclude assigned employees from its benefit plans, policies, and practices and not make any offer or promise relating to the assigned employee's compensation and benefits; and

**WHEREAS**, the City and Staffers agree to hold confidential information in strict confidence and not disclose the information to third parties or use the information for any purpose other than performing the Agreement as required; and

**WHEREAS**, knowledge, possession or use of the City's information will not be imputed to Staffers as a result of an assigned employee having access to the information; and

**WHEREAS**, the terms of the agreement will be considered severable, such that if any provision or clause which conflicts with existing or future law or may not be given full effect because of the law, no other provision that can operate without the conflicting provision or clause will be affected; and

**WHEREAS**, neither party will be responsible for failure or delay in performance of the agreement if the delay in performance is due to labor disputes, strikes, fire, riot, war, terrorism, Acts of God or other causes beyond the control of the nonperforming party; and

**WHEREAS**, Staffers will provide proof of liability and workers compensation coverage upon request of the City.

**IT IS, HEREBY ORDERED** that the Mayor be authorized to execute a contract with Staffers for the purposes stated in this order.

**IT IS, FURTHER ORDERED** that the Mayor, or his designee, be authorized to execute any and all documents necessary to implement the contract described in this Order.

**IT IS FURTHER ORDERED** that payment for the services provided *after* the contract has been executed may be made to Staffers.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH MORRIS AND MCDANIEL, INC. TO DEVELOP AND RENDER ONLINE TESTING AND PSYCHOLOGICAL EVALUATIONS FOR JACKSON FIRE DEPARTMENT RECRUIT APPLICANTS.**

**WHEREAS**, the Jackson Fire Department has vacancies for the position of Fire Recruit; and

**WHEREAS**, the City of Jackson Civil Service Commission has adopted rules which address the filling of entry-level vacancies in the Jackson Fire Department; and

**WHEREAS**, rules of the City of Jackson Civil Service Commission provide that the Commission may from time to time designate other agencies or specialists to serve as examination consultants with duties being assigned by the Commission; and

**WHEREAS**, the City of Jackson Civil Service Commission considered and approved a request of the Jackson Fire Department and the Department of Personnel Management to retain Morris and McDaniel, Inc. as a specialist to conduct testing for the entry level positions and also psychological evaluations; and

**WHEREAS**, Morris and McDaniel, Inc., have been assigned the task of developing an online test and conducting psychological evaluations for entry level applicants seeking admission to the Jackson Fire Department Training Academy; and

**WHEREAS**, Morris and McDaniel, Inc., has an office located at 741 North Congress Street, Jackson, Mississippi; and

**WHEREAS**, David M. Morris, Ph.D., J.D. is a principal with Morris and McDaniel, Inc., and has been approved and licensed by the Mississippi Board of Psychology as a psychologist and is capable and qualified to perform the psychological evaluations contemplated; and

**WHEREAS**, Judith Thompson is associated with Morris and McDaniel, Inc. and is a psychometrist and member of the National Association of psychometrics' and has experience in writing test items and conducting analysis on ability and knowledge based achievement tests; and

**WHEREAS**, Morris and McDaniel, Inc., have agreed to provide the online entry level and reading examination at a cost of $30.00 per applicant and psychological evaluations at the rate of $230.00 per applicant; and

**WHEREAS**, Morris and McDaniel, Inc., will also provide on-site visits associated with setting up and maintaining the on-line system at a cost of $250.00 per visit when requested; and

**WHEREAS**, the City will be invoiced monthly and payment will become due thirty (30) days from the invoice date; and

**WHEREAS**, the term of the contract will be one (1) year from the date of execution of the agreement but may be extended for additional terms mutually agreed upon;

**WHEREAS**, Morris and McDaniel, Inc., will use, develop, implement, and administer the testing in compliance with the applicable requirements of (a) Title VII of the Civil Rights Act of 1964; (b) the current version of the Equal Employment Opportunity's Commission's Uniform Guidelines on Employee Selection Procedures; (c) the current version of the Society of Industrial and Organizational Psychologists' Principles for the Validation and Use of Personnel Selection Procedures; (d) the current version of the American Psychological Association's Standards for Education and Psychological Testing; and ( e) any other applicable laws, rules, regulations, or professional standards governing its duties and responsibilities under the contract; and

**WHEREAS**, conflicts between legal requirements and non-legal professional requirements will be resolved by allowing the legal requirements to govern; and

**WHEREAS**, conflicts regarding professional standards will be resolved by using the standard that most accurately reflects the current state of psychological testing requirements as determined by Morris and McDaniel, Inc., and its personnel; and

**WHEREAS**, both parties agree not to discriminate against nay worker, employee, applicant, or member of the public because of race, creed, color, religion, sex, age, or national origin or otherwise commit a discriminatory employment practice; and

**WHEREAS**, Morris and McDaniel, Inc., will indemnify, defend at the City's option, and hold the City, its officials, employees, agents, and representatives harmless from acts and omissions which do not directly arise out of the performance of professional services, including acts, errors, or omissions normally covered by general and automobile liability insurance; and

**WHEREAS**, Morris and McDaniel, Inc., obligation to indemnify and defend the City does not apply to claims arising out of the City's sole negligence; and

**WHEREAS**, prior to commencing work, Morris and McDaniel, Inc., will furnish the City with Certificates of Insurance at its own expense providing for worker's compensation coverage within statutory requirements, general commercial liability including premises and operations, contractual, independent contractor, and broad form property damage coverages with minimum limits of $2,000,000.00 for general aggregate project and products liability and $1,000,0000.00 for personal and advertising injury; and

**WHEREAS**, prior to commencing work, Morris and McDaniel, Inc., will also furnish the City with errors and omission coverage in an amount not to exceed less than $1,000,000 for each wrongful act, and shall maintain the coverage for three (3) years from the date of termination of the agreement; and

**WHEREAS**, the City may withhold payment to the Contractor if the insurance requirements are not met or may pay renewal premiums and withhold same from monies due Morris and McDaniel, Inc., at its option; and

**WHEREAS**, Morris and McDaniel, Inc., relationship to the City is as an independent contractor and shall not be considered a joint venture, partner or agent of the City and shall have no authority to bind or obligate the City; and

**WHEREAS**, the officers, employees, agents, and subcontractors of Morris and McDaniel, Inc., shall not be considered to be officers, employees, or agents of the City; and

**WHEREAS**, Morris and McDaniel, Inc., will be prohibited from assigning its obligations under the contract without the prior written consent of the City and an assignment without the consent of the City may result in termination of the agreement; and

**WHEREAS**, the agreement is not subject to involuntary assignment, sale, or transfer by operation of law; and

**WHEREAS**, proceedings in bankruptcy, insolvency of Morris and McDaniel, Inc., or receivership which is not discharged within fifteen (15) days shall constitute a breach of the agreement and may terminate the agreement and the rights of Morris and McDaniel, Inc., at the City's option; and

**WHEREAS**, the agreement may be terminated for cause upon the expiration of fourteen (14) days if the default can be cured by payment or posting of money, bond, or other security for money due; and

**WHEREAS**, the agreement may be terminated for cause after the expiration of a twenty-one (21) day cure period if the default can't be cured by the payment or deposit of money or security; and

**WHEREAS**, if the default is of a nature that may not be cured within twenty-one (21) days, then the defaulting party shall have a reasonable time to cure which shall not be greater than times required by statutes, laws, ordinances, rules, and regulations or Order of the City of Jackson or the State of Mississippi and shall be based on a written schedule of performance and supporting documentation indicating the shortest period in which to cure the default; and

**WHEREAS**, if the default can't be cured, the non-defaulting party may terminate on ten (10) days prior written notice; and

**WHEREAS**, the agreement may be terminated for the convenience of any party and without cause at any time by the giving of one (1) month prior written notice designating the termination date with the stipulation that payments for testing and psychological evaluations completed prior to the designated termination date will be paid; and

**WHEREAS**, if the City terminates for cause and it is determined by a competent authority that the termination for cause was not proper, then the termination shall be deemed to be a termination of convenience; and

**WHEREAS**, the City will also have the right to perform the obligations of Morris and McDaniel, Inc., after the expiration of applicable periods of time for making payment, performing, or curing defaults, and Morris and McDaniel, Inc., shall pay the cost on the first day of the month following the date costs were paid and incurred by the City; and

**WHEREAS**, a schedule for the work to be performed will be agreed upon by the parties subsequent to execution of the contract and shall be incorporated into the provisions of the agreement; and

**WHEREAS**, no provision in the agreement shall be waived unless in writing signed by the party.

**IT IS, HEREBY ORDERED** that the Mayor be authorized to execute a contract with Morris and McDaniel, Inc., for the purposes stated in this order and consistent with the City of Jackson Civil Service Commission's designation.

**IT IS, FURTHER ORDERED** that the Mayor, or his designee, be authorized to execute any and all documents necessary to facilitate the terms of this Agreement.

**IT IS FURTHER ORDERED** that the sum of $30.00 per applicant may be paid for the entry level online testing and the sum of $230.00 per applicant for psychological evaluations may be paid.

