

**TRUST INDENTURE**

**BY AND BETWEEN**

**MISSISSIPPI DEVELOPMENT BANK**

**AND**

**\_\_\_\_\_,  
AS TRUSTEE**

**DATED AS OF \_\_\_\_\_, 2022**

**RELATING TO THE ISSUANCE OF**

**MISSISSIPPI DEVELOPMENT BANK  
SPECIAL OBLIGATION BONDS, SERIES 2022  
(CITY OF DIAMONDHEAD, MISSISSIPPI GENERAL  
OBLIGATION BOND PROJECT)**

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**EXHIBIT A – FORM OF CITY BOND**

## TRUST INDENTURE

**THIS TRUST INDENTURE** (this "**Indenture**") is dated as of \_\_\_\_\_, 2022, 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 amended and supplemented from time to time (the "**Bank Act**"), and \_\_\_\_\_, as Trustee (the "**Trustee**"), a national banking association duly organized, existing and authorized under the laws of United States of America to accept and execute trusts of the character herein with a corporate trust office in \_\_\_\_\_, Mississippi, as trustee.

### WITNESSETH:

**WHEREAS**, the Bank is authorized and empowered by the provisions of the Bank Act to issue bonds for the purpose of buying "securities" of "local governmental units" (as such terms are defined in the Bank Act); and

**WHEREAS**, City of Diamondhead, Mississippi (the "**City**") is a Local Governmental Unit (as hereinafter defined) under the Bank Act and has duly authorized the issuance of its City of Diamondhead, Mississippi General Obligation Bond, Series 2022 (Capital Improvements Project) in the aggregate principal amount of \_\_\_\_\_ Million Dollars (\_\_\_\_\_) (the "**City Bond**"); and

**WHEREAS**, pursuant to the terms and provisions hereof and a City Bond Purchase Agreement, dated as of \_\_\_\_\_, 2022, by and between the Bank and the City (the "**City Bond Purchase Agreement**"), the Bank will issue its \_\_\_\_\_ Special Obligation Bonds, Series 2022 (City of Diamondhead, Mississippi General Obligation Bond Project) (the "**Series 2022 Bonds**") to provide funds to purchase the City Bond and to pay the costs incident to the sale and issuance of the Series 2022 Bonds and the City Bond; and

**WHEREAS**, the proceeds of the City Bond will be used by the City to provide funds to pay the costs (i) constructing, maintaining, reconstructing, improving, and repairing roads and streets and acquiring rights-of-way therefore if necessary; (ii) erecting, repairing, improving, extending or maintaining waterworks or water distribution systems, and repairing, improving and extending the same; (iii) establishing erecting, repairing, improving, extending or maintaining sanitary, storm, drainage or sewerage systems; (iv) constructing, maintaining, reconstructing, improving, and repairing bridges and culverts; and (v) for other authorized purposes under the Act, including funding capitalized interest, if applicable and paying the costs of borrowing (the "**Project**"); and

**WHEREAS**, the execution and delivery of this Indenture has been in all respects duly and validly authorized by a resolution duly passed and approved by the Board of Directors of the Bank.

### NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

#### GRANTING CLAUSES

The Bank, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, Redemption Price (as hereinafter defined), 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 (collectively, the "**Trust Estate**"), 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 (as hereinafter defined) and Accounts (as hereinafter defined) created or established under this Indenture (other than the Rebate Fund, as hereinafter defined) and the investment earnings thereon (other than the Rebate Fund) and all proceeds thereof (except to the extent in the Rebate Fund or any amounts which are transferred from such Funds and Accounts from time to time in accordance with this Indenture).

### **GRANTING CLAUSE SECOND**

The City Bond acquired and held by the Trustee pursuant to this Indenture and the City Bond Purchase Agreement, all the payments thereunder, all the earnings thereon and all proceeds thereof.

### **GRANTING CLAUSE THIRD**

All funds, accounts and monies hereinafter pledged to the Trustee in accordance with this Indenture as security by the Bank to the extent of that pledge.

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

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

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

## ARTICLE I.

### DEFINITIONS AND RULES OF INTERPRETATION

**SECTION 1.01. Definitions.** The following words and phrases shall have the following meanings unless the context otherwise requires:

#### **Accounts**

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

#### **Act**

“Act” shall mean together the Bank Act and the City Bond Act.

#### **Authorized Denomination**

“Authorized Denomination” shall mean denominations of \$100,000 each and increments of \$1,000 thereafter, or integral multiples thereof up to the amount of a single maturity.

#### **Authorized Officer(s)**

“Authorized Officer(s)” 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, or any successor to its functions, organized under 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.

#### **Bankruptcy Code**

“Bankruptcy Code” shall mean 11 U.S.C. Sections 101 *et seq.*, as amended or supplemented from time to time.

#### **Bond Counsel**

“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. Butler Snow LLP, Ridgeland, Mississippi, is serving as Bond Counsel in connection with the sale and issuance of the Series 2022 Bonds.

**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.

**Bondholder**

“Bondholder” or “holder of Bonds” or “owner of Bonds” or any similar term shall mean the Registered Owner of any Bond.

**Bonds**

“Bonds” shall mean the Series 2022 Bonds and any Refunding Bonds issued pursuant to the terms and provisions of this Indenture.

**Business Day**

“Business Day” shall mean any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or the principal corporate trust office of the Trustee, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

**City**

“City” shall mean City of Diamondhead, Mississippi, a “local governmental unit” under the Bank Act.

**City Bond**

“City Bond” shall mean the City's \_\_\_\_\_ General Obligation Bond, Series 2022 (Capital Improvements Project), the form of which is attached hereto as Exhibit A and registered in the name of the Trustee as assignee of the Bank pursuant to this Indenture.

**City Bond Act**

“City Bond Act” shall mean Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

**City Bond Payments**

“City Bond Payments” shall mean the amounts paid or required to be paid, from time to time, for principal, premium, if any, and interest on the City Bond held by the Trustee pursuant to this Indenture.

**City Bond Purchase Agreement**

“City Bond Purchase Agreement” shall mean that certain City Bond Purchase Agreement, dated as of June \_\_, 2022, by and between the City and the Bank in connection with the sale and issuance of the City Bond.

## **City Bond Resolution**

“City Bond Resolution” shall mean the resolution adopted by the Governing Body on September 6, 2022, in connection with the sale and issuance of the City Bond to the Bank.

## **City Project**

“City Project” shall mean providing financing for the costs of i) constructing, maintaining, reconstructing, improving, and repairing roads and streets and acquiring rights-of-way therefore if necessary; (ii) erecting, repairing, improving, extending or maintaining waterworks or water distribution systems, and repairing, improving and extending the same; (iii) establishing erecting, repairing, improving, extending or maintaining sanitary, storm, drainage or sewerage systems; (iv) constructing, maintaining, reconstructing, improving, and repairing bridges and culverts; and (v) for other authorized purposes under the Act, including funding capitalized interest, if applicable and paying the costs of borrowing.

## **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 items of expense payable or reimbursable directly or indirectly by the Bank and related to the authorization, sale, validation, issuance and delivery of the Series 2022 Bonds and the sale and purchase of the City Bond, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, financial advisory fees and expenses, Bond Counsel fees and expenses, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Series 2022 Bonds, credit enhancements or liquidity facility fees, fees and expenses of the Placement Agent and other costs, charges and fees in connection with the foregoing.

## **Counsel**

“Counsel” shall mean an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and approved by the Bank and the City.

## **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.

## **Event of Taxability**

“Event of Taxability” means a determination that interest paid or payable on the Series 2022 Bonds is includable for federal income tax purposes in the gross income of the Registered Owner thereof. An Event of Taxability shall be evidenced by (a) a written opinion by an attorney or firm of attorneys of nationally recognized standing on the subject of tax-exempt municipal finance, (b) notice or other written determination by the Internal Revenue Service or

any other government official or agency exercising the same or a substantially similar function from time to time, (c) a judgment of a court of competent jurisdiction, in each case determining that interest paid or payable on the Series 2022 Bonds is or was includable in the gross income of a holder of the Series 2022 Bonds for federal income tax purposes or (d) failure of the City to deliver to the Lender, within ninety (90) days of the Lender's request therefor, an opinion from nationally recognized bond counsel addressed and acceptable to the Lender and the City that interest paid and payable on the Series 2022 Bonds is excludable from gross income for federal income tax purposes, provided that if the City obtains, at the Lender's request, the opinion described in this clause (d), the Lender shall pay the reasonable costs for said opinion.

