



AGENDA REQUEST

TO: Mayor, and City Council Members
FROM: Kim Hanna, Chief Financial Officer
DATE: March 3, 2020
SUBJECT: CITY SALE PARAMETER-BOND RESOLUTION

Background and Analysis:

Resolution authorizing and directing the issuance of G.O. Bond Series 2020 for sale to the MS Development Bank in a total aggregate principal amount not to exceed \$10,000,000.

Recommended Action:

Review Approve Reject the Sale Parameter Bond Resolution

Attachments:

- A. Bond Sale Resolution
- B. Exhibit A-Form of Indenture
- C. Exhibit B-Form of City Bond Purchase Agreement
- D. Exhibit C-Form of POS
- E. Exhibit D-Form of Bank Bond Purchase Agreement

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF A GENERAL OBLIGATION BOND, SERIES 2020, OF THE CITY OF TUPELO, MISSISSIPPI (THE “CITY”), FOR SALE TO THE MISSISSIPPI DEVELOPMENT BANK IN A TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000) IN ONE OR MORE SERIES; PRESCRIBING THE FORM AND DETAILS OF SAID BOND; PROVIDING CERTAIN COVENANTS OF THE CITY IN CONNECTION WITH SAID BOND AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE SALE OF SAID BOND TO THE MISSISSIPPI DEVELOPMENT BANK; AUTHORIZING AND APPROVING THE FORM OF, EXECUTION OF AND DELIVERY OF, AS APPLICABLE, AN INDENTURE OF TRUST, THE MISSISSIPPI DEVELOPMENT BANK BOND PURCHASE AGREEMENT AND THE CITY BOND PURCHASE AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING AND DIRECTING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE AND ISSUANCE OF THE MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2020 (TUPELO, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT), IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000); AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and the City Council of the City of Tupelo, Mississippi, acting for and on behalf of said City of Tupelo, Mississippi, hereby find, determine, adjudicate and declare as follows:

1. (a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Act" means together the Bank Act and the City Bond Act.

"Agent" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities. The Agent shall initially be the Trustee.

"Authorized Officer" shall mean the Mayor, the Clerk, the President of the Governing Body, the Vice President of the Governing Body and any other officer designated from time to time as an Authorized Officer by resolution of the City, and when used with reference to any act or document also means any other Person authorized by resolution of the City to perform such act or sign such document.

"Bank" shall mean the Mississippi Development Bank, a body corporate and politic exercising essential public functions, or any successor to its functions organized under the Bank Act.

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

"Bank Bonds" shall mean the not to exceed \$10,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project), authorized to be issued in one or more series by the Bank pursuant to the Bank Act and the terms and conditions of the Indenture.

"Bond Counsel" shall mean Butler Snow LLP, Ridgeland, Mississippi.

"Bond Resolution" shall mean this resolution, as may be amended and supplemented from time to time.

"Business Day" means any day, other than (a) a Saturday or a Sunday, (c) any other day on which the Trustee or the City Hall of the City is not closed and on which the payment system of the Federal Reserve System, is operational.

"City" shall mean the City of Tupelo, Mississippi, a "local governmental unit" under the Bank Act.

"City Bond" shall mean the not to exceed \$10,000,000 General Obligation Bond, Series 2020, of the City authorized and directed to be issued in this Bond Resolution and registered to the Trustee as assignee of the Bank pursuant to the Indenture.

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

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

"Code" shall mean the Internal Revenue Code of 1986 in effect on the date of issuance of the Bank Bonds and the City Bond, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto, as such may be amended from time to time.

"Construction Project" shall mean financing certain capital projects and improvements which shall consist of (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected

useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the Act.

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

"Indenture" shall mean that certain Indenture of Trust, to be dated the date of delivery thereof, by and between the Bank and the Trustee, pursuant to which the Bank Bonds are issued. A copy of the substantial form of the Indenture is attached as **EXHIBIT A** hereto.

"Interest Payment Date" shall be as described in Section 2.3 of the Indenture as the interest payment dates of the Bank Bonds.

"Mayor" shall mean the Mayor of the City of Tupelo, Mississippi.

"Municipal Advisor" shall mean Government Consultants Inc., Madison, Mississippi.

"Paying Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the City Bond. The Paying Agent shall initially be the Trustee.

"Payments" shall have the meaning given it in Section 12(b) hereof.

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

"Project" shall mean providing funds for (i) the costs of the Construction Project and (ii) paying costs of issuance for the City Bond and the Bank Bonds.

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

"Record Date" shall have the meaning given to it in Section 1.1 of the Indenture.

"Registered Owner" or **"Bondholder"** shall mean the Person whose name shall appear in the registration records of the City maintained by the Transfer Agent and shall initially be the Trustee as assignee of the Bank as provided for in the Indenture.

"State" shall mean the State of Mississippi.

"Transfer Agent" shall mean shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the registration of the owner of the City Bond and for the performance of such other duties as may be herein or hereafter specified by the Governing Body. The Transfer Agent shall initially be the Trustee.

"Trustee" shall mean a bank or other financial institution to be determined upon sale of the Bank Bonds, which financial institution will have corporate trust powers and be qualified to act as Trustee under the Indenture.

"2020 Bond Fund" shall mean the City of Tupelo, Mississippi General Obligation Bond, Series 2020 Bond Fund provided for in Section 12 hereof.

"2020 Construction Fund" shall mean the City of Tupelo, Mississippi General Obligation Bond, Series 2020 Construction Fund provided for in Section 13 hereof.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms.

2. Heretofore, on January 21, 2020, the Governing Body adopted a resolution entitled **"RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF TUPELO, MISSISSIPPI, TO ISSUE GENERAL OBLIGATION BONDS OF THE CITY AND/OR, ISSUE A GENERAL OBLIGATION BOND OF THE CITY FOR SALE TO THE MISSISSIPPI DEVELOPMENT BANK AND/OR ENTER INTO A LOAN WITH THE MISSISSIPPI DEVELOPMENT BANK, ALL IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000) TO RAISE MONEY FOR THE PURPOSE (I) CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; (II) ERECTING, REPAIRING, IMPROVING, ADORNING AND EQUIPPING MUNICIPAL BUILDINGS AND PURCHASING BUILDINGS OR LAND THEREFOR; (III) PURCHASING LAND FOR PARKS, CEMETERIES AND PUBLIC PLAYGROUNDS, AND IMPROVING, EQUIPPING AND ADORNING THE SAME, INCLUDING THE CONSTRUCTING, REPAIRING AND EQUIPPING OF SWIMMING POOLS AND OTHER RECREATIONAL FACILITIES; (IV) PURCHASING FIRE FIGHTING EQUIPMENT AND APPARATUS, AND PROVIDING HOUSING FOR SAME, AND PURCHASING LAND THEREFOR; (V) ERECTING OR PURCHASING WATERWORKS, GAS, ELECTRIC AND OTHER PUBLIC UTILITY PLANTS OR DISTRIBUTION SYSTEMS OR FRANCHISES, AND REPAIRING, IMPROVING AND EXTENDING THE SAME; (VI) ESTABLISHING SANITARY, STORM, DRAINAGE OR SEWERAGE SYSTEMS, AND REPAIRING, IMPROVING AND EXTENDING THE SAME; (VII) PROTECTING A MUNICIPALITY, ITS STREETS AND SIDEWALKS FROM OVERFLOW, CAVING BANKS AND OTHER LIKE DANGERS; (VIII) CONSTRUCTING BRIDGES AND CULVERTS; (IX) PURCHASING MACHINERY AND EQUIPMENT, INCLUDING MOTOR VEHICLES WEIGHING NOT LESS THAN TWELVE THOUSAND (12,000) POUNDS, WHICH HAVE AN EXPECTED USEFUL LIFE IN EXCESS OF TEN (10) YEARS WHICH EXPECTED USEFUL LIFE SHALL EXCEED THE LIFE OF THE BONDS FINANCING SUCH PURCHASE; AND (X) FOR OTHER AUTHORIZED PURPOSES UNDER MISSISSIPPI CODE ANN. SECTIONS 21-33-301 ET SEQ., AND SECTIONS 31-25-1 ET SEQ., AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME, INCLUDING FUNDING CAPITALIZED INTEREST, IF APPLICABLE AND PAYING THE COSTS OF BORROWING; DIRECTING THE PUBLICATION OF A NOTICE OF SUCH INTENTION; AND FOR RELATED PURPOSES"** (the **"Intent Resolution"**) wherein the Governing Body indicated its intent to (a) issue general obligation bonds of the City, in one or more series, in a total aggregate

principal amount not to exceed Ten Million Dollars (\$10,000,000), (b) issue a general obligation bond of the City, in one or more series, to be sold to the Bank in a total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000), and/or (c) enter into a loan with the Bank to borrow money from the Bank in a total principal amount not to exceed Ten Million Dollars (\$10,000,000), and fixed 4:00 o'clock p.m. on February 18, 2020, as the date and hour for any protest to be made and filed against the issuance of such general obligation bonds, general obligation bond and/or loan as described in the Intent Resolution.

3. As required by law and as directed by the Intent Resolution, said Intent Resolution was published once a week for at least three (3) consecutive weeks in the *Northeast Mississippi Daily Journal*, a newspaper published in the City, and having a general circulation in the City, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty-one (21) days before February 18, 2020, and the last publication to be not more than seven (7) days prior to such date, said notice was published in said newspaper on January 24 and 31 and February 7 and 14, 2020.

4. On or prior to 4:00 o'clock p.m. on February 18, 2020, no written protest against the issuance of such general obligation bonds, general obligation bond and/or loan as described in the Intent Resolution, had been filed or presented by qualified electors of the City with the Clerk in her office located in City Hall.

5. The Governing Body did meet at its usual meeting place in City Hall at 6:00 o'clock p.m. on February 18, 2020, and the Governing Body did adopt a resolution finding and determining that no protest against the issuance of the general obligation bonds, general obligation bond and/or loan as described in the Intent Resolution had been duly filed with the City Clerk on or before 4:00 o'clock p.m. on February 18, 2020 as required by the Intent Resolution.

6. The Governing Body is authorized and empowered by the provisions of the Act and other applicable laws of the State, to issue its City Bond in a principal amount of not to exceed \$10,000,000, in one or more series, and sell same to the Bank for the purpose of providing funds for the Project without any election on the question of the issuance thereof.

7. The Governing Body desires to authorize and approve the issuance of the City Bond pursuant to this Bond Resolution and the purchase thereof by the Bank with the proceeds of the Bank Bonds.

8. The assessed value of all taxable property within the City, according to the last completed assessment for taxation, is \$534,928,682, and the City has outstanding bonded indebtedness as subject to the fifteen percent (15%) debt limit prescribed by Section 21-33-303 of the City Bond Act, in the amount of \$47,780,000, and outstanding bonded and floating indebtedness as subject to the twenty percent (20%) debt limit prescribed by Section 21-33-303 of the City Bond Act (which amount includes the sum set forth above subject to the fifteen percent (15%) debt limit), in the amount of \$47,780,000; the issuance of the City Bond, when added to the outstanding bonded indebtedness of the City, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the City, and will not

result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the City, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City.

9. The Governing Body is now desirous of proceeding with the issuance of the City Bond pursuant to this Bond Resolution and the purchase thereof by the Bank with the proceeds of the Bank Bonds and authorizing the negotiation of the sale of the Bank Bonds thereof to Stephens, Inc., Little Rock, Arkansas, as Underwriter (the "**Underwriter**").

10. The Governing Body hereby receives, examines and considers the following form of documents concerning the issuance, sale and purchase of the City Bond by the Bank: (i) the form of the City Bond Purchase Agreement, to be dated the date of sale of the City Bond (the "**City Bond Purchase Agreement**"), by and between the Bank and the City, which provides for the sale of the City Bond to the Bank; (ii) the form of the Indenture, to be dated the date of delivery of the Bank Bonds, by and between the Bank and the Trustee (the "**Indenture**") under which the Bank Bonds will be issued and by which they will be secured; (iii) the form of the Mississippi Development Bank Bond Purchase Agreement, to be dated the date of sale of the Bank Bonds (the "**Bond Purchase Agreement**"), by and among the Bank, the City and the Underwriter, which provides for the sale of the Bank Bonds to the Underwriter; and (iv) the Preliminary Official Statement, to be dated the date of distribution thereof (the "**Preliminary Official Statement**") describing the Bank Bonds, the City Bond, the terms of the Indenture and other matters in connection with the sale and issuance of the Bank Bonds and the City Bond, and (v) the form of the Continuing Disclosure Certificate, to be dated the date of delivery thereof (the "**Continuing Disclosure Certificate**"), to be executed by the City in connection with the issuance of the Bank Bonds (together, the "**City Documents**").

11. The Governing Body does now find, determine and adjudicate that each of the City Documents referred to above, which City Documents are now before the Governing Body, is in appropriate form and are in appropriate document for the purposes identified.

12. Upon approval by the Bank, the Preliminary Official Statement will be distributed for use in connection with the sale of the Bank Bonds.

13. The City will make payments on the City Bond in amounts sufficient to pay the principal of, premium, if any, and interest on the Bank Bonds, as and when the same shall become due and payable.

14. The Governing Body does now find, determine and adjudicate that all conditions, acts and things required by the Act and the Constitution and laws of the State to have existed, to have happened and to have been performed precedent to and in connection with the adoption of this Bond Resolution, the sale and issuance of the City Bond to the Bank, the sale and issuance of the Bank Bonds, the execution by the City of the Bond Purchase Agreement, the City Bond Purchase Agreement and the distribution of the Preliminary Official Statement have happened and have been performed in regular and due time, form and manner as required by law.

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

SECTION 1. In consideration of the purchase and acceptance of the City Bond by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the City and the Registered Owner from time to time of the City Bond. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City for the benefit of the Registered Owner shall be for the equal benefit, protection and security of the Registered Owner of the City Bond, all of which, regardless of the time or times of its authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

SECTION 2. The City Bond is hereby authorized and ordered to be prepared and issued in one or more series in a principal amount of not to exceed Ten Million Dollars (\$10,000,000) to raise money for the Project as authorized by the Act. The Governing Body is authorized and empowered by the provisions of the City Bond Act to issue the City Bond without an election on the question of the issuance thereof and is authorized to issue the City Bond pursuant to the Act or as may otherwise be provided by law.

SECTION 3. (a) Payments of interest on the City Bond shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America upon presentation of the City Bond at the corporate trust office of the Paying Agent.

(b) The City Bond shall be dated the date of its delivery; shall be issued as a fully registered bond in a single denomination equal to the principal amount thereof; shall be numbered 1; shall bear interest from the date thereof at the federally taxable or tax exempt rate or rates borne by the Bank Bonds (as provided in the Indenture) which federally taxable or tax exempt rate or rates shall be reviewed by the Municipal Advisor and determined to be reasonable under then current market conditions, payable on each Interest Payment Date, subject to the limitation that the City Bond shall not bear a greater overall interest rate to maturity than eleven percent (11%) per annum; and shall mature and become due and payable in the same manner and at the same dates and times as provided for the Bank Bonds in the Indenture; provided, however, that the final maturity for the City Bond shall be no later than thirty (30) years from its date of issuance unless earlier redeemed as provided for in this Bond Resolution and the Indenture.

(c) The City Bond is subject to redemption prior to maturity only at the times, to the extent, in the manner and as otherwise provided for the Bank Bonds in the Indenture. If applicable, the City shall provide proper notices to the Bank and the Trustee as provided in the Indenture in the event the City elects to redeem the City Bond or any portion thereof, and redemption of the City Bond or any portion thereof shall be as provided in this Section 3 and Article IV of the Indenture. It is intended that redemption of the City Bond may only occur through the processes provided in the Indenture, and the City hereby accepts such redemption provisions by this reference.

(d) A default in the due and punctual payment of any interest or principal on the City Bond or a default by the City under this Bond Resolution is an Event of Default (as defined in the Indenture) under the Indenture entitling the Trustee to exercise certain remedies under the Indenture, including, but not limited to, the acceleration of all principal and interest due and owing on the Bank Bonds outstanding. In the event the Trustee exercises such remedies under the Indenture, the principal and interest due and owing on the City Bond may be accelerated in accordance with the Indenture and the City shall cause the City Bond to be redeemed and paid in full.

SECTION 4. (a) When the City Bond have been validated and executed as herein provided, they shall be registered as an obligation of the City in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the City Bond, over her manual or facsimile signature and manual or facsimile seal, her certificate in substantially the form set out in Section 6.

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

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

(d) Prior to or simultaneously with the delivery of the City Bond by the Transfer Agent, the City shall file with the Transfer Agent:

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

(ii) an authorization to the Transfer Agent, signed by the Mayor or an Authorized Officer, to authenticate and deliver the City Bond to the Bank; and

(iii) such other documentation, if any, as may be required by this Bond Resolution, the Bond Purchase Agreement, Bond Counsel and the Indenture.

(e) At delivery, the Transfer Agent shall authenticate the City Bond and deliver it to the Bank thereof upon payment of the purchase price of the City Bond to the City.

SECTION 5. (a) The City hereby appoints the Trustee designated under the Indenture as the Paying Agent, Trustee and Transfer Agent for the City Bond. The City specifically reserves the right to hereafter designate and/or approve a separate Paying Agent, Transfer Agent and/or Trustee in its discretion, subject, however to the terms and conditions of the Indenture, as hereinafter provided.

(b) So long as the City Bond shall remain outstanding, the City shall maintain with the Transfer Agent records for the registration and transfer of the City Bond. The Transfer Agent is hereby appointed registrar for the City Bond, in which capacity the Transfer Agent shall register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, the City Bond if entitled to registration or transfer.

(c) The City shall pay or reimburse the Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents and bond registrars, subject to agreement between the City and the Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Agent, shall be made by the City on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(d) (i) An Agent may at any time resign and be discharged of the duties and obligations of the function of the Trustee, Paying Agent and Transfer Agent pursuant to the terms and conditions stated in Section 11.5 and 11.6 of the Indenture.

(ii) In the event of the resignation or removal of the Agent, a successor Agent shall be selected as provided in Section 11.7 of the Indenture.

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

(iv) The provisions of Sections 11.7 and 11.8 of the Indenture shall govern the acceptance of any appointment of a successor Agent.

(v) Should any transfer, assignment or instrument in writing be required by any successor Agent from the City to more fully and certainly vest in such successor Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the City.

(vi) The City will provide any successor Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the City Bond.

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

SECTION 6. The City Bond shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution:

[CITY BOND FORM]

THIS CITY BOND HAS BEEN ASSIGNED TO _____ BANK, _____, MISSISSIPPI, AS TRUSTEE (THE “TRUSTEE”) UNDER AN INDENTURE OF TRUST (THE “INDENTURE”) DATED AS OF _____, 2020, BY AND BETWEEN THE MISSISSIPPI DEVELOPMENT BANK AND THE TRUSTEE. THIS CITY BOND IS REGISTERED IN THE NAME OF THE TRUSTEE AND IS NON-TRANSFERRABLE EXCEPT AS PERMITTED IN THE INDENTURE.

**UNITED STATES OF AMERICA
STATE OF MISSISSIPPI**

**CITY OF TUPELO
GENERAL OBLIGATION BOND
SERIES 2020**

NO. 1

\$10,000,000

Rate of Interest

Maturity

Dated Date

%

_____, 2020

**Registered Owner: _____ BANK,
As Assignee of the Mississippi Development Bank**

Principal Amount: TEN MILLION DOLLARS

The City of Tupelo, State of Mississippi (the "**City**"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value

received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this City Bond, at the principal office of _____ Bank, in _____, Mississippi, or its successor, as paying agent (the "**Paying Agent**") for the General Obligation Bond, Series 2020, of the City (the "**City Bond**"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this City Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by _____ Bank, _____, Mississippi, or its successor, as transfer agent for the City Bond (the "**Transfer Agent**") at the times and periods as provided in the Indenture (herein defined).

The City further promises to pay interest on such principal amount from the date of this City Bond until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date (as defined in the Bond Resolution defined below).

Payments of principal of and interest on this City Bond shall be made by check or draft mailed on the Interest Payment Date (as defined in the Bond Resolution) to such Registered Owner at his address as it appears on such registration records.

This City Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-33-301 *et seq.* Mississippi Code of 1972, as amended (the "**City Bond Act**") and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "**Bank Act**" and together with the City, the "**Act**"), and by the further authority of proceedings duly had by the Mayor and the City Council of the City, including a resolution adopted March 3, 2020 (the "**Bond Resolution**").

This City Bond is issued in the aggregate authorized principal amount of Ten Million Dollars (\$10,000,000) to raise money for the purpose of providing funds for (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the Act, including funding capitalized interest, if applicable and paying the costs of borrowing (together, the "**Project**").

The City will duly and punctually pay the principal of, premium, if any, and interest on the City Bond at the dates and the places and in the manner mentioned in the 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 \$10,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) (the "**Bank Bonds**"), outstanding under the Indenture of Trust, by and between the Mississippi Development Bank and _____ Bank, _____, Mississippi, as trustee (the "**Trustee**"), dated _____, 2020 (the "**Indenture**") when due whether upon a scheduled interest payment date, at maturity or by mandatory redemption or optional redemption.

Reference is hereby made to the 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 the City Bond is or may be issued and secured.

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

The City Bond is a general obligation of the City and shall be payable as to principal of, premium, if any, and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of, premium, if any, and interest on the City Bond as the same becomes due; 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 of the City Bond, 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 Bond Resolution. The City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the City Bond as the same falls due. The avails of said tax are irrevocably pledged by the City under the Bond Resolution for the payment of the principal of, premium, if any, and interest on the 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 the City Bond in any subsequent year to have adequate taxes levied and collected to meet the obligations of the City Bond, as to principal of, premium, if any, and interest.

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

The City and the Trustee 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 Trustee 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 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 Bond Resolution to the extent and in the manner required to redeem the Bank Bonds pursuant to the provisions of the Indenture.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the City Bond, in order to make the same 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 and credit of the City are hereby irrevocably pledged.

IN WITNESS WHEREOF, the City has caused this City Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the City Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, on this the ____ day of ____, 2020.

CITY OF TUPELO, MISSISSIPPI

BY:

Mayor

COUNTERSIGNED:

City Clerk

(SEAL)

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This City Bond is the City Bond described in the within mentioned Bond Resolution and is the General Obligation Bond, Series 2020, of the City of Tupelo, Mississippi.

_____ **BANK,**
as Transfer Agent

BY: _____
Authorized Signatory

Date of Registration and Authentication: _____, 2020

REGISTRATION AND VALIDATION CERTIFICATE

**STATE OF MISSISSIPPI
COUNTY OF LEE
CITY OF TUPELO**

I, the undersigned City Clerk of the City of Tupelo, 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 Lee County, Mississippi, rendered on the __ day of _____, 2020.

City Clerk

(SEAL)

[END OF CITY BOND FORM]

SECTION 7. In case the City Bond shall become mutilated or be stolen, destroyed or lost, the City shall, if not then prohibited by law, cause to be authenticated and delivered a new City Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated City Bond, or in lieu of and in substitution for such City Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a City Bond stolen, destroyed or lost, his filing with the City or Transfer Agent evidence satisfactory to them that the City Bond was stolen, destroyed or lost, and of its ownership thereof, and furnishing the City or Transfer Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

SECTION 8. This City Bond shall be a general obligation of the City and the City hereby irrevocably pledges its full faith, credit and taxing power for the purpose of effectuating and providing for the payment of the principal of, premium, if any, and interest on the City Bond as the same shall respectively mature and accrue. For the purpose of effectuating and providing for the payment of the principal of and interest on the City Bond as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of, premium, if any, and the interest on the City Bond and any additional obligations of the City under the Indenture; 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 2020 Bond Fund of the City Bond, 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 Bond Resolution. Said tax, if necessary, shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails

of said tax are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the City Bond and any additional obligations of the City as aforesaid as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owner of the City Bond in any subsequent year to have adequate taxes levied and collected to meet the all of the aforesaid obligations of the City Bond.

SECTION 9. Only if the City Bond shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Transfer Agent, shall the City Bond be entitled to the rights, benefits and security of this Bond Resolution. The City Bond shall not be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on the City Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer Agent, but it shall not be necessary that the same officer sign said certificate on the City Bond that may be issued hereunder at any one time.

SECTION 10. Ownership of the City Bond shall be in the Bank or its assignee. The Person in whose name the City Bond shall be registered in the records of the City maintained by the Transfer Agent may be deemed the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on the City Bond shall be made only to or upon the order of the Registered Owner thereof, or his legal representative, but such registration may be changed as hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the City Bond to the extent of the sum or sums so paid.

SECTION 11. The City Bond shall be transferable only as provided in the Indenture. Upon the transfer of the City Bond, the City, acting through its Transfer Agent, shall issue in the name of the transferee a new City Bond of the same aggregate principal amount and maturity and rate of interest as the surrendered City Bond.

SECTION 12. (a) The City hereby establishes the 2020 Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the City Bond, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2020 Bond Fund as and when received:

(i) The avails of any of the ad valorem taxes levied and collected pursuant to Section 8 hereof;

(ii) Any income received from investment of monies in the 2020 Bond Fund;
and

(iii) Any other funds available to the City which may be lawfully used for payment of the principal of, premium, if any, and interest on the City Bond or for other obligations of the City which may be due under the Indenture, and which the Governing Body, in its discretion, may direct to be deposited into the 2020 Bond Fund.

(b) As long as any principal of, premium, if any, and interest on the City Bond or the Bank Bonds remain outstanding and/or other obligations of the City remain outstanding under the Indenture, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2020 Bond Fund sufficient monies to make the payments necessary (the "**Payments**") to pay (i) the principal of, premium, if any, and interest coming due on the Bank Bonds, and (ii) any additional Payments necessary and required as obligations of the City under the Indenture, and to transfer same to the account of the Trustee in time to reach the Trustee at least five (5) days prior to the date on which said interest or principal and interest or premium, if any, on the Bank Bonds shall become due. The Trustee shall deposit all Payments received in the General Account of the General Fund of the Indenture, or such other fund or account in the Indenture as so directed in the Indenture.

SECTION 13. (a) The City hereby establishes the 2020 Construction Fund which shall be maintained with a qualified depository. The principal proceeds received upon the sale of the City Bond shall be deposited in the 2020 Construction Fund. Any income received from investment of monies in the 2020 Construction Fund shall be deposited in the 2020 Construction Fund and shall be used for the cost of the Construction Project and, if necessary, shall be deposited in the 2020 Bond Fund for the payment of debt service on the City Bond. From the 2020 Construction Fund there shall be held and disbursed moneys for the acquisition and construction of the Construction Project, as authorized by the Act. Any amounts which remain in the 2020 Construction Fund after the completion of the Construction Project shall be transferred to the 2020 Bond Fund and used as permitted under State law.

(b) Funds on deposit in the 2020 Construction Fund may be invested in Investment Securities, as defined in the Indenture, to the extent they are authorized by the Bank Act and applicable provisions of State law.

SECTION 14. (a) Payment of principal on the City Bond shall be made at the principal office of the Paying Agent; provided, however, the final payment of principal shall be made upon the presentation and surrender of the City Bond at the principal office of the Paying Agent, to the Record Date Registered Owner thereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date.