**IT IS FURTHER ORDERED** that the sum of $250.00 per visit may be paid for on-site visits made for setting up testing.

**Council Member Stamps** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH MORRIS AND MCDANIELS, INC., TO DEVELOP AND RENDER ONLINE TESTING AND PSYCHOLOGICAL EVALUATIONS FOR JACKSON POLICE DEPARTMENT RECRUIT APPLICANTS.**

**WHEREAS**, the Jackson Police Department has vacancies for the position of Police Recruit; and

**WHEREAS**, the City of Jackson Civil Service Commission has adopted rules which address the filling of entry-level vacancies in the Jackson Police Department; and

**WHEREAS**, rules of the City of Jackson Civil Service Commission provide that the Commission may from time to time designate other agencies or specialists to serve as examination consultants with duties being assigned by the Commission; and

**WHEREAS**, the City of Jackson Civil Service Commission considered and approved a request of the Jackson Police Department and the Department of Personnel Management to retain Morris and McDaniels, Inc., as a specialist to conduct testing for the entry level positions and also psychological evaluations; and

**WHEREAS**, Morris and McDaniels, Inc., for entry level applicants seeking admission to the Jackson Police Department Training Academy; and

**WHEREAS**, Morris and McDaniels, Inc., has an office located at 741 North Congress Street, Jackson, Mississippi; and

**WHEREAS**, David M. Morris, Ph.D., J.D. is a principal with Morris and McDaniels, Inc., and has been approved and licensed by the Mississippi Board of Psychology as a psychologist and is capable and qualified to perform the psychological evaluations contemplated; and

**WHEREAS**, Judith Thompson is associated with McDaniels, Inc., and is a psychometrist and member of the National Association of psychometrists and has experience in writing test items and conducting analysis on ability and knowledge based achievement tests; and

**WHEREAS**, Morris and McDaniels, Inc., have agreed to provide the online entry level examination at a cost of $25.00 per applicant and psychological evaluations at the rate of $230.00 per applicant; and

**WHEREAS**, Morris and McDaniels, Inc., will also provide on-site visits associated with setting up and maintaining the on-line system at a cost of $250.00 per visit when requested; and

**WHEREAS**, the City will be invoiced monthly and payment will become due thirty (30) days from the invoice date; and

**WHEREAS**, the term of the contract will be one (1) year from the date of execution of the agreement but may be extended for additional terms mutually agreed upon; and

**WHEREAS**, the term of the contract will be one (1) year from the date of execution of the agreement but may be extended for additional terms mutually agreed upon; and

**WHEREAS**, Morris and McDaniels, Inc., will use, develop, implement, and administer the testing in compliance with the applicable requirements of (a) Title VII of the Civil Rights Act of 1964; (b) the current version of the Equal Employment Opportunity's Commission's Uniform Guidelines on Employee Selection Procedures; (c) the current version of the Society of Industrial and Organizational Psychologists' Principles for the Validation and Use of Personnel Selection Procedures; (d) the current version of the American Psychological Association's Standards for Education and Psychological Testing; and ( e) any other applicable laws, rules, regulations, or professional standards governing its duties and responsibilities under the contract; and

**WHEREAS**, conflicts between legal requirements and non-legal professional requirements will be resolved by allowing the legal requirements to govern; and

**WHEREAS**, conflicts regarding professional standards will be resolved by using the standard that most accurately reflects the current state of psychological testing requirements as determined by Morris and McDaniel, Inc., and its personnel; and

**WHEREAS**, both parties agree not to discriminate against nay worker, employee, applicant, or member of the public because of race, creed, color, religion, sex, age, or national origin or otherwise commit a discriminatory employment practice; and

**WHEREAS**, Morris and McDaniel, Inc., will indemnify, defend at the City's option, and hold the City, its officials, employees, agents, and representatives harmless from acts and omissions which do not directly arise out of the performance of professional services, including acts, errors, or omissions normally covered by general and automobile liability insurance; and

**WHEREAS**, Morris and McDaniel, Inc., obligation to indemnify and defend the City does not apply to claims arising out of the City's sole negligence; and

**WHEREAS**, prior to commencing work, Morris and McDaniel, Inc., will furnish the City with Certificates of Insurance at its own expense providing for worker's compensation coverage within statutory requirements, general commercial liability including premises and operations, contractual, independent contractor, and broad form property damage coverages with minimum limits of $2,000,000.00 for general aggregate project and products liability and $1,000,0000.00 for personal and advertising injury; and

**WHEREAS**, prior to commencing work, Morris and McDaniel, Inc., will also furnish the City with errors and omission coverage in an amount not to exceed less than $1,000,000 for each wrongful act, and shall maintain the coverage for three (3) years from the date of termination of the agreement; and

**WHEREAS**, the City may withhold payment to the Contractor if the insurance requirements are not met or may pay renewal premiums and withhold same from monies due Morris and McDaniel, Inc., at its option; and

**WHEREAS**, Morris and McDaniel, Inc., relationship to the City is as an independent contractor and shall not be considered a joint venture, partner or agent of the City and shall have no authority to bind or obligate the City; and

**WHEREAS**, the officers, employees, agents, and subcontractors of Morris and McDaniel, Inc., not be considered to be officers, employees, or agents of the City; and

**WHEREAS**, Morris and McDaniel, Inc., will be prohibited from assigning its obligations under the contract without the prior written consent of the City and an assignment without the consent of the City may result in termination of the agreement; and

**WHEREAS**, the agreement is not subject to involuntary assignment, sale, or transfer by operation of law; and

**WHEREAS**, proceedings in bankruptcy, insolvency of Morris and McDaniel, Inc., or receivership which is not discharged within fifteen (15) days shall constitute a breach of the agreement and may terminate the agreement and the rights of Morris and McDaniel's at the City's option; and

**WHEREAS**, the agreement may be terminated for cause upon the expiration of fourteen (14) days if the default can be cured by payment or posting of money, bond, or other security for money due; and

**WHEREAS**, the agreement may be terminated for cause after the expiration of a twenty-one (21) day cure period if the default can't be cured by the payment or deposit of money or security; and

**WHEREAS**, if the default is of a nature that may not be cured within twenty-one (21) days, then the defaulting party shall have a reasonable time to cure which shall not be greater than times required by statutes, laws, ordinances, rules, and regulations or Order of the City of Jackson or the State of Mississippi and shall be based on a written schedule of performance and supporting documentation indicating the shortest period in which to cure the default; and

**WHEREAS**, if the default can't be cured, the non-defaulting party may terminate on ten (10) days prior written notice; and

**WHEREAS**, the agreement may be terminated for the convenience of any party and without cause at any time by the giving of one (1) month prior written notice designating the termination date with the stipulation that payments for testing and psychological evaluations completed prior to the designated termination date will be paid; and

**WHEREAS**, if the City terminates for cause and it is determined by a competent authority that the termination for cause was not proper, then the termination shall be deemed to be a termination of convenience; and

**WHEREAS**, the City will also have the right to perform the obligations of Morris and McDaniel's after the expiration of applicable periods of time for making payment, performing, or curing defaults, and Morris and McDaniel, Inc., shall pay the cost on the first day of the month following the date costs were paid and incurred by the City; and

**WHEREAS**, a schedule for the work to be performed will be agreed upon by the parties subsequent to execution of the contract and shall be incorporated into the provisions of the agreement; and

**WHEREAS**, no provision in the agreement shall be waived unless in writing signed by the party.

**IT IS, HEREBY ORDERED** that the Mayor be authorized to execute a contract with Morris and McDaniel, Inc., for the purposes stated in this order and consistent with the City of Jackson Civil Service Commission's designation.

**IT IS, FURTHER ORDERED** that the Mayor, or his designee, be authorized to execute any and all documents necessary to facilitate the terms of this Agreement.

**IT IS FURTHER ORDERED** that the sum of $25.00 per applicant may be paid for the entry level online testing and the sum of $230.00 per applicant for psychological evaluations may be paid.

**IT IS FURTHER ORDERED** that the sum of $250.00 per visit may be paid for on-site visits made for setting up testing.

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER RATIFYING THE ADVERTISEMENT OF THE JACKSON MEALS MATTER PROGRAM IN THE JACKSON ADVOCATE, AND AUTHORIZING THE PAYMENT OF SAID SERVICES RENDERED.**

**WHEREAS**, the City of Jackson's Department of Human and Cultural Services administers and manages the Jackson Meals Matter Program; and

**WHEREAS**, the City of Jackson's Department of Human and Cultural Services desired to provide awareness to the citizens of Jackson of various meal provision and food pantries available in the local area; and

**WHEREAS**, the Department of Human and Cultural Services advertised the Jackson Meals Matter Program in the Jackson Advocate Newspaper on the following dates: February 20, 2020; February 27, 2020; March 5, 2020; and March 12, 2020.

**IT IS THEREFORE ORDERED** that the advertisement of the Jackson Meals Matter Program in the Jackson Advocate Newspaper is hereby ratified for the following dates: February 20, 2020; February 27, 2020; March 5, 2020; and March 12, 2020.