### **Fiscal Year**

“Fiscal Year” shall mean, when used with respect to the Bank, the Bank's fiscal year being the twelve-month period from July 1 through the following June 30 or such other fiscal year as may be established by the Bank.

### **Funds**

“Funds” shall mean the funds created pursuant to Article VI hereof (except for 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.

### **Governing Body**

“Governing Body” shall mean Mayor and City Council of the City.

### **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.

### **Indenture**

“Indenture” shall mean this Trust Indenture, 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 Series 2022 Bonds, being \_\_\_\_\_ 1 and \_\_\_\_\_ 1, and commencing \_\_\_\_\_, 2023.

### **Investment Securities**

“Investment Securities” means any of the following to the extent such investments are permitted by State law: (a) obligations of any municipality of the State or the State or the United States of America rated at least “A” by S&P or “A-1” by 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.

### **Lender**

“Lender” shall mean \_\_\_\_\_.

### **Local Governmental Unit**

“Local Governmental Unit” shall mean (a) any City, municipality, utility district, regional solid waste authority, City cooperative service district or political subdivision of the State, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under state law, such as the City. The City is a Local Governmental Unit under the Bank Act.

### **Notice Address**

“Notice Address” shall mean, with respect to the City, the Bank, the Trustee and the Placement Agent:

**City:** City of Diamondhead, Mississippi

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

**Trustee:** \_\_\_\_\_  
**Placement Agent:** Crews & Associates, inc.

**Lender:**

**Opinion of Bond Counsel**

“Opinion of Bond Counsel” shall mean an opinion by a nationally recognized firm experienced in matters relating to the tax exemption for interest payable on obligations of states and their instrumentalities and political subdivisions under federal law, and which is acceptable to the Bank and the Trustee.

**Opinion of Counsel**

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

**Outstanding**

“Outstanding” or “Bonds then 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.

**Placement Agent**

“Placement Agent” shall mean Crews & Associates, Inc., Memphis, Tennessee.

**Placement Agreement**

“Placement Agreement” shall mean that certain Private Placement Agreement, dated \_\_\_\_\_, 2022, by and among the Bank, the City and the Placement Agent.

**Principal Office**

“Principal Office” shall mean, as it relates to the Trustee, the address for the Trustee set forth under the definition of Notice Address above.

**Principal Payment Date**

“Principal Payment Date” shall mean the maturity date or any mandatory sinking fund redemption date of the Series 2022 Bond as set forth in Section 2.03 hereof.

**Program**

“Program” shall mean the program for purchasing Securities of 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 relating to the Series 2022 Bonds or the City Bond and costs of determining the amount rebatable, if any, to the United States of America under Section 6.09 hereof, all to the extent properly allocable to the Program and approved in writing by the Bank.

**Project**

“Project” shall mean providing funds for the purpose of (a) purchasing the City Bond and (b) paying the Costs of Issuance.

**Purchase Account**

“Purchase Account” shall mean the account by that name created by Section 6.02 hereof.

**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 fifteenthday 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, and accrued interest 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 (except for the Rebate Fund) and all income, revenues and profits of the Funds and Accounts (except for the Rebate Fund) referred to in the Granting Clauses hereof including, without limitation, all City Bond Payments and any additional amounts paid to the Trustee under the City Bond Resolution or from any other source whatsoever.

## **Securities**

“Securities” shall mean bonds, notes or other evidences of indebtedness issued by a Local Governmental Unit pursuant to the Bank Act including the City Bond.

## **Series 2022 Bonds**

“Series 2022 Bonds” shall mean the Bank's \_\_\_\_\_ Mississippi Development Bank Special Obligation Bonds, Series 2022 (City of Diamondhead, Mississippi General Obligation Bond Project) issued pursuant to Section 2.01 of this Indenture.

## **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 Certificate**

“Tax Certificate” shall mean the Tax Compliance and No-Arbitrage Certificate delivered upon the issuance of the Series 2022 Bonds.

## **Taxable Rate**

“Taxable Rate” means \_\_\_\_\_ % per annum with respect to interest on the Series 2022 Bonds during the period an Event of Taxability has occurred and is continuing.

## **Trust Estate**

“Trust Estate” shall mean the property, rights, and amounts pledged and assigned to the Trustee as security for the Series 2022 Bonds pursuant to the Granting Clauses hereof.

## **Trustee**

“Trustee” shall mean the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, and which shall initially be \_\_\_\_\_, \_\_\_\_\_, Mississippi.

**SECTION 1.02. Rules of Interpretation.** For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) “This Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

(b) All references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein”, “hereof”, “hereunder”, and “herewith” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article or elsewhere in this Indenture have the meanings assigned to them in this Article or elsewhere in this Indenture, as the case may be, and include the plural as well as the singular.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(e) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(f) The headings or captions used in this Indenture are for convenience of reference only and shall not define or limit or describe any of the provisions hereof or the scope or intent thereof.

## ARTICLE II.

### AUTHORIZATION AND ISSUANCE OF BONDS

#### **SECTION 2.01. Authorization and Issuance of the Series 2022 Bonds.**

(a) In accordance with the Act, the single, fully registered bond titled the "Mississippi Development Bank Special Obligation Bonds, Series 2022 (City of Diamondhead, Mississippi General Obligation Bond Project)" is hereby authorized to be issued, authenticated and delivered in the aggregate principal amount of \_\_\_\_\_ 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 2022 Bonds issued pursuant to this Indenture. The Series 2022 Bonds shall be payable solely from the Revenues. The State shall not be liable on the Series 2022 Bonds and the Series 2022 Bonds shall not be a debt, liability, pledge of the faith or loan of the credit or moral obligation of the State. The Series 2022 Bonds shall contain on the face thereof a statement to the effect that the Bank is obligated to pay the principal of the Series 2022 Bonds, Redemption Price, and the interest thereon only from the Revenues and that the State is not obligated to pay such principal, Redemption Price, and interest and that neither the faith and credit nor the taxing power of the State or any political subdivision thereof except for the City, is pledged to the payment of the Series 2022 Bonds. In the Bank Act, the State has pledged to and agreed with the holders of any Series 2022 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 2022 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 2022 Bonds, are fully met and discharged. All Series 2022 Bonds shall mature on or before August 1, 2037.

**SECTION 2.02. Purpose and Disposition of the Series 2022 Bonds.** The purpose for issuing the Series 2022 Bonds is (a) to fund the Purchase Account, in order to provide funds for the purchase of the City Bond (which amounts are to provide financing for the City Project pursuant to the Act), and (b) to fund the Bond Issuance Expense Account of the General Fund to pay the Costs of Issuance for the Series 2022 Bonds and the City Bond. Upon the delivery of the Series 2022 Bonds and receipt of the net proceeds therefor, the Bank shall deliver to the Trustee proceeds of the Series 2022 Bonds in the amount of \_\_\_\_\_. The proceeds of the Series 2022 Bonds shall be deposited as follows: (a) into the Bond Issuance Expense Account of the General Fund, the sum of \$\_\_\_\_\_.00 to pay the Costs of Issuance in connection with the Series 2022 Bonds and the City Bond and (b) into the Purchase Account of the General Fund, the sum of \$\_\_\_\_\_.00 to be immediately distributed to the City as provided in the City Bond Purchase Agreement.

**SECTION 2.03. General Description of the Series 2022 Bonds.** The Series 2022 Bonds shall initially be issued as a single, fully registered bond in an amount equal to the total principal amount of such bond authorized in the amount of \_\_\_\_\_ and shall be numbered from R-1.

The Series 2022 Bond shall be dated the date of delivery. If the Series 2022 Bond is authenticated on or prior to \_\_\_\_\_, 2023, it shall bear interest from the date of its initial delivery. The Series 2022 Bond authenticated after \_\_\_\_\_, 2023 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 2022 Bond unless such Series 2022 Bond is authenticated after

a Record Date and on or before the next succeeding Interest Payment Date, in which event the Series 2022 Bond will bear interest from such next succeeding Interest Payment Date.

Interest on the Series 2022 Bonds shall be payable on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_, 2023, until the Series 2022 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 2022 Bonds shall bear interest at the rate stated below subject to adjustment to the Taxable Rate upon the occurrence and continuance of an Event of Taxability. Upon the occurrence of an Event of Taxability, the Lender shall provide the Bank, the City and the Trustee with an updated debt service schedule for the Series 2022 Bonds which shall supersede the prior debt service schedule.