(b) Payment of each installment of interest on the City Bond shall be made to the Record Date Registered Owner thereof whose name shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such City Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Principal of and interest on the City Bond shall be paid by check or draft mailed on an Interest Payment Date to the Registered Owner at the addresses appearing in the registration records of the Transfer Agent. Any such address may be changed by written notice from the Registered Owner to the Transfer Agent by certified mail, return receipt requested, or such other method and at the times as may be subsequently prescribed by the Transfer Agent.

SECTION 15. The City Bond shall be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end the Clerk is hereby directed to

make up a transcript of all legal papers and proceedings relating to the City Bond and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 16. The City covenants to comply, if applicable, with each requirement of the Code and the regulations promulgated thereunder necessary to maintain the exclusion of interest on the Bank Bonds from gross income for federal income tax purposes, and in furtherance thereof, to comply, if applicable, with a certificate of the City to be executed and delivered concurrently with the issuance of the City Bond and the Bank Bonds, or such other covenants as may, from time to time, be required to be complied with in order to maintain the exclusion of interest on the Bank Bonds from gross income for federal income tax purposes, if applicable. The City shall not use or permit the use of any of the proceeds of the City Bond or the Bank Bonds, or any other funds of the City, directly or indirectly, to acquire any securities, obligations or other investment property, and shall not take or permit to be taken any other action or actions, which would cause any Bank Bond to be an "arbitrage bond" as defined in Section 148 of the Code, if and as applicable. Notwithstanding any other provisions to the contrary, so long as necessary in order to maintain the exclusion of interest on the Bank Bonds from gross income for federal income tax purposes under the Code, if applicable, the covenants contained in this Section 16 shall survive the payment of the City Bond and the Bank Bonds and the interest thereon, including any payment or defeasance thereof.

SECTION 17. The City represents as follows:

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

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

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

SECTION 18. The City hereby covenants that, if applicable, in connection with the Bank Bonds it shall make, or cause to be timely made to the United States of America, any rebate payment required by Section 148(f) of the Code and the regulations promulgated thereunder and to that end, will enter into the Arbitrage Rebate Agreement (as defined in the Indenture) with the Bank and the Trustee. The Mayor, the Clerk and/or an Authorized Officer are each hereby authorized to execute the Arbitrage Rebate Agreement in order to comply with Section 148 of the Code and the applicable regulations thereunder. The Mayor, the Clerk and/or an Authorized officer are each hereby authorized to sign and file or cause to be filed a completed I.R.S. Form 8038 G "Information Return for Governmental Obligations" if required by Section 149€ of the Code.

SECTION 19. The City Bond shall be sold to the Bank based on the terms and conditions of the sale of the Bank Bonds by the Bank to the Underwriter of the Bank Bonds.

SECTION 20. Pursuant to SEC Rule 15c2-12(b)(5) (the "**Rule**"), the City, as an "obligated person" under the Rule, covenants and agrees to enter into the Continuing Disclosure Certificate, setting forth the City 's agreement with regard to continuing disclosure and to comply

with the covenants set forth therein and carry out all of the provisions of the Continuing Disclosure Certificate. In the event the City fails to comply with the provisions of the Continuing Disclosure Certificate, the beneficial owners of the Bank Bonds may take such actions as may be necessary and appropriate, including mandamus or specific performance by court order, to cause the City to comply with its obligations set forth in the Continuing Disclosure Certificate and this Section 20.

SECTION 21. The City may issue refunding bonds, in one or more series, with the consent of the Bank pursuant to a supplement to this Bond Resolution or a separate resolution to provide funds for the refunding of all or a portion of the City Bond so long as: (a) no default has occurred and is continuing under this Bond Resolution or the Indenture; and (b) there shall have been filed with the City and the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bank Bonds then outstanding under the Indenture shall not be adversely affected, if applicable.

Such refunding bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Bond Resolution or separate resolution of the Governing Body authorizing the issuance of such refunding bonds.

It is intended that this Section 21 allow for the provision of refunding bonds commensurate with the ability of the Bank to issue its refunding bonds as provided in Section 2.5 of the Indenture.

SECTION 22. (a) The Bank and the City, without the consent of the owners of any of the Bank Bonds outstanding under the Indenture, may enter into supplements to this Bond Resolution which shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Bond Resolution or the Indenture, and in addition thereto for the following purposes:

(i) To cure any ambiguity or formal defect or omission in the Indenture;

(ii) 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 the Outstanding City Bond and does not require unanimous consent of the Bondholders pursuant to Section 12.1 of the Indenture;

(iii) To subject to the Indenture additional Revenues, properties or collateral;

(iv) To modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification thereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, or to preserve the status of the interest on any Bank Bonds as exempt from inclusion in gross income of the holders thereof for federal tax purposes, or to permit the qualification

of the Bank Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(v) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture or the succession of a new registrar and/or paying agent; and

(vi) In connection with issuance of refunding bonds.

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

(c) If at any time the Bank and the City shall request the Trustee to consent to a proposed amendment for any of the purposes of this Section 22, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem Bank Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all holders of Bank Bonds. If, within 60 days or such longer period as shall be prescribed by the Bank following such notice, the owners of not less than a majority in aggregate principal amount of the Bank Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Bank Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the City or the Bank from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment as in this Section permitted and provided, this Bond Resolution shall be and be deemed to be modified and amended in accordance therewith.

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

SECTION 23. The Mayor, the Clerk and an Authorized Officer of the Governing Body are authorized to execute and deliver such resolutions, agreements, certificates and other documents as our required for the sale, issuance and delivery of the City Bond.

SECTION 24. The Indenture, in the form submitted to this meeting, is hereby made a part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially the form attached as **EXHIBIT A** (with such completions, changes,

insertions and modifications as may be approved by such officers, said execution being conclusive evidence of such approval). The Mayor, the Clerk and an Authorized Officer of the Governing Body are hereby authorized to approve such additional changes as may be requested by the Bank. The Governing Body hereby approves and acknowledges the Indenture and the terms and provisions thereof and recognizes that may items governing the terms and conditions of the City Bond are based upon terms, limitations and conditions provided in the Indenture.

SECTION 25. The City Bond Purchase Agreement, in the form submitted to this meeting, is hereby made a part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially the form as provided in **EXHIBIT B** hereto. The Mayor, the Clerk and an Authorized Officer of the Governing Body are hereby authorized and directed to execute and deliver the City Bond Purchase Agreement with such changes, insertions and omissions as may be approved by such officers.

SECTION 26. The City deems it most advantageous to authorize the Municipal Advisor, to negotiate for the sale of the Bank Bonds with the Underwriter and to approve the submission of the form of the Bond Purchase Agreement for the sale of the Bank Bonds to the Bank and the City, for approval at a subsequent date to be determined by the Municipal Advisor and the City to be the most financially advantageous to the City and the Bank and hereby gives authority to the Mayor, the Clerk and an Authorized Officer of the Governing Body to approve the sale of the Bank Bonds including the execution of the Bond Purchase Agreement as evidence thereof, for and on behalf of the City, subject to the following conditions: (1) compliance of the City and the Bank with the provisions of the Act regarding the issuance of the City Bond and the Bank Bonds; (2) a total amount of Bank Bonds, in one or more series, not to exceed a total aggregate principal amount of Ten Million Dollars (\$10,000,000); (3) the Bank Bonds shall not bear a greater overall maximum interest rate to maturity than eleven percent (11%) per annum; (4) approval by the City and the Bank of the Bond Purchase Agreement for the sale of the Bonds evidenced by the execution of the Bond Purchase Agreement; (5) maturity schedule for the Bank Bonds of not to exceed thirty (30) years; and (6) terms and provisions of the Bank Bonds in compliance with the Act.

SECTION 27. (a) The form of the Preliminary Official Statement and the Bond Purchase Agreement as submitted to this meeting and made a part of this resolution as though set forth in full herein shall be, and the same hereby are, approved in substantially said forms. The Mayor, the Clerk and an Authorized Officer of the Governing Body are hereby authorized and directed to execute and deliver, as applicable, the Preliminary Official Statement and the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval. The Preliminary Official Statement is hereby "deemed final" by the City as described in the Rule. The Mayor, the Clerk and an Authorized Officer of the Governing Body are hereby authorized and directed to execute and deliver the Official Statement in connection with the Bank Bonds with such changes from the Preliminary Official Statement as he/she may approve. Said Preliminary Official Statement and Bond Purchase Agreement are attached hereto as **EXHIBIT C** and **EXHIBIT D**, respectively.

(b) If in the opinion of the Bond Counsel, the Underwriter and the Municipal Advisor, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is

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

(c) The Continuing Disclosure Certificate, in the form attached to the Preliminary Official Statement as submitted to this meeting, is hereby made part of this Bond Resolution as though set forth in full herein and shall be, and the same hereby is, approved in substantially said form. The Mayor, the Clerk and an Authorized Officer are hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by such officers, said execution being conclusive evidence of such approval.

SECTION 28. The Mayor, the Clerk and an Authorized Officer are hereby given the authority to select and appoint the Trustee for the Bank Bonds under the Indenture.

SECTION 29. The Mayor, the Clerk and an Authorized Officer are hereby authorized and directed to sign requisitions and perform such other acts as may be necessary to authorize the payment by the Trustee for the Bank Bonds on the closing date of the Bank Bonds the costs of issuance of said Bank Bonds and cost of issuance for the City Bond of the City; provided, however, total costs of issuance for said Bank Bonds and the City Bond shall not exceed five (5%) percent of the par amount of the Bank Bonds (excluding Underwriter's discount and any premiums for municipal bond insurance, if applicable).

SECTION 30. Upon receiving the recommendation of the Municipal Advisor and Bond Counsel, the Mayor, the Clerk and an Authorized Officer are hereby authorized and directed to make all final determinations necessary to prepare the Indenture, the sale of the Bank Bonds, including the date of sale, the dated date of the Bank Bonds, the final principal amount of the Bank Bonds, the maturity schedule relating to the Bank Bonds, the redemption terms of the Bank Bonds, the series designation of the Bank Bonds and any other terms thereof; provided, however, that all such determinations shall be made subject to approval by the Bank, to be evidenced by the execution of the Bond Purchase Agreement for the sale of the Bank Bonds.

SECTION 31. The Mayor, the Clerk and an Authorized Officer are hereby authorized and directed to execute and deliver any additional documents, agreements, instruments, requisitions and certificates, which are required in connection with the sale and issuance of the Bank Bonds and the City Bond, including the approval of the final Official Statement in connection with the Bank Bonds. Notwithstanding any other provision herein or in any attachments hereto, the Governing Body further authorizes any necessary changes to the name or title or series designation of the Bank Bonds or the City Bond and corresponding changes to any of the related documents approved hereby if it is determined, after consultation with the Municipal Advisor, that it is in the best interest of the City for the Bank Bonds to be issued at a later date or in one or more tax-exempt or taxable series, as municipal bond market conditions may dictate.

SECTION 32. Prior to their delivery, the City Bond shall be validated pursuant to Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended, by the Chancery Court of Lee County, Mississippi.

SECTION 33. Upon the recommendation of the Municipal Advisor, the Mayor, the Clerk and an Authorized Officer are hereby authorized to apply for, execute and deliver, a commitment for the provision of municipal bond insurance and any additional documents and certificates which are required by any provider of such municipal bond insurance selected to provide credit enhancement in connection with the issuance of the Bank Bonds. Such insurer shall be selected by the Bank and the City following negotiations with perspective insurers by the Municipal Advisor. Any changes, insertions and omissions as may be required by the provider of the municipal bond insurance to the Indenture, the City Bond, and the Preliminary Official Statement are to be approved by the City and the Bank, and the execution of the commitment for said municipal bond insurance being conclusive evidence of such approval. Payment of the premiums, if applicable, for such municipal bond insurance out of the proceeds of the Bank Bonds is hereby approved. The Mayor, the Clerk and an Authorized Officer are hereby authorized to execute, if applicable, the commitment for municipal bond insurance on behalf of the Bank and/or the City.

SECTION 34. The Mayor, the Clerk and an Authorized Officer are authorized to execute and deliver such resolutions, agreements, certificates and other documents as are required for the sale, issuance and delivery of the City Bond. The Governing Body further authorizes Bond Counsel, City Counsel and the Municipal Advisor, to prepare and distribute all necessary documents and to do all things required in order to negotiate the sale of the Bank Bonds and to effectuate the sale and issuance of the City Bond and the Bank Bonds.

SECTION 35. The Mayor, the Clerk and an Authorized Officer are hereby authorized and directed to make all final determinations necessary in connection with the City Bond and the Bank Bonds including, but not limited to, the final principal amount of the City Bond and the Bank Bonds, the maturity schedule relating to the City Bond and the Bank Bonds, the redemption terms of the City Bond and the Bank Bonds, the dated date and payment dates of the City Bond and the Bank Bonds, the interest rate or rates to be borne by the City Bond and the Bank Bonds, and the price to be paid for the City Bond and the Bank Bonds, subject to the provisions of the Act and this Bond Resolution.

SECTION 36. If any one or more of the provisions of this Bond Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Bond Resolution, but this Bond Resolution shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

SECTION 37. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this Bond Resolution shall become effective upon the adoption hereof.

The above and foregoing resolution, after having been first reduced to writing, was introduced by Council Member _____, seconded by Council Member _____ and was adopted by the following roll call vote, to wit:

YEAS:

NAYS:

ABSENT:

The President thereby declared the motion carried and the resolution adopted, this the 3rd day of March, 2020.

ATTEST:

ADOPTED:

CLERK OF COUNCIL

PRESIDENT

The above and foregoing resolution having been submitted to and approved by the Mayor, this the 3rd day of March, 2020.

CITY CLERK

MAYOR

(SEAL)

EXHIBIT A
FORM OF THE INDENTURE

EXHIBIT B

FORM OF CITY BOND PURCHASE AGREEMENT

EXHIBIT C

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT D

**FORM OF MISSISSIPPI DEVELOPMENT BANK
BOND PURCHASE AGREEMENT**

**STATE OF MISSISSIPPI
CITY OF TUPELO**

I, Kim Hanna, City Clerk of the City of Tupelo, Mississippi (the "**City**"), hereby certify that the attached and foregoing pages included in this transcript constitute a full, true and complete transcript of all of the proceedings of the Mayor and City Council of the City (the "**Governing Body**") which relate to and/or affect issuance and sale of the City's not to exceed \$10,000,000, General Obligation Bond, Series 2020 (the "**Bond**").

I further certify that this transcript includes all legal pages pertaining to the issuance of the Bond, including excerpts of minutes of meetings of the Governing Body and resolutions all of which are on file in my office in the City Hall, and that all of the minutes for the meetings presented in this transcript have been properly signed as required by law.

I further certify that none of these proceedings or resolutions of the Governing Body in the matter of the issuance and sale of the Bond have been amended, modified, vacated or rescinded in any manner, except as may be indicated; and that no appeal has been taken from any of the actions of the Governing Body in connection with said matter.

I further certify that there is no litigation now pending or threatened in any way involving the issuance and sale of the Bond.

WITNESS MY SIGNATURE AND THE OFFICIAL SEAL OF THE CITY OF TUPELO, MISSISSIPPI, this the 3rd day of March, 2020.

**KIM HANNA, CITY CLERK
CITY OF TUPELO, MISSISSIPPI**

(SEAL)

CITY BOND PURCHASE AGREEMENT

THIS CITY BOND PURCHASE AGREEMENT (this "**Agreement**") is dated _____, 2020, by and between the **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic (the "**Bank**"), created pursuant to the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (hereinafter referred to as the "**Bank Act**"), having its principal place of business in the City of Jackson, Mississippi, and the **CITY OF TUPELO, MISSISSIPPI** (the "**City**"), a local governmental unit under the Act.

WITNESSETH:

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

WHEREAS, the City has duly authorized the issuance of its general obligation bond designated the City of Tupelo, Mississippi General Obligation Bond, Series 2020 in the form of one fully registered bond, in the principal amount of Ten Million Dollars (\$10,000,000) (the "**City Bond**") as authorized by Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the "**City Bond Act**" and together with the Bank Act, the "**Act**") and the Bank Act; and

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

WHEREAS, the Bank has adopted a resolution approving an Indenture of Trust (the "**Indenture**"), dated _____, 2020, by and between the Bank and _____, _____ (the "**Trustee**"), authorizing the issuance of its \$10,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) (the "**Bank Bonds**"), the proceeds of which will be used to purchase the City Bond.

NOW, THEREFORE, the Bank and the City agree:

1. Subject to the terms and conditions of this Agreement, the Bank hereby agrees to purchase the City Bond and the City hereby agrees to sell to the Bank the City Bond at the price of \$_____, representing the par amount of the City Bond of \$10,000,000.00, plus an net original issue premium of \$_____, less an underwriter's discount of \$_____, and less \$_____ for deposit to the Bond Issuance Expense Account of the General Fund (as defined in the Indenture); which equals the balance of \$_____ to be deposited on behalf of the City into the 2020 Construction Fund, as defined in and pursuant to that certain Bond Resolution (the "**City Bond Resolution**"), adopted by the Mayor and the City Council of the City on March 3, 2020. The terms of the City Bond are set forth in the City Bond Resolution and incorporated herein by reference.

2. The City will take all action required by law to enable it to issue and sell the City Bond to be purchased by the Bank, and the City's obligation to issue and sell the City Bond and the Bank's obligation to purchase the City Bond are expressly contingent upon the City's taking

all steps and receiving all approvals required by the laws of the State of Mississippi to issue the City Bond.

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

4. At such time as the Bank shall reasonably request, and in any event prior to the delivery to the Bank of the City Bond, which City Bond shall be in the form set forth in the City Bond Resolution and registered in the name of _____ as the assignee of the Bank, the City shall furnish to the Bank a transcript of proceedings and an opinion of bond counsel satisfactory to the Bank which shall set forth, among other things, the unqualified approval of the validity and authorized issuance of the City Bond. The City shall bear the cost of obtaining such bond counsel opinion.

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

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

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

8. If the Bank does not deliver said Bank Bonds and receive payment therefor on or before _____, 2020, the City may rescind this Agreement by giving written notice of such rescission to the Executive Director of the Bank. The Bank is obligated to purchase the City Bond solely from proceeds of the Bank Bonds.

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

10. No waiver by either the Bank or the City of any term or condition of this Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a

waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Agreement.

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

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

MISSISSIPPI DEVELOPMENT BANK

(SEAL)

By: _____
Executive Director

ATTEST:

Secretary

CITY OF TUPELO, MISSISSIPPI

Mayor

ATTEST:

City Clerk

(SEAL)

Signature Page to City Bond Purchase Agreement by and between Mississippi Development Bank and the City of Tupelo, Mississippi.

INDENTURE OF TRUST

BY AND BETWEEN

MISSISSIPPI DEVELOPMENT BANK

AND

_____,
AS TRUSTEE

DATED AS OF _____, 2020

RE:

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2020
(TUPELO, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)**

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EXHIBIT A – FORM OF CITY BOND

INDENTURE OF TRUST

This **INDENTURE OF TRUST** is dated as of _____, 2020, 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 Mississippi Code of 1972, Sections 31-25-1 *et seq.* (as from time to time amended, the "**Bank Act**") and _____, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein with its designated corporate trust office located in _____, Mississippi, as Trustee (the "**Trustee**").

WITNESSETH:

WHEREAS, the Bank is authorized and empowered by the provisions of the Bank Act to issue bonds for the purpose of buying Securities of Local Governmental Units (all as defined in the Bank Act); and

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

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The Bank, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds (as hereinafter defined) 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, premium, if any, 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) 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 (as hereinafter defined) acquired and held by the Trustee pursuant to this Indenture, all the payments thereunder, including Additional Payments as defined herein, due under the City Bond Resolution, all the earnings thereon and all proceeds thereof.

GRANTING CLAUSE THIRD

All funds, accounts and moneys hereinafter pledged to the Trustee as security by the Bank to the extent of that pledge.

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

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

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.1 Definitions. The following words and phrases shall have the following meanings unless the context otherwise requires:

"**Accounts**" means the accounts created pursuant to Article VI hereof.

"**Act**" means together the Bank Act and the City Bond Act.

"Additional Payments" means such Additional Payments as required by this Indenture, which include, each and all of the following, to be paid by the City under the City Bond Resolution:

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

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

(c) to the Bank and the Trustee, all other reasonable expenses incurred by the Bank and the Trustee in relation to the Construction Project under the City Bond Resolution which are not otherwise required to be paid by the City under the terms of the City Bond Resolution and all indemnity payments required to be made under Section 11.9 hereof; and

(d) any and all out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of any counsel, accountants, appraisers or other professionals) incurred by the Trustee or the Bank at any time, in connection with (i) the preparation, negotiation and execution of this Indenture, the City Bond, the City Bond Resolution and all other Related Documents, any amendment of or modification of this Indenture, the City Bond, the City Bond Resolution or the other Related Documents (including in connection with any sale, transfer, or attempted sale or transfer of any interest herein to a participant or assignee); (ii) any litigation, contest, dispute, suit, proceeding or action, whether instituted by the Bank, the Trustee, the City or any other person in any way relating to the Construction Project, the City Bond, the City Bond Resolution, the other Related Documents, or the City's affairs; (iii) any attempt to enforce any rights of the Trustee or the Bank against the City or any other person which may be obligated to the Trustee and/or Bank by virtue of the City Bond, the City Bond Resolution, the other Related Documents or any other Construction Project related document; (iv) any action to protect, collect, sell, liquidate or otherwise dispose of the Construction Project; and (v) performing any of the obligations relating to or payment of any obligations of the City hereunder in accordance with the terms hereof or any other Bond Document.

"Arbitrage Rebate Agreement" means the Tax Regulatory Agreement and Arbitrage Certificate among the Bank and the City, dated _____, 2020, in connection with the Series 2020 Bonds.

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

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

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

"Bankruptcy Code" means the 11 U.S.C. Sections 101 *et seq.*, as amended or supplemented from time to time.

"Beneficial Owner" means, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a DTC participant on the records of such DTC participant, or such person's subrogee.

"Bond Counsel" means an attorney or firm of attorneys approved by the City and the Bank nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with Section 148(f) of the Code. Butler Snow LLP, Ridgeland, Mississippi, is serving as Bond Counsel in connection with the sale and issuance of the Series 2020 Bonds.

"Bond Issuance Expense Account" means the account by that name created by Section 6.2 hereof.

"Bond Purchase Agreement" means that certain Bond Purchase Agreement, dated _____, 2020, by and among the Bank, the Underwriter and the City in connection with the issuance and sale of the Series 2020 Bonds.

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

"Bondholder" or "holder of Bonds" or "owner of Bonds" or any similar term means the Registered Owner of any Bond.

"Bonds" means the Series 2020 Bonds and any Refunding Bonds issued pursuant to this Indenture.

"Business Day" means any day, other than a Saturday or Sunday, on which the Trustee or the City Hall of the City is not closed and on which the payment system of the Federal Reserve System, is operational.

"City" shall mean the City of Tupelo, Mississippi, a "local governmental unit" under the Bank Act.

"City Bond" means the \$10,000,000 General Obligation Bond, Series 2020, issued by the City pursuant to the City Bond Resolution and registered to the Trustee as assignee of the Bank pursuant to this Indenture.

"City Bond Act" means the provisions of Mississippi Code of 1972, Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended or supplemented from time to time.

"City Bond Interest Payment" means that portion of a City Bond Payment, which represents the interest due or to become due on City Bond held by the Trustee pursuant to this Indenture.

"City Bond Payment" means 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 Principal Payment" means that portion of a City Bond Payment, which represents the principal due or to become due on the City Bond held by the Trustee pursuant to this Indenture.

"City Bond Purchase Agreement" means that certain City Bond Purchase Agreement, dated _____, 2020, by and between the City and the Bank in connection with the issuance and sale of the City Bond.

"City Bond Resolution" means that certain Bond Resolution adopted by the City on March 3, 2020, in connection with the issuance of the City Bond.

"Code" means the Internal Revenue Code of 1986 in effect on the date of issuance of the Series 2020 Bonds, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto.

"Construction Project" means (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the Act.

"Costs of Issuance" shall mean items of expense payable or reimbursable by or indirectly by the Bank and related to the authorization, sale, validation and issuance of the Bonds

and the purchase and validation 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 advisor fees and expenses, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, credit enhancements or liquidity facility fees, and other costs, charges and fees in connection with the foregoing.

"Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and approved by the Bank and the Trustee.

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

"DTC" means The Depository Trust Company, New York, New York.

"DTC participants" shall have the meaning ascribed thereto in Section 2.7 herein.

"DTC's Blanket Letter of Representations" means the Blanket Letter of Representations, dated January 9, 1997, between the Bank and DTC.

"Event of Default" means any occurrence or event specified in Section 10.1 hereof.

"Fees and Charges" means fees and charges established by the Bank from time to time pursuant to the Act which are payable by the City.

"Fiscal Year" means the Bank's fiscal year being the twelve month period from July 1 through the following June 30 or such other as may be established by the Bank.

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

"General Account" means the account by that name created by Section 6.2 hereof.

"General Fund" means the fund by that name created by Section 6.2 hereof.

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

the United States of America, or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by law.

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

"Interest Payment Date" means any date on which interest is payable on the Bonds, and for the Series 2020 Bonds, March 1 and September 1, commencing ____ 1, 20__.

"Investment Securities" means any and all securities, instruments and the like in which the Bank is authorized from time to time to invest its funds under State law, including but not limited to Governmental Obligations.

"Local Governmental Unit" means (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State of Mississippi, (ii) the State of Mississippi or any agency thereof, (iii) the institutions of higher learning of the State of Mississippi, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under state law, such as the City, through programs of purchasing the bonds, notes or evidences of indebtedness of such local governmental units under agreements between such local governmental units and the Bank.

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

"Notice Address" means, with respect to the City, the City's address given in connection with the sale of the City Bond to the Bank, and, with respect to the Bank, the Trustee and the Underwriter:

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

Trustee: _____

_____, _____
Attention: _____

Underwriter: Stephens, Inc.
111 Center Street, Suite 2400
Little Rock, Arkansas 72201
Attention: Municipal Finance

City: City of Tupelo, Mississippi
71 East Troy Street
Tupelo, MS 38802
Attention: Mayor

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

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

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

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under Article IX hereof; and
- (c) Bonds in lieu of which other Bonds have been authenticated under Section 3.5, 3.6 or 3.10 hereof.

"Paying Agent" means the Trustee or any successor thereto, acting as the Paying Agent under the City Bond Resolution.

"Principal Office" means, as it relates to the Trustee, the address for the Trustee set forth under the definition of Notice Address above.

"Principal Payment Date" means the maturity date or the mandatory sinking fund redemption date of any Bond.

"Program" means the program for purchasing the City Bond by the Bank pursuant to the Bank Act.

"Program Expenses" means all of the fees and expenses of the Trustee relating to the Bonds or City Bond and costs of determining the amount rebatable, if any, to the United States of America under Section 6.11 hereof, all to the extent properly allocable to the Program and approved in writing by the Bank.

"Project" means providing financing for (a) the purchase of the City Bond, to finance the Construction Project; and (b) paying the Costs of Issuance for the City Bond and the Series 2020 Bonds.

"Purchase Account" means the account by that name created by Section 6.2 hereof.

"Rebate Fund" means the fund by that name created by Section 6.2 hereof.