**IT IS FURTHER ORDERED** that the payment of Two Thousand Dollars ($2000.00) to the Jackson Advocate Newspaper for services rendered in advertising the Jackson Meals Matter Program is hereby authorized for the following dates: February 20, 2020; February 27, 2020; March 5, 2020; and March 12, 2020.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER RATIFYING ALARM SYSTEM MONITORING SERVICES RENDERED BY CAPITAL SECURITY SYSTEMS, LLC AT THE MUNICIPAL ART GALLERY FOR THE MONTH OF FEBRUARY 2020, AUTHORIZING THE PAYMENT OF $22.50 FOR SAID SERVICES RENDERED IN FEBRUARY 2020, AND AUTHORIZING THE MAYOR TO EXECUTE AN ALARM SYSTEM MONITORING SERVICES AGREEMENT WITH CAPITAL SECURITY SYSTEMS, LLC FOR AN ALARM SYSTEM AT THE MUNICIPAL ART GALLERY.**

**WHEREAS**, Capital Security Systems, LLC provided alarm system monitoring services at the Municipal Art Gallery for the month of February, 2020; and

**WHEREAS**, the City of Jackson's Department of Human and Cultural Services received an invoice in the amount of Twenty-Two Dollars and Fifty Cents ($22.50) for alarm system monitoring services rendered at the Municipal Art Gallery in February of 2020; and

**WHEREAS**, the Department of Human and Cultural Services desires the City of Jackson to enter into an agreement with Capital Security Systems, LLC to provide alarm system monitoring services at the Municipal Art Gallery for a monthly fee of Twenty-Two Dollars and Fifty Cents ($22.50) and a term not to exceed twelve (12) months.

**IT IS THEREFORE ORDERED** that the alarm system monitoring services rendered by Capital Security Systems, LLC at the Municipal Art Gallery for the month of February, 2020, is hereby ratified.

**IT IS FURTHER ORDERED** that the payment of Twenty-Two Dollars and Fifty Cents ($22.50) to Capital Security Systems, LLC for services rendered at the Municipal Art Gallery for the month of February, 2020 is hereby authorized.

**IT IS FINALLY ORDERED** that the Mayor is authorized to execute an alarm system monitoring services agreement with Capital Security Systems, LLC for an alarm system at the Municipal Art Gallery for a monthly fee of Twenty-Two Dollars and Fifty Cents ($22.50) and a term not to exceed twelve (12) months.

**Council Member Tillman** moved adoption; **President Lindsay** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER RATIFYING SERVICES RENDERED BY JACKSON LIFESIGNS TO THE CITY OF JACKSON'S DEPARTMENT OF HUMAN AND CULTURAL SERVICES FOR THE HEARING IMPAIRED ATTENDING THE MONTHLY AMERICAN WITH DISABILITIES ACT ("ADA") MEETING IN JANUARY, 2020, AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF JACKSON, MS AND JACKSON LIFESIGNS FOR PROVISION OF SAID SERVICES.**

**WHEREAS**, Jackson Lifesigns provided services for the hearing impaired during the City of Jackson's monthly ADA meeting in January of 2020; and

**WHEREAS**, the City of Jackson received an invoice in the amount of $70.00 for Jackson Lifesigns for services rendered in January of 2020; and

**WHEREAS**, the Department of Human and Cultural Services desires the City of Jackson to enter into an agreement with Jackson Lifesigns to provide services for the hearing impaired during the City of Jackson's monthly ADA meetings for a period of twelve months at a cost not to exceed $1,000.00.

**IT IS HEREBY ORDERED** that the City hereby ratifies services rendered by Jackson Lifesigns for services provided for the hearing impaired during the January, 2020 ADA meeting in the Department of Human and Cultural Services, and authorizes the payment of $70.00 for said services.

**IT IS FURTHER ORDERED** that the Mayor is authorized to execute an agreement with Jackson Lifesigns to provide services for the hearing impaired during the City of Jackson's monthly ADA meetings for a period twelve months at a cost not to exceed $1,000.00.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Foote, Banks, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER AUTHORIZING THE PAYMENT OF $412.92 TO CINTAS FOR SHIRTS RECEIVED BY THE CITY OF JACKSON'S DEPARTMENT OF HUMAN AND CULTURAL SERVICES TO BE USED AS UNIFORMS, AND RATIFYING ACCEPTANCE OF SAID GOODS.**

**WHEREAS**, the City of Jackson's Department of Human and Cultural Services ordered shirts on July 9, 2019 from Cintas, and said shirts were received on August 13, 2019; and

**WHEREAS**, on August 16, 2019, the City of Jackson received an invoice from Cintas in the amount of $412.92 for the above referenced shirts to be used by the Department of Human and Cultural Services as uniforms.

**IT IS HEREBY ORDERED** that the City is authorized to remit payment of funds in the amount of $412.92 to Cintas for shirts delivered and received by the Department of Human and Cultural Services to be used as uniforms.

**IT IS FURTHER ORDERED** that the acceptance of said goods by the Department of Human and Cultural Services is hereby ratified.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas – Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays – None.
Absent – Stokes.

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**ORDER AUTHORIZING PAYMENT TO CN (ILLINOIS CENTRAL) RAILROAD FOR THE RAILROAD CROSSING REHABILITATION WORK AT SAVANNA STREET WASTEWATER TREATMENT PLANT.**

**WHEREAS**, the City of Jackson entered into an agreement with CN (Illinois Central Gulf Railroad Company) on February 29, 1972 for an access crossing to the Savanna Street Wastewater Treatment Plant: and

**WHEREAS**, the City of Jackson entered into an agreement with CN (Illinois Central Gulf Railroad Company) on July 15, 1974 for maintenance of the crossing at the Savanna Street Wastewater Treatment Plant: and

**WHEREAS**, the agreement required the City to maintain the railroad crossing and that only the railroad was authorized to repair or replace the crossing as needed with the City bearing the cost of said repairs; and

**WHEREAS**, the CN (Illinois Central Railroad Company), the successor Railroad Company to the agreement, informed the City of Jackson that the crossing materials at the crossing into Savanna Street Wastewater Treatment Plant needed replacement for the purpose of motorist traveling across the railroad crossing safely; and

**WHEREAS**, the cost of the work to repair the crossing performed by CN (Illinois Central) Railroad Company totaled $210,138.46.

**IT IS, THEREFORE, ORDERED** that payment be made to CN (Illinois Central) Railroad Company in the amount of $210,138.46 for the railroad crossing repair at Savanna Street Wastewater Treatment Plant.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas – Foote, Banks, Lindsay, Priester and Tillman.
Nays – Stamps.
Absent - Stokes.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE A PROFESSIONAL ENGINEERING SERVICES AGREEMENT WITH CORNERSTONE ENGINEERING, LLC, FOR THE WATER TREATMENT PLANT OPTIMAL CORROSION CONTROL REPORT AMENDMENT.**

**WHEREAS**, the Department of Public Works desires to have Professional Engineering assistance with amending the current corrosion control study for the Water Treatment Plants; and

**WHEREAS**, Cornerstone Engineering, LLC, a multi-disciplinary civil engineering firm located in Jackson, Mississippi metro area submitted their firms Statement of Qualifications based on a solicitation for professional engineering services by the Department of Public Works; and

**WHEREAS**, Cornerstone Engineering, LLC, has submitted a proposal based on its Statement of Qualifications to provide the City of Jackson Professional Engineering Services at a cost of $180,000.00; and

**WHEREAS**, the Department of Public Works recommends the City of Jackson enter into a Professional Engineering Services Agreement with Cornerstone, LLC, in the amount not to exceed $180,000.00.

**IT IS, THEREFORE, ORDERED** that a Professional Engineering Services Agreement with Cornerstone Engineering, LLC, in an amount not to exceed $180,000.00, for assistance with amending the current corrosion control study for the Water Treatment Plants is accepted.

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas – Foote, Banks, Lindsay, Priester, Stamps and Tillman.
Nays – None.
Absent - Stokes.

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**ORDER ACCEPTING AN ENGINEERING SERVICES AGREEMENT WITH CROWN ENGINEERING, PLLC, FOR THE NRCS EWP PROJECTS.**

**WHEREAS**, the Department of Public Works desires to have design engineering and construction inspection services three approved NRCS EWP Sites: Select Specialty Hospital, Fontaine Park Drive, and Carolwood Drive, Jackson, Mississippi, Hinds County, Mississippi; and

**WHEREAS**, Crown Engineering, PLLC, a multi-disciplinary civil engineering firm located in Jackson, Mississippi submitted their firms Statement of Qualifications based on a solicitation for professional engineering services by the Department of Public Works; and

**WHEREAS**, Crown Engineering, PLLC, has submitted a proposal based on its Statement of Qualifications to provide the City of Jackson with design and construction engineering services at a cost not to exceed $76,250.00 for all three NRCS EWP sites; and

**WHEREAS**, the Department of Public Works recommends the City of Jackson enter into a Professional Engineering Services Agreement with Crown Engineering, PLLC, in the amount not to exceed $76,250.00, for all three NRCS EWP sites.

**IT IS, THEREFORE, ORDERED** that a Professional Engineering Services agreement with Crown Engineering, PLLC, in an amount not to exceed $76,250.00, for three NRCS EWP sites is accepted.

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas – Foote, Banks, Lindsay, Priester, Stamps and Tillman.
Nays – None.
Absent - Stokes.