The Series 2022 Bonds shall mature on \_\_\_\_\_ 1 in the year and in the principal amounts, and shall bear interest at the rates per annum, all as set forth below:

<b>Year of Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
		_____ %

**SECTION 2.04. Provisions for Issuance of Series 2022 Bonds.** The Series 2022 Bonds shall be executed by Authorized Officers and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Lender, as specified in a written order of the Bank, but only upon the receipt by the Trustee of:

(a) An opinion of counsel to the Bank dated as of the date of delivery thereof to the effect that (1) this Indenture and the performance by the Bank of its obligations hereunder, have been duly authorized, and this 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 Series 2022 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; (3) all resolutions and actions of the Bank relating to the Series 2022 Bonds and the City Bond 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 Act have been obtained or taken as required;

(b) A written order as to the delivery of the Series 2022 Bonds, signed by an Authorized Officer;

(c) A copy of the resolution adopted and approved by the Bank, authorizing the execution and delivery of this Indenture and the issuance and sale of the Series 2022 Bonds, certified by an Authorized Officer;

(d) An Opinion of Bond Counsel dated as of the date of delivery thereof;

(e) A certificate of an Authorized Officer that the issuance of the Series 2022 Bonds will not violate any limitations in the Act or any other laws of the State as to the amount of bonds that may be outstanding from time to time under the Act;

(f) A certificate of an Authorized Officer that the Act has not been repealed or amended in a manner that would adversely affect the rights of the registered owner of the Series 2022 Bonds; and

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

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

(a) All or any part of one or more series of Refunding Bonds may be issued hereunder, 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 Act, this Section and by the Supplemental Indenture authorizing said Refunding Bonds.

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

- (i) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Series 2022 Bonds to be refunded on the redemption date specified in such instructions which notice may be a conditional notice;
- (ii) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice provided for in Section 4.05 hereof to the owners of the Series 2022 Bonds being refunded (which may be a conditional notice of redemption); and
- (iii) Either (A) monies in an amount sufficient to effect timely payment at the applicable Redemption Price or principal payment amount of the Series 2022 Bonds to be refunded or paid, respectively, together with accrued interest on such Series 2022 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 an escrow agent approved by the City and the Bank in a separate account irrevocably in trust for and assigned to the registered owner of the Series 2022 Bonds, 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.

**SECTION 2.06. Form of Series 2022 Bonds.** The Series 2022 Bonds and the Trustee's certificate of authentication to be endorsed on the Series 2022 Bonds are all to be in substantially the following form, with necessary and appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture, as applicable:

[FORM OF SERIES 2022 BOND]

UNITED STATES OF AMERICA  
STATE OF MISSISSIPPI

MISSISSIPPI DEVELOPMENT BANK  
SPECIAL OBLIGATION BONDS, SERIES 2022  
(CITY OF DIAMONDHEAD, MISSISSIPPI  
GENERAL OBLIGATION BOND PROJECT)

NO. R-1

Interest Rate	Maturity Date	Original Issuance Date	CUSIP
_____ %	_____ 1, 20____	_____, 2022	NONE

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ MILLION DOLLARS

The Mississippi Development Bank, a public body corporate and politic, exercising essential public functions (the "Bank"), organized under the laws of the State of Mississippi (the "State"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, the principal amount stated above in lawful money of the United States of America but solely from the sources referred to herein and not otherwise, on the Maturity Date specified above, unless this Bond, as hereinafter defined, shall be redeemable and shall previously have been called for redemption and payment of the Redemption Price made or provided for, and to pay interest on such principal amount in like money, but solely from said sources, from the Interest Payment Date to which interest has been paid as of the date of authentication of this Bond (unless this Bond is authenticated on or before \_\_\_\_\_, 2023 then from the date of its initial delivery or unless this Bond is authenticated after \_\_\_\_\_, 2023 and on or before the next succeeding Interest Payment Date, then from such Interest Payment Date or unless payment of the interest on this Bond is in default, then from such date when interest has been paid in full, or upon the occurrence of an Event of Taxability, then at the Taxable Rate) at the Interest Rate per annum stated above, payable on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 (each an Interest Payment Date), commencing \_\_\_\_\_, 2023, until payment of such principal amount shall have been made upon redemption or at maturity. The principal of this Bond is payable at the corporate trust office of \_\_\_\_\_, Jackson, Mississippi, as Trustee, (the "Trustee"), or at the principal corporate trust office of any successor trustee appointed under the Indenture hereinafter mentioned. Payments of interest hereon and principal paid in connection with mandatory sinking fund redemptions or partial redemptions pursuant to the optional redemption provisions will be made to the Registered Owner hereof (whose name appears on the Bond Register 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 Bond Register or at such other address as is furnished to the Trustee in writing by such Registered Owner or at the written election of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Bonds delivered to the Trustee at least one Business Day prior to the applicable Record Date for which such election will be effective by wire transfer to the Registered Owner or by deposit into the account of the Registered Owner if such account is maintained by the Trustee.

This Bond and the other Bonds, and the interest payable hereon and thereon, are payable solely by the Bank from the Revenues (as hereinafter defined) and other funds of the Bank pledged therefor under the Indenture, which Revenues and funds include the payments on the City Bond (as hereinafter defined) purchased by the Bank from City of Diamondhead, Mississippi (the “City”). The Bank has no taxing power. This Bond and the other Bonds, both as to principal and interest, constitutes neither a debt, liability or loan of the credit of the State or any political subdivision thereof under the Constitution or statutes of the State nor a pledge of the faith and credit or the taxing power of the State or any political subdivision thereof, including the Bank, but shall be payable solely from the Revenues and other funds pledged therefor, including, without limitation, the avails of the full faith and credit of the City derived or to be derived from payments made in respect of the City Bond pursuant to the City Bond Resolution (as hereinafter defined). The issuance of the Bonds under the provisions of the Act (as hereinafter defined) does not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution or the statutes of the State and do not now and shall never constitute a charge against the credit of the State or any political subdivision thereof or a charge against the taxing power of the State or any political subdivision thereof; provided, however, that the City Bond is secured by the full faith, credit and taxing power of 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, Redemption Price, 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 (as defined herein), the State has pledged and agreed with the holders of any Bonds that the State will not limit or alter the rights thereby vested in the Bank to fulfill the terms of any agreements made with the 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 2022 (City of Diamondhead, Mississippi General Obligation Bond Project), issued under and secured by a Trust Indenture, dated as of \_\_\_\_\_, 2022 (the “Indenture”), by and between the Bank and the 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 and supplemented from time to time (the “Bank Act”) and Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the “City Bond Act” and together with the Bank Act, the “Act”), to provide funds to purchase the City Bond of the City and to pay the costs of issuing the Bonds and the City Bond. The City Bond is the City's \_\_\_\_\_ Million Dollars (\_\_\_\_\_) General Obligation Bond, Series 2022 (Capital Improvements Project) (the “City Bond”). The City Bond is a general obligation of the City as secured and described in resolutions adopted by the Mayor and City Council of the City on June 7, July 19 and September 6, 2022 (together, the “City Bond Resolution”). The proceeds received by the City from the sale of the City Bond to the Bank will be used to provide funds to the City to pay the costs of (i) constructing, maintaining, reconstructing, improving, and repairing roads and streets and acquiring rights-of-way therefore if necessary; (ii) erecting, repairing, improving, extending or maintaining waterworks or water distribution systems, and repairing, improving and extending the same; (iii) establishing erecting, repairing, improving, extending or maintaining sanitary, storm, drainage or sewerage systems; (iv) constructing, maintaining, reconstructing, improving, and repairing bridges and culverts; and (v) for other

authorized purposes under the Act, including funding capitalized interest, if applicable and paying the costs of borrowing.

The City Bond Resolution, a certified copy of which is on file in the Principal Office of the Trustee, provides that the City is unconditionally obligated to make payments secured by the full, faith and credit of the City in an aggregate amount sufficient, with any other funds available therefor, for the payment in full of the principal of, Redemption Price, and interest on all Bonds issued and Outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Bank and the Trustee.

In the City Bond Resolution, the City covenants to levy a direct, continuing and special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of, premium, if any, and interest on the City Bond and any additional obligations of the City under the City Bond Resolution. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of the tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the City on or prior to August 1 of that year has transferred money to the Series 2022 Bond Fund (as defined in the City Bond Resolution), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the City Bond due during the ensuing fiscal year of the City, in accordance with the provisions of the City Bond Resolution.. The avails of said tax are irrevocably pledged by the City under the City Bond Resolution for the payment of the principal of and interest on the City Bond as the same shall mature and accrue.