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

"Redemption Account" means the account by that name created by Section 6.2 hereof.

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

"Refunding Bonds" means Bonds issued pursuant to Sections 2.4 and 2.5 hereof and any Supplemental Indenture.

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

"Related Documents" shall mean this Indenture, the City Bond Resolution, the Bond Purchase Agreement and the City Bond Purchase Agreement.

"Revenues" means the Funds and Accounts (except for the Rebate Fund) and all income, revenues and profits of the Funds and Accounts (except for the Rebate Fund) referred to in the granting clauses hereof including, without limitation, all City Bond Payments and any additional amounts paid to the Trustee under the City Bond Resolution or from any other source whatsoever.

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

"Secretary" means the Secretary or the Assistant Secretary of the Bank.

"Security Documents" shall mean the Bond Resolution, the Indenture, the Bonds, the City Bond and/or any additional or supplemental document executed in connection with the Bonds and the City Bond.

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

"Series 2020 Bonds" means \$10,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) issued pursuant to Section 2.1 of this Indenture.

"State" means the State of Mississippi.

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

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

"Trust Estate" means the property, rights, and amounts pledged and assigned to the Trustee pursuant to the granting clauses hereof.

"Underwriter" means Stephens, Inc., Little Rock, Arkansas.

SECTION 1.2 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 2

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.1 Authorization and Issuance of Series 2020 Bonds. Bonds of the Bank to be known and designated as "Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project)," are hereby authorized to be issued. The aggregate principal amount of Series 2020 Bonds that may be issued, authenticated and Outstanding hereunder is Ten Million Dollars (\$10,000,000).

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

SECTION 2.2 Purpose and Disposition of Series 2020 Bonds.

The purpose for issuing the Series 2020 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 funds for the Construction Project), and (b) to fund the Bond Issuance Expense Account of the General Fund to pay Costs of Issuance. Upon the delivery of the Series 2020 Bonds and receipt of the net proceeds therefor, the Bank shall deliver to the Trustee proceeds of the Series 2020 Bonds in the amount of \$_____ (\$10,000,000.00 par amount of the Series 2020 Bonds, plus a net original issue premium of \$_____, and less the Underwriter's discount of \$_____) for deposit (i) into the Bond Issuance Expense Account of the General Fund, the sum of \$_____ to pay Costs of Issuance; and (ii) into the Purchase Account, \$_____ of the net proceeds to be distributed to the City as provided in the City Bond Purchase Agreement.

SECTION 2.3 General Description of the Series 2020 Bonds. The Series 2020 Bonds shall be issuable as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Series 2020 Bonds shall be numbered from R-1 upward, as applicable.

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

Interest on the Series 2020 Bonds shall be payable on March 1 and September 1 of each year, commencing _____ 1, 20__, until the Series 2020 Bonds are paid. Interest will be

calculated using a three hundred sixty (360) day year based on twelve (12) thirty (30) day months.

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

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
20__*		
20__*		

* Term Bond subject to mandatory sinking fund redemption as set forth herein.

SECTION 2.4 Provisions for Issuance of Bonds. The Bonds shall be executed by Authorized Officers of the Bank for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to or as directed by the Underwriter through the facilities of DTC, the Bank or to the purchasers thereof, as specified in a written order of the Bank, but only upon the receipt by the Trustee of:

(a) A copy, duly certified by an Authorized Officer, of the resolution or resolutions adopted by the Board of Directors of the Bank authorizing the execution and delivery of this Indenture and all other instruments contemplated thereby and the authorization, issuance, sale and delivery of the Series 2020 Bonds;

(b) A copy, duly certified by the City Clerk or an authorized officer of the City, of the City Bond Resolution and any other resolution(s) of the City authorizing the execution and delivery of all instruments contemplated thereby and approving this Indenture and the authorization, issuance, sale and delivery of the City Bond;

(c) Original executed counterparts of the Related Documents;

(d) Signed copies of all opinions of Counsel required by the Underwriter;

(e) A request and authorization to the Trustee by or on behalf of the Bank and signed by an Authorized Officer to authenticate and deliver the Series 2020 Bonds to the Underwriter and specifying the amounts to be deposited in the accounts of the General Fund pursuant to Section 2.2 hereof;

(f) Signed copies of the legal opinion of Bond Counsel; and

(g) Such further documents, moneys and securities as are required by the provisions of this Section 2.4 or Article VII hereof.

SECTION 2.5 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 2.5 hereof) of:

(i) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Series 2020 Bonds to be refunded on the redemption date specified in such instructions;

(ii) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice provided for in Section 4.5 hereof to the owners of the Series 2020 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 Redemption Price or principal payment amount of the Series 2020 Bonds to be refunded or paid, respectively, together with accrued interest on such Series 2020 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 Bank in a separate account irrevocably in trust for and assigned to the respective owners of the Series 2020 Bonds to be refunded or paid, or (B) Governmental Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Article IX which Governmental Obligations shall be held in trust and used only as provided in said Article.

SECTION 2.6 Form of Bonds. The Bonds and the Trustee's certificate of authentication to be endorsed on the Bonds are all to be in substantially the following form, with necessary and appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture, as applicable:

(FORM OF SERIES 2020 BOND)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BOND, SERIES 2020
(TUPELO, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)

NO. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
%	March 1, 20__	_____, 2020	_____, 2020	

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

Mississippi Development Bank, a body corporate and politic, exercising essential public functions ("**Bank**"), organized under the laws of the State of Mississippi, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, the principal amount stated above in lawful money of the United States of America but solely from the sources referred to herein and not otherwise, on the Maturity Date specified above, unless this Series 2020 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 Series 2020 Bond (unless this Series 2020 Bond is authenticated on or before ____ 1, 20__, then from _____, 2020, or unless this Series 2020 Bond is authenticated after ____ 1, 20__ and on or before the next succeeding interest payment date, then from such interest payment date or unless payment of the interest on this Bond is in default, then from such date when interest has been paid in full) at the Interest Rate per annum stated above, payable on each March 1 and September 1, commencing ____ 1, 20__, until payment of such principal amount shall have been made upon redemption or at maturity. The principal of this Series 2020

Bond is payable at the principal corporate trust office of _____, _____, _____, as trustee (the "**Trustee**"), or at the principal corporate trust office of any successor trustee appointed under the Indenture hereinafter mentioned; and payments of interest hereon will be made to the Registered Owner hereof (whose name appears on the registration records kept by the Trustee at the close of business on the fifteenth day of the month prior to such Interest Payment Date) by check mailed on the Interest Payment Date by the Trustee to such Registered Owner at his address as it appears on the registration records of the Bank kept by the Trustee or at such other address as is furnished to the Trustee in writing by such Registered Owner or at the written election of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2020 Bonds delivered to the Trustee at least one Business Day prior to the Record Date (as defined in the Indenture) for which such election will be effective by wire transfer to the Registered Owner or by deposit into the account of the Registered Owner if such account is maintained by the Trustee.

This Series 2020 Bond and the other Series 2020 Bonds, and the interest payable hereon and thereon, are payable solely by the Bank from the Revenues (as defined herein) and other funds of the Bank pledged therefor under the Indenture, which Revenues and funds include the payments on the City Bond (as hereinafter defined) purchased by the Bank. The Bank has no taxing power. This Series 2020 Bond and the other Series 2020 Bonds, both as to principal and interest, constitutes neither a debt, liability or loan of the credit of the State of Mississippi ("**State**") or any political subdivision thereof under the constitution or statutes of the State nor a pledge of the faith and credit, the taxing power or moral obligation of the State or any political subdivision thereof; provided, however, that the City Bond is a general obligation of the City. The issuance of the Series 2020 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 Series 2020 Bonds do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution or the statutes of the State and do not now and shall never constitute a charge against the credit of the State or any political subdivision thereof or a charge against the taxing power of the State or any political subdivision thereof. Neither the State nor any agent, attorney, member or employee of the State or of the Bank shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Series 2020 Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any agent, employee, attorney or member of the State or of the Bank, or any charge upon their general credit or upon the taxing power of the State. In the Act, the State has pledged and agreed with the holders of any Series 2020 Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Series 2020 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Series 2020 Bonds, are fully met and discharged.

This Series 2020 Bond is one of an authorized issue of bonds of the Bank known as Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) ("**Series 2020 Bonds**") issued under and secured by an

Indenture of Trust dated as of _____, 2020 ("**Indenture**"), duly executed and delivered by the Bank to _____, as Trustee ("**Trustee**"). The Series 2020 Bonds are limited in aggregate principal amount to Ten Million Dollars (\$10,000,000). The Series 2020 Bonds are issued pursuant to Sections 31-25-1 et seq., Mississippi Code of 1972, as amended ("**Bank Act**") and Sections 21-33-301 et seq., Mississippi Code of 1972, as amended (the "**City Bond Act**" and together with the Bank Act, the "**Act**"), to provide funds to (a) purchase the City Bond to provide funds for the financing of the Construction Project (as hereinafter defined), and (b) pay costs of issuing the Series 2020 Bonds and the City Bond. The City is Tupelo, Mississippi and the City Bond is the City of Tupelo, Mississippi General Obligation Bond, Series 2020 in the aggregate principal amount of \$10,000,000. The City Bond is a general obligation of the City secured and described in that certain Bond Resolution, adopted by the Mayor and City Council of the City on March 3, 2020 (the "**City Bond Resolution**"). The proceeds received by the City from the sale of the City Bond to the Bank will be used by the City for the purpose of providing funds for (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the Act.

The City Bond Resolution, a certified copy of which is on file in the principal corporate trust 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, premium, if any, and interest on all Bonds issued and Outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Bank and the Trustee.

In the City Bond Resolution, the City covenants to levy a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of premium, if any, and the interest on the City Bond and any additional obligations of the City under the City Bond Resolution; 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 established for the City Bond, 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. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes

of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are irrevocably pledged in the City Bond Resolution for the payment of the principal of, premium, if any, and interest on the City Bond and any additional obligations of the City as aforesaid as the same shall respectively mature and accrue.

The Series 2020 Bonds are all equally and ratably secured by and entitled to the protection of the Indenture on a parity one with another (collectively, the "**Bonds**"). To secure payment of 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 rights, title and interest of the Bank in and to all moneys and securities from time to time received and held by the Trustee under the Indenture and all income from the deposit, investment and reinvestment thereof except any moneys and securities held in the Rebate Fund established under the Indenture (all such money and funds and accounts referred to in the granting clauses of the Indenture are defined in the Indenture and are herein referred to as the "**Revenues**"). Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Bank, the Trustee and the owners of the Bonds, the terms and conditions upon which the Series 2020 Bonds are issued and the terms and conditions upon which the Series 2020 Bonds will be paid at or prior to maturity, or will be deemed to be paid upon the making of provision for payment therefor. Copies of the Indenture are on file at the principal corporate trust office of the Trustee.

This Series 2020 Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations prescribed in the Indenture and upon surrender and cancellation of this Series 2020 Bond. This Series 2020 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 Series 2020 Bond or Series 2020 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 Series 2020 Bonds are issuable as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and upon payment of any taxes or governmental charges, Series 2020 Bonds may be exchanged for a like aggregate principal amount of Series 2020 Bonds of the same maturity of authorized denominations.

(a) *Optional Redemption.* In accordance with the Indenture and the City Bond Resolution, the Bonds (or any portions thereof in integral multiples of \$5,000 each) maturing on or after March 1, 20__, are subject to redemption in whole or in part, in principal amounts and maturities selected by the Bank on any date on or after March 1, 20__, at par, plus accrued interest to the date of redemption. Under the Indenture, selection of the Bonds to be redeemed

within a maturity will be made by lot by the Trustee. In accordance with DTC's standard practices and its agreement with the Bank, DTC and the DTC Participants will make this selection so long as the Bonds are in book-entry form.

(b) Mandatory Sinking Fund Redemption.

The Bonds are subject to mandatory sinking fund redemption as follows:

The Bonds maturing March 1, 20__ in the principal amount of \$_____ are subject to mandatory sinking fund redemption, in part, by lot, on March 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 Bonds	
Maturing March 1, 20__	
_____ %	
Year	Principal Amount
20__	
20__*	

* Final Maturity

The Bonds maturing March 1, 20__ in the principal amount of _____ are subject to mandatory sinking fund redemption, in part, by lot, on March 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 Bonds	
Maturing March 1, 20__	
_____ %	
Year	Principal Amount
20__	
20__*	

* Final Maturity

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

In the event any of the Bonds are called for optional redemption as aforesaid, notice thereof identifying the Bonds to be redeemed will be given by mailing a copy of the redemption notice (which may be a conditional notice of redemption) by registered or certified mail not less than thirty (30) days nor more than forty-five (45) days prior to the date fixed for redemption to the Registered Owner of the Bonds to be redeemed at the address shown on the Bond Register. Failure to give such notice by mailing, or any defect therein with respect to any Bond, shall not affect the validity of any proceedings for the redemption of other Bonds.

All Bonds so called for redemption will cease to bear interest on the specified redemption date, shall no longer be secured under the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture, provided funds for their redemption are on deposit at the place of payment on or prior to the redemption date.

The Registered Owner of this Series 2020 Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2020 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 Series 2020 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 Series 2020 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, premium, if any, and interest on the Series 2020 Bonds, as the same become due, are designed to be sufficient in amount for that purpose.

This Series 2020 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

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

IN WITNESS WHEREOF, the Mississippi Development Bank has caused this Series 2020 Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Executive Director and a manual or facsimile seal of its official seal to be hereunto impressed or imprinted hereon by any means and attested by the manual signature of its Secretary.

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

ATTEST:

By: _____
Secretary
(SEAL)

CERTIFICATE OF AUTHENTICATION

This Series 2020 Bond is one of the Series 2020 Bonds issued and delivered pursuant to the provisions of the within mentioned Indenture.

_____,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 2020

[FORM OF VALIDATION CERTIFICATE]

VALIDATION CERTIFICATE

STATE OF MISSISSIPPI

COUNTY OF HINDS

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

Secretary
(SEAL)

[FORM OF ASSIGNMENT]

ASSIGNMENT

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

(PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE)

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE)

the within Series 2020 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney, to transfer the within Series 2020 Bond on the records kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Series 2020 Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: 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 2020 BOND FORM]

SECTION 2.7 Book-Entry Only System. The Series 2020 Bonds shall be initially issued in the form of a separate single fully registered Series 2020 Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2020 Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.8 hereof, all of the outstanding Series 2020 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. With respect to Series 2020 Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Bank and the Trustee shall have no responsibility or obligation to any participant for whom DTC is a security depository nominee ("**DTC Participants**") or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2020 Bonds. Without limiting the immediately preceding sentence, the Bank and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2020 Bonds, (b) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown in the Bond Register, of any

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

SECTION 2.8 Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Bank determines that DTC is incapable of discharging its responsibilities described herein and DTC's Blanket Letter of Representations or that it is in the best interest of the Beneficial Owners of the Series 2020 Bonds that they be able to obtain certificated Series 2020 Bonds, the Bank shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2020 Bond certificates to such successor securities depository or (b) notify DTC and DTC Participants of the availability through DTC of Series 2020 Bond certificates and transfer one or more separate Series 2020 Bond certificates to DTC Participants having Series 2020 Bonds credited to their DTC accounts. In such event, the Series 2020 Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Series 2020 Bonds shall designate, in accordance with the provisions of this Indenture.

SECTION 2.9 Payments. Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Series 2020 Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, premium, if any, and interest on such Series 2020 Bond and all notices with respect to such Series 2020 Bond shall be made and given, respectively, in the manner provided in DTC's Blanket Letter of Representations. The

Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Indenture that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants.

ARTICLE 3

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.1 Medium, Form and Place of Payment. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be payable by check mailed on the Interest Payment Date to the Registered Owners as of the Record Date. The Bank may provide for the payment of interest on Bonds to holders of \$1,000,000 or more by wire transfer or by such other method as is acceptable to the Trustee and the Bondholder upon written election of such Bondholder at least one Business Day prior to the applicable Record Date. Principal shall be payable at the Principal Office of the Trustee upon presentation of the Bonds to be paid.

SECTION 3.2 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 3.3 Execution. The Bonds shall be executed on behalf of the Bank with the manual or facsimile signature of its Executive Director, Secretary, President or Vice President and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Bank, which seal shall be attested by the manual or facsimile signature of the 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 3.4 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 3.5 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 indemnity satisfactory to it. In the event any such Bond shall have matured or been called for redemption, instead of issuing and authenticating a duplicate Bond, the Trustee may pay the same without surrender thereof, provided, however, that in the case of a lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee together with indemnity satisfactory to it. 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 3.5 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 3.6 Registration, Transfer and Exchange of Bonds; Persons Treated as Owners. The Bank shall cause records for the registration and for the transfer of the Bonds to be kept by the Trustee at its Principal Office, and the Trustee is hereby constituted and appointed the bond registrar of the Bank. At reasonable times and under reasonable regulations established by the Trustee, said records may be inspected by the Bank or by Beneficial Owners (or a designated representative thereof) of five percent (5%) or more in aggregate principal amount of the Bonds then Outstanding.

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

The Trustee shall not be required (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 3.7 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 3.5 hereof, such Bond shall be canceled and destroyed by the Trustee and a counterpart of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Bank.

SECTION 3.8 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 Registered 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 Registered Owner, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond.

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

SECTION 3.9 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 3.3 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 the denomination of \$5,000 or any integral multiples thereof authorized by the Bank, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Bank at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Indenture.

If the Bank shall authorize the issuance of temporary Bonds in more than one denomination, the owner of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount and maturity of any other authorized denomination or denominations, and thereupon the Bank shall execute and the Trustee, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes and charges provided for in Section 3.6 hereof, shall authenticate and deliver a temporary Bond or Bonds of like aggregate principal amount and maturity in such other authorized denomination or denominations as shall be requested by such owner. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

SECTION 3.11 Limitations on Obligations of Bank. The Bonds, together with interest thereon, shall be limited obligations of the Bank 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 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. The issuance of the Bonds under the provisions of the Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds and the interest payable thereon do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the statutes of the State and do not now and shall never constitute a charge against the credit or taxing power of the State or any political subdivision thereof; provided, however, that the 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, and premium, if any, or interest on the Bonds or damages, if any, for the nonperformance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the State's or the Bank's agents, members, attorneys, and employees or any charge upon the general credit of the State or a charge against the taxing power of the State or any political subdivision thereof (except the City). In the Act, the State has pledged and agreed with the holders of any Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Bonds are fully met and discharged.

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

ARTICLE 4

REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 4.1 Redemption and Redemption Prices and Terms for Series 2020 Bonds.

If the City directs the Bank to redeem the Series 2020 Bonds pursuant to Section 3 of the City Bond Resolution, the Bank agrees to accept redemption and redeem the Series 2020 Bonds in the following instance:

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

In the event less than all of the Bonds are to be redeemed, the principal amount and maturity to be redeemed shall be selected by the Bank, and the Trustee, in its sole discretion, shall select the Bonds to be redeemed by lot within a selected maturity, provided that such Bonds shall be redeemed only in whole multiples of \$5,000. In accordance with DTC's standard practices and its agreement with the Bank, DTC and the DTC Participants will make this selection so long as the Series 2020 Bonds are in book-entry form.

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption as follows:

The Bonds maturing March 1, 20__ in the principal amount of \$_____ are subject to mandatory sinking fund redemption, in part, by lot, on March 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 Bonds	
Maturing March 1, 20__	
_____%	
Year	Principal Amount
20__	

Year	Principal Amount
20__*	

* Final Maturity

The Bonds maturing March 1, 20__ in the principal amount of \$_____ are subject to mandatory sinking fund redemption, in part, by lot, on March 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 Bonds
Maturing March 1, 20__
 _____%

Year	Principal Amount
20__	
20__*	

* Final Maturity

SECTION 4.2 Redemption at the Election or Direction of the Bank. In the case of the redemption of any Series 2020 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 2020 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 forty-five (45) 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 2020 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 2020 Bonds to be redeemed.

SECTION 4.3 Selection of Series 2020 Bonds to be Redeemed. If less than all of the Series 2020 Bonds are to be redeemed, the Series 2020 Bonds shall be redeemed only in whole multiples of \$5,000. For purposes of redemption, each \$5,000 of principal shall be considered as a Series 2020 Bond. If less than all of the Series 2020 Bonds shall be called for redemption, the principal amount and maturity of the Series 2020 Bonds to be redeemed shall be selected by the Bank and the Trustee shall select the particular Series 2020 Bonds to be redeemed by lot within a maturity in such manner as the Trustee may determine.

SECTION 4.4 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 2020 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 4.5 hereof and sufficient funds for redemption shall be on deposit with the Trustee as aforesaid, interest on the Series 2020 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 2020 Bond or portion thereof called for redemption until such Series 2020 Bond or portion thereof shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 3.5 hereof with respect to any mutilated, lost, stolen or destroyed Series 2020 Bond.

SECTION 4.5 Notice of Redemption. Notice of the call for any optional redemption, identifying the Series 2020 Bonds (or any portions thereof in integral multiples of \$5,000 each) 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 Registered Owner of each Series 2020 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 2020 Bonds.

SECTION 4.6 Cancellation. All Series 2020 Bonds which have been redeemed shall not be reissued but shall be canceled and destroyed by the Trustee in accordance with Section 3.7 hereof.

ARTICLE 5

GENERAL COVENANTS

SECTION 5.1 Payment of Principal and Interest. The Bank covenants and agrees that it will promptly pay the principal of and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof, provided that the principal and interest are payable by the Bank solely from Revenues and any other funds or assets of the Bank hereinafter pledged to the Trustee as security by the Bank to the extent of that pledge.

SECTION 5.2 Performance of Covenants; Bank. The Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, 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 hands of the owners thereof are and will be valid and enforceable limited obligations of the Bank according to the terms thereof and hereof.

SECTION 5.3 Instruments of Further Assurance. The Bank covenants and agrees that the Trustee may defend its rights to the payment of the Revenues for the benefit of the

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

SECTION 5.4 [RESERVED].

SECTION 5.5 Covenants Concerning Program.

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

SECTION 5.6 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 5.7 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 Beneficial Owners of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

The Trustee covenants and agrees, if requested, to provide to the Bank prior to the twentieth day of the month following the end of each six-month period, commencing with the

period ending _____ 1, 20 ____, a statement of the amount on deposit in each Fund and Account as of the first day of that month and of the total deposits to and withdrawals from each Fund and Account during the preceding six-month period.

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

SECTION 5.8 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 owners or holders of the City Bond, provided, however, that decisions as to the enforcement of remedies shall be within the sole discretion of the Trustee as set forth in Article X hereof.

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

SECTION 5.9 [RESERVED]

SECTION 5.10 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 5.11 [RESERVED]

SECTION 5.12 [RESERVED]

SECTION 5.13 Covenants Concerning Preservation of Tax Exemption. The Bank hereby covenants and agrees to take all qualifying actions and to not fail to take any qualifying actions which are necessary in order to protect and preserve the exclusion from gross income for federal income tax purposes of the interest on the Series 2020 Bonds. For this purpose, the Bank shall approve and deliver to the Trustee a memorandum of compliance concerning the provisions of the Code necessary to protect and preserve such exclusion. Such memorandum of compliance 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 memorandum of compliance will not adversely affect the exclusion of interest on the Series 2020 Bonds from gross income of the holders thereof for federal income tax purposes.

ARTICLE 6

REVENUES AND FUNDS

SECTION 6.1 Source of Payment of Bonds. The Bonds and all payments by the Bank hereunder are limited obligations of the Bank payable solely out of the Trust Estate as authorized by the constitution and statutes of the State, including particularly the Act and this Indenture, as provided herein.

SECTION 6.2 Creation of Funds. There are hereby created by the Bank and ordered established the following funds to be held by the Trustee: (a) the General Fund; and (b) the Rebate Fund. There is hereby created and established in the General Fund a "General Account," "Bond Issuance Expense Account," "Redemption Account," and "Purchase Account." Upon the written request of the Bank, the Trustee shall establish and maintain hereunder such additional Funds, Accounts or subaccounts as the Bank may specify from time to time to the extent that in the judgment of the Trustee the establishment of such Fund or Account is not to the material prejudice of the Trustee or the Bondholders.

SECTION 6.3 Deposit of Net Proceeds of Bonds.

(a) The Trustee shall deposit the proceeds from the sale of the Series 2020 Bonds in the manner provided in Section 2.2 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 6.4 Deposit of Revenues and Other Receipts. Upon receipt of any Revenues or other receipts (except the proceeds of the Series 2020 Bonds, interest earnings on any amounts in the Rebate Fund and moneys received by the Bank from the sale or redemption prior to maturity of the City Bond), the Trustee shall deposit such amounts into the General Account of the General Fund or such other applicable Fund or Account.

SECTION 6.5 Operation of General Account. The Trustee shall deposit in the General Account of the General Fund all amounts required to be deposited therein pursuant to the provisions of this Article VI.

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

(a) On or before four (4) Business Days prior to any Interest Payment Date, to the Trustee 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 Series 2020 Bonds on such Interest Payment Date;

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

(c) The amounts, if any, to be transferred to the Rebate Fund as provided in the Arbitrage Rebate Agreement and Section 6.11 hereof; 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 12 months are in excess of the amounts needed to pay principal and interest on the Series 2020 Bonds within the immediately succeeding twelve month period, to the City at the request of the City with the prior written approval of the Bank.

SECTION 6.6 Operation of the Redemption Account. The Trustee shall deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of the City Bond and all other moneys required to be deposited therein pursuant to the provisions of Article IV and Article VI hereof, shall invest such funds pursuant to Article VIII hereof and shall disburse the funds held in the Redemption Account as follows: moneys in the Redemption Account shall be used to redeem Series 2020 Bonds. Such redemption shall be made pursuant to a redemption under the provisions of Article IV hereof. The Trustee shall pay the interest accrued on the Series 2020 Bonds so redeemed to the date of redemption from the General Account and the Redemption Price from the Redemption Account.

SECTION 6.7 Operation of the Purchase Account. The Trustee shall deposit in the Purchase Account all moneys required to be deposited therein pursuant to the provisions of Section 2.2 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 requirements with respect to such financing 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 2019 Construction Fund of the City established under the City Bond Resolution, which fund will be used by the City to finance the Construction Project. Any amounts of \$5,000 or more remaining in the Purchase Account after the purchase of the City Bond shall be transferred to the Redemption Account for the redemption of the Series 2020 Bonds. Any amount less than \$5,000 shall be transferred to the General Account.

SECTION 6.8 [RESERVED]

SECTION 6.9 [RESERVED]

SECTION 6.10 Operation of Bond Issuance Expense Account. The Trustee shall deposit in the Bond Issuance Expense Account the moneys required to be deposited therein pursuant to Section 2.2 of this Indenture, shall invest such funds pursuant to Article VIII hereof and shall disburse the funds held in the Bond Issuance Expense Account as follows:

(a) Upon receipt of acceptable invoices and the written authorization of an Authorized Representative of the City and the Executive Director of the Bank, to pay the Costs

of Issuance of the Series 2020 Bonds or to reimburse the Bank for amounts previously advanced for such costs; and

(b) On the date which is thirty (30) days after the date of issuance of the Series 2020 Bonds, any funds remaining in the Bond Issuance Expense Account shall be transferred to the General Account of the General Fund.