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**ORDER RATIFYING A CONTRACT WITH INTEGRATED MANAGEMENT SERVICES, INC. DBA IMS ENGINEERS FOR DEBRIS REMOVAL MONITORING NECESSITATED BY THE PEARL RIVER FLOODING DISASTER WHICH THE GOVERNING AUTHORITIES DECLARED AN EMERGENCY ON FEBRUARY 18, 2020.**

**WHEREAS**, on February 13, 2020, the Mayor issued a proclamation of emergency as a result of the National Weather Service issuing a flood warning for an area including the City of Jackson; and

**WHEREAS**, on February 18, 2020 at its next regular meeting following the Mayor's proclamation of emergency, the Council of the City of Jackson approved its Order Declaring the Need to Continue Declared State of Emergency, which extended the state of emergency caused by the Pearl River flooding disaster for thirty (30) days; and

**WHEREAS**, pursuant to Section 33-15-17 (b) of the Mississippi Code of 1972, as amended, the City of Jackson possesses the power to enter into contracts and incur obligations necessary to combat such disaster, protecting the health and safety of persons and property, and providing emergency assistance to victims of such disaster; and

**WHEREAS**, furthermore, pursuant to Section 33-15-17 (b), the City of Jackson is authorized to exercise the powers vested under this section in the light of the exigencies of the extreme emergency situation without regard to time-consuming procedures and formalities prescribed by law pertaining to the performance of public work, entering into contracts, and the incurring of obligations; and

**WHEREAS**, pursuant to Section 33-15-17 (c), the City of Jackson possesses the power and authority to appropriate and expend funds and make contracts for emergency management purposes, which includes the collecting and removal of debris left by the receding flood waters; and

**WHEREAS**, the Office of the Chief Administrative Officer has negotiated the terms of a contract with Integrated Management Services, Inc. dba IMS Engineers to monitor the removal of debris in the areas of the City affected by the flooding disaster, which has been executed by the Mayor and the authorized representative of IMS Engineers; and

**WHEREAS**, the scope of work of the contract includes monitoring debris removal activities for compliance with Federal Emergency Management Agency (FEMA) and Mississippi Emergency Management Agency (MEMA) guidelines and regulations; providing the City with periodic progress reports of the cleanup effort; monitoring the debris removal contractor(s) progress and reviewing payment requests; assisting the City in providing the necessary documentation to support the FEMA-designated project worksheet; and

**WHEREAS**, payment will be based on based on time and materials to perform the work with a total contract amount not to exceed $330,360.00.

**IT IS, THEREFORE, ORDERED** that the contract with Integrated Management Services, Inc. dba IMS Engineers in an amount not to exceed $330,360.00 without further authorization of the governing authorities for debris removal necessitated by the Pearl River flooding disaster is ratified.

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas – Foote, Banks, Lindsay, Priester, Stamps and Tillman.
Nays – None.
Absent - Stokes.

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**ORDER RATIFYING A CONTRACT WITH PDT LOGISTICS LLC FOR DEBRIS REMOVAL NECESSITATED BY THE PEARL RIVER FLOODING DISASTER WHICH THE GOVERNING AUTHORITIES DECLARED AN EMERGENCY ON FEBRUARY 18, 2020.**

**WHEREAS**, on February 13, 2020, the Mayor issued a proclamation of emergency as a result of the National Weather Service issuing a flood warning for an area including the City of Jackson; and

**WHEREAS**, on February 18, 2020 at its next regular meeting following the Mayor's proclamation of emergency, the Council of the City of Jackson approved its Order Declaring the Need to Continue Declared State of Emergency, which extended the state of emergency caused by the Pearl River flooding disaster for thirty (30) days; and

**WHEREAS**, pursuant to Section 33-15-17 (b) of the Mississippi Code of 1972, as amended, the City of Jackson possesses the power to enter into contracts and incur obligations necessary to combat such disaster, protecting the health and safety of persons and property, and providing emergency assistance to victims of such disaster; and

**WHEREAS**, furthermore, pursuant to Section 33-15-17 (b), the City of Jackson is authorized to exercise the powers vested under this section in the light of the exigencies of the extreme emergency situation without regard to time-consuming procedures and formalities prescribed by law pertaining to the performance of public work, entering into contracts, and the incurring of obligations; and

**WHEREAS**, pursuant to Section 33-15-17 (c), the City of Jackson possesses the power and authority to appropriate and expend funds and make contracts for emergency management purposes, which includes the collecting and removal of debris left by the receding flood waters; and

**WHEREAS**, the Office of the Chief Administrative Officer has negotiated the terms of a contract with PDT Logistics LLC to remove debris in the areas of the City affected by the flooding disaster, which has been executed by the Mayor and the authorized representative of PDT Logistics LLC; and

**WHEREAS**, the scope of work of the contract includes debris removal and basic labor to remove construction debris from the street and the yards of individual dwellings; breaking and sorting the debris into piece for hauling; removal of the debris from the site for legal disposal; and

**WHERERAS**, which scope of work includes planning, equipment and material acquisition, area preparation and protection, mobilization, setup, cleanup, administrative fees, and the debris disposal costs, including landfill tipping fees, to load and haul away materials, waste, and associated designated debris; and

**WHEREAS**, payment will be based on the number of cubic yards of material disposed at a cost of $60.50 per cubic yard, which per yard price is based on an estimated maximum quantity of 3000 cubic yards; and

**WHEREAS**, the total contract amount shall not exceed $181,500.00.

**IT IS, THEREFORE, ORDERED** that the contract with PDT Logistics LLC in an amount not to exceed $181,500.00 without further authorization of the governing authorities for debris removal necessitated by the Pearl River flooding disaster is ratified.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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There came on for consideration Agenda Item No. 32:

**ORDER AUTHORIZING THE MAYOR TO EXECUTE A LEGAL SERVICES CONTRACT WITH WILLIAM M. QUIN II AND HIS LAW FIRM MCRANEY MONTAGNET QUIN & NOBLE, PLLC, AND MERRIDA COXWELL, AND HIS LAW FIRM, COXWELL & ASSOCIATIONS, PLLC AS THE CITY OF JACKSON'S ATTORNEYS FOR THE PURPOSE OF INVESTIGATING, PROTECTING AND MAKING ANY AND ALL CLAIMS THE CITY MAY HAVE AGAINST ANY**

**PERSON OR ENTITY ARISING OUT OF JAXON ENERGY, LLC'S ALLEGED MISAPPROPRIATION OF WATER AND OTHER RESOURCES FROM THE CITY OF JACKSON.** Said item moved to end of Agenda for Executive Session.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE HINDS COUNTY BOARD OF SUPERVISORS FOR PUBLIC INFRASTRUCTURE PROJECT 2020-07.**

**WHEREAS**, the Hinds County Board of Supervisors intends to make improvements to the following streets in the City of Jackson within the project amounts indicated:

1. Suffolk Drive in an amount not to exceed $65,000.00 (Ward 1)
2. Rockdale Drive in an amount not to exceed $50,000.00 (Ward 3)
3. Stillwood Drive in an amount not to exceed $60,000.00 (Ward 3)

**WHEREAS**, in accordance with the Interlocal Cooperation Act of 1974, Section 17-13-1, et seq. of the Mississippi Code of 1972, as amended, it is necessary for the City of Jackson to enter into an interlocal agreement with the Hinds County Board of Supervisors authorizing Hinds County to make the referenced street improvements; and

**WHEREAS,** the Department of Public Works has review the interlocal and concurs with work to be performed under this interlocal.

**IT IS, THEREFORE, ORDERED** that the Mayor is authorized to execute an Interlocal Agreement with the Hinds County Board of Supervisors authorizing Hinds County to make improvements to the following streets in the City of Jackson:

1. Suffolk Drive in an amount not to exceed $65,000.00 (Ward 1)
2. Rockdale Drive in an amount not to exceed $50,000.00 (Ward 3)
3. Stillwood Drive in an amount not to exceed $60,000.00 (Ward 3)

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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There came on for consideration Agenda Item No. 35:

**ORDER AUTHORIZING THE OFFICE OF THE CITY ATTORNEY TO PURSUE LITIGATION AGAINST ILLINOIS CENTRAL RAILROAD COMPANY DOING BUSINESS AS CN FOR THE PURPOSE OF DECLARING THE UNDERPASS AT WALTER "DUTCH" WELCH DRIVE A CITY STREET AND TO REQUIRE SAID RAILROAD TO REOPEN THE UNDERPASS TO PUBLIC TRAFFIC.** Said item moved to end of Agenda for Executive Session.

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There came on for consideration Agenda Item No. 36:

**ORDER AUTHORIZING PAYMENT OF FULL AND FINAL SETTLEMENT OF ALL CLAIMS IN THE MATTER OF "JEREMIAH HOLMES VS. THE CITY OF JACKSON" IN THE CIRCUIT COURT OF THE FIRST JUDICIAL DISTRICT OF HINDS COUNTY, MISSISSIPPI; CIVIL ACTION NO.: 18-237.** Said item moved to end of Agenda for Executive Session.

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There came on for consideration Agenda Item No. 37:

**ORDER AUTHORIZING SETTLEMENT OF THE COMPLAINT FILED IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI NORTHERN DIVISION STYLED SHERION D. BERRY VERSUS CITY OF JACKSON POLICE DEPARTMENT AND JOHN DOES 1-4 CAUSE #3:18CV00339 DPJ-FKB FOR THE SUM OF $7,000.00.** Said item moved to end of Agenda for Executive Session.

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There came on for consideration Agenda Item No. 38:

**ORDER AMENDING "THE ORDER AUTHORIZING FULL AND FINAL SETTLEMENT OF THE CLAIMS THE CITY OF JACKSON ASCERTED IN CITY OF JACKSON VS. JACKSON ZOOLOGICAL SOCIETY, ET AL., AGAINST THE JACKSON ZOOLOGICAL SOCIETY, INC. AND CERTAIN PRESENT AND FORMERS MEMBERS OF THE JACKSON ZOOLOGICAL SOCIETY, INC. BOARD OF DIRECTORS" LOCATED IN BOOK 6Q AT PAGES 130-131.** Said item moved to end of Agenda for Executive Session.