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 which may be issued pursuant to Section 2.05 of the Indenture. To secure payment of the principal of and interest on all Bonds and performance of all other covenants of the Bank under the Indenture, the Bank, pursuant to the Indenture, has assigned and pledged to the Trustee, and has granted to the Trustee a security interest in, the Trust Estate (as defined in the Indenture), including all right, title and interest of the Bank in and to all 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 maturity, or will be deemed to be paid upon the making of provision for payment therefor. A copy of the Indenture is on file in the Principal Office of the Trustee.

**THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE BANK AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE, THE BANK OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE, OR THE INTEREST ON THE BONDS; PROVIDED, HOWEVER, THAT THE CITY BOND CONSTITUTES A PLEDGE OF THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE BANK**

**BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE BANK PAYABLE SOLELY FROM THE TRUST ESTATE, INCLUDING, WITHOUT LIMITATION, THE AVAILS OF THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY DERIVED OR TO BE DERIVED FROM PAYMENTS MADE BY THE CITY IN RESPECT OF THE CITY BOND PURSUANT TO THE CITY BOND RESOLUTION AND FROM ANY MONIES RECEIVED BY THE TRUSTEE UNDER THE INDENTURE. THE BANK HAS NO TAXING POWER.**

This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the Principal Office of the Trustee, but only in the manner and subject to the limitations prescribed in the Indenture and upon surrender and cancellation of this Bond. This Bond may be transferred without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer. Upon such transfer a new Bond or Bonds of the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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

The Bonds are issuable as fully registered bonds in denominations of \$100,000 each and increments of \$1,000 thereafter or integral multiples thereof up to the amount of a single maturity and any integral multiple thereof. Subject to the limitations and upon payment of any taxes or governmental charges, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity of authorized denominations.

**Optional Redemption.** On or after \_\_\_\_\_, 20\_\_, the Series 2022 Bonds are subject to optional redemption in whole or in part, in principal amounts and maturities selected by the City on any date, at par, plus accrued interest to the date of redemption. Partial redemptions shall be applied to installments of principal in inverse order of their respective due dates.

**Mandatory Sinking Fund Redemption.** The Series 2022 Bonds maturing \_\_\_\_ 1, 20\_\_ are subject to mandatory sinking fund redemption, in part, prior to maturity, or redemption, in whole, as otherwise provided in the Indenture on each August 1, in each of the years set forth below, at one hundred percent (100%) of the principal amount so redeemed or paid, plus accrued interest as set forth below:

**Term Bond Maturing** 1, 20

<b>Year</b>	<b>Principal Amount</b>
-------------	-------------------------

**\* 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 specifically 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 performed prior to the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act; that the issuance of the Bonds, together with all other obligations of the Bank, does not exceed or violate any constitutional or statutory limitation applicable to the Bank; and that the revenues pledged to the payment of the principal of, Redemption Price, 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.

THIS BOND HAS NOT BEEN REGISTERD UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY TO ONE OR MORE ENTITIES EACH OF WHICH REPRESENTS IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR," AS DEFINED IN RULE 501 UNDER THE SECURITIES ACT, OR A "QUALIFIED INSTITUTIONAL BUYER," AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, OR ANY SUCCESSOR PROVISIONS THERETO, IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS.

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

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

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_, as Trustee

By \_\_\_\_\_  
Authorized Representative

**VALIDATION CERTIFICATE**

**STATE OF MISSISSIPPI**

**COUNTY OF HANCOCK**

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 Hancock County, Mississippi, rendered on the \_\_\_\_\_ day of \_\_\_\_\_ 2022.

(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.

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NOTE: Signature(s) must be guaranteed by a member of a nationally recognized Medallion Signature Guaranty Program acceptable to the Trustee.

By \_\_\_\_\_  
Authorized Officer

**[END OF SERIES 2022 BOND FORM]**

## 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 upon written election of such Bondholder at least one Business Day prior to the applicable Record Date or by deposit into the account of the Registered Owner if such account is maintained by the Trustee. Principal shall be payable at the Principal Office of the Trustee upon presentation of the Bonds to be paid.

**SECTION 3.02. Legends.** The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, as determined by the Bank prior to the delivery thereof.

**SECTION 3.03. Execution.** The Bonds shall be executed on behalf of the Bank with the manual or facsimile signature of its Executive Director, 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 shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture.

The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by 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 Bond; 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. The Trustee may charge the owner of such Bond its reasonable fees and expenses in connection with replacing any Bond 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 Office, and the Trustee is hereby constituted and appointed the bond registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, the Bond Register may be inspected by the Bank or by Registered Owners (or a designated representative thereof) of five percent (5%) or more in aggregate principal amount of the Bonds then Outstanding.

Upon surrender for transfer of any Bond at the Principal Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Registered Owner or his attorney duly authorized in writing, the Bank shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity for a like aggregate principal amount. The Bonds may be transferred or exchanged without cost to the Bondholders except for any tax or governmental charge required to be paid with respect to the transfer or exchange.

The 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 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, if requested by the Bank, shall be timely 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 Registered 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 Registered 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 fiduciary of such money.

**SECTION 3.09. Other Obligations Payable from Revenues.** The Bank shall grant no liens or encumbrances on or security interests in the Trust Estate (other than those created by this Indenture), and, except for the Bonds, shall issue no bonds or other evidences of indebtedness payable from the Trust Estate.

**SECTION 3.10. Temporary Bonds.** Until the definitive Bonds are ready for delivery, the Bank may execute, in the same manner as is provided in Section 3.03 hereof and, upon the request of the Bank, the Trustee shall authenticate and deliver, one or more temporary Bonds, which shall be fully registered. Such temporary Bonds shall be subject to the same provisions, limitations and conditions as the definitive Bonds and shall be substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations 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.

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, 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. 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 and payable solely from the 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 City Bond acquired by the Trustee, all of which are hereby assigned and pledged hereunder for the equal and ratable payment of the Bonds and shall be used for no other purpose than the payment of the Bonds, except as may be otherwise expressly authorized

in this Indenture. The Bonds do not constitute a debt or liability or moral obligation of the State or of any political subdivision thereof under the constitution of the State or a pledge of the faith and credit or taxing power of the State or any political subdivision thereof, but shall be payable solely from the Revenues and funds pledged therefor in accordance with this Indenture, including, without limitation, the avails of the full faith, credit and taxing power of the City derived or to be derived from payments made in respect of the City Bond pursuant to the City Bond Resolution. The issuance of the Bonds under the provisions of the Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds and the interest payable thereon do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the statutes of the State and do not now and shall never constitute a charge against the credit or taxing power of the State or any political subdivision thereof including the Bank; provided, however, that the City Bond is a general obligation of 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, Redemption Price, 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 (except the City). The Bank has no taxing power. In the Act, the State has pledged and agreed with the holders of any Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Bonds are fully met and discharged.

**SECTION 3.12. Immunity of Officers and Directors.** No recourse shall be had for the payment of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, member, director, agent or employee of the Bank or any officer, member, director, trustee, agent or employee of any successor entities thereto, as such, either directly or through the Bank or any successor entities, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, directors, trustees, agents, or employees as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and issuance and acceptance of such Bonds.

## ARTICLE IV.

### REDEMPTION OF SERIES 2022 BONDS PRIOR TO MATURITY

**SECTION 4.01. Redemption and Redemption Prices and Terms for Series 2022 Bonds.** **Optional Redemption.** On or after \_\_\_\_\_ 1, 20\_\_\_\_\_, the Series 2022 Bonds are subject to optional redemption in whole or in part, in principal amounts and maturities selected by the City on any date, at par, plus accrued interest to the date of redemption. Partial redemptions shall be applied to installments of principal in inverse order of their respective due dates.

(b) **Mandatory Sinking Fund Redemption.** The Series 2022 Bonds maturing \_\_\_\_\_ 1, 20\_\_\_\_ are subject to mandatory sinking fund redemption, in part, prior to maturity, or redemption, in whole, as otherwise provided in the Indenture on each August 1, in each of the years set forth below, at one hundred percent (100%) of the principal amount so redeemed or paid, plus accrued interest as set forth below:

**Term Bond Maturing \_\_\_\_\_ 1, 20\_\_\_\_\_**

<b>Year</b>	<b>Principal Amount</b>
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\* **Final Maturity**

**SECTION 4.02. Redemption at the Election or Direction of the Bank.** In the case of the redemption of any Series 2022 Bonds, the Bank shall give written notice to the Trustee of its direction so to redeem, of the redemption date, of the principal amounts of the Series 2022 Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the Bank at the direction of the City, subject to any limitations with respect thereto contained in the Act or 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) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee and may be conditioned upon receipt of sufficient funds to redeem the Series 2022 Bonds called for redemption on the redemption date. The Bank shall pay to the Trustee an amount in cash which, in addition to other monies, if any, available therefor and held by the 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 Series 2022 Bonds to be redeemed.