SECTION 6.11 Operation of the Rebate Fund.

(a) The Trustee is authorized to establish and maintain, so long as any Series 2020 Bonds are outstanding and are subject to a requirement that arbitrage profits be rebated to the United States of America, a separate fund to be known as the "Rebate Fund." The Trustee shall make information regarding the Series 2020 Bonds and investments hereunder available to the Bank and shall make deposits and disbursements from the Rebate Fund in accordance with the Arbitrage Rebate Agreement and 8.2 hereof, shall invest the Rebate Fund as directed by the City 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 Arbitrage Rebate Agreement and accompanied by an Opinion of Bond Counsel addressed to the Trustee to the effect that the provisions of the amended Arbitrage Rebate Agreement will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2020 Bonds.

(b) If a deposit to the Rebate Fund is required as a result of the computations made by or on behalf of the Bank pursuant to the Arbitrage Rebate Agreement, the Trustee shall, upon receipt of direction from the Bank, accept such payment for the benefit of the Bank and make transfers of moneys from the General Account 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.

(c) Not later than sixty (60) days after December 12, 2024 and every five (5) years thereafter, the Trustee shall, upon written request of the Bank in accordance with the Arbitrage Rebate Agreement, 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 6.11(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 2020 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 2020 Bonds and a statement of the Bank summarizing the determination of the amount to be paid to the United States of America.

SECTION 6.12 Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account established under any provision of this Indenture shall be held by the Trustee in trust and applied in accordance with the provisions of this Indenture, except for moneys held pursuant to the Rebate Fund and any Accounts created thereunder and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given. Such money 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 6.13 Amounts Remaining in Funds or Accounts. Any amounts remaining in any Fund or Account after full payment of the Bonds and the fees, charges (including any required rebate to the United States of America) and expenses of the Trustee and all other amounts due and owing hereunder shall be distributed to the City, except for any moneys owing to the Bank which shall be paid to such party and except as provided in Section 3.8 hereof.

SECTION 6.14 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 Series 2020 Bonds as the same may relate to any data or conclusions necessary to verify that the Series 2020 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 6.11 hereof. The Bank and/or the Trustee from time to time may also obtain an Opinion of Bond Counsel concerning post-issuance compliance with any federal legislation applicable to the Bonds. The fees of such independent certified public accountants and Bond Counsel shall constitute reimbursable Program Expenses.

ARTICLE 7

PURCHASE OF CITY BOND

SECTION 7.1 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 7.2 Purchases. 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 an officer of the Bank, attached to the requisition and certifying that the City, pursuant to 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 or Trustee;

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

(g) a signed City Bond Purchase Agreement from the City; and

(h) an executed Arbitrage Rebate Agreement.

Upon receipt of such requisition, transcript, Opinion of Bond Counsel, City Bond and signed documents, the Trustee shall pay such amount directly to the entity entitled thereto as named in such requisition.

SECTION 7.3 Retention and Inspection of Documents. All requisitions, certificates, transcripts, Opinions of Bond Counsel and the City Bond received by the Trustee, as required in this Article as conditions of payment may be relied upon by and shall be retained in the possession of the Trustee, subject at all times during normal business hours to the inspection of the Bank and, after written request received by the Trustee at least five (5) Business Days prior to the date of inspection, by any Beneficial Owner of at least five percent (5%) in principal amount of Outstanding Bonds.

SECTION 7.4 Report. The Bank may require a report to be made by an officer or employee of the Trustee on behalf of the Trustee within sixty (60) days after the delivery of the Bonds covering all receipts and all disbursements made pursuant to the provisions of this Article VII in respect of the net proceeds of the Bonds deposited in the Purchase Account. Said report shall be supplemented at least once every sixty (60) days by the Trustee until all of the net proceeds of the Bonds deposited in the Purchase Account shall have been expended. Each such report shall be mailed by the Trustee to the Bank.

ARTICLE 8

INVESTMENT OF MONEYS

SECTION 8.1 General Provisions.

(a) Any moneys held as part of any Fund or Account created under or pursuant to Article VI hereof and the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed in writing by the City. All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and, except as provided in Article VI, all income and profits on such investments, other than from moneys on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts may not be commingled for the purpose of investment or deposit. The Trustee and the Bank agree that all investments, and all instructions of the Bank to the Trustee with respect thereto shall be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal without causing any of the Series 2020 Bonds to be arbitrage bonds as defined in Section 148 of the Code. Any investment losses shall be charged to the Fund or Account in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of this Section 8.1, the Trustee shall not be liable for any investment losses. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date which shall coincide as nearly as practicable with times at which moneys in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account.

(b) The Bank (a) certifies to the owners of the Series 2020 Bonds from time to time Outstanding that moneys on deposit in any Fund or Account in connection with the Series 2020 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2020 Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2020 Bonds to lose the exclusion from gross income for federal income tax purposes and (b) covenants with the owners of the Series 2020 Bonds from time to time Outstanding that, so long as any of the Series 2020 Bonds remain Outstanding, moneys on deposit in any Fund or Account established in connection with the Series 2020 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2020 Bonds or from any other source, will not be used in any manner which will cause the interest on the Series 2020 Bonds to become subject to federal income taxation.

SECTION 8.2 Arbitrage Restrictions; Series 2020 Bonds to Remain Tax Exempt.

(a) The Bank shall provide the Trustee with the Arbitrage Rebate Agreement which shall govern the investment of the Funds and Accounts and the application of Section 6.11 hereof.

(b) Without limiting subsection (b) of Section 8.1 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 2020 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 2020 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 2020 Bonds arbitrage bonds within the meaning of such term as used in Section 148 of the Code. The Bank further agrees that it will not act in any other manner which would adversely affect the exclusion from gross income tax for federal income tax purposes of the interest on the Series 2020 Bonds.

SECTION 8.3 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.

ARTICLE 9

DISCHARGE OF INDENTURE

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

except moneys or securities held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Indenture when (a) payment of the principal of (and premium, if any, on) such Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (A) moneys sufficient to make such payment or (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment, or (C) a combination of such moneys and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Trustee pertaining to the Bonds, including the amount, if any, required to be rebated to the United States of America in accordance with the Arbitrage Rebate Agreement and Section 6.11 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:

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

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

(c) to mail, as soon as practicable, in the manner prescribed by Article IV hereof, a notice to the owners of such Bonds that the deposit required by (b) of the preceding paragraph has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of or redemption price, if applicable, on said Bonds as specified in subparagraph (a) of this paragraph; provided, however, such notice can be given in advance of such deposit if such funds represent sufficient funds in the form of cash for the payment of principal of, premium, if any, and interest on the Bonds to be paid prior to their due date by reason of maturity or upon redemption within ninety (90) days of the delivery date of the Bonds.

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

With respect to the Series 2020 Bonds, no such deposit under this Article shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an Opinion of Bond Counsel to the effect that such deposit and use would not cause any of the Series 2020 Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code. Moreover, no such deposit shall be deemed a payment of Bonds unless the Trustee shall have received a verification from an accountant or firm of accountants appointed by the Bank and acceptable to the Trustee verifying the sufficiency of the deposit to pay the principal of, premium, if any, and interest on the Bonds to the due date, whether such due date be by reason of maturity or upon redemption. Provided, however, such verification from an accountant or firm of accountants appointed by the Bank and acceptable to the Trustee, will not be required if the deposit made with the Trustee represents sufficient funds in the form of cash for the payment of principal of, premium, if any, and interest on the Bonds to be paid prior to their due date by reason of maturity or upon redemption within ninety (90) days of the delivery date of the Bonds. If requested by the Trustee, the Bank will provide proof in a form acceptable to the Trustee of the sufficiency of the cash funds deposited as stated in the preceding sentence.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon but excluding any amounts set aside for rebate to the United States of America in accordance with the Arbitrage Rebate Agreement and Section 6.11 hereof) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or obligations have been so set aside in trust.

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

ARTICLE 10

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 10.1 Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

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

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

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

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

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

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

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

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

(j) [Reserved]; or

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

(l) There is an event of default under the City Bond Resolution.

SECTION 10.2 Remedies: Rights of Bondholders. Upon the occurrence of an Event of Default, the Trustee shall notify the owners of all Bonds then Outstanding of such Event of Default by registered or certified mail, and will have the following rights and remedies:

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

(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 Attorney General of the State and as otherwise required by the Act.

Upon the occurrence of an Event of Default, (a) if requested so to do by the holders of twenty-five percent (25%) or more in aggregate principal amount of all Bonds then Outstanding and if indemnified as provided in Section 11.1(k) hereof or (b) if indemnified as provided in Section 11.1(k) hereof, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Bondholders.

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

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

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

SECTION 10.3 Rights of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, subject to Section 15.1 herein, the Beneficial Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law, including the Act, and of this Indenture.

SECTION 10.4 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 10.5 Application of Moneys. All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article (including moneys received by virtue of action taken under provisions of the City Bond) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee and any other moneys owed to the Trustee hereunder, be deposited in the General Account and all moneys in such Accounts shall be applied as follows:

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

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

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

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

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and

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

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

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

SECTION 10.6 Remedies Vested in the Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

SECTION 10.7 Rights and Remedies of Bondholders. No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a Default has occurred, (b) such Default shall have become an Event of Default and the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such Beneficial Owners of Bonds have offered to the Trustee indemnity as provided in Section 11.1(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, premium, if any, and interest on any Bond at and after the maturity thereof, or the limited obligation of the Bank to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

SECTION 10.8 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 10.9 Waivers of Events of Default. The Trustee may, at its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Beneficial Owners of (a) more than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (b) more than fifty percent (50%) in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (x) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (y) any Event of Default in the payment when due of the interest on any Outstanding Bond unless prior to such waiver all of the interest or all payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for or (z) any Event of Default for nonpayment of Program Expenses; 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 10.1(d) or (e); Opportunity of the Bank to Cure Such Defaults. Anything herein to the contrary notwithstanding, no Default under Section 10.1(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 and the Bank shall have had sixty (60) days after receipt of such notice to correct the Default or cause the Default to be corrected, and shall not have corrected the Default or caused the Default to be corrected within the applicable period; provided, however, if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event

of Default if corrective action is instituted by the Bank within the applicable period and diligently pursued until the Default is corrected. If a Default is cured under this Section 10.10, then it will not constitute an Event of Default.

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

ARTICLE 11

TRUSTEE

SECTION 11.1 Acceptance of the Trusts. The Trustee hereby accepts the trusts and duties imposed upon it by this Indenture, and agrees to perform said trusts and duties with the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under the circumstances in the conduct of his own affairs, but only upon and subject to the following express terms and conditions:

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

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to advice of Counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney or firm of attorneys (who may be the attorney or firm of attorneys for the Bank or the Trustee), if selected in accordance with the standard set forth above. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds, other than the Certificate of Authentication required by Section 3.4 hereof, or for the validity of the execution by the Bank of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured

hereby with the same rights which it would have if not the Trustee and Bonds owned by the Trustee shall be deemed Outstanding unless canceled pursuant to the provisions hereof.

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

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

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for 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 10.2, 10.3 or 10.7 hereof, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of

all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful default, by reason of any action so taken.

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

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

(n) The Trustee shall have no obligation to file financing statements or continuation statements.

(o) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture and final payment of the Bonds.

SECTION 11.2 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. Upon any Event of Default, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of or interest on any Bond upon the Trust Estate for the foregoing fees, charges and expenses incurred by it, respectively.

SECTION 11.3 Intervention by the Trustee. In any judicial proceeding to which the Bank is a party and which in the opinion of the Trustee and its Counsel has a substantial bearing on the interests of the owners of the Bonds, the Trustee may intervene on behalf of the Bondholders, and shall do so if requested in writing by the Beneficial Owners of at least twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding upon receiving indemnification satisfactory to the Trustee.

SECTION 11.4 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party ("Reorganization"), ipso facto shall be and become successor Trustee hereunder, if legally qualified to serve as such, and vested with all of the title to the Trust

Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided that within thirty (30) days of the effective date of such Reorganization, the Bank may object to such corporation or association becoming successor Trustee by filing written notice of such objection with the successor Trustee and by mailing such notice to each Bondholder whereupon a successor or temporary Trustee shall be appointed in accordance with Section 11.7 hereof.

SECTION 11.5 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby by giving thirty (30) days' written notice by registered or certified mail to the Bank and the owner of each Bond as shown by the list of Bondholders required by this Indenture to be kept at the office of the Trustee, and such resignation shall only take effect upon the appointment of a successor Trustee in accordance with Section 11.7 and acceptance of such appointment by the successor Trustee.

SECTION 11.6 Removal of the Trustee. The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Trustee and to the Bank and signed by the Beneficial Owners of a majority in aggregate principal amount of all Bonds then Outstanding or their attorneys-in-fact duly. Notice of the removal of the Trustee shall be given in the same manner as provided in Section 11.5 hereof with respect to the resignation of the Trustee. So long as no Event of Default or an event which, with the passage of time would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time for cause by resolution or other official written action taken by the Bank with such written action to be filed with the Trustee.

SECTION 11.7 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. Nevertheless, in case of such vacancy, the Bank by resolution may appoint a temporary Trustee to fill such vacancy. Within ninety (90) days of such appointment, the Bondholders may appoint a successor Trustee; any such successor Trustee so appointed by the Bank shall become the successor Trustee if no appointment is made by the Bondholders within such period, but in the event an appointment is made by the Bondholders, the temporary Trustee shall immediately and without further act be superseded by any Trustee so appointed by such Bondholders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided by Section 11.5 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 in good standing in and incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or State authority, having a reported capital and surplus of not less than \$75,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

SECTION 11.8 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also to the Bank an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Bank, after the payment of all fees, charges and expenses which may be due and owing to such predecessor pursuant to the provisions of Section 11.2 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, moneys and other property or documents held by it as Trustee hereunder to its or his successor hereunder. Should any instrument in writing from the Bank be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Bank. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where this Indenture shall have been filed or recorded, if any.

SECTION 11.9 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;

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

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

Promptly after receipt by the Trustee of notice of the commencement of any action with respect to which security and/or indemnity may be sought against the Bank under this Section, the Trustee will notify the Bank in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Bank shall assume the defense of such action (including the employment of Counsel or such other person as the case may be, and the payment of expenses). Insofar as such action shall relate to any alleged liability with respect to which security and/or

indemnity may be sought against the Bank, the Trustee shall have the right to employ separate Counsel in any such action and to participate in the defense thereof, but the fees and expenses of such Counsel shall not be at the expense of the Bank unless the employment of such Counsel has been specifically authorized by the Bank, 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 11.9 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 Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee of the funds provided hereunder and registrar and paying agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, registrar and paying agent.

ARTICLE 12

SUPPLEMENTAL INDENTURES

SECTION 12.1 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 12.2 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 (1) as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or, (2) to preserve the status of the interest on any Series 2020 Bond as exempt from inclusion in gross income of the holders thereof for federal income tax purposes, or (3) 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, or, (4) 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 issuance of Refunding Bonds.

SECTION 12.2 Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of Supplemental Indentures provided for by Section 12.1 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (exclusive of Bonds held by the Bank), shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting, without the consent of the owners of all then Outstanding Bonds, (a) an extension of the maturity of the principal 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 indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each owner of a Bond at the address shown on the registration records maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days, or such longer period as shall be prescribed by the Bank, following the mailing of such notice, the owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture (exclusive of Bonds held by the Bank) shall have consented to and approved the execution of such Supplemental Indenture as provided in Section 15.1 hereof, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE 13

MISCELLANEOUS

SECTION 13.1 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 (i) by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or (ii) by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register of the Bank maintained by the Trustee pursuant to Section 3.6 hereof.

SECTION 13.2 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 13.3 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 13.4 Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed to the appropriate Notice Address. A duplicate copy of each notice required to be given hereunder by the Trustee or the Bank to the City or the Underwriter shall also be given to the other. The Bank or the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 13.5 Trustee as Paying Agent and Registrar. The Trustee is hereby designated and agrees to act as paying agent and registrar for and in respect to the Bonds.

SECTION 13.6 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 13.7 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 13.8 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 provisions of this Indenture.

It is not the intent of this Section 13.8, or any other Section of this Indenture, to create a power of attorney relationship between the Bank and the Trustee.

SECTION 13.9 Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

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

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

(SEAL)

ATTEST:

Secretary

Signature page to the Indenture of Trust, by and between, the Mississippi Development Bank and _____, as Trustee, dated _____, 2020.

_____,
as Trustee

By: _____

Signature page to the Indenture of Trust, by and between, the Mississippi Development Bank and _____, as Trustee, dated _____, 2020.

STATE OF MISSISSIPPI

COUNTY OF HINDS

On the ____ day of _____, 2020, before me, a Notary Public in and for said County, personally appeared E. F. Mitcham, Jr. and Larry W. Mobley to me personally known, who, being by me first duly sworn, did say that they are the Executive Director and Secretary, respectively, of the Mississippi Development Bank, the Bank named in and which executed the foregoing Indenture, that the seal affixed to said instrument is the seal of the Bank, and that said instrument was signed, sealed, executed and delivered on behalf of said Bank by authority of its Board of Directors.

Notary Public

My Commission Expires:

(SEAL)

STATE OF MISSISSIPPI

COUNTY OF _____

On the ____ day of _____ 2020, before me, a Notary Public in and for said County, personally appeared _____ to me personally known, who, being by me first duly sworn, did say that he is the _____ of _____, the Trustee named in and which executed the foregoing Indenture, that the seal affixed to said instrument is the seal of the Trustee, and that said instrument was signed, sealed, executed and delivered on behalf of said Trustee by authority of its Board of Directors.

Notary Public

My Commission Expires:

(SEAL)

EXHIBIT A
FORM OF CITY BOND

(TO BE INSERTED FROM BOND RESOLUTION)

**PRELIMINARY OFFICIAL STATEMENT
DATED _____, 2020**

NEW ISSUE-BOOK-ENTRY ONLY

**UNDERLYING RATING – Moody's: "Aa2"
(See "RATING" herein)**

In the opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants of the City (as defined herein), interest on the Series 2020 Bonds (as defined below) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code (as defined herein) and interest on the Series 2020 Bonds is excludable from alternative minimum taxable income as defined in Section 55(b)(2) of the Code. Such excludability is conditioned on continuing compliance with certain tax covenants of the Bank (as defined below) and the City. In the opinion of Bond Counsel under existing laws, regulations, rulings and judicial decisions, interest on the Series 2020 Bonds is exempt from all income taxation in the State of Mississippi. See "TAX MATTERS" herein and "APPENDIX D - FORM OF BOND COUNSEL OPINION" attached hereto.

\$10,000,000*

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2020
(TUPELO, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)**

Dated: Date of Delivery

DUE March 1, as shown on inside front cover

The Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) (the "**Series 2020 Bonds**"), are being issued by the Mississippi Development Bank (the "**Bank**"), will be dated the date of delivery thereof and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside cover. The Series 2020 Bonds will be dated the date of delivery and will bear interest from that date to their respective maturities in the amounts and at the rates set forth below. The Series 2020 Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("**DTC**"). Purchases of beneficial interests in the Series 2020 Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2020 Bonds will not receive physical delivery of certificates representing their interests in the Series 2020 Bonds. Interest on the Series 2020 Bonds is payable on March 1 and September 1 of each year, commencing _____ 1, 20____. So long as DTC or its nominee is the Registered Owner of the Series 2020 Bonds, interest, together with the principal of and redemption premium, if any, on the Series 2020 Bonds will be paid directly to DTC by _____, _____, Mississippi, as Trustee under the Indenture, all as defined and more fully described herein under the caption, "DESCRIPTION OF THE SERIES 2020 BONDS -- Book-Entry-Only System."

The Series 2020 Bonds are issued by the Bank for the principal purpose of providing funds for the purchase of the City Bond (as defined herein) being issued by the City of Tupelo, Mississippi (the "**City**"), as more fully described in this Official Statement.

The Series 2020 Bonds are subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2020 BONDS -- Redemption."

THE SERIES 2020 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE BANK AND ARE PAYABLE SOLELY OUT OF THE TRUST ESTATE OF THE BANK PLEDGED THEREFOR UNDER THE INDENTURE, INCLUDING THE CITY BOND AND PAYMENTS DERIVED THEREFROM, AS MORE FULLY DESCRIBED HEREIN. THE SERIES 2020 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MISSISSIPPI, OR A PLEDGE OF THE FULL FAITH AND CREDIT, TAXING POWER OR MORAL OBLIGATION OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF; PROVIDED, HOWEVER, THAT THE CITY BOND IS SECURED BY THE FULL FAITH AND CREDIT AND TAXING POWER OF THE CITY. THE SOURCES OF PAYMENT OF, AND SECURITY FOR, THE SERIES 2020 BONDS ARE MORE FULLY DESCRIBED HEREIN. THE BANK HAS NO TAXING POWER.

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

The Series 2020 Bonds are offered subject to the final approval of the legality thereof by Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the Bank by Balch & Bingham LLP, Jackson, Mississippi, its counsel, and for the City by Ben Logan, Esquire, Tupelo, Mississippi. Government Consultants, Inc., Madison, Mississippi, serves as the Municipal Advisor to the Bank in connection with the sale and issuance of the Series 2020 Bonds. The Series 2020 Bonds are expected to be available in definitive form for delivery on or about April 23, 2020*

[STEPHENS, INC.]

The date of this Official Statement is _____, 2020.

*Preliminary, subject to change.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

SERIES 2020 BONDS

MATURITY SCHEDULE¹

Year of Maturity	Principal Amount¹	Interest Rate	Yield	CUSIP*
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				

TERM BONDS

\$ ____,000 @ ____% due ____ 1, 20 ____, Priced to Yield @ ____%, Cusip No. _____
\$ ____,000 @ ____% due ____ 1, 20 ____, Priced to Yield @ ____%, Cusip No. _____

* The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2020 Bonds only, and the Bank, the City and the Underwriter does not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2020 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2020 Bonds.

¹ Preliminary, subject to change.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE SERIES 2020 BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2020 BONDS BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE SERIES 2020 BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. INFORMATION HEREIN HAS BEEN OBTAINED FROM THE BANK, THE CITY, DTC AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.

UPON ISSUANCE, THE SERIES 2020 BONDS WILL NOT BE REGISTERED BY THE BANK UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE BANK (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2020 BONDS FOR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE BANK AND THE PURCHASERS OR HOLDERS OF THE SERIES 2020 BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE PRICES AT WHICH THE SERIES 2020 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

THIS OFFICIAL STATEMENT CONTAINS FORECASTS, PROJECTIONS AND ESTIMATES THAT ARE BASED ON EXPECTATIONS AND ASSUMPTIONS WHICH EXISTED AT THE TIME SUCH FORECASTS, PROJECTIONS AND ESTIMATES WERE PREPARED. IN LIGHT OF THE IMPORTANT FACTORS THAT MAY MATERIALLY AFFECT ECONOMIC CONDITIONS OF THE STATE, THE UNITED STATES OF AMERICA, AND THE CITY THE INCLUSION IN THIS OFFICIAL

STATEMENT OF SUCH FORECASTS, PROJECTIONS AND ESTIMATES SHOULD NOT BE REGARDED AS A REPRESENTATION BY THE BANK, THE CITY OR THE UNDERWRITER THAT SUCH FORECASTS, PROJECTIONS AND ESTIMATES WILL OCCUR. SUCH FORECASTS, PROJECTIONS AND ESTIMATES ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS.

IF AND WHEN INCLUDED IN THIS OFFICIAL STATEMENT, THE WORDS "EXPECTS," "FORECASTS," "PROJECTS," "INTENDS," "ANTICIPATES," "ESTIMATES" AND ANALOGOUS EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS AND ANY SUCH STATEMENTS INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, LITIGATION AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE BANK AND THE CITY. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE BANK DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE BANK'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY, AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTIONS OF THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2020 BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.

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OFFICIAL STATEMENT

\$10,000,000*

MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2020 (TUPELO, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)

INTRODUCTION

The purpose of this Official Statement, including its APPENDICES, is to set forth certain information concerning the sale and issuance by the Mississippi Development Bank (the "**Bank**") of its Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) (the "**Series 2020 Bonds**"), issued in the aggregate principal amount of \$10,000,000*.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and all APPENDICES hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2020 Bonds to potential investors is made only by means of the entire Official Statement.

The Bank

The Bank was established in 1986 as a separate body corporate and politic of the State of Mississippi (the "**State**") for the public purposes set forth under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "**Bank Act**"). The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power. The Bank is governed by a Board of Directors composed of nine (9) members.

Pursuant to the Bank Act, the purpose of the Bank is to assist "local governmental units," as defined in the Bank Act to be (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State of Mississippi, (ii) the State of Mississippi or any agency thereof, (iii) the institutions of higher learning of the State of Mississippi, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under state law, such as the City, through programs of purchasing the bonds, notes or evidences of indebtedness of such local governmental units under agreements between such local governmental units and the Bank. The entity described in APPENDIX A (the "**City**") is such a local governmental unit.

Sources of Payment and Security for the Series 2020 Bonds

The Series 2020 Bonds will be issued by and under and secured by an Indenture of Trust dated the date of delivery (the "**Indenture**"), by and between the Bank and _____, in _____, Mississippi, as Trustee (the "**Trustee**"). The principal of, redemption premium, if any, and interest on any and all of the Series 2020 Bonds, together with any additional bonds or refunding bonds (the "**Refunding Bonds**") that may be authorized and issued by the Bank under the Indenture on a parity with the Series 2020 Bonds (collectively, the "**Bonds**"), are payable from those revenues and funds of the Bank

* Preliminary, subject to change.

which, together with the general obligation bond issued by the City (the "**City Bond**"), as defined and described herein, pursuant to Sections 21-33-301 et seq., Mississippi Code of 1972, as amended (the "**City Bond Act**" and together with the Bank Act, the "**Act**"), are pledged pursuant to the Indenture for the benefit of the owners of the Series 2020 Bonds without priority. The full faith and credit and taxing power of the State are not pledged to the payment of the principal of, premium, if any, and interest on any of the Series 2020 Bonds. The Series 2020 Bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit, moral obligation of the State or of any political subdivision; provided, however, that the City Bond is secured by the full faith and credit and taxing power of the City. The Bank has no taxing power and has only those powers and sources of revenue set forth in the Bank Act. The Series 2020 Bonds are issued and secured separately from any other obligations issued by the Bank.

The Series 2020 Bonds are secured by the pledge of the Trust Estate established under the Indenture (the "**Trust Estate**"), defined to be (i) cash and securities in the funds and accounts established by the Indenture (except the Rebate Fund, as described herein) (the "**Funds**" and "**Accounts**") and the investment earnings thereon and all proceeds thereof, (ii) the City Bond and the earnings thereon and the proceeds thereof, and (iii) all funds, accounts and moneys hereinafter pledged to the Trustee as security by the Bank. All Series 2020 Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Series 2020 Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS," and "APPENDIX C."

The principal of and interest on the City Bond are payable out of certain revenues as hereinafter defined. The following City Bond is scheduled to be purchased with proceeds of the Series 2020 Bonds: \$10,000,000 City of Tupelo, Mississippi General Obligation Bond, Series 2020 (the "**City Bond**"). The sources of payment on the City Bond are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" and "APPENDIX C."