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There came on for consideration Agenda Item No. 39:

**ORDER AUTHORIZING THE CITY ATTORNEY TO JOIN IN AND EXECUTE AN AGREED JUDGMENT IN THE SUIT FILED BY RIVER PLACE LLC AGAINST ROBERT E. HARRISON, JR. AND OTHERS INCLUDING THE CITY OF JACKSON, WHICH SEEKS TO CONFIRM AND QUIET TITLE FOR REAL PROPERTY DESCRIBED AS 40 FT N/S DAVIS STREET X 110 FT N & S in SW CORNER LOT 4 CONDON SY NJ, PARCEL 72-10 LOCATED IN JACKSON, MISSISSIPPI.** Said item moved to end of Agenda for Executive Session.

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**ORDER REVISING THE FISCAL YEAR 2019-2020 BUDGET.**

**WHEREAS**, the City of Jackson ("City") by ordinance previously operated with one preeminent clerk who performs the duties of both "Clerk of the Council" and "City Clerk"; and

**WHEREAS**, on December 20, 2019, the City Council of Jackson, Mississippi voted to create a Department of Municipal Clerk and Office of the Council Clerk, therefore separating the two positions; and

**WHEREAS**, one of the primary duties of the Department of Municipal Clerk is to allow access to public records; and

**WHEREAS**, on January 30, 2020, the Clerk's Office received notification that the invoice payable to GovQA, LLC in the amount of $20,550.00 was past due; and

**WHEREAS**, during the time of billing, the Office of the City Clerk was solely responsible for payment; and

**WHEREAS**, on February 18, 2020 the ordinance to create the Department of Municipal Clerk and the Office of the Council Clerk became effective, and the Department of Municipal Clerk now resumes the responsibility of processing open records requests; and

**WHEREAS**, the Department of Municipal Clerk depleted its "Other Professional Services" category in an effort to remit payment for the past due invoice and therefore, requests that the invoice be prorated; and

**WHEREAS**, the following funds are requested to be transferred:

| FROM: | | TO: | |
|---|---|---|---|
| Fund/Account Number | Amount | Fund/Account Number | Amount |
| **Other Professional Services** 001-402.00-6419 | $5,137.50 | **Other Professional Services** 001-428.00-6419 | $5,7137.50 |

**IT IS, THEREFORE, ORDERED** that the Fiscal Year 2019-2020 budget be revised to allow transfer of funds from the Office of Council Clerk, Other Professional Services category to the Department of Municipal Clerk, Other Professional Services category, in the amount of $5,137.50.

**Council Member Tillman** moved adoption; **President Lindsay** seconded.

Yeas- Foote, Banks, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER AUTHORIZING THE MAYOR TO AMEND A SERVICES AGREEMENT BETWEEN THE CITY OF JACKSON, MS AND IDEMIA IDENTITY & SECURITY USA, LLC FOR IMPLEMENTATION OF TSA PRE-CHECK WITHIN THE CITY OF JACKSON, MISSISSIPPI.**

**WHEREAS**, on August 20, 2019, Minute Book 6P, Pages 568-569, the City Council of Jackson, Mississippi approved the City of Jackson to enter into a service agreement with IDEMIA Identity & Security USA, LLC for the implementation of TSA Pre-Check Services; and

**WHEREAS**, the Idemia Identity & Security USA, LLC ("Idemia') is the prime contractor under a contract with TSA to provide biometric identification services for one or more government agencies; and

**WHEREAS**, Idemia has received the approval from TSA to partner with the City to provide the desired services in order for the City to become a TSA PreCheck Center; and

**WHEREAS**, Idemia has requested the City to provide biometric identification services as Idemia's subcontractor, and the City agrees to provide such services; and

**WHEREAS**, the amended agreement proposes changes to the Service Provided Performance Metrics as follows:

| **Current Agreement** | | **Revised Agreement** | |
|---|---|---|---|
| Application/Enrollment Rejection Rate | _1% of submitted applications/enrollments | Application/Enrollment Rejection Rate | .5% of submitted applications/enrollments |
| Average Wait Time | 15 minutes | Average Wait Time, Appointments | 5 minutes |
| | | Average Wait Time, Walk-ins | 15 minutes |
| | | Appointment Availability | 25% appointment within a 14 day window |
| One Visit | 75% of total TWIC volume | One Visit | 85% of total TWIC volume |

**WHEREAS**, the amended agreement will commence on the date the same is executed by all parties and remain in full force and effect until terminated by either party under terms of Agreement, or upon the expiration and/or termination of the Prime Contract or any party to the Prime Contract informs Idemia that City is no longer an approved subcontractor.

**IT IS, THEREFORE, ORDERED** that the Mayor is authorized to execute an amended Services Agreement with Idemia & Security USA, LLC for implementation and execution of TSA PreCheck within the City of Jackson, Mississippi.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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There came on for consideration Agenda Item No. 42:

**ORDER APPOINTING KAREN NELSON AS DEPUTY COUNCIL CLERK.** Said item was pulled by **Council Member Stamps**.

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**ORDER APPOINTING MAC ARTHUR EPPS DEPUTY COUNCIL CLERK INTERN.**

**WHEREAS**, the fiscal year 2019-2020 budget adopted by the Jackson City Council allocated monies for paid internships within the Office of the City Clerk; and

**WHEREAS**, subsequent to the adoption of the 2019-2020 budget, the governing authorities for the City of Jackson passed an ordinance on December 20, 2019, which created the Department of Municipal Clerk and created the positions of Deputy Clerk of the Council, Chief Deputy Clerk of the Council, and Deputy Clerk of the Council; and

**WHEREAS**, an effect of the ordinance passed on December 20, 2019 was the separation and distinguishing of the duties performed by the City Clerk, and the duties of the Council Clerk; and

**WHEREAS**, *Mac Arthur Epps* had previously been serving the City of Jackson as a paid intern based on the monies allocated in the 2019-2020 budget adopted by the Jackson City Council; and

**WHEREAS**, the governing authorities for the City of Jackson believe that *Mac Arthur Epps* has provided valuable service during the training experience as an intern; and

**WHEREAS**, the governing authorities for the City of Jackson is amenable to allowing *Mac Arthur Epps* training experience to continue uninterrupted.

**IT IS HEREBY ORDERED** that *Mac Arthur Epps* shall be appointed to serve as Deputy Clerk of the Council Intern commencing on February 18, 2020.

**IT IS HEREBY ORDERED** that *Mac Arthur Epps* upon commencement of service as Deputy Clerk of the Council Intern shall work at a maximum of 20 hours per week.

**IT IS HEREBY ORDERED** that *Mac Arthur Epps's* tenure as Deputy Clerk of the Council Intern shall continue and be at the will and pleasure of the Jackson City Council.

**IT IS HEREBY ORDERED** that no contract shall be construed as resulting from the appointment of *Mac Arthur Epps* as Deputy Clerk of the Council Intern.

**IT IS HEREBY ORDERED** that Mississippi's law concerning at will employment shall remain unchanged by the appointment of *Mac Arthur Epps* as Deputy Clerk of the Council Intern.

**Council Member Stamps** moved adoption; **Council Member Banks** seconded.

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**President Lindsay** recognized **Tim Howard**, City Attorney, who stated that an amendment was needed in the seventh paragraph of said order to revise "IT IS HEREBY ORDERED that *Mac Arthur Epps* shall be appointed to serve as Deputy Clerk of the Council Intern commencing on

February 18, 2020." and change it to "IT IS, THEREFORE, ORDERED that *Mac Arthur Epps* shall be appointed to serve as Deputy Clerk of the Council Intern commencing on March 31, 2020."

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**Council Member Stamps** moved; seconded by **Council Member Banks** to amend said order to reflect the changes as stated by **Tim Howard**, City Attorney. The motion prevailed by the following vote:

Yeas- Foote, Banks, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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Thereafter, **President Lindsay** called for a vote on said Order as amended:

**ORDER APPOINTING MAC ARTHUR EPPS DEPUTY COUNCIL CLERK INTERN.**

**WHEREAS**, the fiscal year 2019-2020 budget adopted by the Jackson City Council allocated monies for paid internships within the Office of the City Clerk; and

**WHEREAS**, subsequent to the adoption of the 2019-2020 budget, the governing authorities for the City of Jackson passed an ordinance on December 20, 2019, which created the Department of Municipal Clerk and created the positions of Deputy Clerk of the Council, Chief Deputy Clerk of the Council, and Deputy Clerk of the Council; and

**WHEREAS**, an effect of the ordinance passed on December 20, 2019 was the separation and distinguishing of the duties performed by the City Clerk, and the duties of the Council Clerk; and

**WHEREAS**, *Mac Arthur Epps* had previously been serving the City of Jackson as a paid intern based on the monies allocated in the 2019-2020 budget adopted by the Jackson City Council; and

**WHEREAS**, the governing authorities for the City of Jackson believe that *Mac Arthur Epps* has provided valuable service during the training experience as an intern; and

**WHEREAS**, the governing authorities for the City of Jackson is amenable to allowing *Mac Arthur Epps* training experience to continue uninterrupted.

**IT IS HEREBY ORDERED** that *Mac Arthur Epps* shall be appointed to serve as Deputy Clerk of the Council Intern commencing on March 31, 2020.

**IT IS HEREBY ORDERED** that *Mac Arthur Epps* upon commencement of service as Deputy Clerk of the Council Intern shall work at a maximum of 20 hours per week.

**IT IS HEREBY ORDERED** that *Mac Arthur Epps's* tenure as Deputy Clerk of the Council Intern shall continue and be at the will and pleasure of the Jackson City Council.