**SECTION 4.03. Selection of Series 2022 Bonds to be Redeemed.** If less than all of the Series 2022 Bonds are to be redeemed, the Series 2022 Bonds shall be redeemed only in

Authorized Denominations. Partial redemptions shall be applied to installments of principal in inverse order of their respective due dates.

**SECTION 4.04. Redemption Payments.** The Trustee is hereby authorized and directed to apply funds deposited with the Trustee by the Bank in an amount sufficient to pay the Redemption Price of the Series 2022 Bonds or portions thereof called, together with accrued interest thereon to the redemption date. If proper notice of redemption by mailing has been given as provided in Section 4.05 hereof and sufficient funds for redemption shall be on deposit with the Trustee as aforesaid, interest on the Series 2022 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 Series 2022 Bond or portion thereof called for redemption until such Series 2022 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 Series 2022 Bond.

**SECTION 4.05. Notice of Redemption.** Notice of the call for any redemption, identifying the Series 2022 Bonds to be redeemed (which may be a conditional notice of redemption), 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 Placement Agent and to the Registered Owner of each Series 2022 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 Series 2022 Bonds.

**SECTION 4.06. Cancellation.** All Series 2022 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. Payment of Principal and Interest.** The Bank covenants and agrees that it will promptly pay the principal of, Redemption Price 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, Redemption Price and interest are payable by the Bank solely from Revenues and any other funds or assets constituting the Trust Estate herein pledged to the Trustee as security by the Bank to the extent of that pledge. To be deemed timely paid, immediately available funds must be received by the Trustee on or before 10:00 am (central) time on the applicable payment date. Payments must be made by wire transfer or other electronic means acceptable to the Trustee. Payments made by check may be subject to a ten Business Day hold.

**SECTION 5.02. Performance of Covenants.** 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, in any, and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto. The Bank covenants and agrees that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Indenture and to pledge the Revenues and all other property hereby pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the possession of the Registered 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 Registered 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, Redemption Price and interest on the Bonds and Program Expenses, the Bank shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of this Indenture and sound banking practices and principles, to the extent necessary to provide for the payment of the Bonds (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 the City Bond), 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 the City Bond and to enforce all terms, covenants and conditions of the City Bond including the collection, custody and prompt application of all payments and deposits required by the terms of the City Bond 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 timely commence appropriate remedies with respect to the City Bond which is in default.

**SECTION 5.05. Possession and Inspection of City Bond.** The Trustee covenants and agrees to retain or cause its agent to retain possession of the City Bond 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 City Bond shall at all times be open to inspection by such accountants or other agencies or persons as the Bank or the Trustee may from time to time designate.

**SECTION 5.06. Accounts and Reports.** The Bank covenants and agrees to keep proper records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Program, the City Bond 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 Registered 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 and the City, if requested by the Bank or the City, prior to the last day of \_\_\_\_\_ 2023 and the end of each six (6) month period thereafter, commencing with the period ending \_\_\_\_\_ 2023, 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 required to be furnished to or by the Trustee pursuant to any provision of this Indenture shall be provided to the Registered 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 Registered Owners.

**SECTION 5.07. Bank Covenants with Respect to City Bond.**

(a) The Bank covenants and agrees that it will not permit or agree to any material change in the City Bond.

(b) The Bank covenants and agrees that it will enforce or authorize the enforcement of all remedies available to the owner or holder of the City Bond; provided, however, that decisions as to the enforcement of remedies shall be as set forth in Article X hereof.

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

**SECTION 5.08. Monitoring Investments.** The Bank covenants and agrees to regularly review the investments held by the Trustee in the Funds and Accounts for the purpose of assuring that the Revenues derived from such investments are sufficient to provide, with other anticipated Revenues, the debt service on Outstanding Bonds.

**SECTION 5.09. Covenants Concerning Preservation of Tax Exemption.** The Bank hereby covenants and agrees to take all qualifying actions and shall take any qualifying actions that are necessary in order to protect and preserve the excludability from gross income for federal income tax purposes of the interest on the Series 2022 Bonds. For this purpose, the Bank shall approve and deliver to the Trustee a certificate concerning the provisions of the Code necessary to protect and preserve such exclusion. Such certificate may only be amended from time to time upon the receipt by the Trustee of an Opinion of Bond Counsel to the effect that compliance by the Bank with the certificate will not adversely affect the excludability of

interest on the Series 2022 Bonds from gross income of the Registered Owners thereof for federal income tax purposes.

## ARTICLE VI.

### REVENUES AND FUNDS

**SECTION 6.01. Source of Payment of Bonds.** The Bonds and all payments by the Bank hereunder are limited obligations of the Bank payable solely out of the Trust Estate as authorized by the constitution and statutes of the State, including particularly the Act and this Indenture, as provided herein and therein.

**SECTION 6.02. Creation of Funds.** There are hereby created by the Bank and ordered established the General Fund and the Rebate Fund to be held by the Trustee. There are hereby created and established in the General Fund a "General Account", a "Redemption Account," a "Purchase Account," and a "Bond Issuance Expense 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 2022 Bonds in the manner provided in Section 2.02 hereof.

(b) The Trustee shall deposit the proceeds of any Refunding 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 Series 2022 Bonds and monies received upon sale or redemption prior to maturity of the City Bond), the Trustee shall deposit such amounts into the General Account.

To be deemed timely paid, immediately available funds must be received by the Trustee on or before 10:00 am (central time on the applicable payment date. Payments must be made by wire transfer or other electronic means acceptable to the Trustee. Payments made by check may be subject to a ten (10) Business Day hold.

**SECTION 6.05. Operation of General Account.** The Trustee shall deposit in the General Account all amounts required to be deposited therein pursuant to the provisions of Section 2.02 and this Article VI.

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

(a) On or before each Interest Payment Date, to the Registered Owners, such amount (including Investment Securities held by Trustee maturing or callable on or before the applicable Interest Payment Date) as shall be necessary to pay the principal and interest coming due on the Bonds on such Interest Payment Date;

(b) At such times as shall be necessary, to pay Program Expenses;

(c) On or before thirty (30) days after each anniversary of the issuance of the Series 2022 Bonds, the amounts, if any, to be transferred to the Rebate Fund as provided in the Tax Certificate; and

(d) After making such payments in paragraphs (a) through (c) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of City Bond Payments in the succeeding twelve (12) months and shall transfer all monies in the General Account, which, together with such expected receipts for the succeeding twelve (12) months, are in excess of the amounts needed to pay principal and interest on the Bonds within the immediately succeeding twelve (12) month period to the City at the written request of the City with the prior written approval of the Bank.

**SECTION 6.06. Operation of the Redemption Account.** The Trustee shall deposit in the Redemption Account all monies received upon the sale or redemption prior to maturity of the City Bond and all other monies required to be deposited therein pursuant to the provisions of Article IV and Article VI hereof, shall invest such funds pursuant to Article VIII hereof and shall disburse the funds held in the Redemption Account to redeem Bonds. Such redemption shall be made pursuant to a redemption under the provisions of Article IV hereof.

**SECTION 6.07. Operation of the Purchase Account.** The Trustee shall deposit in the Purchase 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 Purchase Account to purchase the City Bond 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 applicable requirements set forth in this Indenture have been or will be complied with. Upon purchase of the City Bond, the City will provide for the deposit of such funds in the 2022 Construction Fund of the City established under the City Bond Resolution, which fund will be used by the City to finance the cost of the City Project. Any amounts remaining in the Purchase Account after the purchase of the City Bond shall be transferred to the General Account.

**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 Officer of the Bank, to pay the Costs of Issuance of the Bonds and the City Bond or to reimburse the Bank or the City for amounts previously advanced for such costs; and

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

**SECTION 6.09. Operation of the Rebate Fund.** (a) The Trustee is authorized to establish and maintain, so long as any Series 2022 Bonds are Outstanding and are subject to a requirement that arbitrage profits be rebated to the United States of America, a separate fund to be known as the "Rebate Fund." The Trustee shall make information regarding the Series 2022 Bonds and investments hereunder available to the Bank and shall make deposits and disbursements from the Rebate Fund in accordance with the Tax Certificate and Section 8.02 hereof, shall invest the Rebate Fund as directed by the Bank and shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund. Anything in this Indenture to the contrary notwithstanding, the provisions of this Section may be superseded or amended by an amended Tax Certificate and accompanied by an Opinion of Bond Counsel addressed to the Trustee to the effect that the provisions of the amended Tax Certificate will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2022 Bonds.