Purpose of the Series 2020 Bonds

The Series 2020 Bonds are being issued pursuant to the Act to (a) purchase the City Bond to provide funds for (a) (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the Act (the "**Construction Project**"), and (b) paying the costs of issuance of the Series 2020 Bonds and the City Bond (together, the "**Project**").

Authority for Issuance

The Series 2020 Bonds are issued pursuant to the provisions of the Act and the Indenture.

Description of the Series 2020 Bonds

Redemption. The Series 2020 Bonds are subject to redemption as set forth hereinafter under the caption "DESCRIPTION OF THE SERIES 2020 BONDS -- Redemption."

Denominations. The Series 2020 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Registration, Transfers, and Exchanges. The Series 2020 Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for DTC. Purchases of beneficial interests in the Series 2020 Bonds will be made in book entry only form. Purchasers of beneficial interests in the Series 2020 Bonds will not receive physical delivery of certificates representing their respective interests in the Series 2020 Bonds.

Payments. Interest on the Series 2020 Bonds is payable on March 1 and September 1 of each year, and, so long as DTC or its nominee is the Registered Owner of the Series 2020 Bonds, such interest, together with the principal of and redemption premium, if any, on the Series 2020 Bonds will be paid directly to DTC by the Trustee under the Indenture. The final disbursement of such payments to the Beneficial Owners of the Series 2020 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as more fully defined and described herein under the caption "DESCRIPTION OF THE SERIES 2020 BONDS -- Book-Entry-Only System."

For a more complete description of the Series 2020 Bonds and the basic documentation pursuant to which the Series 2020 Bonds are being issued, see the captions "DESCRIPTION OF THE SERIES 2020 BONDS," "REVENUES, FUNDS AND ACCOUNTS," and "OPERATION OF FUNDS AND ACCOUNTS," in this Official Statement.

Tax Exemption

In the opinion of Butler Snow, LLP, Ridgeland, Mississippi ("**Bond Counsel**"), under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2020 Bonds is excludable from gross income for federal tax purposes, with such excludability conditioned upon continuing compliance with certain tax covenants of the Bank and the City, and under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2020 Bonds is exempt from all income taxation in the State of Mississippi. Interest on the Series 2020 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; however, it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. For a more complete description of such opinion and certain other tax consequences incident to the ownership of the Series 2020 Bonds, see the caption "TAX MATTERS" in this Official Statement. See "APPENDIX D" for the proposed form of Bond Counsel opinion.

Professionals Involved in the Offering

_____ will act as Trustee under the Indenture for the Series 2020 Bonds. Government Consultants, Inc., Madison, Mississippi, is employed as Municipal Advisor to the Bank (the "**Municipal Advisor**") with respect to the Series 2020 Bonds. Certain proceedings in connection with the issuance of the Series 2020 Bonds are subject to the approval of Bond Counsel. Certain legal matters will be passed upon for the Bank by Balch & Bingham LLP, Jackson, Mississippi and for the City by Ben Logan, Esquire, Tupelo, Mississippi. See the caption "LEGAL MATTERS" and "MISCELLANEOUS" in this Official Statement.

Offering and Delivery of the Series 2020 Bonds

Subject to the final approval of the legality thereof by Bond Counsel, the Series 2020 Bonds are expected to be available in definitive form for delivery on or about April 23, 2020*.

Risks to the Owners of the Series 2020 Bonds

There are certain risks involved in the ownership of the Series 2020 Bonds which should be considered by prospective purchasers. The ability of the Bank to pay principal of, redemption premium, if any, and interest on the Series 2020 Bonds depends primarily upon the receipt by the Bank of City Bond payments (the "**City Bond Payments**") from the City participating in the program (the "**Program**") which is obligated to make such payments to the Bank, together with investment earnings on certain amounts in the Funds and Accounts defined in and established under the Indenture. There can be no representation or assurance that the City will realize sufficient Revenues to make the required City Bond Payments. See the caption, "SECURITY AND SOURCES OF PAYMENT." Failure of the Bank and/or the City to comply with certain tax covenants may also adversely affect the exempt status of the interest on all of the Series 2020 Bonds. See the caption "RISKS TO THE OWNERS OF THE SERIES 2020 BONDS" in this Official Statement.

Other Information

This Official Statement speaks only as of its date, and certain information contained herein is subject to change.

Copies of other documents and information are available, upon request, and upon payment to the Bank of a charge for copying, mailing, and handling, from E.F. Mitcham, Executive Director, Mississippi Development Bank, 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

NO DEALER, BROKER, SALESMAN OR OTHER REPRESENTATIVE OF THE UNDERWRITER OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2020 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE BANK, THE CITY, DTC AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BANK SINCE THE DATE HEREOF.

* Preliminary, subject to change.

THE SERIES 2020 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Format of Official Statement

There follows in this Official Statement a description of the security and sources of payment for the Series 2020 Bonds, the purposes and operation of the Bank's program to be financed out of the proceeds of the Series 2020 Bonds, the Bank, and summaries of certain provisions of the Series 2020 Bonds, the Indenture and certain provisions of the Act. All discussions of the Act and the Indenture are qualified in their entirety by reference to the Act, copies of which are available from the Bank, and all discussions of the Series 2020 Bonds are qualified in their entirety by reference to the definitive form and the information with respect to the Series 2020 Bonds contained in the Indenture. Certain information relating to the City is set forth in "APPENDIX A - INFORMATION CONCERNING THE CITY," certain financial information on the City is included in "APPENDIX B - FINANCIAL INFORMATION OF THE CITY," the proposed form of opinion of Bond Counsel with respect to the Series 2020 Bonds is set forth in "APPENDIX D - FORM OF BOND COUNSEL OPINION", and the form of the continuing disclosure certificate of the City is set forth in "APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE," and certain definitions used herein are set forth in APPENDIX E". Each of the APPENDICES to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Series 2020 Bonds.

Capitalized terms not defined herein shall have the definitions set forth in "APPENDIX E - CERTAIN DEFINITIONS."

**SECURITY AND SOURCES OF
PAYMENT FOR THE SERIES 2020 BONDS**

General

The Series 2020 Bonds are payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Series 2020 Bonds. The Series 2020 Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof under the constitution of the State or a pledge of the full faith and credit and taxing power or moral obligation of the State or any political subdivision thereof; provided, however, that the City Bond is a general obligation of the City. The Bank has no taxing power. The sources of payment of, and security for, the Series 2020 Bonds are more fully described below.

Under the Indenture, the Series 2020 Bonds are secured by a pledge to the Trustee of the City Bond and all City Bond Payments, as described herein. In addition, the Indenture pledges to the payment of the Series 2020 Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, except for the Rebate Fund, together with investment earnings thereon and proceeds thereof (except to the extent transferred to the Rebate Fund or from such Funds and Accounts under the Indenture), and all other funds, accounts and moneys to be pledged by the Bank to the Trustee as security under the Indenture, to the extent of any such pledge.

The City and the City Bond

From the proceeds of the Series 2020 Bonds, the Bank intends to purchase and, upon purchase, will pledge to the Trustee the City Bond of the City, as described in "APPENDIX C."

Provisions for Payment of the City Bond

The City Bond will be a general obligation of the City. The City Bond Resolution provides that the City is unconditionally obligated to make payments secured by the full faith and credit of the City in an aggregate amount sufficient, with any other funds available therefor, for the payment in full of the principal of, premium, if any, and interest on all Series 2020 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 special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of premium, if any, and the interest on the City Bond and any additional obligations of the City under the City Bond Resolution; 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 2020 Bond Fund of the City Bond, 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. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are irrevocably pledged in the City Bond Resolution for the payment of the principal of, premium, if any, and interest on the City Bond and any additional obligations of the City as aforesaid as the same shall respectively mature and accrue.

The City Bond will never, within the meaning of any constitutional or statutory limitation, be a debt, liability, or obligation of the State or any political subdivision of the State other than the City, and neither the full faith and credit nor taxing power or moral obligation of the State or any political subdivision thereof is pledged to the payment of the principal, premium, if any, and interest on the City Bond; provided, however, that the City Bond is a general obligation of the City. The City Bond initially issued under the City Bond Resolution shall be issued for the purposes of providing funds to finance costs of the (i) Construction Project; and (ii) payment of costs of issuance of the Series 2020 Bonds and the City Bond.

The issuance of the City Bond shall be authorized by resolution of the Mayor and City Council of the City (the "**Governing Body**") adopted pursuant to the Act. See "APPENDIX C" for further description of the City Bond.

RISKS TO THE OWNERS OF THE SERIES 2020 BONDS

General

The Series 2020 Bonds will be payable solely from the payments to be made by the Bank under the Indenture. Pursuant to the Indenture, such payments are limited to City Bond Payments payable by the City on the City Bond pursuant to the City Bond Resolution. No reserve fund has been established for the payment of debt service on the Series 2020 Bonds or the City Bond. Purchasers of the Series 2020 Bonds are advised of certain risk factors with respect to the City Bond.

In addition, purchasers of the Series 2020 Bonds are advised of certain additional information in connection with the City as set forth in "APPENDIX A" and "APPENDIX B."

City Bond

The ability of the Bank to pay principal of, redemption premium, if any, and interest on the Series 2020 Bonds depends primarily upon the receipt by the Bank of City Bond Payments from the City which is obligated under the City Bond Resolution to make such payments to the Bank, together with earnings on the amounts in the Funds and Accounts created under the Indenture sufficient to make such payments. There is no Indenture Fund or Account which is required to contain amounts to make up for any deficiencies in the event of one or more defaults by the City in making such City Bond Payments, and there is no source from which the General Fund will be replenished except the City Bond Payments and investment income on moneys in the Funds and Accounts; and further, no reserve fund is created in the Indenture or the City Bond Resolution to pay debt service on the Series 2020 Bonds or the City Bond.

Tax Covenants

The Bank has covenanted under the Indenture that it will comply with certain requirements under the Internal Revenue Code of 1986, as amended (the "**Code**") to ensure the continuing excludability from gross income for federal income tax purposes of interest on the Series 2020 Bonds. Failure by the Bank to comply with such covenants could cause the interest on the Series 2020 Bonds to be taxable retroactive to the date of issuance of the Series 2020 Bonds. Further, the City has covenanted in the City Bond Resolution that it will comply with certain requirements under the Code to ensure the continuing excludability from gross income for federal income tax purposes of interest on the Series 2020 Bonds. Failure by the City to comply with such requirements could cause the interest on the Series 2020 Bonds to be taxable retroactive to the date of issuance of the Series 2020 Bonds. See also "TAX MATTERS" herein.

Remedies

The remedies available to the Trustee, to the Bank or to the owners of the Series 2020 Bonds upon an Event of Default under the Indenture or under the terms of the City Bond purchased by the Bank are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically 11 U.S.C. Sections 101 *et seq.* (the "**Bankruptcy Code**"), the remedies provided in the Indenture and under the City Bond may not be readily available or may be limited.

Certain Bankruptcy Risks

In the event the City were to become a debtor under the Bankruptcy Code, payments under the City Bond Resolution may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the Trustee in such payments may not extend to payments acquired after the commencement of such a bankruptcy case or within ninety (90) days prior thereto. Under existing Constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the City Bond Resolution and the Indenture may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the City Bond will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally. Furthermore, if a bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the City, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable

equivalent" and "adequate protection" under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the City Bond Resolution, the Indenture, or related documents that make bankruptcy and related proceedings by the City an Event of Default thereunder. All of these events would adversely affect the payment of debt service on the Series 2020 Bonds.

Limitation on Enforceability of Security Interests

The remedies available upon an Event of Default under the Indenture and the City Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and the City Bond Resolution may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the Series 2020 Bonds and the City Bond may be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

The pledge of the full faith and credit granted by the City in the City Bond Resolution may be limited by a number of factors, including the ability to collect levied taxes. Under current law, such a pledge and assignment as attempted to be effected by the City Bond Resolution may be further limited by the following: (a) statutory liens; (b) rights arising in favor of the United States of America or any agency thereof; (c) prohibitions against assignment set forth in federal statutes; (d) constructive trusts, equitable liens or other rights which might be impressed or conferred by any state or federal court in the exercise of equitable jurisdiction; (e) federal bankruptcy laws affecting taxes and other revenues of the City received within ninety (90) days preceding and after any effectual institution of bankruptcy, liquidation or reorganization proceedings by or against the City; (f) rights of third parties in revenues converted to cash and not in the possession of the Trustee; and (g) sales, liens and/or pledges made by the City. If an Event of Default does occur, it is uncertain that the Trustee could successfully obtain an adequate remedy at law or in equity.

Failure to Compel the Levy of Taxes on the City Bond

The City Bond will be a general obligation of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City; 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 2020 Bond Fund of the City Bond, 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 City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest of the City Bond as the same falls due.

The qualified electors of the State of Mississippi voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 (the "**Constitution**") to add the following new Section 172A (the "**Amendment**"):

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation to pay the principal of and interest on the City Bond as it matures and becomes due, nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect remedies of a holder of the City Bond in the event of a payment default, it potentially prevents such holder from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the City Bond in a Court of the State of Mississippi. It is not certain whether the Amendment would affect the right of a Federal Court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the holder of the City Bond in the event of a payment default with respect to the City Bond. For example, such holder can seek a writ of mandamus to compel the City to use any legally available moneys to pay the debt service on the City Bond, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to Mississippi Constitution §175, all public officials who are guilty of willful neglect of duty may be removed from office.

Certain information relating to the City is set forth in “APPENDIX A - INFORMATION ON THE CITY” and certain financial information on the City is included in “APPENDIX B – BUDGET” and in “APPENDIX C - AUDIT.”

DESCRIPTION OF THE SERIES 2020 BONDS

General Description

The Series 2020 Bonds are issuable under the Indenture as fully registered bonds. When issued, the Series 2020 Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Series 2020 Bonds will be made in book-entry-only form (without certificates) in the denomination of \$5,000 or any integral multiple thereof (see the heading, "Book-Entry-Only System" under this caption).

The Series 2020 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the cover page of this Official Statement. Interest on the Series 2020 Bonds will be payable semiannually on March 1 and September 1 of each year, commencing _____ 1, 20____. Interest will be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

Each Series 2020 Bond will be dated the day of delivery. If any Series 2020 Bond is authenticated on or prior to the day of delivery, it will bear interest from such date. Each Series 2020 Bond authenticated after the day of delivery, will bear interest from the most recent date on which interest was payable (the "**Interest Payment Date**") and has been paid on or prior to the date of authentication of such Series 2020 Bond, unless such Series 2020 Bond is authenticated after the fifteenth day of the calendar month preceding an Interest Payment Date (the "**Record Date**") and on or prior to the next following Interest Payment Date, in which case such Series 2020 Bond will bear interest from such following Interest Payment Date.

So long as DTC or its nominee is the Registered Owner of the Series 2020 Bonds, payments of the principal of, redemption premium, if any, and interest on the Series 2020 Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the "**DTC Participants**") will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, as defined herein, of the Series 2020 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as defined herein. See the heading, "Book-Entry-Only System" under this caption.

If the Series 2020 Bonds are no longer in a book-entry-only system, the principal of the Series 2020 Bonds will be payable upon maturity or redemption at the principal corporate trust office of the Trustee in _____, _____, and interest on the Series 2020 Bonds will be paid by check of the Trustee dated the due date and mailed or delivered on or before the Business Day prior to each Interest Payment Date to the Registered Owners of record as of the close of business on the most recent Record Date or, at the written election of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2020 Bonds delivered to the Trustee at least one Business Day prior to the Record Date for which such election will be effective, by wire transfer to the Registered Owner or by deposit into the account of the Registered Owner if such account is maintained by the Trustee.

Book-Entry-Only System

Unless and until the book-entry-only system has been discontinued, the Series 2020 Bonds will be available only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof. DTC will initially act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be initially issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series 2020 Bond will be issued for each maturity of the Series 2020 Bonds and will be deposited with DTC or pursuant to DTC's FAST registration procedures.

The information provided under this caption has been provided by DTC. No representation has been made by the Bank, the City or the Original Purchasers as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, the National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or

Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond Documents. For example, Beneficial Owners of the Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2020 Bonds to be redeemed.

Neither DTC nor Cede & Co., (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an "Omnibus Proxy" to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments and interest payments on the Series 2020 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Bank or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee, or the Bank subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2020 Bond certificates are required to be printed and delivered.

The Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2020 Bond certificates in definitive form will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bank, the City and the Original Purchaser believe to be reliable, but neither the Bank, the City nor the Original Purchaser take any responsibility for the accuracy thereof.

So long as Cede & Co. is the registered holder of the Series 2020 Bonds as nominee of DTC, references herein to the Holders, holders, owners or Registered Owners of the Series 2020 Bonds mean Cede & Co. and not the Beneficial Owners of the Series 2020 Bonds.

THE BANK, THE TRUSTEE, THE CITY AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2020 BONDS (A) PAYMENTS OF PRINCIPAL OF, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2020 BONDS; (B) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2020 BONDS; OR (C) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2020 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE BANK, THE CITY, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF, REDEMPTION PRICE OF, OR INTEREST ON THE SERIES 2020 BONDS; (C) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Redemption

Optional Redemption. The Series 2020 Bonds (or any portions thereof in integral multiples of \$5,000 each) maturing on or after March 1, 2031, are subject to redemption in whole or in part, in principal amounts and maturities selected by the Bank on any date on or after March 1, 2030, at par, plus accrued interest to the date of redemption. Under the Indenture, selection of Series 2020 Bonds to be

redeemed within a maturity will be made by lot by the Trustee. In accordance with DTC's standard practices and its agreement with the Bank, DTC and the DTC Participants will make this selection so long as the Series 2020 Bonds are in book-entry form.

Mandatory Sinking Fund Redemption. The Bonds maturing March 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 March 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:

\$ __,000
Term Bond Maturing March 1, 20__

Year	Principal Amount
20__	\$,000
20__	,000
20__	,000
20__	,000
20__*	,000

*** Final Maturity**

The Bonds maturing March 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 March 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:

\$ __,000
Term Bond Maturing March 1, 20__

,

Year	Principal Amount
20__	\$,000
20__	,000
20__	,000
20__	,000
20__*	,000

*** Final Maturity**

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2020 Bonds (or any portions thereof in integral multiples of \$5,000 each) to be redeemed (which may be a conditional notice of redemption), will be given by the Trustee at least 30 days but not more than 45 days prior to the date fixed for redemption by mailing a copy of the redemption notice by registered or certified mail to the Registered Owner of each Series 2020 Bond to be redeemed at the address shown on the registration records. Failure to mail such notice to any particular owner of Series 2020 Bonds, or any defect in the notice mailed to any such owner of Series 2020 Bonds, will not affect the validity of the call for the redemption of any other Series 2020 Bonds. So long as DTC or its nominee is the Registered Owner of the Series 2020 Bonds, notice of the call for any redemption will be given to DTC, and not directly to Beneficial Owners. See the caption, "DESCRIPTION OF THE SERIES 2020 BOND -- Book-Entry-Only System."

Redemption Payments. The Trustee will apply funds deposited with the Trustee by the Bank in an amount sufficient to pay the Redemption Price of the Series 2020 Bonds, or portions thereof called, together with accrued interest thereon to the redemption date. After the redemption date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Series 2020 Bonds that have been called.

**APPLICATION OF THE PROCEEDS
OF THE SERIES 2020 BONDS**

The proceeds of sale of the Series 2020 Bonds which is equal to \$____,000 will be applied as follows:

Sources of Funds	
Series 2020 Bond Proceeds	\$
Original Issue Premium	\$
Total Sources of Funds	\$
Uses of Funds	
Deposit to General Fund, Purchase Account for Purchase of the City Bond	\$
Deposit to the General Fund, Bond Issuance Expense Account	
Total Uses of Funds	\$

THE MISSISSIPPI DEVELOPMENT BANK

General

The Bank was created in 1986 and is organized and existing under and by virtue of the Bank Act as a separate body corporate and politic for the public purposes set forth in the Bank Act. The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power.

The Bank is granted under the Bank Act the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the State provided for under the Bank Act, including purchasing bonds, notes or evidences of indebtedness, such as the City Bond, from local governmental units, such as the City.

Organization and Membership of the Bank

The Bank is governed by a nine (9) member Board of Directors (the "**Board of Directors**"). The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation (the "**MBFC**") at the time and place fixed by the MBFC's by-laws. Appointments are for terms of one year. Members of the Board of Directors serve until they are replaced or re-appointed. The members of the Board of Directors as of the date of this Official Statement are as follows:

NAME	OCCUPATION	TERM
Carolyn Boteler	Owner, Temp Staff	08/01/19 – 07/31/20
Jabari Edwards	Owner, J5GBL Construction Co.	08/01/19 – 07/31/20

William L. Freeman, Jr.	Retired Bank President	08/01/19 – 07/31/20
William Griffin	Owner, Griffin & Griffin Exploration LLC	08/01/19 – 07/31/20
Gary Harkins	Real Estate Developer	08/01/19 – 07/31/20
Joel Horton	Retired Bank President	08/01/19 – 07/31/20
Bobby James	Operations Manager, Atmos Energy Corporation	08/01/19 – 07/31/20
William D. Sones	Bank President	08/01/19 – 07/31/20
Mark Wiggins	Retired Business Owner	08/01/19 – 07/31/20

The operations of the Bank are administered by E.F. "Buddy" Mitcham, Jr., Executive Director. Mr. Mitcham is a graduate of Mississippi State University with a degree in Business Administration.

Prior Bonds of Bank

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the borrowing of funds for public purposes by local governmental units. As of January 1, 2020, the Bank has previously issued bonds for various purposes totaling in principal approximately \$8,912,444,402.00. Of such amount, approximately \$3,189,400,776.26 was outstanding as of January 1, 2020.

The full faith and credit and taxing power of the State and the Bank are not pledged to the payment of the principal of, premium, if any, and interest on any of the bonds issued or planned for issuance by the Bank, and all such bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit and taxing power of the State or the Bank.

The Bank is presently considering the issuance under the Bank Act of additional special obligation bonds for other purposes authorized under the Bank Act.

REVENUES, FUNDS AND ACCOUNTS

Creation of Funds and Accounts

The Indenture establishes the following special Funds and Accounts to be held by the Trustee:

1. General Fund - comprised of the following:
 - (a) General Account
 - (b) Purchase Account
 - (c) Redemption Account
 - (d) Bond Issuance Expense Account
2. Rebate Fund

Deposit of Net Proceeds of the Series 2020 Bonds, Revenues and Other Receipts

The Trustee will deposit the net proceeds from the sale of the Series 2020 Bonds as follows:

- (a) To the Bond Issuance Expense Account of the General Fund, the amount of \$_____ to pay a portion of the costs of issuance of the Series 2020 Bonds and the City Bond; and
- (b) To the Purchase Account of the General Fund, the sum of \$____,000 to be used to purchase the City Bond.

The Trustee will deposit Revenues and other receipts (except the proceeds of the Series 2020 Bonds, interest earnings on any amounts in the Rebate Fund and moneys received by the Bank from the sale or redemption prior to maturity of the City Bond) into the General Account of the General Fund based on the amount due under the City Bond Resolution for the City Bond, and will deposit any moneys received from the sale or redemption prior to maturity of City Bond in to the Redemption Account of the General Fund.

OPERATION OF FUNDS AND ACCOUNTS

General Fund

The Trustee will disburse the amounts held in the General Account for the following purposes, and, in the event of insufficient funds to make all of such required disbursements, in the following order of priority:

- (a) On or before four (4) Business Days prior to any Interest Payment Date, to the Trustee such amounts as may be necessary to pay the principal and interest coming due on the Series 2020 Bonds on such Interest Payment Date.
- (b) As necessary and in accordance with the Indenture, such amounts as may be necessary to pay any Program Expenses of the Bank for the Series 2020 Bonds.
- (c) The amounts to be transferred to the Rebate Fund as provided in the Arbitrage Rebate Agreement and Section 6.11 of the Indenture.

(d) After making all required payments under subparagraphs (a) through (c) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of 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 12 months are in excess of the amounts needed to pay principal and interest on the Series 2020 Bonds within the immediately succeeding twelve month period, to the City at the request of the City with the prior written approval of the Bank.

Bond Issuance Expense Account. Upon receipt of invoices or requisitions acceptable to the Trustee, the Trustee will disburse the amounts held in the Bond Issuance Expense Account for the payment or reimbursement of the costs related to the authorization, sale, validation and issuance of the Series 2020 Bonds and the purchase and validation 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, municipal advisory fees and expenses, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2020 Bonds, credit enhancements or liquidity facility fees, and other costs, charges and fees in connection with the foregoing. On the date which is thirty (30) days after the date of issuance of the Series 2020 Bonds, any amounts remaining in the Bond Issuance Expense Account will be transferred to the General Account.

Purchase Account. Upon submission of duly authorized written requisitions of an authorized officer of the Bank stating that all requirements for purchases under the Act and the Indenture have been or will be met, the Trustee will disburse the amounts held in the Purchase Account for the purchase of the City Bond with said moneys to be applied to the issuance of the Series 2020 Bonds as more fully described under the heading "Deposit of Net Proceeds of the Series 2020 Bonds, Revenues and Other Receipts".

Redemption Account. The Trustee will deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of the City Bond and will disburse the funds in the Redemption Account to redeem Series 2020 Bonds of such maturity or maturities as directed by an Authorized Officer if such Series 2020 Bonds are then subject to redemption.

Rebate Fund

Upon the direction of the Bank and in accordance with the arbitrage rebate agreement or similar document regarding the expenditures and investments of the proceeds of the Series 2020 Bonds provided by the Bank under the Indenture (the "**Arbitrage Rebate Agreement**"), the Trustee will deposit amounts for the benefit of the Bank from the General Account in the General Fund into the Rebate Fund and will deposit into the Rebate Fund all income from investments in the Rebate Fund. In the event and to the extent that amounts in the Rebate Fund exceed the amounts required to be rebated to the United States of America, the Trustee will transfer such excess amounts to the General Account in the General Fund upon the direction of the Bank in accordance with the Arbitrage Rebate Agreement.

Not later than 60 days after five years following the date of delivery of the Series 2020 Bonds, and at intervals of every five years thereafter, the Trustee shall, upon the written request of the Bank in accordance with the Arbitrage Rebate Agreement, pay to the United States of America one hundred percent (100%) of the amount required to be paid to the United States of America as of such payment date. Not later than 60 days following the retirement of all of the Series 2020 Bonds, upon the written request of the Bank the Trustee will pay to the United States of America one hundred percent (100%) the amount to be paid to the United States of America. Each payment to the United States of America will be accompanied by a statement of the Bank summarizing the determination of the amount of such payment,

together with copies of any reports originally filed with the Internal Revenue Service with respect to the Series 2020 Bonds.

With respect to the Rebate Fund, the Bank may direct the Trustee to proceed other than as set forth in the Indenture and described above by delivering to the Trustee a new Arbitrage Rebate Agreement accompanied by an Opinion of Bond Counsel to the effect that compliance with such memorandum will not adversely affect the excludability from gross income for federal income tax purposes of the interest on the Series 2020 Bonds.

Amounts Remaining in Funds

Any amounts remaining in any Fund or Account after full payment of all of the Series 2020 Bonds outstanding under the Indenture, all required rebates to the United States of America and the fees, charges and expenses of the Trustee will be distributed to the City, except as required by the Indenture regarding payment to holders of non-presented Series 2020 Bonds.

