

CITY BOND PURCHASE AGREEMENT

THIS CITY BOND PURCHASE AGREEMENT (this "Agreement"), dated as of _____, 2022, by and between the **MISSISSIPPI DEVELOPMENT BANK** (the "Bank"), a public body corporate and politic of the State of Mississippi (the "State"), created pursuant to the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "Act"), and **CITY OF DIAMONDHEAD, MISSISSIPPI** (the "City"), a "local governmental unit" within the meaning of the Act.

WITNESSETH:

WHEREAS, pursuant to the Act, the Bank is authorized to purchase "securities" (as defined in the Act) issued by "local governmental units" (as defined in the Act); and

WHEREAS, the City has duly authorized the issuance of its general obligation bond designated City of Diamondhead, Mississippi General Obligation Bond, Series 2022 (Capital Improvements Project) in the principal amount of Six Million Dollars (\$6,000,000) (the "City Bond"); and

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

WHEREAS, the Bank adopted a resolution on September 14, 2022 approving a Trust Indenture (the "Indenture"), dated as of _____, 2022, by and between the Bank and _____, as trustee (the "Trustee"), and authorizing the issuance of its Mississippi Development Bank Special Obligation Bonds, Series 2022 (City of Diamondhead, Mississippi General Obligation Bond Project) in the aggregate principal amount of Six Million Dollars (\$6,000,000) (the "Bank Bonds"), a portion of the proceeds of which will be used to purchase the City Bond.

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

1. Subject to the terms and conditions of this Agreement, the Bank hereby agrees to purchase the City Bond and the City hereby agrees to sell to the Bank the City Bond at the purchase price of \$ _____ .00 (representing the par amount of the City Bond of \$6,000,000, less \$ _____ .00 retained by the Trustee under the Indenture and deposited to the Bond Issuance Expense Account of the General Fund to pay the costs of issuance of the City Bond and the Bank Bonds). The amount of such purchase price will be distributed immediately to the City, all as provided under the terms of this Agreement and that certain bond resolution (the "City Bond Resolution") adopted on September 6, 2022, pursuant to which the City will issue the City Bond. The terms of the City Bond are set forth in the City Bond Resolution and incorporated herein by reference.

2. The City will take all action required by law to enable it to issue and sell the City Bond to the Bank, and the City's obligation to issue and sell the City Bond and the Bank's obligation to purchase the City Bond are expressly contingent upon the City's taking all steps and receiving all approvals required by the laws of the State to issue and sell the City Bond.

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

the City. The City agrees to provide documentation to the Bank relative to the computation of the Rebate Requirement and payment of such Rebate Requirement when required.

4. At such time as the Bank shall reasonably request and in any event prior to the delivery to the Bank of the City Bond, which City Bond shall be in the form set forth in the Indenture and the City Bond Resolution and registered in the name of as the Trustee, as the assignee of the Bank, the City shall furnish to the Bank a transcript of proceedings and opinions of Butler Snow LLP ("Bond Counsel") and Derek Cusick, PLLC, Gulfport, Mississippi (the "City's Counsel") satisfactory to the Bank which shall set forth, among other things, an unqualified approval of Bond Counsel and the City's Counsel in connection with the City Bond. The City shall bear the cost of such opinions which cost shall be paid out of the Bond Issuance Expense Account of the General Fund under the Indenture.

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

6. The City agrees to furnish to the Bank as long as any of the City Bond remains outstanding annual financial reports, audit reports and such other financial information as is reasonably requested by the Bank and as required by the Indenture.

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

8. If the Bank does not execute a Private Placement Agreement for the sale of the Bank Bonds on or before _____, 2022 and deliver the Bank Bonds and receive payment therefor on or before _____, 2022, the City may rescind this Agreement by giving written notice of such rescission to the Executive Director of the Bank. The Bank is obligated to purchase the City Bond solely from proceeds of the Bank Bonds.

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

10. The City has reviewed a draft of the Indenture as of the date hereof and approves the terms thereof and agrees to take all actions required of it thereunder.

11. 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.

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

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

IN WITNESS WHEREOF, we have hereunto set our hands unto this City Bond Purchase Agreement as of the date first above written.

(SEAL)

MISSISSIPPI DEVELOPMENT BANK

By _____
Executive Director

ATTEST:

By _____
Secretary

(SEAL)

CITY OF DIAMONDHEAD, MISSISSIPPI

By _____
Mayor