(b) If a deposit to the Rebate Fund is required as a result of the computations made by or on behalf of the Bank pursuant to the Tax Certificate, the Trustee shall, upon receipt of direction from the Bank, accept such payment for the benefit of the Bank and make transfers of monies from the General Account or otherwise to the Rebate Fund to comply with such direction. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Trustee shall, upon direction from the Bank, transfer such amount to the General Account. Records of the determinations required by this Section and the Tax Certificate and the investment instructions must be retained by the Trustee until six (6) years after the Series 2022 Bonds are no longer Outstanding.

(c) Not later than sixty (60) days following five (5) years from the date of issuance of the Series 2022 Bonds, and every five (5) years thereafter, the Trustee shall, upon written request of the Bank in accordance with the Tax Certificate, pay to the United States of America one hundred percent (100%) of the amount required to be on deposit in the Rebate Fund as of such payment date provided that direction from the Bank for transfer of such amount to the Rebate Fund has been previously received by the Trustee pursuant to the provisions of Section 6.09(b), and further provided that funds were available in the General Account to fund one hundred percent (100%) of the amount required to be on deposit in the Rebate Fund as of such payment date. Not later than sixty (60) days after the final retirement of the Series 2022 Bonds, the Trustee shall upon written request of the Bank, pay to the United States of America one hundred percent (100%) of the amount owing to the United States of America. Each payment required to be paid to the United States of America pursuant to this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201. Each payment shall be accompanied by a copy of the Form 8038-G originally filed with respect to the Series 2022 Bonds and a statement of the Bank summarizing the determination of the amount to be paid to the United States of America.

**SECTION 6.10. 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. Such monies shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the security interest created hereby and shall not be subject to any lien or attachment by any creditor of the Bank.

**SECTION 6.11. Amounts Remaining in Funds or Accounts.** Any amounts remaining in any Fund or Account after full payment of the Bonds and the fees, charges (including any required rebate to the United States of America) and expenses of the Trustee and all other amounts due and owing hereunder including Program Expenses shall be distributed to the City, except for any monies owing to the Bank which shall be paid to such party and except as provided in Section 3.08 hereof.

**SECTION 6.12. Certain Verifications.** The Bank and/or the Trustee from time to time may cause a firm of independent certified public accountants of national standing or other nationally recognized experts to supply the Bank and the Trustee with such information as the Bank or the Trustee may request in order to determine in a manner reasonably satisfactory to the Bank and the Trustee all matters relating to (a) the sufficiency of projected cash flow receipts and disbursements with respect to the Funds and Accounts to pay the principal of and interest on the Bonds and Program Expenses; (b) the actuarial yields on the Outstanding Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Code; (c) the yields on any obligations acquired and held by the Bank and/or the Trustee; and (d) the rebate calculation required by Section 6.09 hereof. The Bank and/or the Trustee from time to time may also obtain an Opinion of Bond Counsel concerning post-issuance compliance with any federal or State legislation applicable to the Bonds. The fees of such independent certified public accountants and Bond Counsel shall constitute reimbursable Program Expenses and shall be paid by the City.

## ARTICLE VII.

### PURCHASE OF CITY BOND

**SECTION 7.01. Terms and Conditions of Purchase.** The City Bond purchased by the Bank shall be purchased on the terms and conditions of, and upon submission of the documents required by this Article VII.

**SECTION 7.02. Purchase.** The Trustee shall pay the purchase price of the City Bond upon receipt by the Trustee of:

(a) a written requisition of the Bank signed by an Authorized Officer stating to whom payment is to be made and the amount to be paid;

(b) a certificate signed by the Mayor of the Governing Body, attached to the requisition and certifying that the City, pursuant to the City Bond Purchase Agreement, has sold or will sell the City Bond to the Bank and is obligated to make City Bond Payments and to pay all fees and charges required to be paid to the Bank under the City Bond Resolution, and that to the knowledge of such officer, such City is not in default under the payment terms or other material terms or provisions of any other obligations of that City;

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

(d) Opinions of Bond Counsel and counsel for the City each in form satisfactory to the Bank, the Lender and the Placement Agent stating that the City Bond constitutes, a valid and binding obligation enforceable in accordance with its terms, subject to such enforcement limitations customarily contained in such opinions;

(e) the City Bond, registered as to both principal and interest to the Bank and delivered in accordance with the Act;

(f) an opinion of counsel for the City in form satisfactory to the Bank, the Lender and the Placement Agent stating that such City is a Local Governmental Unit within the meaning of the Act;

(g) an executed Placement Agreement;

(h) an executed Tax Certificate; and

(i) an executed City Bond Purchase Agreement.

Upon receipt of the documents requested by this Section 7.02, the Trustee shall pay such amount directly to the entity entitled thereto as named in such requisition.

**SECTION 7.03. Retention and Inspection of Documents.** All requisitions, certificates, transcripts, Opinions of Bond Counsel, Opinions of Counsel and the City Bond received by the Trustee, as required in this Article VII 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 Registered Owner of at least five percent (5%) in principal amount of Outstanding Bonds.

**SECTION 7.04. Report.** The Trustee shall prepare a report 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 Purchase Account. Said report shall be supplemented at least once every sixty (60) days by the Trustee until all of the proceeds of the Bonds deposited in the Purchase Account shall have been expended. Each such report shall be mailed by the Trustee to the Bank and the City.

## 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 including the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed in writing by the City. 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. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution that is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Monies in separate Funds and Accounts for the Bonds may not be commingled for the purpose of investment or deposit. 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 that 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.

(b) The Bank (i) certifies to the Registered 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 (ii) 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. Valuation of Investments.** For the purpose of determining the amount in any Fund or Account, all Investment Securities credited to such Fund or Account shall be valued at the lesser of (a) the average of the bid and asked prices most recently published prior to the date of determination for those Investment Securities, the bid and asked prices of which are published on a regular basis in *The Wall Street Journal*, or, if not there, in *The New York Times*; or (b) the average bid price as of the date of determination by any two nationally recognized government securities dealers selected by the Trustee for those Investment Securities the bid and asked prices of which are not published on a regular basis as set forth in subsection (a) above; or (c) par value (plus, prior to the first payment of interest following purchase, the amount of any accrued interest paid as part of the purchase price) for Investment Securities which are certificates of deposit and bankers acceptances; or (d) for all other Investment Securities the lesser of cost or market value (exclusive of accrued interest paid as part of the purchase price after the first payment of interest following purchase); provided, however, that any repurchase agreements shall be valued, respectively, at the unpaid repurchase price or principal balance collectible pursuant thereto.

**SECTION 8.03. Arbitrage Restrictions; Series 2022 Bonds to Remain Tax Exempt.**

(a) The Bank shall provide the Trustee with the Tax Certificate which shall govern the investment of the Funds and Accounts and the application of Section 6.09 hereof.

(b) Without limiting subsection (b) of Section 8.01 hereof, the Bank further covenants and agrees that it will not take any action or fail to take any action with respect to the investment of the proceeds of the Series 2022 Bonds, or with respect to the investment or application of any payments under the City Bond or any other agreement or instrument entered into in connection therewith or with the issuance of the Series 2022 Bonds, including but not limited to the obligation, if any, to rebate certain funds to the United States of America, which would result in constituting the Series 2022 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 that would adversely affect the exclusion from gross income tax for federal income tax purposes of the interest on the Series 2022 Bonds.

## ARTICLE IX.

### DISCHARGE OF INDENTURE

**SECTION 9.01. Discharge of Indenture.** Except as provided in this Article IX, if payment or provision for payment is made, to the Trustee, of the principal of, Redemption Price, and interest due and to become due on the Bonds at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions hereof, and all other amounts due hereunder have been paid in full, then these presents and the Trust Estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Bank such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and release, assign and deliver unto the Bank any and all estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee hereby or otherwise subject to the lien of this Indenture, except 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 such Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture or otherwise), either (1) shall have been made or caused to have been made in accordance with the terms thereof, or (2) 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) monies 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 monies to make such payment, or (C) a combination of such monies and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Trustee pertaining to the Bonds, including the amount, if any, required to be rebated to the United States of America in accordance with the Tax Certificate and Section 6.09 hereof, with respect to which such deposit is made shall have been paid or deposited with the Trustee.