**IT IS HEREBY ORDERED** that no contract shall be construed as resulting from the appointment of *Mac Arthur Epps* as Deputy Clerk of the Council Intern.

**IT IS HEREBY ORDERED** that Mississippi's law concerning at will employment shall remain unchanged by the appointment of *Mac Arthur Epps* as Deputy Clerk of the Council Intern.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent - Stokes.

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**ORDER APPOINTING KUTENIA TATE GOOD DEPUTY COUNCIL CLERK INTERN.**

**WHEREAS**, the fiscal year 2019-2020 budget adopted by the Jackson City Council allocated monies for paid internships within the Office of the City Clerk; and

**WHEREAS**, subsequent to the adoption of the 2019-2020 budget, the governing authorities for the City of Jackson passed an ordinance on December 20, 2019, which created the Department of Municipal Clerk and created the positions of Deputy Clerk of the Council, Chief Deputy Clerk of the Council, and Deputy Clerk of the Council; and

**WHEREAS**, an effect of the ordinance passed on December 20, 2019 was the separation and distinguishing of the duties performed by the City Clerk, and the duties of the Council Clerk; and

**WHEREAS**, *Kutenia Tate Good* had previously been serving the City of Jackson as a paid intern based on the monies allocated in the 2019-2020 budget adopted by the Jackson City Council; and

**WHEREAS**, the governing authorities for the City of Jackson believe that *Kutenia Tate Good* has provided valuable service during the training experience as an intern; and

**WHEREAS**, the governing authorities for the City of Jackson is amenable to allowing *Kutenia Tate Good* training experience to continue uninterrupted.

**IT IS HEREBY ORDERED** that *Kutenia Tate Good* shall be appointed to serve as Deputy Clerk of the Council Intern commencing on February 18, 2020.

**IT IS HEREBY ORDERED** that *Kutenia Tate Good* upon commencement of service as Deputy Clerk of the Council Intern shall work at a maximum of 20 hours per week.

**IT IS HEREBY ORDERED** that *Kutenia Tate Good* tenure as Deputy Clerk of the Council Intern shall continue and be at the will and pleasure of the Jackson City Council.

**IT IS HEREBY ORDERED** that no contract shall be construed as resulting from the appointment of *Kutenia Tate Good* as Deputy Clerk of the Council Intern.

**IT IS HEREBY ORDERED** that Mississippi's law concerning at will employment shall remain unchanged by the appointment of *Kutenia Tate Good* as Deputy Clerk of the Council Intern.

**Council Member Stamps** moved adoption; **Council Member Banks** seconded.

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**President Lindsay** recognized **Tim Howard**, City Attorney, who stated that an amendment was needed in the seventh paragraph of said order to revise "IT IS HEREBY ORDERED that *Kutenia Tate Good* shall be appointed to serve as Deputy Clerk of the Council Intern commencing on February 18, 2020." and change it to "IT IS, THEREFORE, ORDERED that *Kutenia Tate Good* shall be appointed to serve as Deputy Clerk of the Council Intern commencing on March 31, 2020."

---

**Council Member Stamps** moved; seconded by **Council Member Banks** to amend said order to reflect the changes as stated by **Tim Howard**, City Attorney. The motion prevailed by the following vote:

Yeas- Foote, Banks, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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Thereafter, **President Lindsay** called for a vote on said Order as amended:

**ORDER APPOINTING KUTENIA TATE GOOD DEPUTY COUNCIL CLERK INTERN.**

**WHEREAS**, the fiscal year 2019-2020 budget adopted by the Jackson City Council allocated monies for paid internships within the Office of the City Clerk; and

**WHEREAS**, subsequent to the adoption of the 2019-2020 budget, the governing authorities for the City of Jackson passed an ordinance on December 20, 2019, which created the Department of Municipal Clerk and created the positions of Deputy Clerk of the Council, Chief Deputy Clerk of the Council, and Deputy Clerk of the Council; and

**WHEREAS**, an effect of the ordinance passed on December 20, 2019 was the separation and distinguishing of the duties performed by the City Clerk, and the duties of the Council Clerk; and

**WHEREAS**, *Kutenia Tate Good* had previously been serving the City of Jackson as a paid intern based on the monies allocated in the 2019-2020 budget adopted by the Jackson City Council; and

**WHEREAS**, the governing authorities for the City of Jackson believe that *Kutenia Tate Good* has provided valuable service during the training experience as an intern; and

**WHEREAS**, the governing authorities for the City of Jackson is amenable to allowing *Kutenia Tate Good* training experience to continue uninterrupted.

**IT IS HEREBY ORDERED** that *Kutenia Tate Good* shall be appointed to serve as Deputy Clerk of the Council Intern commencing on March 31, 2020.

**IT IS HEREBY ORDERED** that *Kutenia Tate Good* upon commencement of service as Deputy Clerk of the Council Intern shall work at a maximum of 20 hours per week.

**IT IS HEREBY ORDERED** that *Kutenia Tate Good* tenure as Deputy Clerk of the Council Intern shall continue and be at the will and pleasure of the Jackson City Council.

**IT IS HEREBY ORDERED** that no contract shall be construed as resulting from the appointment of *Kutenia Tate Good* as Deputy Clerk of the Council Intern.

**IT IS HEREBY ORDERED** that Mississippi's law concerning at will employment shall remain unchanged by the appointment of *Kutenia Tate Good* as Deputy Clerk of the Council Intern.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent - Stokes.

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The following reports/announcements were provided during the meeting:

- **Mayor Chokwe Antar Lumumba** announced the following:
  - Encouraged all citizens to abide by all Executive Orders that has been put in place due to Covid-19.

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**Council Member Foote** left meeting.

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**President Lindsay** stated that there were items needed to be discussed in Executive Session regarding "Litigation".

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**President Lindsay** recognized **Council Member Banks** who moved, seconded by **President Lindsay** to go into Closed Session to discuss Agenda Items No. 32, 35, 36, 37, 38 and 39. The motion prevailed by the following vote:

Yeas- Banks, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Foote and Stokes.

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**President Lindsay** announced to the public that the Council voted to go into Closed Session to discuss going into Executive Session regarding "Litigation".

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During Closed Session, **Council Member Stamps** moved, seconded by **Council Member Banks** to go into Executive Session to discuss litigation matters. The motion prevailed by the following vote:

Yeas- Banks, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Foote and Stokes.

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**Council Member Banks** moved, seconded by **Council Member Priester,** to come out of Executive Session. The motion prevailed by the following vote:

Yeas- Banks, Foote, Lindsay, Priester, Stamps, and Tillman.
Nays- None.
Absent- Stokes.

Note: **Council Member Foote** returned to the meeting during Executive Session.

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**President Lindsay** announced to the public that the Council voted to come out of Executive Session and action was taken.

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During Executive Session, the Council voted on Agenda Items No. 35, 32, 36, 37, 38 and 39 as follows:

**ORDER AUTHORIZING THE OFFICE OF THE CITY ATTORNEY TO PURSUE LITIGATION AGAINST ILLINOIS CENTRAL RAILROAD COMPANY DOING BUSINESS AS CN FOR THE PURPOSE OF DECLARING THE UNDERPASS AT WALTER "DUTCH" WELCH DRIVE A CITY STREET AND TO REQUIRE SAID RAILROAD TO REOPEN THE UNDERPASS TO PUBLIC TRAFFIC.**

**WHEREAS**, residents and visitors to the City of Jackson have enjoyed the use of the railroad underpass at Walter "Dutch" Welch Drive far in excess of ten years; and

**WHEREAS**, the City of Jackson maintained the roadway underpass far in excess of ten years; and

**WHEREAS**, because of the use of the underpass by the general public, its maintenance by the City, its use to connect two City streets, Walter "Dutch" Welch Drive and Livingston Road, the uninterrupted use during this extensive period, all in excess of ten years, this underpass is a City street; and

**WHEREAS**, Illinois Central Railroad Company doing business in Mississippi under the registered fictitious name of CN (CN) is the owner of the railroad that passes over Walter "Dutch" Welch Drive; and

**WHEREAS**, CN closed the underpass without the permission of the City and without following any of the procedures provided by Mississippi law or City of Jackson Ordinances for closing and vacating streets; and

**WHEREAS**, the City has requested that CN reopen the underpass to traffic, though CN refuses to do so; and

**WHEREAS**, the reopening of this underpass is vital to the citizens who need to cross the railroad at this point because CN routinely and for extended periods of time blocks the two at grade railroad crossings to the east and west of the underpass; and

**WHEREAS**, the only means remaining to the City to provide citizens with reasonably free passage to and from their homes is by seeking relief in the courts to have this underpass at Walter "Dutch" Welch Drive reopened.

**IT IS HEREBY ORDERED** that the Office of the City Attorney shall be authorized to pursue litigation against the Illinois Central Railroad Company dba CN to declare the railroad underpass at Walter "Dutch" Welch Avenue a City street and to enjoin Illinois Central Railroad Company dba CN to reopen the underpass to public traffic.

**IT IS FURTHER HEREBY ORDERED** that the Office of the City Attorney shall be authorized to incur expenses in connection with its pursuit of the claims against Illinois Central Railroad Company dba CN.

**Council Member Banks** moved adoption; **Council Member Stamps** seconded.

Yeas- Banks, Foote, Lindsay, Priester, Stamps and Tillman.
Nays- None.
Absent- Stokes.