Investment of Funds

Any moneys held as part of any Fund or Account created under or pursuant to the Indenture and the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed in writing by the City. All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and, except as provided in the Indenture, all income and profits on such investments, other than from moneys on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts may not be commingled for the purpose of investment or deposit. The Trustee and the Bank agree that all investments, and all instructions of the Bank to the Trustee with respect thereto shall be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal without causing any of the Series 2020 Bonds to be arbitrage bonds as defined in Section 148 of the Code. Any investment losses shall be charged to the Fund or Account in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of Section 8.1 of the Indenture, the Trustee shall not be liable for any investment losses. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date which shall coincide as nearly as practicable with times at which moneys in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account.

The Bank has certified in the Indenture to the owners of the Series 2020 Bonds from time to time Outstanding that moneys on deposit in any Fund or Account in connection with the Series 2020 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2020 Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2020 Bonds to lose the exclusion from gross income for federal income tax purposes.

THE SERIES 2020 BONDS AS LEGAL INVESTMENTS

The Series 2020 Bonds shall be legal investments in which all public officers and public bodies of this State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest funds, including capital, in their control or belonging to them. The Series 2020 Bonds are also hereby made securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivisions of the state and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

LITIGATION

There is not now pending or, to the Bank's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2020 Bonds or prohibiting the Bank from purchasing the City Bond with the proceeds of such Series 2020 Bonds or in any way contesting or affecting the validity of the Series 2020 Bonds, any proceedings of the Bank taken with respect to the sale or issuance thereof or the pledge or application of any moneys or security provided for the payment of the Series 2020 Bonds. Neither the creation, organization nor existence of the Bank nor the title of any of the present Directors nor other officers of the Bank to their respective offices is being contested.

There is not now pending or, to the knowledge of the City, threatened any litigation restraining or enjoining the sale, issuance, execution or delivery of the City Bond or prohibiting the City from selling the City Bond to the Bank or in any way contesting or affecting the validity of the City Bond, any proceedings of the City taken with respect to the sale or issuance thereof or the pledge or application of any moneys or security provided for the payment of the City Bond.

TAX TREATMENT OF ORIGINAL ISSUES DISCOUNT

The initial public offering prices each maturity of the Series 2020 Bonds maturing on March 1 of the years _____ through _____ (the "**Discount Bonds**") are being offered and sold to the public at an original issue discount ("**OID**") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar Persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, computed semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during ownership of a Discount Bond (a) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2020 Bonds, and (b) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Owners of Discount Bonds should consult their own tax advisers as to the federal tax consequences and the treatment of bond discount for purposes of state and local taxes on income.

TAX TREATMENT OF ORIGINAL ISSUE PREMIUM

The initial public offering prices of each maturity of the Series 2020 Bonds maturing March 1 in the years 20____ through and including 20____ (collectively, the "**Premium Bonds**"), are more than the amounts payable at the maturity dates thereof as set forth on the inside front cover of this Official Statement. Under the Code, the difference between the principal amount of a Premium Bond and the cost basis of such Premium Bond to its owner (other than an owner who holds such a Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium." Bond premium is amortized over the term of such a Premium Bond for federal income tax purposes. The owner of a Premium Bond is required to decrease his basis in such Premium Bond by the amount of amortizable bond premium attributable to each taxable year he holds the Premium Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Owners of Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Premium Bonds and with respect to state and local tax consequences of owning and disposing of Premium Bonds.

TAX MATTERS

In the opinion of Butler Snow LLP, Ridgeland, Mississippi, interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes, pursuant to Section 103 of the Code. The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Bank and the City and is conditioned on the City's continuing compliance therewith.

In the opinion of Bond Counsel, interest on the Series 2020 Bonds is exempt from all income taxation in the State of Mississippi under existing laws, regulations, rulings and judicial decisions. The opinion addresses only the exemption of interest on the Series 2020 Bonds under the income tax laws of the State of Mississippi and does not address the tax treatment of the Series 2020 Bonds in any other state or jurisdiction.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2020 Bonds as a condition to the excludability from gross income of interest on the Series 2020 Bonds for federal income tax purposes. Non-compliance with such requirements by the Bank or the City may cause interest on the Series 2020 Bonds to be included in gross income for federal income tax purposes retroactive to their date of issue irrespective of the date on which such noncompliance occurs. Should the Series 2020 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2020 Bonds would be materially and adversely affected.

The Indenture and the City Bond Resolution include covenants that (a) the Bank and the City will not take or fail to take any action with respect to the Series 2020 Bonds if such action or omission would result in the loss of the excludability from gross income for federal income tax purposes of interest on the Series 2020 Bonds, under Section 103 of the Code, and neither the Bank nor the City will act in any manner which would adversely affect such exclusion; (b) the Bank and the City will not make any investment or do any other act or thing during the period that the Series 2020 Bonds are Outstanding which would cause the Series 2020 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and (c) if required by the Code, the City will rebate any necessary amounts to the United States of America. It is not an "event of default" under the Indenture if interest on the Series 2020 Bonds is not

excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code.

The interest on the Series 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax.

Although Bond Counsel has rendered an opinion that interest on the Series 2020 Bonds is excludable from federal gross income and that the Series 2020 Bonds are exempt from State of Mississippi income tax, the accrual or receipt of interest on the Series 2020 Bonds may otherwise affect a bondholder's federal income tax, Mississippi or other state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2020 Bonds. Bond Counsel expresses no opinion regarding any other such federal or state tax consequences. Prospective purchasers of the Series 2020 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2020 Bonds.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2020 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2020 Bonds. Prospective purchasers of the Series 2020 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Series 2020 Bonds by the Bank are subject to the approval of Bond Counsel whose approving opinion will be delivered concurrently with the delivery of Series 2020 Bonds. Certain legal matters will be passed upon for the Bank by its counsel, Balch & Bingham LLP, Jackson, Mississippi and for the City by its counsel, Ben Logan, Esquire, Tupelo, Mississippi.

Butler Snow LLP, Ridgeland, Mississippi, is also serving as bond counsel for the City in connection with the issuance and sale of the City Bond.

The remedies available to the Trustee, to the Bank or to the owners of the Series 2020 Bonds upon an Event of Default under the Indenture or under the terms of the City Bond purchased by the Bank are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the City Bond may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

RATING

Moody's Investors Services, Inc. ("**Moody's**") has assigned an underlying rating of "Aa2" to the Series 2020 Bonds. Information on the rating may be obtained from the Executive Director of the Bank or the City Clerk of the City. Such rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2020 Bonds.

PENSION PLAN

The City has no pension plan or retirement plan for employees. City employees are members of and contribute to the Mississippi Public Employees' Retirement System (PERS), a cost-sharing, multiple employer retirement system administered by the State for the benefit of its local governments and State personnel. Benefit provisions are established by State statute and may be amended from time to time only by the State Legislature.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("**GASB-68**"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (Fiscal Year 2015 for the City).

PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The rate at September 30, 2018 was 15.75% of annual covered payroll. On June 26, 2018, the PERS Board of Trustees voted to increase the employer contribution rate from 15.75 to 17.40 percent, effective July 1, 2019. The City contributions (employer share only) to PERS for the years ending September 30, 2018, 2017 and 2016 were \$2,620,532, \$2,542,399 and \$2,538,850, respectively, which equaled the required contributions for each year.

At September 30, 2018, the City reported a liability of \$43,336,374 for its proportionate share of the net pension liability. See Note 12 in the City's 2018 Audited Financial Statements included in "APPENDIX B - Financial Information Concerning the City.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Effective with the fiscal year ended September 30, 2018 audit, the City will be required to apply GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* ("**GASB 75**"), to its audited financial statements. GASB 75 changes accounting and financial reporting for OPEB. Fund level statements, including the General Fund statements, will not be impacted by the GASB 75 reporting.

INDEPENDENT AUDITORS

The audited financial statements of the City for the year ended September 30, 2018 included in this Official Statement as APPENDIX B, have been audited by Franks, Franks, Wilemon & Hagood, PA, Certified Public Accountants, Tupelo, Mississippi ("**FFWH**"), as stated in the report appearing therein (the "**audit report**").

The City has not requested and will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. FFWH, the City's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FFWH, also has not performed any procedures relating to this Official Statement.

CONTINUING DISCLOSURE

The City will execute a continuing disclosure agreement (the "**Disclosure Certificate**") at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds and the City has covenanted in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the City will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access ("**EMMA**") system: (i) annually, certain financial information and operating data, as described in the Disclosure Certificate; and (ii) timely notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX F.

The City has previously entered into continuing disclosure undertakings with respect to bonds it has issued or for which it is the "obligated person" within the meaning of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The City has reviewed the last five years of filings and continuing disclosure undertakings with respect to any outstanding bonds within the meaning of the Rule

Without a determination as to materiality, the City's audited financial statements for fiscal year ended September 30, 2015 were filed two days late on March 30, 2016. In addition, there may have been instances in which some tables included in the City's prior continuing disclosure undertakings were not included in every filing on EMMA. In addition, some of the past filings required of the City may not have been filed under all outstanding CUSIPs and may have been misfiled under the wrong CUSIP or under the wrong heading within the CUSIP.

The City adopted policies and procedures on November 4, 2014 (the "**Policy**") to ensure timely filing of its Annual Report, together with any required Accompanying Information. The City has hired a dissemination agent to file the City's required Annual Report, together with any required Accompanying Information.

For a summary of the City's undertaking, see **APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE** attached hereto.

MUNICIPAL ADVISOR

The Bank has retained the firm of Government Consultants, Inc. as Municipal Advisor to the Bank in connection with the issuance of the Series 2020 Bonds. In such capacity the Municipal Advisor has provided recommendations and other financial guidance to the Bank and the City with respect to the preparation of documents, the preparation for the sale of the Series 2020 Bonds and the time of the sale, market conditions and other factors related to the sale of the Series 2020 Bonds.

Although the Municipal Advisor performed an active role in the drafting of this Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from the Bank and the City's records and from other sources which are believed to be reliable, including financial records of the City and other entities, which records may be subject to interpretation. No guarantee is made as to the accuracy or

completeness of any information obtained from sources other than the Bank and the City. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of the same and reference is made to such original sources in all respects.

UNDERWRITING

The Series 2020 Bonds are being purchased by Stephens, Inc. (the "**Underwriter**"). The Underwriter has agreed, subject to certain conditions, to purchase all of the Series 2020 Bonds from the Bank at a purchase price of \$_____, which is equal to the principal amount thereof plus an original issue premium of \$_____ and minus the Underwriter's discount of \$_____. The Underwriter is obligated to purchase all the Series 2020 Bonds, if any are purchased, the obligation to make such purchases being subject to certain terms and conditions set forth in the Bond Purchase Agreement with respect to the Series 2020 Bonds, the approval of certain legal matters by counsel and certain other conditions.

VALIDATION

Prior to issuance, the Series 2020 Bonds will be validated before the Chancery Court of the First Judicial District of Hinds County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended. Prior to issuance, the City Bond will be validated before the Chancery Court of Lee County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

MISCELLANEOUS

The Bank's offices are located at 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

All quotations from, and summaries and explanations of, the Act, the Indenture and the City Bond Resolution contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of its provisions. The attached APPENDICES are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in reasonable quantity of the Act, the Indenture, the City Bond Resolution and the supplemental materials furnished to the Bank by the City may be obtained upon written request to the Bank.

Neither any advertisement of the Series 2020 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2020 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the Bank. The Bank will provide copies of this Official Statement to be distributed to the purchasers of the Series 2020 Bonds.

MISSISSIPPI DEVELOPMENT BANK

By: /s/ E. F. Mitcham, Jr. _____
Executive Director

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APPENDIX A
INFORMATION ON THE CITY

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**APPENDIX A - ECONOMIC AND DEMOGRAPHIC INFORMATION
CITY OF TUPELO, MISSISSIPPI
FOR FISCAL YEAR 2019**

General Description

The City of Tupelo (the "**City**"), the county seat of Lee County, Mississippi (the "**County**"), was incorporated on July 20, 1870, and occupies an area of approximately 23 square miles in the central section of the County in the prairie soil area of the northeastern portion of the State of Mississippi (the "**State**"). The City lies 104 miles southeast of Memphis, Tennessee, 142 miles northwest of Birmingham, Alabama, 170 miles northeast of Jackson, the capital city of the State, 274 miles northwest of Mobile, Alabama, and 340 miles northeast of New Orleans, Louisiana.

Population

The population of the City has been recorded as follows:

1990	2000	2010	2018 (Estimate)
30,985	34,211	34,546	38,206

SOURCE: Census data at website: www.census.gov; January 2020.

Government

The City, which operates under the Mayor-City Council form of government, is divided into seven wards or voting precincts, with one City Council member elected from each ward, and the Mayor and two additional City Council members elected from the City at large. The Mayor and City Council members are elected for concurrent four-year terms, set to expire next in July 2021. The current Mayor and members of the City Council are as follows:

Name	Position	Occupation	Position Held Since
Jason Shelton	Mayor	Full-time Mayor	July 2013
Markel Whittington	Council Member	Business Owner	July 2009
Lynn Bryan	Council Member	Business Owner	July 2013
Travis Beard	Council Member	Retired	July 2014
Nettie Y. Davis	Council Member	Retired	July 2001
Buddy Palmer	Council Member	Business Owner	July 2013
Mike Bryan	Council Member	Ins. Management Group	July 2009
Willie Jennings	Council Member	Business Owner	July 2009

Transportation

The City is served by U.S. Highway 45, running north and south through the eastern portion of the City, which connects the City to Columbus, Mississippi, Meridian, Mississippi, and Mobile, Alabama to the south and Corinth, Mississippi and western Tennessee to the north. U.S. Highway 78, running northwest and southeast through the northern portion of the City, connects the City with Memphis, Tennessee and Birmingham, Alabama. State Highway 6 connects the City with Oxford, Mississippi, the site of the University of Mississippi, and Interstate Highway 55 to the West.

The Burlington Northern Santa Fe Railroad Company, running northwest and southeast through the center of the City, connects the City with Memphis, Tennessee and Birmingham, Alabama. The Kansas City Southern Railroad Company runs north and south through the center of the City and connects the City to Meridian, Mississippi to the south and Corinth, Mississippi to the north.

Tupelo Regional Airport (C.D. Lemons Field) is a federally certified, fully instrumental; all-weather commercial service airport located three miles west of the center of the City. The municipal airport provides a full range of general aviation flight and aircraft services. The airport also serves as a base for a major Army National Guard Aviation Company, which employs several hundred personnel.

The City is located 18 miles from the Port of Fulton on the Tennessee-Tombigbee Waterway (the "Waterway"). The Waterway was constructed at a cost of \$1.4 billion to connect the Tombigbee River with the Tennessee River, reducing the water distance from the Gulf of Mexico to many inland ports by as much as 819 miles. The Waterway provides low cost water transportation to much of northeast Mississippi.

Approximately twenty motor freight carriers have terminal facilities in the City. Convenient parcel delivery service is provided to residents of the area by six commercial carriers. Parcels may also be shipped on the bus lines serving the City, and local taxi companies provide additional local delivery services.

Per Capita Income

The following represents per capita income annually from 2014-2018 for the County, for State of Mississippi, and for the United States of America:

Year	County	Mississippi	United States	County as % Of U.S.
2018	\$41,934	\$37,834	\$54,446	77%
2017	40,345	36,375	51,885	78%
2016	38,811	35,613	49,870	78%
2015	37,597	35,022	48,978	77%
2014	36,621	34,545	47,058	78%

SOURCE: Bureau of Economic Analysis: Regional Economic Accounts at website: www.bea.gov, 2014-2018 (BEA data last updated November 14, 2019). Information available as of January 2020.

Retail Sales for the City

State Fiscal Year Ended June 30	Amount
2018	\$1,853,472,455
2017	1,757,429,431
2016	1,696,031,842
2015	1,581,909,732
2014	1,544,302,009

SOURCE: Annual Reports for years indicated, Mississippi Department of Revenue's website: www.dor.ms.gov; information available as of February 2020.

Major Employers

The following is a listing of the City's major employers, their products or services and their approximate number of employees:

Employer	Employees	Product/Service
North Mississippi Health Services	7,100	Healthcare
Cooper Tire & Rubber Company	1,720	Manufacturing
Tupelo Public School District	1,200	Education
MTD Products	1,050	Manufacturing
JESCO, Inc.	1,000	Construction
Wal-Mart /Sams Club	979	Retail
Lee County School District	931	Education
BancorpSouth, Inc.	800	Financial Services
City of Tupelo	507	City Government
Phillips Lighting	400	Manufacturing

SOURCE: Community Development Corporation website www.cdfms.org, information available as of January 2020.

Banking Institutions

Institutions	Total Assets
Regions Bank ⁴	\$ 127,543,000,000
BancorpSouth Bank ⁵	19,862,964,000
Trustmark National Bank ⁶	13,582,728,000
Renasant Bank ⁷	13,020,626,000
Community Bank of Mississippi ⁸	3,292,903,000
Bank Plus ⁹	2,965,559,000
CB & S Bank ¹⁰	1,915,471,000
FNB Oxford ¹¹	365,351,000
First American National Bank ¹²	276,727,000

SOURCE: Federal Deposit Insurance Corporation BankFind database at www.fdic.gov. All assets are stated as of September 30, 2019, and this is the information available as of January 2020.

Unemployment Statistics of the County

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Averages
2014	8.1	7.5	7.2	6.6	7.6	7.8	7.9	7.2	6.9	6.7	6.3	6.2	7.2
2015	6.6	5.9	5.6	5.1	5.9	6.1	5.9	5.3	5.2	5.0	4.9	5.0	5.5
2016	5.1	4.7	4.5	4.3	5.0	5.7	5.8	4.9	4.8	4.7	4.3	4.3	4.8
2017	4.5	4.1	3.9	3.6	4.4	4.7	4.6	4.1	3.9	3.8	3.6	3.6	4.1
2018	4.0	3.9	3.6	3.5	4.0	4.7	4.4	3.9	3.6	3.7	3.5	3.8	3.9
2019	4.1	3.8	3.9	3.8	3.9	4.8	5.1	4.8	4.8	4.5	4.5	4.2	4.4

SOURCE: Mississippi Department of Employment Security: Labor Market Data at website: www.mdes.ms.gov; information available as of February 2020.

⁴ Headquarters located in Birmingham, Alabama.

⁵ Headquarters located in Tupelo, Mississippi.

⁶ Headquarters located in Jackson, Mississippi.

⁷ Headquarters located in Tupelo, Mississippi.

⁸ Headquarters located in Forrest, Mississippi.

⁹ Headquarters located in Belzoni, Mississippi.

¹⁰ Headquarters located in Russellville, Alabama.

¹¹ Headquarters located in Oxford, Mississippi.

¹² Headquarters located in Iuka, Mississippi.

Employment Statistics of the County

	2014	2015	2016	2017	2018
RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force	38,900	39,910	40,870	40,660	40,300
II. Unemployed	2,790	2,210	1,980	1,660	1,570
Rate	7.2	5.5	4.8	4.1	3.9
III. Employed	36,110	37,700	38,890	39,000	38,730
ESTABLISHMENT BASED EMPLOYMENT					
I. Manufacturing	9,850	10,020	10,630	10,730	10,560
II. Non-manufacturing	42,690	43,960	45,190	45,230	45,190
A. Agriculture, Forestry, Fishing & Hunting	70	70	70	70	70
B. Mining	0	0	0	0	0
C. Utilities	170	160	170	170	180
D. Construction	1,220	1,320	1,380	1,410	1,490
E. Wholesale Trade	1,790	1,880	1,870	1,900	2,010
F. Retail Trade	6,660	6,800	6,980	7,020	7,020
G. Transportation & Warehousing	1,400	1,440	1,510	1,540	1,670
H. Information	1,100	1,160	1,180	1,160	1,140
I. Finance & Insurance	1,360	1,330	1,410	1,470	1,560
J. Real Estate, Rental & Leasing	490	470	500	530	510
K. Prof., Scientific & Technical Service	1,320	1,500	1,600	1,700	1,770
L. Management of Companies & Entertainment	1,040	1,040	990	900	900
M. Administrative Support & Waste Management	6,310	6,620	6,760	5,850	6,020
N. Educational Services	140	140	130	130	140
O. Health Care & Social Assistance	8,270	8,600	9,130	9,660	9,210
P. Arts, Entertainment & Recreation	360	370	380	400	370
Q. Accommodation & Food Service	4,310	4,560	4,620	4,830	4,680
R. Other Services (except Public Administration)	1,150	1,140	1,130	1,080	1,090
S. Government	5,530	5,360	5,380	5,410	5,360
Education	2,770	2,660	2,640	2,680	2,630
III. Total Nonagricultural Employment	52,540	53,980	55,820	55,960	55,750

SOURCE: Mississippi Department of Employment Security: Annual Averages: Labor Force and Establishment Based Employment 2011 Forward, Labor Market Information Department at website: www.mdes.ms.gov; Information last revised by MDES on 5/08/2019. Information available as of January 2020.

Educational Facilities

The Tupelo Public School District (the "District") serves the entire City and a large rural area west of the City. The District currently operates one early childhood center, nine elementary schools, one middle school, one career center, one discipline center, and one high school, and employs approximately 584 certified teachers and/or certified personnel and approximately 531 support personnel.

Enrollment figures for the District for the current scholastic year and for the four preceding years are as follows:

Scholastic Year	Enrollment
2019-20	7,002
2018-19	6,994
2017-18	7,077
2016-17	6,995
2015-16	7,146

SOURCE: Office of Research and Statistics, Mississippi Department of Education; January 2020.

TAX INFORMATION

Assessed Valuation¹³

Assessment Year	Real Property	Personal Property	Automobiles	Public Utility Property	Total
2019	\$377,171,673	\$93,132,978	\$57,958,426	6,665,605	\$534,928,682
2018	372,258,284	85,673,763	55,680,013	6,665,605	520,277,665
2017	369,432,616	83,831,518	55,369,431	7,135,973	515,769,538
2016	371,892,965	83,301,764	53,246,016	7,135,973	515,576,718
2015	343,915,050	77,627,589	52,567,813	7,135,973	481,246,425

SOURCE: Office of the City Clerk; January 2020.

Assessed valuations are based upon the following assessment ratios:

- (a) Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), fifteen percent (15%) of true value;
- (b) Single-family owner-occupied residential real property, ten percent (10%) of true value;
- (c) Motor vehicles and public utility property, thirty percent (30%) of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the "Resolution"), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the "Amendment"). The Amendment provided, *inter alia*, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family owner-occupied residential real property under the Amendment is set at ten percent (10%) of true value as opposed to fifteen percent (15%) of true value under previously existing law.

The assessed valuation figures above do include property exempt from all municipal ad valorem tax for periods of up to ten years, primarily for new or expanded manufacturing facilities.

Procedure for Property Assessments

The Tax Assessor of Lee County assesses all real and personal property subject to taxation in the County, including property in the City, except motor vehicles and property owned by public service corporations, both of which are required by law to be assessed by the Mississippi Department of Revenue.

¹³ The total assessed valuation is approved in the September preceding the beginning of the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2019 are collected starting in January 2020 for the 2019-20 fiscal year budget of the City.

Section 21-33-9, Mississippi Code of 1972, as amended, provides that the governing authorities of a municipality which is located within a county having completed a county-wide reappraisal approved by the Mississippi Department of Revenue and which has been furnished a true copy of that part of the County assessment roll containing the property located within a municipality as provided in Section 27-35-167, Mississippi Code of 1972, as amended, shall adopt such assessment rolls for its assessment purposes. The City is utilizing the assessment rolls of the County.

The City may not correct or revise such assessment rolls except for the purpose of conforming the municipal assessment roll to corrections or revisions made to the County assessment roll. All objections to the municipal assessment roll may be heard by the Board of Supervisors of the County at the time and in the manner that objections to the County assessment roll are heard. The Board of Supervisors shall notify, in writing, the Governing Body and the Tax Assessor of the City of any corrections or revisions made by it to the part of the County assessment roll adopted as the municipal assessment roll.

Tax Levy per \$1,000 Valuation¹⁴

	2019-20	2018-19	2017-18	2016-17	2015-16
GENERAL PURPOSES					
Special Levy for Street Improvements	10.00	10.00	10.00	10.00	10.00
General Fund	12.94	12.94	12.94	12.94	12.90
Firemen & Policemen Retirement Fund	1.61	1.61	1.61	1.61	1.61
Municipal Bond & Interest Fund	6.95	6.95	6.95	6.95	6.95
Library Fund	0.97	0.97	0.97	0.97	1.01
SUBTOTAL	32.47	32.47	32.47	32.47	32.47
SCHOOL PURPOSES					
School Maintenance Fund	55.00	55.00	55.00	55.00	55.00
School Bond & Interest Fund	6.10	6.10	6.10	6.10	6.10
School Notes Payable Fund	0.00	0.00	0.00	0.00	0.00
Tupelo/Lee County Vo-Tech Fund	0.00	0.00	0.00	0.00	0.00
Shortfall Note 2008	0.00	0.00	0.00	0.00	0.00
Short Term Debt	3.00	3.00	3.00	3.00	3.00
SUBTOTAL	64.10	64.10	64.10	64.10	64.10

¹⁴ Tax levy is given in mills.

TOTAL TAX LEVY	96.57	96.57	96.57	96.57	96.57
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SOURCE: Office of the City Clerk; January 2020.

Ad Valorem Tax Collection

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over (Under)
2019	\$15,551,126	\$15,956,167.84	\$405,038.84
2018	15,346,505	15,618,946	272,441
2017	15,356,606	15,813,232	456,626
2016	14,310,380	14,666,179	355,799
2015	14,310,382	14,563,862	253,480

SOURCE: Office of the City Clerk; January 2020.

Procedure for Tax Collections

The Governing Body is required to levy a special tax upon all of the taxable property within the geographical limits of the City each year sufficient to provide for the payment of the principal of and interest on the City's general obligation bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes bear interest at the rate of one percent (1%) per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Section 21-33-63, Mississippi Code of 1972, as may be amended from time to time, and related statutes provide that after the 15th day of December and after the 15th day of August in each year, the tax collector for each municipality shall advertise all lands in such municipality on which all the taxes due and in arrears have not been paid, as well as all land liable for sale on the first Monday of April or the third Monday of September following, as the case may be.

Reappraisal of Property and Limitation on Ad Valorem Levies

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972 (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To ensure that property taxes do not increase dramatically as the counties complete reappraisals, the Reappraisal Act provides for the limit on increase in tax revenues discussed below.

The statute limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in State Tax Commission v. Fondren, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi,

wherein the Mississippi Department of Revenue (formerly the State Tax Commission) was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the Mississippi Department of Revenue equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the Chancellor's decree, on November 15, 1980, the Mississippi Department of Revenue filed a master plan to assist counties in determining true value. On December 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its previous deadline past which the Mississippi Department of Revenue could not accept and approve tax rolls from counties which had not yet reappraised. The City has completed reappraisal.

Homestead Exemption

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the Mississippi Department of Revenue. Beginning with the 1984 supplemental ad valorem tax roll and for each roll thereafter, no taxing unit shall be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to such taxing unit in the next proceeding year.