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

- (x) 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);
- (y) to timely call for redemption pursuant to this Indenture any Bonds to be redeemed prior to maturity pursuant to (x) of this paragraph; and
- (z) 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 possession of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest thereon with respect to which such

monies shall have been so deposited, shall be deposited in the General Account, as and when and collected for use and application as are other monies deposited in the General Account.

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, if any, set aside for rebate to the United States of America in accordance with the Tax Certificate and Section 6.09 hereof) 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 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 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 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":

- (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 Price of any Bond whether at the stated maturity thereof or on any date fixed for redemption; or
- (c) Failure of the Bank to remit to the Trustee within the time limits prescribed herein any 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 required time, 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 60 days; or
- (i) Default in the due and punctual payment of any principal of, premium, if any and interest on the City Bond; 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 City Bond Resolution.

**SECTION 10.02. Remedies; Rights of Bondholders.** Upon the occurrence of an Event of Default, the Trustee, except for Events of Default under Section 10.01(a), (b), (i) and (k), 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, Redemption Price, and interest on the Bonds then Outstanding, including enforcement of any rights of the Bank or the Trustee under the City Bond, including, but not limited to, acceleration thereof.

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

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

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

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

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

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

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

**SECTION 10.03. Rights of Bondholders to Direct Proceedings.** Anything in this Indenture to the contrary notwithstanding, the Registered 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, including the Act, 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 City Bond) 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 the Trustee and any other monies owed to the Trustee hereunder, be deposited in the General Account and all monies in such 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 amount owed to the United States of America under the Tax Certificate;

**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; and

**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 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 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 Bonds then Outstanding.

**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 Registered 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 Registered Owners of Bonds 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, Redemption Price, and interest on any Bond at and after the maturity thereof, or the limited obligation of the Bank to pay the principal of, Redemption Price, 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 to 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 waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Registered 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 (i) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (ii) any Event of Default in the payment when due of the interest on any Outstanding Bond unless prior to such waiver all of the interest or all payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for or (iii) any Event of Default for nonpayment of Program Expenses; and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or recession shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

**SECTION 10.10. Notice of Defaults under Section 10.01(d) or (e); Opportunity of the Bank to Cure Such Defaults.** Anything herein to the contrary notwithstanding, no Default under Section 10.01(d) or (e) hereof shall constitute an Event of Default until actual notice of such Default by registered or certified mail shall be given to the Bank by the Trustee, the Bank shall have had sixty (60) days after receipt of such notice to correct the Default or cause the Default to be corrected, and shall not have corrected the Default or caused the Default to be corrected within the applicable period; provided, however, if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Bank within the applicable period and diligently pursued until the Default is corrected. If a Default is cured under this Section 10.10, then it will not constitute an Event of Default.

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

## ARTICLE XI.

### TRUSTEE

**SECTION 11.01. Acceptance of the Trusts.** The Trustee hereby accepts the trusts and duties imposed upon it by this Indenture, and agrees to perform said trusts and duties with the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under the circumstances, 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 or the Trustee), if selected in accordance with the standard specified above. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith 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 may 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 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 gross negligence or willful default.

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

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

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

(k) Before taking any action referred to in Section 10.02, 10.03 or 10.07 hereof, the Trustee may require that satisfactory security and/or indemnity be furnished for the reimbursement of all fees 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 gross 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 and this Indenture. The Trustee shall not be under any liability for interest on any monies received hereunder except such as may be agreed upon or in the case of its gross negligence or willful default.

(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 of or interest on any of the Bonds and any event of default in the payment of principal of and interest on the City Bond.

**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 herein provided. All such fees and expenses shall be paid by the City. 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.

**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 Registered Owners of at least twenty five percent (25%) of the aggregate principal amount of Bonds then Outstanding upon receiving security and/or indemnity satisfactory to the Trustee.

**SECTION 11.04. Successor Trustee.** Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party (a "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 or the City may object to such corporation or association becoming successor Trustee by filing written notice of such objection with the successor Trustee, and by mailing such notice to each Bondholder whereupon a successor or temporary Trustee shall be appointed in accordance with Section 11.07 hereof.

**SECTION 11.05. Resignation by the Trustee.** The Trustee and any successor Trustee may at any time resign from the trusts hereby by giving thirty (30) days' written notice by registered or certified mail to the Bank, the City and the owner of each Bond as shown by the Bond Register, and such resignation shall only take effect upon the appointment of a successor Trustee in accordance with Section 11.07 and acceptance of such appointment by the successor Trustee. Notwithstanding any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor acceptable to the Bank and the City shall be appointed.

**SECTION 11.06. Removal of the Trustee.** The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Trustee and to the Bank and signed by (a) the City, or (b) the Registered Owners of a majority in aggregate principal amount of all Bonds then Outstanding or their attorneys-in-fact duly authorized. Notice of the removal of the Trustee shall be given in the same manner as provided in Section 11.05 hereof with respect to the resignation of the Trustee. So long as no Event of Default or an event which, with the passage of time would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time for cause by resolution or other official written action taken by the Bank and the City, with such written action to be filed with the Trustee.

**SECTION 11.07. Appointment of Successor Trustee by the Bondholders; Temporary Trustee.** In case the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact duly authorized, a copy of which shall be delivered personally or sent by registered mail to the Bank and the City. Nevertheless, in case of such vacancy, the Bank, with the prior written approval of the City, by resolution may appoint a temporary Trustee to fill such vacancy. Within ninety (90) days of such appointment, the Bondholders may appoint a successor Trustee; any such successor Trustee so appointed by the Bank shall become the successor Trustee if no appointment is made by the Bondholders within such period, but in the event an appointment is made by the Bondholders,

the temporary Trustee shall immediately and without further act be superseded by any Trustee so appointed by such Bondholders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided by Section 11.05 hereof with respect to the resignation of a Trustee. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank duly authorized to exercise trust powers and having a reported capital and surplus of not less than \$75,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

**SECTION 11.08. Concerning Any Successor Trustee.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Bank and the City an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Bank or the City, 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 shall deliver all securities, monies and other property or documents held by it as Trustee hereunder to its successor hereunder. Should any instrument in writing from the Bank be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Bank. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where this Indenture shall have been filed or recorded, if any.

**SECTION 11.09. Indemnification.** The Bank, will, to the fullest extent permitted by law, protect, indemnify and save the Trustee and its respective officers, board members, attorneys, agents, and employees, harmless from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the Trustee), taxes, causes of action, suits, claims, demands and judgments of any nature arising from:

(a) violation of any agreement, provision or condition of this Indenture, the City Bond, the Bonds or the City Bond Resolution except a violation by the Trustee resulting from its gross negligence or willful misconduct;

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

Promptly after receipt by the Trustee of notice of the commencement of any action with respect to which security and/or indemnity may be sought against the Bank under this Section, the Trustee will notify the Bank in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Bank shall assume the defense of such action

(including the employment of Counsel or such other person as the case may be, and the payment of expenses). Insofar as such action shall relate to any alleged liability with respect to which security and/or indemnity may be sought against the Bank, the Trustee shall have the right to employ separate Counsel in any such action and to participate in the defense thereof, but the fees and expenses of such Counsel shall not be at the expense of the Bank unless the employment of such Counsel has been specifically approved by the Bank which approval shall not be unreasonably withheld. The Bank shall not be liable to indemnify any person for any settlement of any such action effected without its consent.

The provisions of this Section 11.09 shall survive the payment and discharge of the City Bond and the Bonds.

**SECTION 11.10. Successor Trustee as Trustee of Funds, Paying Agent and Bond**

**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 bond registrar and paying agent for principal of, Redemption Price, and interest on the Bonds, and the successor Trustee shall become such Trustee, bond registrar and paying agent.

## ARTICLE XII.

### SUPPLEMENTAL INDENTURES

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

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

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the Opinion of Bond Counsel, does not materially and adversely affect the interest of the owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to Section 12.02 hereof;
- (c) To subject to this Indenture additional Revenues, properties or collateral;
- (d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if so determined, 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 the issuance of Refunding Bonds.

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

Exclusive of Supplemental Indentures provided for by Section 12.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (exclusive of Bonds held by the Bank) shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting, without the consent of the owners of all Bonds then Outstanding, (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, 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 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 Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days, or such longer period as shall be prescribed by the Bank, following the mailing of such notice, the owners of not less than fifty one percent (51%) in aggregate principal amount of the Bonds then 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, 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 an 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, and the owners of the Bonds, any legal or suitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners of the Bonds as herein provided.