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**ORDER AUTHORIZING THE MAYOR TO EXECUTE A LEGAL SERVICES CONTRACT WITH WILLIAM M. QUIN II AND HIS LAW FIRM MCRANEY MONTAGNET QUIN & NOBLE, PLLC, AND MERRIDA COXWELL, AND HIS LAW FIRM, COXWELL & ASSOCIATIONS, PLLC AS THE CITY OF JACKSON'S ATTORNEYS FOR THE PURPOSE OF INVESTIGATING, PROTECTING AND MAKING ANY AND ALL CLAIMS THE CITY MAY HAVE AGAINST ANY PERSON OR ENTITY ARISING OUT OF JAXON ENERGY, LLC'S ALLEGED MISAPPROPRIATION OF WATER AND OTHER RESOURCES FROM THE CITY OF JACKSON.**

**WHEREAS**, it is in the best interest of the City for the City to engage independent legal counsel to investigate and, if necessary, pursue claims through administrative and/or civil action against any person or entity arising out of or related to Jaxon Energy, LLC's alleged pollution of the environment, and misappropriation of water and other resources from the City of Jackson; and

**WHEREAS**, the individuals and firms identified herein to perform the aforementioned services are William M. Quin II and his law firm McRaney Montagnet Quin & Noble, PLLC and Merrida Coxwell, and his law firm, Coxwell & Associates, PLLC; and

**WHEREAS**, the individuals and two firms have proposed fees paid for services be contingent upon recovery whether by judgment, settlement, or otherwise; and

**WHEREAS**, the proposed legal services contract requires that the attorneys advance all reasonable and necessary expenses associated with the prosecution of the City's claims; and

**WHEREAS**, the proposed legal services contract requires that attorneys are authorized to pay any of the litigation expenses and court costs incurred out of the Client's share of any money recovered for the City, and such payment will be made only after a deduction is made for attorneys' fees; and

**WHEREAS**, the proposed legal services contract requires that attorney's fees to be charged only if the attorneys recover money for the City, subject to exceptions herein; and

**WHEREAS**, the City is agreeable that the attorneys' fees for services rendered will be 30% of the gross recovery obtained for the City; and

**WHEREAS**, the City will agree to assign and convey to the attorneys a lien equal to their full contingency fee in any sums recovered for the City by way of settlement, judgment, or otherwise; and

**WHEREAS**, attorneys may join efforts with other lawyers to pursues the claims of the City at no increase of the attorneys' fees owed by the City; and

**WHEREAS**, the City agrees that should it fail to fully cooperate with attorneys, and should such failure to cooperate cause attorneys to voluntarily withdraw from representation of the City, attorneys are entitled to recoup all money advanced by attorneys on City's behalf, and attorneys will be entitled to a quantum meruit fee for all of attorneys' work which contributed to the recovery of money for the client, based on hourly rates delineated in the legal services contract - $400.00 for work performed by member attorneys of the firms; $300.00 for work performed by non-member attorneys of the firms; and $150.00 for work performed by paralegals of the firms; and

**WHEREAS**, City agrees that in the event the City discharges the attorneys, the attorneys are entitled to recoup all money advanced by the attorneys on the City's behalf, and the attorneys will be entitled to a quantum meruit fee for all the attorneys' work with contributed to the recovery of money for the City, based on hourly rates delineated in the legal services contract - $400.00 for work performed by member attorneys of the firms; $300.00 for work performed by non-member attorneys of the firms; and $150.00 for work performed by paralegals of the firms; and

**WHEREAS**, attorneys are required to keep a record of expenses and time spent working on the case, based on hourly rates delineated above.

**IT IS THEREFORE ORDERED** that the Mayor shall be authorized to execute a contingency fee agreement with William M. Quin II and his law firm, McCraney Montagnet Quin & Noble, PLLC, and Merrida Coxwell, and his law firm, Coxwell & Associates, PLLC consistent with the terms set forth in this Order.

**IT IS FINALLY ORDERED** that the Mayor is authorized to execute any other documents necessary to fulfill this Order.

**Council Member Stamps** moved adoption; **Council Member Banks** seconded.

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**President Lindsay** recognized **Tim Howard**, City Attorney, who stated that an amendment was needed in the seventh paragraph of said order to revise "WHEREAS, the City is agreeable that the attorneys' fees for services rendered will be 30% of the gross recovery obtained for the City; and change it to "WHEREAS, the City is agreeable that the attorneys' fees for services rendered shall be consistent with Section 7-5-8 of the Mississippi Code of 1972, as amended."

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**Council Member Priester** moved; seconded by **Council Member Banks** to amend said order to reflect the changes as stated by **Tim Howard**, City Attorney. The motion prevailed by the following vote:

Yeas- Banks, Lindsay, Priester and Tillman.
Nays- Foote and Stamps.
Absent- Stokes.

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Thereafter, **President Lindsay** called for a vote on said Order as amended:

**ORDER AUTHORIZING THE MAYOR TO EXECUTE A LEGAL SERVICES CONTRACT WITH WILLIAM M. QUIN II AND HIS LAW FIRM MCRANEY MONTAGNET QUIN & NOBLE, PLLC, AND MERRIDA COXWELL, AND HIS LAW FIRM, COXWELL & ASSOCIATIONS, PLLC AS THE CITY OF JACKSON'S ATTORNEYS FOR THE PURPOSE OF INVESTIGATING, PROTECTING AND MAKING ANY AND ALL CLAIMS THE CITY MAY HAVE AGAINST ANY PERSON OR ENTITY ARISING OUT OF JAXON ENERGY, LLC'S ALLEGED MISAPPROPRIATION OF WATER AND OTHER RESOURCES FROM THE CITY OF JACKSON.**

**WHEREAS**, it is in the best interest of the City for the City to engage independent legal counsel to investigate and, if necessary, pursue claims through administrative and/or civil action

against any person or entity arising out of or related to Jaxon Energy, LLC's alleged pollution of the environment, and misappropriation of water and other resources from the City of Jackson; and

**WHEREAS**, the individuals and firms identified herein to perform the aforementioned services are William M. Quin II and his law firm McRaney Montagnet Quin & Noble, PLLC and Merrida Coxwell, and his law firm, Coxwell & Associates, PLLC; and

**WHEREAS**, the individuals and two firms have proposed fees paid for services be contingent upon recovery whether by judgment, settlement, or otherwise; and

**WHEREAS**, the proposed legal services contract requires that the attorneys advance all reasonable and necessary expenses associated with the prosecution of the City's claims; and

**WHEREAS**, the proposed legal services contract requires that attorneys are authorized to pay any of the litigation expenses and court costs incurred out of the Client's share of any money recovered for the City, and such payment will be made only after a deduction is made for attorneys' fees; and

**WHEREAS**, the proposed legal services contract requires that attorney's fees to be charged only if the attorneys recover money for the City, subject to exceptions herein; and

**WHEREAS**, the City is agreeable that the attorneys' fees for services rendered shall be consistent with Section 7-5-8 of the Mississippi Code of 1972, as amended; and

**WHEREAS**, the City will agree to assign and convey to the attorneys a lien equal to their full contingency fee in any sums recovered for the City by way of settlement, judgment, or otherwise; and

**WHEREAS**, attorneys may join efforts with other lawyers to pursues the claims of the City at no increase of the attorneys' fees owed by the City; and

**WHEREAS**, the City agrees that should it fail to fully cooperate with attorneys, and should such failure to cooperate cause attorneys to voluntarily withdraw from representation of the City, attorneys are entitled to recoup all money advanced by attorneys on City's behalf, and attorneys will be entitled to a quantum merit fee for all of attorneys' work which contributed to the recovery of money for the client, based on hourly rates delineated in the legal services contract - $400.00 for work performed by member attorneys of the firms; $300.00 for work performed by non-member attorneys of the firms; and $150.00 for work performed by paralegals of the firms; and

**WHEREAS**, City agrees that in the event the City discharges the attorneys, the attorneys are entitled to recoup all money advanced by the attorneys on the City's behalf, and the attorneys will be entitled to a quantum merit fee for all the attorneys' work with contributed to the recovery of money for the City, based on hourly rates delineated in the legal services contract - $400.00 for work performed by member attorneys of the firms; $300.00 for work performed by non-member attorneys of the firms; and $150.00 for work performed by paralegals of the firms; and

**WHEREAS**, attorneys are required to keep a record of expenses and time spent working on the case, based on hourly rates delineated above.

**IT IS THEREFORE ORDERED** that the Mayor shall be authorized to execute a contingency fee agreement with William M. Quin II and his law firm, McCraney Montagnet Quin & Noble, PLLC, and Merrida Coxwell, and his law firm, Coxwell & Associates, PLLC consistent with the terms set forth in this Order.

**IT IS FINALLY ORDERED** that the Mayor is authorized to execute any other documents necessary to fulfill this Order.

Yeas- Banks, Lindsay, Priester, Stamps and Tillman.
Nays- Foote.
Absent- Stokes.

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**Council Member Stamps** left meeting.