Ten Largest Taxpayers

The ten largest taxpayers in the City for assessment year 2019 are as follows:

Taxpayer	Assessed Valuation	Taxes Collected
Cooper Tire	22,828,543	2,968,861.02
Tupelo 130/33/430	9,779,179	944,375.31
Walmart/Sams	9,554,713	922,698.63
JAV/VM Cleveland	5,573,561	538,238.79
Sunshine Mills	4,500,129	434,577.46
Renasant Banks	3,889,365	375,595.98
United Furniture	3,328,830	213,378.00
The Albano Group	2,796,381	224,749.17
Atmos Energy	2,710,516	261,754.54
Bancorp South	2,461,956	237,751.09
TOTALS	\$101,391,432	\$11,200,299.36

SOURCE: Office of the City Clerk; January 2020.

DEBT INFORMATION

Legal Debt Limit Statement

(As of March 1, 2020)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation - \$534,928,682)	\$80,239,302	\$106,985,736
Present Debt Subject to Debt Limits	\$47,780,000	\$47,780,000
Margin for Further Debt Under Debt Limits	\$32,459,302	\$59,205,736

Statutory Debt Limits

The City is subject to a general statutory debt limitation under which no municipality in the State may incur general obligation bonded indebtedness in an amount which will exceed 15 percent of the assessed value of the taxable property within such municipality according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of such 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water and sewerage systems, gas and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying a municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a municipality contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds 20 percent of the assessed value of the taxable property within such municipality.

In arriving at the limitations set forth above, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipally-owned utility, the Series 2008 Bonds, general obligation industrial bonds issued under the provisions of Sections 57-1-1 to 57-1-51, Mississippi Code of 1972, as amended, and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, as amended, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt Subject to Debt Limits

(As of March 1, 2020)

Issue	Date of Issue	Outstanding Principal
Taxable General Obligation Refunding, Series 2011B	06/21/11	520,000
General Obligation Bonds	12/01/11	3,015,000
General Obligation Bonds	11/01/12	4,920,000
General Obligation Bonds	04/01/13	5,160,000
General Obligation Bonds	09/01/13	1,965,000
General Obligation Bonds (MDB)	07/28/15	3,500,000
General Obligation Refunding Bonds	01/28/16	1,525,000
General Obligation Bond (MDB)	05/12/16	5,700,000
General Obligation Refunding Bonds	08/04/16	5,430,000
General Obligation Bonds (MDB)	11/14/17	10,000,000
General Obligation Water Refunding Bonds	5/31/19	6,045,000
Total		\$47,780,000

Tax Increment Bonds¹⁵

Issue	Date of Issue	Outstanding Principal
Tax Increment Limited Obligation Bonds	05/13/09	270,000
Total		\$270,000

¹⁵ These bonds are payable as to principal and interest solely from the avails of a tax increment resulting from the taxation by the City of the "captured assessed value" of the project, and the property on which it is located, for which the improvements financed with the proceeds from these bonds benefited.

Other Outstanding Long-Term Debt

Issue	Date of Issue	Outstanding Principal
Special Assessment Public Improvement Bonds	08/01/00	35,000.00
Lease Purchase (Equipment)	10/22/15	3,595,185.66
Promissory Note (Tupelo, Mississippi Revenue Project)	4/12/18	13,960,000.00
Promissory Note (Tupelo, Mississippi Revenue Project)	7/18/19	15,000,000.00
Total		\$32,590,185.66

SOURCE: Office of the City Clerk; January 2020.

Annual Debt Service Requirements¹⁶

FY Ending September 30	General Obligation Debt ¹⁷		
	Principal	Interest	Total
2020	4,325,000.00	1,550,504.22	5,875,504.22
2021	4,480,000.00	1,416,157.53	5,896,157.53
2022	4,715,000.00	1,258,227.78	5,973,227.78
2023	3,200,000.00	1,094,156.28	4,294,156.28
2024	3,005,000.00	984,125.02	3,989,125.02
2025	3,120,000.00	890,303.77	4,010,303.77
2026	3,235,000.00	791,012.52	4,026,012.52
2027	3,000,000.00	687,507.52	3,687,507.52
2028	3,035,000.00	590,120.02	3,625,120.02
2029	2,935,000.00	490,856.27	3,425,856.27
2030	2,680,000.00	397,988.77	3,077,988.77
2031	2,835,000.00	312,528.77	3,147,528.77
2032	2,550,000.00	233,841.26	2,783,841.26
2033	2,700,000.00	161,563.13	2,861,563.13
2034	1,200,000.00	98,735.00	1,298,735.00
2035	1,300,000.00	64,360.00	1,364,360.00
2036	1,300,000.00	27,310.00	1,327,310.00
2037	700,000.00	525.00	700,525.00
2038	700,000.00	175.00	700,175.00
Totals:	\$51,015,000.00	\$11,049,997.86	\$62,064,997.86

¹⁶ Includes debt service for General Obligation Water Refunding Bonds, dated May 31, 2019 (the "2019 Bonds"). The 2019 Bonds are general obligations of the City payable as to principal and interest, to the extent that other moneys are not available for that purpose from Special Sales Tax revenues and Net Revenues, of the Northeast Mississippi Regional Water Supply District (the "District"), out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City; 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 of the 2019 Bonds, or has made provisions for payment thereof, to be applied toward the payment of the principal of and interest on the 2019 Bonds due during the ensuing fiscal year of the City. The Special Sales Tax and the Net Revenues of the District are additional security for the 2019 Bonds. The Special Sales Tax is a 0.25% sales tax upon all sales and services within the City which are subject to the general rate of state sales tax (the "Special Sales Tax") authorized by the local and private legislation described in Footnote No. 18; and the Net Revenues, are the revenues of the wastewater system (the "System") of the District less operating costs for the System.

¹⁷ As of January 30, 2020.

General Obligation Bonded Debt

	Fiscal Year Ended September 30				
	2019	2018	2017	2016	2015
G.O. Refunding Bonds (07/01/01)	-0-	-0-	-0-	-0-	125,000
G.O. Public Improvement Bonds (03/01/04)	-0-	-0-	-0-	-0-	720,000
G.O. Public Improvement Bonds (03/08/07)	-0-	-0-	-0-	-0-	5,165,000
G.O. Water Bonds (12/17/08)	-0-	7,690,000	8,000,000	8,295,000	8,575,000
G.O. Fairgrounds Project Refunding Bonds, Series A (6/21/11)	-0-	820,000	1,615,000	2,390,000	3,145,000
G.O. Taxable Fairgrounds Project Refunding Bonds, Series B (6/21/11)	2,225,000	2,725,000	3,210,000	3,675,000	4,130,000
G.O. Bonds, Series 2011 (12/01/11)	3,175,000	3,335,000	3,495,000	3,595,000	3,695,000
G.O. Bonds, Series 2012 (12/04/12)	5,160,000	5,400,000	5,520,000	5,640,000	5,760,000
G.O. Bonds, Series 2013 (4/01/13)	5,160,000	5,400,000	5,520,000	5,640,000	5,760,000
G.O. Bonds, Series 2013 (9/01/13)	1,965,000	2,150,000	2,330,000	2,505,000	2,675,000
G. O. Bonds (MDB), Series 2015 (7/28/15)	3,500,000	3,700,000	3,800,000	3,900,000	4,000,000
G. O. Refunding Bonds, Series 2016 (1/28/16)	2,315,000	3,030,000	3,810,000	4,580,000	-0-
G. O. Bonds (MDB), Series 2016 (5/12/16)	5,700,000	5,800,000	5,900,000	6,000,000	-0-
G. O. Refunding Bonds, Series 2016 (8/04/16)	5,430,000	6,725,000	7,980,000	9,230,000	-0-
G. O. Bonds (MDB), Series 2017 (11/14/17)	10,000,000	10,000,000	-0-	-0-	-0-
G.O. Water Refunding Bonds, Series 2019 (5/31/19)	6,385,000	-0-	-0-	-0-	-0-
Totals	\$51,015,000	\$56,775,000	\$51,180,000	\$55,450,000	\$43,750,000

Debt Ratios

FY Ended September 30	General Obligation Debt	General Obligation Debt to Assessed Value
2019	\$51,015,000	9.54%
2018	56,775,000	10.91
2017	51,180,000	9.92
2016	55,450,000	10.75
2015	43,750,000	8.21

Overlapping/Underlying General Obligation Indebtedness

	2010 Population	General Obligation Bonded Debt	General Obligation Bonded Debt Per Capita
Lee County	82,910	\$13,880,000 ¹⁸	\$167.41

	Total General Obligation Bonded Debt
Tupelo Public School District	\$37,300,000 ¹⁹

¹⁸ Source: Office of the Lee County, MS Chancery Clerk, January 2020.

¹⁹ Source: 2018 Audited Financial Statement of the District. Balance at fiscal year ending June 30, 2019.

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APPENDIX B
FINANCIAL INFORMATION FOR THE CITY

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**FINANCIAL STATEMENT FOR FISCAL YEAR
ENDED SEPTEMBER 30, 2018**

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ADOPTED BUDGET FOR FISCAL YEAR 2020

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APPENDIX C

FORM OF THE CITY BOND RESOLUTION AND THE CITY BOND

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APPENDIX D
FORM OF BOND COUNSEL OPINION

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**UPON THE DELIVERY OF THE SERIES 2020 BONDS, BUTLER SNOW LLP PROPOSES TO DELIVER
AN OPINION IN SUBSTANTIALLY THE FOLLOWING FORM:**

Mississippi Development Bank
Jackson, Mississippi

Re: \$10,000,000* Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project), dated the date of delivery thereof (the "**Series 2020 Bonds**")

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Mississippi Development Bank (the "**Issuer**") of the above described Series 2020 Bonds, pursuant to a Trust Indenture (the "**Indenture**"), dated as of _____, 2020, by and between the Issuer and _____, as Trustee (the "**Trustee**"). We have examined the law and a certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Series 2020 Bonds and such other papers as we deem necessary to render the opinions in this letter, including the Issuer's tax covenants and representations made in the Indenture and tax certificates and the tax covenants and representations made by City of Tupelo, Mississippi (the "**City**") in tax certificates and in a resolution (the "**City Bond Resolution**") adopted by the Mayor and the City Council of the City on March 3, 2020 (collectively, the "**Tax Representations and Covenants**").

The Series 2020 Bonds are being issued under the authority of 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's Bond Act**") and together with the Bank Act, the "**Act**"), a resolution of the Board of Directors of the Issuer adopted on March 11, 2020, and the City Bond Resolution (together, the "**Resolution**").

The Series 2020 Bonds are being issued for the purpose of providing funds to finance the costs of purchasing the \$10,000,000* City of Tupelo, Mississippi General Obligation Bond, Series 2020 (the "**City Bond**") and (b) pay the costs incident to the sale, issuance, and delivery of the Series 2020 Bonds and the City Bond. The City will use the proceeds of the City Bond to finance various capital improvements within the City, as more particularly described in the City Bond Resolution.

As to questions of fact material to our opinions, we have relied upon representations of the City and the Issuer, certified proceedings and other certifications of the City and the Issuer and other public officials furnished to us, including the Tax Representations and Covenants, and without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate.

We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Tax Representations and Covenants, and have not undertaken to verify any facts by independent investigation.

Based on the foregoing and subject to the qualifications, statements of reliance and assumptions herein, we are of the opinion on the date hereof that:

1. Such proceedings and proofs show lawful authority for the sale and issuance of the Series 2020 Bonds by the Issuer pursuant to the Constitution and laws of the State of Mississippi (the "**State**"), including the Act and the provisions of the Resolution.

* Preliminary, subject to change.

2. The Series 2020 Bonds, assuming the due authentication thereof, are legal, valid and binding limited obligations of the Issuer enforceable in accordance with the terms thereof. The Series 2020 Bonds are payable from and secured only by the certain payments and funds to be received by the Issuer and the Trustee and pledged to the Series 2020 Bonds under the Indenture.

3. The Indenture is a valid and binding agreement of the Issuer enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create in the Funds and Accounts and the City Bond (as such terms are defined in the Indenture), including the investments thereof (excepting therefrom the Rebate Fund), subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

4. Under existing statutes, regulations, rulings and court decisions, subject to the assumptions stated below, interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes, and interest on the Series 2020 Bonds is excludable from federal alternative minimum taxable income. We express no opinion regarding other federal tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2020 Bonds. In rendering the opinion contained in this paragraph (4), we have assumed continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), that must be met after the issuance of the Series 2020 Bonds in order that interest on the Series 2020 Bonds not be includable in gross income for federal income tax purposes. The failure to meet such requirements may cause interest on the Series 2020 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2020 Bonds. The City and the Issuer have covenanted to comply with or to require compliance with the requirements of the Code in order to maintain the excludability of interest on the Series 2020 Bonds from gross income for federal income tax purposes. Owners of the Series 2020 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes or any other collateral federal income tax consequences.

5. Under and pursuant to the Act, the Series 2020 Bonds and interest thereon are exempt from all income taxes imposed by the State.

It is to be understood that the rights of the holders of the Series 2020 Bonds and the enforceability of the Series 2020 Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereinafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In this opinion letter, issued in our capacity as Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Issuer's Official Statement or other statements made in connection with any offer or sale of the Series 2020 Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Series 2020 Bonds, except those specifically addressed herein, or upon any federal or state law with respect to the sale or distribution of the Series 2020 Bonds.

In rendering this opinion letter, we have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Series 2020 Bonds under the laws of the State and with respect to the excludability of the interest on the Series 2020 Bonds from federal and State income taxation. Owners of the Series 2020 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes or any other collateral federal income tax consequences.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter, and no expansion of our opinion may be made by implication or otherwise. The opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to our attention or for any other reason.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents and proceedings. In rendering this opinion we have relied upon the opinion of Balch & Bingham, LLP, Jackson, Mississippi, counsel for the Issuer, dated the date hereof, as to the due authorization and execution by and enforceability against the Issuer as to the Series 2020 Bonds and the Indenture.

Very truly yours,

BUTLER SNOW LLP

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APPENDIX E
DEFINITIONS

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1. DEFINITIONS

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

Accounts

"Accounts" means the accounts created pursuant to Article VI of the Indenture.

Act

"Act" means together the Bank Act and the City Bond Act.

Authorized Officer

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

Bank

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

Bank Act

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

Bankruptcy Code

"Bankruptcy Code" means 11 U.S.C. Section 101 *et seq.*, as amended or supplemented from time to time.

Beneficial Owner

"Beneficial Owner" means, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a DTC participant on the records of such DTC participant, or such person's subrogee.

Bond Counsel

"Bond Counsel" means an attorney or firm of attorneys approved by the City and the Bank nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with Section 148(f) of the Code. Butler Snow LLP, Ridgeland, Mississippi, is serving as Bond Counsel in connection with the sale and issuance of the Series 2020 Bonds.

Bond Issuance Expense Account

"Bond Issuance Expense Account" means the account by that name created pursuant to the Indenture.

Bond Register

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

Bondholder

"Bondholder" or "holder of Bonds" or "owner of Bonds" or any similar term means the Registered Owner of any Bond.

Bonds

"Bonds" means the Series 2020 Bonds and any Refunding Bonds issued pursuant to the Indenture.

Business Day

"Business Day" means any day, other than a Saturday or Sunday, on which the Trustee or the City Hall of the City is not closed and on which the payment system of the Federal Reserve System, is operational.

City

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

City Bond

"City Bond" means the \$10,000,000* General Obligation Bond, Series 2020, issued by the City pursuant to the City Bond Resolution and registered to the Trustee as assignee of the Bank pursuant to the Indenture.

City Bond Act

"City Bond Act" means the provisions of Mississippi Code of 1972, Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended or supplemented from time to time.

City Bond Payment

"City Bond Payment" means 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 the Indenture.

City Bond Purchase Agreement

"City Bond Purchase Agreement" means that certain City Bond Purchase Agreement, dated ____, 2020, by and between the City and the Bank in connection with the issuance and sale of the City Bond.

City Bond Resolution

"City Bond Resolution" means that certain resolution adopted by the Board of Trustees of the City on March 3, 2020, in connection with the issuance of the City Bond.

* Preliminary, subject to change.

Code

"Code" or "Internal Revenue Code" means the Internal Revenue Code of 1986 in effect on the date of issuance of the Series 2020 Bonds, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto.

Construction Project

"Construction Project" means (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning and equipping municipal buildings and purchasing buildings and land therefor; (iii) purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; (iv) purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; (v) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (vi) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (vii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (viii) constructing bridges and culverts; (ix) purchasing machinery and equipment, including motor vehicles weighing not less than twelve thousand (12,000) pounds, which have an expected useful life in excess of ten (10) years which expected useful life shall exceed the life of the bonds financing such purchase; and (x) for other authorized purposes under the Act.

Costs of Issuance

"Costs of Issuance" means items of expense payable or reimbursable, directly or indirectly, by the Bank and related to the authorization, sale, validation, issuance and/or delivery of the Series 2020 Bonds and the City Bond as allowed by the Code, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2020 Bonds, credit enhancements or liquidity facility fees, fees and expenses of the Underwriter, and other costs, charges and fees in connection with the foregoing.

Counsel

"Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and approved by the Bank and the Trustee.

Default

"Default" means an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default under the Indenture.

DTC

"DTC" means The Depository Trust Company, New York, New York.

DTC Participants

"DTC Participants" shall have the meaning ascribed thereto in the Indenture.

Event of Default

"Event of Default" means any occurrence or event specified in the Indenture.

Fiscal Year

"Fiscal Year" means, when used with respect to the Bank, the Bank's fiscal year being the twelve (12) month period from July 1 through the following June 30 or such other fiscal year as may be established by the Bank.

Funds

"Funds" means the funds created pursuant to Article VI of the Indenture (other than the Rebate Fund).

General Account

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

General Fund

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

Governmental Obligations

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

Indenture

"Indenture" means the Indenture of Trust, and all supplements and amendments hereto entered into pursuant to Article XII of the Indenture.

Interest Payment Date

"Interest Payment Date" means any date on which interest is payable on the Bonds, and for the Series 2020 Bonds, March 1 and September 1, commencing _____ 1, 20____.

Investment Securities

"Investment Securities" means any and all securities, instruments and the like in which the Bank is authorized from time to time to invest its funds under State law, including but not limited to Governmental Obligations.

Local Governmental Unit

"Local Governmental Unit" means (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State of Mississippi, (ii) the State of Mississippi or any agency thereof, (iii) the institutions of higher learning of the State of Mississippi, (iv) any

education building corporation established for institutions of higher learning, or (v) any other governmental unit created under state law, such as the City, through programs of purchasing the bonds, notes or evidences of indebtedness of such local governmental units under agreements between such local governmental units and the Bank..

Moody's

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

Opinion of Bond Counsel

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

Outstanding

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

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

Bonds deemed paid under Article IX of the Indenture; and

Bonds in lieu of which other Bonds have been authenticated under Section 3.5, 3.6 or 3.10 of the Indenture.

Paying Agent

"Paying Agent" means the Trustee or any successor thereto, acting as the Paying Agent under the City Bond Resolution.

Principal Office

"Principal Office" means, as it relates to the Trustee, the address for the Trustee set forth under the definition of Notice Address above.

Program

"Program" means the program for purchasing the City Bond by the Bank pursuant to the Bank Act.

Program Expenses

"Program Expenses" means all of the fees and expenses of the Trustee relating to the Bonds or the City Bond and costs of determining the amount rebatable, if any, to the United States of America under the Indenture, all to the extent properly allocable to the Program and approved in writing by the Bank.

Project

"Project" means providing financing for (a) the purchase of the City Bond, to finance the Construction Project and (b) paying the Costs of Issuance for the City Bond and the Series 2020 Bonds.

Purchase Account

"Purchase Account" means the account by that name created by the Indenture.

Rebate Fund

"Rebate Fund" means the fund by that name created by the Indenture.

Record Date

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

Redemption Account

"Redemption Account" means the account by that name created by the Indenture.

Redemption Price

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

Refunding Bonds

"Refunding Bonds" means bonds issued pursuant to the Indenture and any Supplemental Indenture.

Registered Owner

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

Revenues

"Revenues" means the Funds and Accounts (except for the Rebate Fund) and all income, revenues and profits of the Funds and Accounts (except for the Rebate Fund) referred to in the granting clauses of the Indenture 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.

S&P

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

Securities

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

Series 2020 Bonds

"Series 2020 Bonds" means the \$10,000,000[†] Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) issued pursuant to the Indenture.

State

"State" means the State of Mississippi.

Supplemental Indenture

"Supplemental Indenture" means an indenture supplemental to or amendatory of the Indenture, executed by the Bank and the Trustee in accordance with the Indenture.

Trust Estate

"Trust Estate" means the property, rights, and amounts pledged and assigned to the Trustee as security for the Bonds, pursuant to the granting clauses of the Indenture.

Trustee

"Trustee" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, and which shall initially be U.S. Bank National Association, Brandon, Mississippi.

Underwriter

"Underwriter" means Stephens, Inc., Little Rock, Arkansas.

[†]Preliminary, subject to change.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "**Disclosure Certificate**") is executed and delivered by the City of Tupelo, Mississippi (the "**City**") in connection with the issuance of \$10,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project), dated the date of delivery thereof (the "**Bonds**"). The Bonds are being issued pursuant to an Indenture of Trust (the "**Indenture**"), dated ____, 2020, between the Mississippi Development Bank (the "**Bank**") and _____, Mississippi, as trustee (the "**Trustee**"). The City covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "**SEC**").

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"**Annual Report**" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Dissemination Agent**" shall mean any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"**Fiscal Year**" shall mean the period beginning on October 1 of and ending on September 30, or such other 12-month period as may be adopted by the Issuer in accordance with law.

"**Listed Events**" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

"**Official Statement**" means the final Official Statement prepared in connection with the Bonds.

"**Participating Underwriter**" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"**Rule**" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Certificate.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than twelve (12) months following the end of the Issuer's fiscal year of each year, commencing twelve (12) months following the end of the Issuer's fiscal year ending September 30, 2020, provide to the MSRB (in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the City; it is not required that the format reflected in the Official Statement be used in future years.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit "A," or in another form as determined by the City.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements for such Fiscal Year if audited financial statements are then available, and, if unavailable, reasonably available and accessible unaudited financial information describing the City's financial situation for the prior Fiscal Year; or adopted budgets and such audited financial statements if and when they become available.

(b) An update of the type of information identified in Exhibit "B" hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The City shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The City shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of bondholders, *if material*;
- (8) Bond calls, *if material*, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, *if material*;
- (11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

(15) Incurrence of a financial obligation² of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent.

(a) The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the City elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Certificate. The Dissemination Agent shall have only

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the City intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the City and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the City described in this Disclosure Certificate, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the City at least 30 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the City, certify in writing to the City that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section 3(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A or in another form determined by the City.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the City has caused this Disclosure Certificate to be executed by a duly authorized officer, all as of this ___ day of ___, 2020.

(SEAL)

CITY OF TUPELO, MISSISSIPPI

By _____
Mayor

ATTEST:

By _____
City Clerk

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Mississippi Development Bank
Name of Conduit Borrower: City of Tupelo, Mississippi (the "City")
Name of Bond Issue: \$10,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) (the "Series 2020 Bonds")
Date of Issuance: _____, 2020
CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Bonds as required by the Continuing Disclosure Certificate executed on ____, 2020 by the City. The City anticipates that the Annual Report will be filed by _____ ____, 20__.

Dated: _____, _____

EXHIBIT B

Name of Issuer: Mississippi Development Bank
Name of Conduit Borrower: City of Tupelo, Mississippi (the "City")
Name of Bond Issue: \$10,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) (the "Series 2020 Bonds")
Date of Issuance: _____, 2020
CUSIP Numbers:

Government

Name	Occupation	Position Held Since

TAX INFORMATION

Assessed Valuation of the City¹

Assessment Year	Real Property	Personal Property	Public Utility Property	Mobile Homes	Auto- Mobiles	Total

Tax Levy Per \$1,000 Valuation²

City - General Purpose:					
Operating Millage					
Debt Millage					
Total for City:					

¹ The total assessed valuation is approved in September preceding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 20__ are collected starting in January, 20__ for the 20__-20__ fiscal year budget of the City.

² Tax levy figures given is mills. The County levies a tax of nine cents per acre on all timbered and/or uncultivated land located in the County.

Ad Valorem Tax Collections

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over/(Under)

Outstanding General Obligation Bonded Debt

(as of _____)

Issue	Date of Issue	Outstanding Principal

Other Outstanding Debt

(as of _____)

Issue	Date of Issue	Outstanding Principal

BOND PURCHASE AGREEMENT

Regarding the

\$10,000,000

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2020
(TUPELO, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)**

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

Mayor and City Council
City of Tupelo, Mississippi
71 East Troy Street
Tupelo, Mississippi 38802

Ladies and Gentlemen:

The undersigned, Stephens, Inc. Little Rock, Arkansas (the "**Underwriter**"), being duly authorized, offers to enter into the following agreement with the Mississippi Development Bank (the "**Bank**") and the City of Tupelo, Mississippi (the "**City**"), which, upon your acceptance of this offer, will be binding upon the Bank and the City and upon the Underwriter. This offer is made subject to your written acceptance of this Bond Purchase Agreement on or before 4:00 o'clock p.m., Mississippi Time, on _____, 2020, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered by the Underwriter to the Bank and the City at the above addresses, at any time prior to the acceptance hereof by you.

1. Purchase.

(a) Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Bank for offering to the public, and the Bank hereby agrees to sell and deliver to the Underwriter for such purpose, an aggregate of \$10,000,000 principal amount of the Bank's Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project) (the "**Bonds**"), dated the date of delivery thereof, and having maturities and bearing interest at the rates per annum as set forth in **Exhibit A** hereto, and payable as described in the resolution concerning the Bonds adopted on March 11, 2020, by the Board of Directors of the Bank (the "**Bank Resolution**"), an Indenture of Trust under which the Bonds will be issued and by which they will be secured, dated as of _____, 2020 (the "**Indenture**"), by and between _____, as trustee (the "**Trustee**"), and otherwise having such terms as are described in the Preliminary Official Statement (as hereinafter defined). The purchase price for the Bonds shall be \$ _____, being comprised of the principal amount of the Bonds of \$10,000,000.00, plus a net original issue premium of \$ _____, and less an Underwriter's discount of \$ _____, which

purchase price, subject to the terms and conditions of this Bond Purchase Agreement, will be paid to the Trustee on behalf of the Bank on the date of the payment for and delivery of the Bonds (herein called the "**Closing**"). The Bonds will be subject to optional redemption [and mandatory redemption] prior to maturity as set forth in **Exhibit B** hereto.

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

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

(d) The principal of, premium, if any, and interest on the Bonds shall be payable solely and only from those revenues and funds of the Bank under the Indenture, including the \$10,000,000 City of Tupelo, Mississippi General Obligation Bond, Series 2020 (the "**City Bond**") and payments derived therefrom, as more particularly described in the Preliminary Official Statement. The City Bond has been sold to the Bank by the City pursuant to a resolution of the City adopted by the Mayor and City Council of the City (the "**Governing Body**") on March 3, 2020, authorizing the sale and issuance of the City Bond and approving the sale and issuance of the Bonds (the "**City Bond Resolution**" and collectively with the Bank Resolution, the "**Bond Resolutions**"), and a City Bond Purchase Agreement between the City and the Bank (the "**City Bond Purchase Agreement**"). The City Bond is a general obligation of the City and represents a pledge of the full faith, credit and taxing power thereof.