**SECTION 13.03. Severability.** If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

**SECTION 13.04. Notices.** Any notice, request, complaint, demand, communication or other paper shall be sufficiently given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed to the appropriate Notice Address. A duplicate copy of each notice required to be given hereunder by the Trustee or the Bank to the City, the Lender or the Placement Agent shall also be given to the others. The Bank, the Trustee, the City, the Lender and the Placement Agent 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 bond 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 in accordance with the provisions of this Indenture.

It is not the intent of this Section 13.08, or any other Section of this Indenture, to create a power of attorney relationship between the Bank and the Trustee.

**SECTION 13.09. Applicable Provisions of Law.** This Indenture shall be governed by and construed in accordance with the laws of the State.

[Remainder of This Page Intentionally Left Blank; signatures 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 Assistant 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 officer 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:

By \_\_\_\_\_  
Secretary

\_\_\_\_\_, as Trustee

By \_\_\_\_\_  
Trust Officer

**EXHIBIT A**  
**FORM OF CITY BOND**

**NO. R-1**

**THIS CITY BOND HAS BEEN ASSIGNED TO \_\_\_\_\_, JACKSON, MISSISSIPPI, AS TRUSTEE, UNDER A TRUST INDENTURE, DATED AS OF \_\_\_\_\_, 2022, BY AND BETWEEN THE MISSISSIPPI DEVELOPMENT BANK AND SAID TRUSTEE. THIS CITY BOND IS REGISTERED IN THE NAME OF SAID TRUSTEE AND IS NON-TRANSFERABLE EXCEPT AS PERMITTED IN SAID INDENTURE.**

**UNITED STATES OF AMERICA  
STATE OF MISSISSIPPI**

**CITY OF DIAMONDHEAD, MISSISSIPPI  
GENERAL OBLIGATION BOND, SERIES 2022  
(CAPITAL IMPROVEMENTS PROJECT)**

**REGISTERED OWNER: \_\_\_\_\_, AS TRUSTEE**

**AMOUNT: \_\_\_\_\_ MILLION DOLLARS (\_\_\_\_\_)**

City of Diamondhead, Mississippi (the "**City**"), a political subdivision of the State of Mississippi (the "**State**") organized and existing under the Constitution and laws of the State, for value received, hereby promises to pay, to the registered owner hereof, upon the presentation and surrender hereof at the office of \_\_\_\_\_ in Jackson, Mississippi, or its successor, as paying and transfer agent (the "**Paying Agent**"), the principal amount identified above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay to the registered owner hereof by check or draft mailed to the registered owner at his address as it appears on the bond registration records of the City, interest on said principal sum from the date hereof, with all said principal, premium, if any, and interest payments under this City Bond (as hereinafter defined) to be payable in accordance with the terms and conditions of the City Bond Resolution (as hereinafter defined).

This City Bond is a general obligation bond of the City in the aggregate principal amount of \_\_\_\_\_ Million Dollars (\_\_\_\_\_) (herein called this "**City Bond**") and is duly authorized to be issued under the authority of the Constitution and statutes of the State, including Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time, and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (collectively, the "**Act**"), and by the further authority of duly adopted resolutions of the Board of Supervisors of the City, including resolutions adopted on June 7, July 19 and September 6, 2022 (collectively, the "**City Bond Resolution**"). This City Bond is issued to provide funds to pay (i) constructing, maintaining, reconstructing, improving, and repairing roads and streets and acquiring rights-of-way therefore if necessary; (ii) erecting, repairing, improving, extending or maintaining waterworks or water distribution systems, and repairing, improving and extending the same; (iii) establishing erecting, repairing, improving, extending or maintaining sanitary, storm, drainage or sewerage systems; (iv) constructing, maintaining, reconstructing, improving, and repairing bridges and culverts; and (v) for other

authorized purposes under the Act, including funding capitalized interest, if applicable and paying the costs of borrowing.

The City will duly and punctually pay the principal of, redemption premium, if any, and interest on the City Bond at the dates and the places and in the manner mentioned in the City Bond Resolution, according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the City Bond, the City agrees to make payments upon the City Bond and be liable therefor at such times and in such amounts (including principal, premium, if any, and interest) so as to provide for payment of the principal of, premium, if any, and interest on the \_\_\_\_\_ Mississippi Development Bank Special Obligation Bonds, Series 2022 (City of Diamondhead, Mississippi General Obligation Bond Project) (the "**Mississippi Development Bank Bonds**"), outstanding under the Trust Indenture, dated \_\_\_\_\_, 2022, (the "**Mississippi Development Bank Indenture**"), by and between the Mississippi Development Bank and \_\_\_\_\_, Jackson, Mississippi, as trustee (the "**Mississippi Development Bank Indenture Trustee**") at least five (5) Business Days prior to when such amounts are due whether upon a scheduled interest payment date, at maturity or by redemption or acceleration.

Reference is hereby made to the City Bond Resolution and to all amendments and supplements thereto for the provisions, among others, with respect to the nature and extent of the security for the Bondholder, the rights, duties and obligations of the City and the Bondholder and the terms upon which this City Bond is issued and secured.

This City Bond shall be a general obligation of the City payable as to principal of, premium, if any, and interest out of and secured by a special tax to be levied annually by the City, without limitation as to time, rate or amount, upon all of the taxable property within the geographical boundaries of the City adequate and sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on this City Bond as the same becomes due. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of the tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the City on or prior to September 1 of that year has transferred money to the Bond Fund (as defined in the City Bond Resolution), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on this City Bond due during the ensuing fiscal year of the City, in accordance with the provisions of the City Bond Resolution. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on this City Bond as the same shall mature and accrue. Should there be a failure in any year to comply with the requirements, such failure shall not impair the right of the holder of this City Bond in any subsequent year to have adequate taxes levied and collected to meet the obligations of this City Bond, as to principal of, redemption premium, if any, and interest.

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

The City and the Paying Agent may deem and treat the person in whose name this City Bond is registered as the absolute owner hereof, whether this City Bond shall be overdue or not, for the purpose of receiving payment of the principal of, redemption premium, if any, and interest on this City Bond and for all other purposes. All such payments so made to the registered owner shall be valid and effectual to satisfy and discharge the liability upon this City

Bond to the extent of the sum or sums or paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

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

This City Bond shall only be redeemed under the City Bond Resolution to the extent and in the manner required to redeem the Mississippi Development Bank Bonds pursuant to the provisions of the Mississippi Development Bank Indenture.

The holder of this City Bond shall have no right to enforce the provisions of the City Bond Resolution or to institute any action to enforce the covenants therein, or to take any action with respect to any event of default under the City Bond Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specifically provided in the City Bond Resolution.

Modifications or alterations of the City Bond Resolution and this City Bond may be made only to the extent and under the circumstances permitted by the City Bond Resolution.

All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the City Bond Resolution.

This City Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the City Bond Resolution until the certificate of authentication endorsed hereon shall have been signed by the Paying Agent.

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

**IN WITNESS WHEREOF**, City of Diamondhead, Mississippi has caused this City Bond to bear the manual signature of the Mayor of the City and attested by the manual signature of the Clerk of the City all as of the 30<sup>th</sup> day of June 2022.

(SEAL)

**CITY OF DIAMONDHEAD, MISSISSIPPI**

By \_\_\_\_\_  
Mayor

ATTEST:

By \_\_\_\_\_  
City Clerk

### **CERTIFICATE OF AUTHENTICATION**

This City Bond is the City Bond described in and issued under the provisions of the within mentioned City Bond Resolution.

\_\_\_\_\_, as Transfer Agent

By \_\_\_\_\_  
Authorized Signature

Date of Authentication: \_\_\_\_\_, 2022

#### **STATE OF MISSISSIPPI**

#### **COUNTY OF HANCOCK**

I, the undersigned Chancery Clerk of Hancock, Mississippi, do hereby certify that the within City Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Hancock, Mississippi, rendered on the \_\_\_\_\_ day of \_\_\_\_\_ 2022.

(SEAL)

\_\_\_\_\_  
Chancery Clerk of Hancock, Mississippi

### **ASSIGNMENT**

**FOR VALUE RECEIVED** the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (please print or typewrite name and address of transferee) the within City Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within City Bond on the records kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member of a nationally recognized Medallion Signature Guaranty Program acceptable to the Trustee.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within City Bond in every particular, without alteration or any change whatever.