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**ORDER AUTHORIZING PAYMENT OF FULL AND FINAL SETTLEMENT OF ALL CLAIMS IN THE MATTER OF "JEREMIAH HOLMES VS. THE CITY OF JACKSON" IN THE CIRCUIT COURT OF THE FIRST JUDICIAL DISTRICT OF HINDS COUNTY, MISSISSIPPI; CIVIL ACTION NO.: 18-237.**

**WHEREAS**, on May 22, 2018, a Complaint was filed naming the City of Jackson, Mississippi as Defendant, alleging that he was injured as a result of a police pursuit which alleged pursuit was in reckless disregard for Plaintiff's safety in the matter styled, "Jeremiah Holmes v. City of Jackson", In the Circuit Court of Hinds County, Mississippi, Civil Action No. 18-237; and

**WHEREAS**, on March 25, 2020, the parties, through counsel, participated in settlement negotiations where the parties negotiated and after which reached a proposed agreement to settle the aforementioned lawsuit styled "JEREMIAH HOLMES VS. THE CITY OF JACKSON" IN THE CIRCUIT COURT OF THE FIRST JUDICIAL DISTRICT OF HINDS COUNTY, MISSISSIPPI; Civil Action No.: 18-237; and

**WHEREAS**, the Office of the City Attorney is recommending that the City fully and finally resolve this matter with the Plaintiff and his attorney Crymes M. Pittman, in return for a complete release of the City and Entry of an Agreed Order of Dismissal; and

**WHEREAS**, such settlement shall not constitute an admission of liability on the part of the City of Jackson, Mississippi; and

**WHEREAS**, based on the economic value to the City and without admitting any liability, it is in the best interest of the City of Jackson, Mississippi that the City of Jackson resolve this matter and settle the Plaintiff's claims in an amount not to exceed $140,000.00 in attorney's fees and other compensatory damages.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, by the City Council of the City of Jackson, Mississippi, that the City of Jackson, Mississippi pay a total sum not to exceed $140,000.00 to Jeremiah Holmes and his attorney Crymes M. Pittman in return for a complete release of the City from any and all liability.

**Council Member Tillman** moved adoption; **Council Member Banks** seconded.

Yeas- Banks, Foote, Lindsay, Priester and Tillman.
Nays- None.
Absent- Stamps and Stokes.

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**ORDER AUTHORIZING SETTLEMENT OF THE COMPLAINT FILED IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI NORTHERN DIVISION STYLED SHERION D. BERRY VERSUS CITY OF JACKSON POLICE DEPARTMENT AND JOHN DOES 1-4 CAUSE #3:18CV00339 DPJ-FKB FOR THE SUM OF $7,000.00.**

**WHEREAS**, the City of Jackson's Department of Personnel Management advertised a vacancy for the Communications Manager position in the year 2017; and

**WHEREAS**, applications were received from both internal and external applicants; and

**WHEREAS**, Sherion D. Berry was among the individuals submitting an application; and

**WHEREAS**, Sherion D. Berry is a Caucasian female and was 60 years of age at the time of submitting the application; and

**WHEREAS**, three (3) current employees of the City of Jackson, who were all African American females age 40 and above were referred for interviews; and

**WHEREAS**, Sherion D. Berry filed a complaint in the United States District Court for the Southern District of Mississippi alleging that she was qualified for the position and denied an interview opportunity on the basis of her age and race; and

**WHEREAS**, an Answer was filed by the Office of the City Attorney denying the allegation of age and race discrimination; and

**WHEREAS**, the Office of the City Attorney has been zealously defending the City's hiring decision; and

**WHEREAS**, a settlement conference was conducted on March 24, 2020, and the Plaintiff's initial demand was $100,000.00; and

**WHEREAS**, after negotiation, the Office of the City Attorney indicated that it was amenable to recommending settlement for the sum of $7,000.00; and

**WHEREAS**, the Office of the City Attorney has evaluated the merits of the Plaintiff's complaint and believes that $7,000.00 is a reasonable settlement term and would reduce the incurring of additional time and expenses including but not limited to witness fees if motions for summary judgment are denied, and the case proceeded to trial;

**IT IS HEREBY ORDERED** that the Office of the City Attorney shall be authorized to settle the litigation pending in Cause # 3:18cv00339 pending in the United States District Court for the Southern District of Mississippi for the sum of $7,000.00;

**IT IS FURTHER ORDERED** that the Office of the City Attorney shall be authorized to take any action consistent with this order and necessary for concluding the settlement and securing dismissal of the action pending in the United States District Court for the Southern District of Mississippi.

**Council Member Banks** moved adoption; **Council Member Tillman** seconded.

Yeas- Banks, Foote, Lindsay, Priester and Tillman.
Nays- None.
Absent- Stamps and Stokes.

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**ORDER AMENDING "THE ORDER AUTHORIZING FULL AND FINAL SETTLEMENT OF THE CLAIMS THE CITY OF JACKSON ASCERTED IN CITY OF JACKSON VS. JACKSON ZOOLOGICAL SOCIETY, ET AL., AGAINST THE JACKSON ZOOLOGICAL SOCIETY, INC. AND CERTAIN PRESENT AND FORMERS MEMBERS OF THE JACKSON ZOOLOGICAL SOCIETY, INC. BOARD OF DIRECTORS" LOCATED IN BOOK 6Q AT PAGES 130-131.**

**WHEREAS**, the governing authorities for the City of Jackson, Mississippi ("City") pass an order on October 15, 2019(located in Minute Book 6Q at Pages 130-131) which authorized the terms and conditions of the settlement of *City of Jackson vs. Jackson Zoological Society Inc., et al.,* Cause No. G19-1206 T/1; and

**WHEREAS**, the settlement of the afore-mentioned lawsuit was read into the record before the presiding chancellor; however, subsequent to the announced settlement, the parties find themselves in a disagreement over the meaning of certain terms in the settlement; and,

**WHEREAS**, it is in the best interest of the City and the opposing parties to amend the terms of the settlement in order to avoid any further delay in either party meeting its substantive obligations under the settlement; and

**WHEREAS**, the City asserted in its lawsuit, among other things, that: (1) JZS was indebted to the City for delinquent water bills that accumulated over time to total approximately six million dollars; (2) JZS was indebted to the City for $350,000.00 for misapplied State bond funds that the City was forced to repay to the Miss. Dept. of Finance and Admin. on behalf of JZS; (3) there was a danger that JZS would remove and/or sale Jackson's zoo animals and/or personal property; and (4) some present and/or former JZS board members may have borne some responsibility for the afore-mentioned indebtedness through their actions or inactions; and,

**WHEREAS**, the City and Defendants have reached a compromise and agreed to a settlement which consisted of the following terms and conditions:

(1) the Defendants will relinquish and assign all its right, title and interest to the animals at the zoo, or on loan from the zoo to the City;

(2) JZS will assign all of its personal property, monetary and other assets, to the City;

(3) the City will dismiss the lawsuit with prejudice including all claims associated with the delinquent water bills and the bond funds repaid by the City;

(4) the City will withdraw its demand of JZS for an audit of JZS and Jackson Zoo while under JZS's management;

(5) JZS will permanently dissolve after transferring and/or assigning all of its assets to the City.

(6) the City will enter into a release of all Defendants and people acting in concert with those Defendants; and

(7) all parties will bear their own costs, attorney's fees and any other legal expenses.

**WHEREAS**, it is in the best interest of the City of Jackson, Mississippi that the City agree to amend terms (2) and (5) of the settlement as follows:

(2) JZS will assign all of its personal property, monetary and other assets (this excludes "debts"), to the City of Jackson.

(5) JZS will immediately:
(a) cease making any solicitations on behalf of, or using the name of the "Jackson Zoo", or the "City of Jackson"; and
(b) assign any current or future proceeds from car tag sales connected to or intended by anyone for the benefit of the Jackson Zoological Park, to the City.

**WHEREAS,** all of the other afore-mentioned terms previously approved, namely terms (1) , (3), (4), (6) and (7), remain unchanged.

**THEREFORE, IT IS HEREBY ORDERED**, afore-mentioned amendment(s) to the settlement authorization located in Minute Book 6Q at Pages 130-131 is approved by the governing authorities for the City of Jackson. Further, that City Attorney, Mayor, and/or their designees, are authorized to execute any and all documents necessary to finalize the afore-mentioned settlement and amendments thereto.

**Council Member Tillman** moved adoption; **President Lindsay** seconded.

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**President Lindsay** withdrew her second due to conflict of interest and recused herself by leaving the meeting.

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**Council Member Tillman** moved adoption; **Council Member Priester** seconded. The motion prevailed by the following vote:

Yeas- Banks, Foote, Priester and Tillman.
Nays- None.
Absent- Stamps and Stokes.

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There came on for consideration Agenda Item No. 39:

**ORDER AUTHORIZING THE CITY ATTORNEY TO JOIN IN AND EXECUTE AN AGREED JUDGMENT IN THE SUIT FILED BY RIVER PLACE LLC AGAINST ROBERT E. HARRISON, JR. AND OTHERS INCLUDING THE CITY OF JACKSON, WHICH SEEKS TO CONFIRM AND QUIET TITLE FOR REAL PROPERTY DESCRIBED AS 40 FT N/S DAVIS STREET X 110 FT N & S in SW CORNER LOT 4 CONDON SY NJ, PARCEL 72-10 LOCATED IN JACKSON, MISSISSIPPI.** Said item was tabled by the Administration.

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There being no further business to come before the City Council, it was unanimously voted to adjourn until the next Regular Council meeting at 10:00 a.m. on April 14, 2020. At 2:10 p.m., the Council stood adjourned.

**PREPARED BY:**

Shaneka Morley

**INTERIM CLERK OF COUNCIL**

**APPROVED:**

4/13/2020

**MAYOR** M.D.H **DATE**

**ATTEST:**

Angela Harris

**CITY CLERK** AH

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