2. Preliminary Official Statement and Official Statement. A Preliminary Official Statement of the Bank, dated _____, 2020 (the "**Preliminary Official Statement**"), has been distributed in connection with the Bonds, and an Official Statement of the Bank, to be dated the date hereof, will be delivered as hereinafter set forth in this Paragraph 2. The final Official Statement as it may be amended or supplemented, with the written consent of the Bank and the Underwriter, is hereinafter called the "Official Statement."

The Bank and the City hereby authorize the use of the Preliminary Official Statement, the Official Statement and the information therein contained by the Underwriter in connection with the public offering and the sale of the Bonds. As required by Rule 15c2-12 promulgated by the Securities and Exchange Commission under Section 15 of the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), the Underwriter shall deliver the Official Statement to the Municipal Securities Rulemaking Board (the "**MSRB**"). The Bank and the City hereby approve of and ratify the use by the Underwriter on or before the date hereof of the Preliminary Official Statement in connection with the prospective offering of the Bonds prior to the date hereof. The Bank and the City have duly authorized, approved and delivered the Preliminary Official Statement to the Underwriter; the Bank and the City have previously deemed the Preliminary Official Statement final, except for the omission of the following information: offering, prices, interest rates, selling compensation, aggregate principal amount of the Bonds, principal amount

per maturity, delivery date, ratings and other terms of the Bonds depending on such matters permitted to be omitted in accordance with Paragraph (b)(1) of Rule 15c2-12; and the Bank has duly authorized, approved and will execute the Official Statement on or prior to the Closing and shall deliver the same in final printed form subject to the provisions of Paragraph 9 hereof to permit the Underwriter to comply with Paragraph 9(b)(4) of Rule 15c2-12 and the rules of the MSRB, within seven (7) business days from the date hereof. The Bank and the City have delivered a "deemed final" certificate to the Underwriter, dated the date hereof, to evidence compliance with Rule 15c2-12 to the date hereof (the "**Deemed Final Certificate**"), in substantially the form attached hereto as **Exhibit C**.

3. Establishment of Issue Price

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

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

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Schedule A attached to **Exhibit D** hereto, except as otherwise set forth therein. **Exhibit D** also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Bank and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Bank to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer

nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

The Representative shall promptly advise the Bank when the Underwriters have sold 10% of that maturity of the Securities to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Bank acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Securities to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Bank acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Bank further

acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

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

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Bank (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

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

(iv) "sale date" means the date of execution of this Agreement by all parties.

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

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

(a) The Bank is a public body corporate and politic of the State of Mississippi (the "**State**"). The Board of Directors of the Bank (the "**Board**") is duly organized and existing under the Constitution and laws of the State with the powers and authority, among others, set forth in Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "**Bank Act**"), and is authorized to

issue the Bonds and otherwise to act on behalf of the Bank in connection with the sale and issuance of the Bonds.

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

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

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

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

(f) No summons or complaint or any other notice or document has been served upon or delivered to the Bank or the Board or any of their officers or employees relating to any litigation, and there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the Bank or the Board, threatened against the Bank or the Board, affecting the existence of the Bank or the Board, the titles of their officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the

Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the tax exempt status of the Bonds, the Bank Resolution, the Indenture, the City Bond Purchase Agreement, the acceptance and assignment of the City Bond or this Bond Purchase Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement, or contesting the powers of the Bank or the Board or any authority for the issuance of the Bonds, the adoption of the Bank Resolution, the acceptance and assignment of the City Bond or the execution or acceptance of this Bond Purchase Agreement, the Indenture, the City Bond Purchase Agreement, or the Bank's performance thereunder, nor is there any controversy or litigation pending or, to the best knowledge of the Bank or the Board, threatened, nor, to the best of the knowledge of the Bank and the Board, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the tax exempt status of the interest on the Bonds or the validity or enforceability of the Bonds, the Bank Resolution, the Indenture, the City Bond Purchase Agreement, the City Bond, or this Bond Purchase Agreement.

(g) Except as otherwise provided herein, (i) the Bank Resolution, the Indenture, the City Bond Purchase Agreement, and the Bonds conform to the description thereof contained in the Preliminary Official Statement, and (ii) the Bonds, this Bond Purchase Agreement, the City Bond Purchase Agreement, the Bank Resolution, and the Indenture will constitute valid, legally binding, and enforceable obligations of the Bank.

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

(i) If required by law to do so in the future, the Bank will undertake, pursuant to a continuing disclosure agreement with the City and the Trustee, to provide notices of certain events in connection with the Bonds.

(j) To the best of the Bank's knowledge, the Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in connection with the Bank or the Bonds, in the light of the circumstances under which they were made, not misleading, and as of the Closing, the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in connection with the Bank or the Bonds, in the light of the circumstances under which they were made, not misleading.

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

(a) The City is a public body corporate and a political subdivision of the State and a "local governmental unit" within the meaning of the Bank Act. The Governing Body is duly organized and existing under the Constitution and laws of the State and is authorized, pursuant to the provisions of Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time, (the "**City Act**" and together with the Bank Act, the "**Act**"), to issue the City Bond under the terms and provisions of the City Bond Resolution, under which the City's obligations on the City Bond arise, and

otherwise to act on behalf of the City in connection with the execution of the City Bond Purchase Agreement and the execution and delivery of the City Bond.

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

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

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

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

make the statements therein in connection with the City, the City Bond Resolution, the City Bond Purchase Agreement, the Continuing Disclosure Certificate, and the City Bond, in the light of the circumstances under which they were made, not misleading.

(f) The financial statements and the statistical and financial information of the City referred to or contained in the Preliminary Official Statement with respect to the Bonds are, and as to the Official Statement (including any and all supplements and amendments thereto) will, present fairly the financial position of the City as of the dates indicated therein and the results of operations for the periods specified therein, and the financial statements therein have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects with respect to the periods involved.

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

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

(i) The proceeds from the sale of the City Bond to the Bank by the City as evidenced by the City Bond Purchase Agreement and the City Bond will be used or applied as provided in the City Bond Resolution, the City Bond Purchase Agreement, and the Preliminary Official Statement.

(j) The City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events in connection with the Bonds for the benefit of the holders of the Series 2020 Bonds and to deliver, or cause to be delivered, to (a) the Municipal Securities Rulemaking Board (the "**MSRB**") through the MSRB's Electronic Municipal Market Assess system (EMMA), in the electronic format then prescribed by the Securities and Exchange Commission pursuant to Rule 15c2-12, and (b) any public or private repository or entity designated by the State as a State repository, if any, for the purposes of the Rule, the information described in the Continuing Disclosure Certificate, together with any identifying information or other information then required to accompany the applicable filing.

(k) Except as otherwise provided herein, (i) the City Bond Resolution, the City Bond Purchase Agreement, the Continuing Disclosure Certificate and the City Bond conform to the descriptions thereof contained in the Preliminary Official Statement, (ii) the City Bond, when issued and delivered in accordance with the City Bond Resolution and the City Bond Purchase Agreement, will be a validly issued and outstanding general obligation of the City secured by a pledge of its full faith, credit, and taxing power, all as more fully described in the Preliminary Official Statement and as to be more fully described in the Official Statement, and (iii) the City Bond Purchase Agreement, this Bond Purchase Agreement, the Continuing Disclosure Certificate, the City Bond Resolution, and the City Bond will constitute valid, legally binding and enforceable obligation of the City.

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

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

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

(c) Except as otherwise provided herein, (i) the Bank Resolution, the Indenture, the City Bond Purchase Agreement, the City Bond, and the Bonds conform to the descriptions thereof contained in the Preliminary Official Statement, (ii) the Bonds, when validly issued, authenticated, and delivered in accordance with the Bank Resolution

and the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding limited obligations of the Bank entitled to the benefits and security of the Bank Resolution and the Indenture, all as more fully described in the Preliminary Official Statement and as to be more fully described in the Official Statement, and will constitute valid, legally binding, and enforceable limited obligations of the Bank, and (iii) the Bank Resolution and the Indenture will constitute valid, legally binding and enforceable obligations of the Bank.

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

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

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

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

(iv) Unless otherwise notified in writing by the Underwriter by the date of Closing, the Bank can assume that the "end of the underwriting period" for purposes of Rule 15c2-12 is the Closing. In the event such notice is so given in writing by the Underwriter, the Underwriter agrees to notify the Bank in writing following the

occurrence of the "end of the underwriting period" as defined in Rule 15c2-12. The "end of the underwriting period" as used in this Bond Purchase Agreement shall mean the date of Closing or such later date as to which notice is given by the Underwriter in accordance with the preceding sentence.

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

7. Closing. The Bank will deliver the Bonds by delivery thereof to Cede & Co., as nominee of The Depository Trust Company ("**DTC**") as directed by the Underwriter against payment of the purchase price therefore by wire transfer of immediately available funds to the Trustee at or prior to 9:00 o'clock a.m., Central Standard Time, on _____, 2020, or such other place, time or date as shall be mutually agreed upon by the Bank and the Underwriter. The Bonds will be delivered in fully registered form in such denominations and registered to such persons as the Underwriter shall request at least three (3) days prior to the date of the Closing. The Bonds may be in printed, engraved, typewritten or photocopied form and each such form shall constitute "definitive form." The legal documents required by this Bond Purchase Agreement and the Official Statement shall be delivered to the parties hereto at the offices of Bond Counsel in Ridgeland, Mississippi, on such date or such other date corresponding with the payment for and delivery of the Bonds, and contemporaneously with such payment and delivery.

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

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

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

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

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

(e) The Underwriter shall have the right to terminate its obligations under this Bond Purchase Agreement to purchase and pay for the Bonds by notifying the Bank and the City of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States of America or enacted by the State, or legislation pending in the Congress of the United States of America shall have been amended, or a decision shall have been rendered by a court of the United States of America or the State, including the Tax Court of the United States of America or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States of America or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the State or by a similar body, or upon interest on the Bonds or the City Bond or obligations of the general character of the Bonds or the City Bond which may have the purpose or effect, directly or indirectly, of affecting the tax status of the Bank and the City, the Bank's property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the Act, in the sole reasonable opinion of the Underwriter, affects materially and adversely the market for the Bonds, or the market price generally of obligations of the general character of the Bonds or the City Bond; (ii) the outbreak or escalation of hostilities involving the United States of America or the declaration by the United States of America of a national emergency or war, if the effect of any such event specified in this clause (ii) in the reasonable judgment of the Underwriter makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Official Statement; (iii) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States of America, New York State or State authorities; (iv) there shall have been issued a stop order, ruling, or regulation affecting the validity or tax exempt status of the Bonds or the City Bond by the Securities and Exchange Commission; (v) an event described in subsection (d) of Paragraph 6 hereof occurs which, in the reasonable opinion of the Underwriter, requires or has required the preparation and distribution of a supplement or amendment to the Official Statement and which in the reasonable opinion of the Underwriter affects materially and adversely the market for the Bonds; (vi) the marketability of the Bonds or the market price thereof, in the opinion of the underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or (vii) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the City's obligations.

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

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

(ii) A copy of the Bank Resolution certified as of the date of the Closing by the Secretary or the Assistant Secretary of the Bank as having been duly adopted by the Board and as being in effect, with such amendments, modifications and supplements as may have been agreed to by the Underwriter;

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

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

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

(vi) An opinion, dated the date of the Closing and addressed to the Underwriter, of Counsel to the Bank (the "**Bank Counsel**"), to the effect that (A) the Bank and the Board are duly organized and existing under the laws of the State, including the Bank Act; (B) the Bank Resolution has been duly adopted by the Board on behalf of the Bank which has full power and authority to perform its obligations thereunder and has not been amended; (C) this Bond Purchase Agreement, the Bonds, the City Bond Purchase Agreement and the Indenture have been duly authorized, executed and delivered, or accepted, by the Board on behalf of the Bank; (D) the Bank Resolution, the Bonds, the City Bond Purchase Agreement and the Indenture constitute, assuming the valid authorization, execution and delivery by the other parties thereto, legal and binding obligations of the Bank, enforceable in accordance with their respective terms, subject to (1) applicable bankruptcy, insolvency or other similar laws of the State or federal government affecting the enforcement of creditors' rights generally, and (2) the fact that specific performance and other equitable remedies are granted only in the discretion of a court; (E) neither the execution, delivery or performance by the Bank of this Bond Purchase Agreement, the Bonds, the City Bond Purchase Agreement or the Indenture conflicts with or results in a breach of the terms or provisions of the Constitution of the State or any State law including the Act; (F) all consents, approvals and other action required by any governmental authority or agency in connection with the execution,

delivery and performance, or acceptance of, by the Bank of this Bond Purchase Agreement, the Bonds, the City Bond Purchase Agreement and the Indenture have been obtained or accomplished; (G) the Board on behalf of the Bank has duly approved the form of and authorized the use by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds by the Underwriter; (H) the Bonds, the Indenture, the City Bond Purchase Agreement, and the Bank Resolution conform as to form and tenor with the terms and provisions thereof as summarized and set out in the Official Statement; and (I) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (except for financial statements and other financial and statistical data and "TAX MATTERS" or Appendices A and B, included therein, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Official Statement, as the same may have been amended or supplemented to the date of the Closing pursuant to subsection (d) of Paragraph 6 hereof (except as aforesaid), as of the date of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) An opinion, dated the date of the Closing and addressed to the Underwriter of Ben Logan, Tupelo, Mississippi, as counsel to the City (the "**City Counsel**"), to the effect that (A) the City and the Governing Body are duly organized and existing under the laws of the State; (B) the City Bond Resolution has been duly adopted by the Governing Body on behalf of the City which has full power and authority to perform its obligations thereunder and has not been amended; (C) this Bond Purchase Agreement, the City Bond Purchase Agreement, the Continuing Disclosure Certificate, and the City Bond have been duly authorized, executed and delivered, or approved, by the Governing Body on behalf of the City; (D) the City Bond Purchase Agreement, the City Bond, the Continuing Disclosure Certificate, and the City Bond Resolution constitute, assuming the valid authorization, execution and delivery by the other parties thereto, if any, legal and binding obligations of the City, enforceable in accordance with their respective terms, subject to (1) applicable bankruptcy, insolvency or other similar laws of the State or federal government affecting the enforcement of creditors' rights generally, and (2) the fact that specific performance and other equitable remedies are granted only in the discretion of a court; (E) neither the execution, delivery nor performance by the City of this Bond Purchase Agreement, the City Bond Purchase Agreement, the City Bond, the Continuing Disclosure Certificate, or the City Bond Resolution conflicts with or results in a breach of the terms or provisions of the Constitution of the State or any State law; (F) all consents, approvals, and other action required by any governmental authority or agency in connection with the execution, delivery, and performance by the City of this Bond Purchase Agreement, the City Bond Resolution, the City Bond Purchase Agreement, the Continuing Disclosure Certificate, and the City Bond have been obtained or accomplished; (G) the City Bond Purchase Agreement, the City Bond, the Continuing Disclosure Certificate and the City Bond

Resolution conform as to form and tenor with the terms and provisions thereof as summarized and set out in the Official Statement; and (H) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, he has no reason to believe that, as of the date of the Closing, the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein in connection with the City, the City Bond Resolution, the City Bond Purchase Agreement, the Continuing Disclosure Certificate, and the City Bond, in the light of the circumstances under which they were made, not misleading, or that the Official Statement, as the same may have been amended or supplemented to the date of the Closing pursuant to subsection (d) of Paragraph 6 hereof (except as aforesaid), as of the date of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein in connection with the City, the City Bond Resolution, the City Bond Purchase Agreement, the Continuing Disclosure Certificate, and the City Bond, in the light of the circumstances under which they were made, not misleading;

(viii) The supplemental opinion of Bond Counsel addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(ix) A certificate, dated the date of the Closing and signed by the Executive Director and Secretary of the Bank to the effect that (A) the representations and warranties of the Bank contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (B) no summons or complaint or any other notice or document has been served upon or delivered to the Bank or any of their officers or employees relating to any litigation, and there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best of their knowledge, threatened against the Bank or the Board, affecting the existence of the Bank or the Board, or the titles of their officers to their respective offices, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, or in any way contesting or affecting the tax exempt status of the interest on the Bonds or the validity or enforceability of the Bonds, the Bank Resolution, the City Bond Purchase Agreement, the Indenture, or this Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Bank, the Board or any authority for the issuance of the Bonds, the adoption of the Bank Resolution or the execution or acceptance of this Bond Purchase Agreement, the City Bond Purchase Agreement, and the Indenture, nor is there any controversy or litigation pending or, to the best of their knowledge, threatened, nor to the best of their knowledge is there any basis therefor, wherein any unfavorable decision, ruling or finding would materially adversely affect the tax exempt status of the interest on the Bonds or the validity or enforceability of the Bonds, the Bank Resolution, the City Bond Purchase Agreement, the Indenture, or this Bond Purchase Agreement (but in lieu of or in conjunction with such certificate the Underwriter may, in its sole discretion, accept certificates or opinions of the Bank Counsel, that in its opinion the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (C) to the best of their knowledge, no event affecting

the Bank or Board has occurred since the date of the Official Statement that should be disclosed in the Official Statement, as the same may be supplemented or amended, in order that the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (D) the Bank and the Board have complied with all the agreements and satisfied all the conditions on their respective parts to be performed or satisfied at or prior to the Closing;

(x) A certificate, dated the date of the Closing and signed by the Mayor and the Clerk to the effect that (A) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (B) no summons or complaint or any other notice or document has been served upon or delivered to the City or any of their officers or employees relating to any litigation, and there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best of their knowledge, threatened against the City or the Governing Body, affecting the existence of the City or the Governing Body, or the titles of their officers to their respective offices, or seeking to prohibit, restrain or enjoin the execution or delivery of the City Bond, or in any way contesting or affecting the tax exempt status of the interest on the Bonds or the City Bond, or the validity or enforceability of the City Bond, the City Bond Resolution, the City Bond Purchase Agreement, the Continuing Disclosure Certificate or this Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the City, the Governing Body, or any authority for the issuance of the City Bond, the adoption of the City Bond Resolution, or the execution or approval of this Bond Purchase Agreement, the Continuing Disclosure Certificate, and the City Bond Purchase Agreement, nor is any controversy or litigation pending or, to the best of their knowledge, threatened, nor to the best of their knowledge is there any basis therefor wherein any unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the City Bond, the tax exempt status of the interest on the City Bond, the City Bond Resolution, the City Bond Purchase Agreement, the Continuing Disclosure Certificate, or this Bond Purchase Agreement (but in lieu of or in conjunction with such certificate the Underwriter may, in its sole discretion, accept certificates or opinions of the City Counsel, that in its opinion the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (C) to the best of their knowledge, no event affecting the City or Governing Body has occurred since the date of the Official Statement that should be disclosed in the Official Statement, as the same may be supplemented or amended, in order that the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (D) the City and the Governing Body have complied with all the agreements and satisfied all the conditions on their respective parts to be performed or satisfied at or prior to the Closing;

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

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

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

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

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

(xvi) The Underwriter shall have received a certificate, dated the date of Closing and signed by an authorized officer of the Trustee, to the effect that (A) such officer is an authorized officer of the Trustee, (B) the Indenture and the Continuing Disclosure Certificate have been duly executed and delivered by the Trustee, (C) the Trustee has all necessary corporate and trust powers required to carry out the trust created by the Indenture, (D) to the best of such officer's knowledge, the acceptance by the Trustee of the duties and obligations of the Trustee under the Indenture and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which the Trustee is subject or by which the Trustee is bound, and (E) the Trustee has duly authenticated the Bonds, and the person signing the certificate of authentication on each Bond has been duly authorized to do so;

(xvii) A certificate, dated the date of the Closing, signed by the Executive Director or the President of the Bank and the Secretary or the Assistant Secretary of the Bank, certifying that on the date of the execution of the certificate (A) they are the duly chosen, qualified and acting officers of the Bank occupying the offices indicated opposite their names, (B) the members of the Governing Body at all times relevant to the sale and issuance of the Bonds are as set forth therein, (C) the Executive Director or the President and the Secretary or the Assistant Secretary of the Bank have executed the Bonds by

causing their signatures to be affixed to each Bond, (D) they do thereby recognize the said signatures as their true and lawful signatures, and (E) further certifying that the seal, which is imprinted on each of said Bonds and on such certificate is the official seal of the Bank;

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

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

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

(xxi) A certificate of the Trustee, as paying agent for the City Bond, in form and substance acceptable to the Underwriter and Bond Counsel;

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

(xxiii) To the extent not otherwise included herein, a copy of each of the documents described in Section 2.4 of the Indenture; and

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

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

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

9. Expenses. Expenses incident to the performance of the obligations of the Bank and the City hereunder including but not limited to: (a) the cost of the preparation of the Indenture, the City Bond Purchase Agreement, the City Bond, the Bond Resolutions, the Preliminary Official Statement, and the Official Statement; (b) the cost of the preparation and printing of the definitive Bonds and the City Bond; (c) the fees and disbursements of Bond Counsel, City Counsel and any other legal fees, including the State Bond Attorney fee; (d) the fees and disbursements of the Bank Counsel (as defined herein) and experts, financial advisors, or consultants retained by the Bank or the City; (e) fees for bond ratings; (f) the cost of preparation and printing of the Preliminary Official Statement and the Official Statement in sufficient quantity (but not to exceed 50 copies) to permit the Underwriter to comply with the requirements of Rule 15c2-12; and (g) the cost of the preparation of this Bond Purchase Agreement, shall be paid from the proceeds of the Bonds. Neither the Bank nor the City shall be required to pay any such costs or to reimburse any party for any such expenses other than from the proceeds of the Bonds. Except as provided in this Paragraph 9, the Underwriter shall pay: (x) all advertising expenses in connection with the public offering of the Bonds; (y) the cost of any copies of the Official Statement in excess of said copy limitations; and (z) all other expenses incurred by it in connection with its public offering and distribution of the Bonds. The City shall pay for expenses (included in the expense component of the spread) incurred on behalf of City's employees which are incidental to implementing this Bond Purchase Agreement, including, but not limited to, meals, transportation, lodging and entertainment of those employees.

The Bank and the City acknowledge and agree that: (i) the primary role of the Underwriter is to purchase bonds for resale to investors in an arms-length commercial transaction between the Bank, the City and the Underwriter, and that the Underwriter has financial and other interests that differ from those of the Bank and the City, (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the Bank or the City or any other person or entity and has not assumed any advisory or fiduciary responsibility to the Bank or the City with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Bank or the City on other matters), (iii) the only obligations the Underwriter has to the Bank and the City with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, and (iv) the Bank and the City have consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate in connection with the transaction contemplated herein. The City has hired Government Consultants, Inc. as its municipal advisor in connection with this transaction.

11. Notices. Any notice or other communication to be given to the Bank and the City under this Bond Purchase Agreement may be given by delivering the same in writing at the addresses set forth above and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stephens, Inc., 111 Center Street, Suite 2400, Little Rock, Arkansas, Attention: Public Finance.

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

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

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

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

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

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

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

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

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

[Remainder of This Page Intentionally Left Blank]

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

Very truly yours,

STEPHENS, INC., as Underwriter

_____, _____

ACCEPTED:

This ____ day of _____, 2020.

MISSISSIPPI DEVELOPMENT BANK

By _____
Executive Director

ACCEPTED:

This ____ day of _____, 2020.

CITY OF TUPELO, MISSISSIPPI

By _____
Mayor

EXHIBIT A

MATURITY SCHEDULE

Date of Maturity (March 1)	Principal Amount	Interest Rate	Yield	Price
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				

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

*Term Bonds. Priced to the par call date of March 1, 20__.

EXHIBIT B

REDEMPTION PROVISIONS

If the City directs the Bank to redeem the Bonds in accordance with the City Bond Resolution, the Bank has agreed under the Indenture to accept redemption and to redeem the Bonds in accordance with the Indenture.

Optional Redemption. The Series 2020 Bonds (or any portions thereof in integral multiples of \$5,000 each) which mature on or after March 1, 20__ , are subject to optional redemption prior to their stated date of maturity in whole or in part, in principal amounts and maturities as selected by the Bank on any date on or after March 1, 20__ , at par, plus accrued interest to the date of redemption thereof. Under the Indenture, selection of the Series 2020 Bonds to be redeemed within a maturity will be made by lot by the Trustee.

Mandatory Sinking Fund Redemption. The Bonds maturing March 1, 20__ in the principal amount of \$_____ are subject to mandatory sinking fund redemption, in part, by lot, on March 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 Bonds	
Maturing March 1, 20__	
_____ %	
Year	Principal Amount
20__	
20__*	

* Final Maturity

The Bonds maturing March 1, 20__ in the principal amount of \$_____ are subject to mandatory sinking fund redemption, in part, by lot, on March 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 Bonds	
Maturing March 1, 20__	
_____ %	
Year	Principal Amount
20__	\$
20__*	

* Final Maturity

EXHIBIT C

DEEMED FINAL CERTIFICATE

\$10,000,000

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2020
(TUPELO, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)**

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

The undersigned hereby certify to Stephens, Inc. (the "**Underwriter**"), that they are authorized to execute and deliver this Certificate and further certify on behalf of the Mississippi Development Bank (the "**Bank**") and the City of Tupelo, Mississippi (the "**City**"):

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12, as amended, under the Securities Exchange Act of 1934 (the "**Rule**") in connection with the offering and sale of the Bank's \$10,000,000 Special Obligation Bonds, Series 2020 (Tupelo, Mississippi General Obligation Bond Project), dated the date of delivery thereof (the "**Bonds**").

(b) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated _____, 2020, setting forth information concerning the Bonds, the Bank and the City and certain other matters (the "**Preliminary Official Statement**").

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

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

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

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

IN WITNESS WHEREOF, we have hereunto set our hands to be effective this ____ day of _____, 2020.

MISSISSIPPI DEVELOPMENT BANK

By _____
Executive Director

CITY OF TUPELO, MISSISSIPPI

By _____
Mayor

EXHIBIT D

\$10,000,000

MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2020
(TUPELO, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stephens, Inc., Little Rock, Arkansas, (the "**Underwriter**" and/or " "), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "**Bonds**").

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Underwriter have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2020), or (ii) the date on which the Underwriter have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Mississippi Development Bank.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2020.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

4. Yield.

The yield on the Bonds has been calculated to be not less than _____%. The 20__ through 20__ maturities were treated as having been redeemed on the optional redemption dates that produces the lowest yield on such maturities.

5. Weighted Average Maturity.

The weighted average maturity of the Bonds has been calculated to be _____ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter' interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and City of Tupelo, Mississippi (the "**City**") with respect to certain of the representations set forth in the Arbitrage Certificate of the Issuer and the City and with respect to compliance with the federal income tax rules affecting the Bonds, and by Butler Snow LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer and the City from time to time relating to the Bonds.

Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

STEPHENS, INC.

By: _____
[Name & Title]

Dated: _____, 2020

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

General Rule Maturities				
MATURITY (March 1)	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	REOFFERING PRICE

Hold the Price Maturities				
MATURITY (March 1)	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	REOFFERING PRICE

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION