

**CONTINUING DISCLOSURE AGREEMENT**

**In Connection with the Sale and Issuance of \$ \_\_\_\_\_ Mississippi Development Bank Special Obligation Refunding Bonds, Series 2013C (Madison County, Mississippi Highway Refunding Project) (the "Series 2013C Bonds")**

**WHEREAS**, the Mississippi Development Bank (the "Bank") has authorized the sale and issuance of the Series 2013C Bonds, which are more particularly described in the Official Statement of the Bank in connection with the sale of the Series 2013C Bonds, dated \_\_\_\_\_, 2013 (the "Official Statement"); and

**WHEREAS**, the Bank has acknowledged that a purchaser may not purchase or sell the Series 2013C Bonds unless it has reasonably determined that the Bank has undertaken in a written agreement for the benefit of the holders or beneficial owners of the Series 2013C Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), and the Bank desires to assist the Original Purchaser (as hereinafter defined) of the Series 2013C Bonds in complying with the Rule; and

**WHEREAS**, in order to assist the Original Purchaser in complying with the Rule, the Bank, the Mississippi Transportation Commission (the "Commission"), acting for and on behalf of the Mississippi Department of Transportation ("MDOT"), and Madison County, Mississippi (the "Borrower"), have agreed to enter into this Continuing Disclosure Agreement dated \_\_\_\_\_, 2013 (this "Agreement") with Hancock Bank (the "Trustee") for the benefit of Registered Owners (defined below) and the Beneficial Owners (defined below) of the Series 2013C Bonds to provide certain information as required by the Rule.

**NOW, THEREFORE, THE BANK, THE BORROWER AND THE COMMISSION HEREBY REPRESENT, COVENANT AND AGREE AS FOLLOWS:**

**SECTION 1. Definitions.** In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto below. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the below defined Indenture.

**"Accompanying Information"** shall mean any identifying information or other information then required to accompany the applicable filing pursuant to the Rule.

**"Beneficial Owner"** shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2013C Bond (including persons holding Series 2013C Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2013C Bond for federal income tax purposes.

**"Bond Register"** shall mean, when used with respect to the Series 2013C Bonds, the registration records maintained by the Trustee pursuant to Section 3.06 of the Indenture.

**"Bondholder" or "holder of Bonds" or "owner of Bonds"** or any similar term shall mean the Registered Owner of a Series 2013C Bond.

**"Commission Annual Financial Information"** shall mean updated financial and operating information relating to MDOT and the Commission, and updated financial information relating to the State, similar to the information set forth in the tables and text in the following sections of the Official Statement: "APPENDIX B – INFORMATION RELATING TO MDOT AND THE COMMISSION," and "APPENDIX D - FINANCIAL INFORMATION RELATING TO THE STATE OF MISSISSIPPI."

**"Cooperative Agreement"** shall mean the Amended and Restated Interlocal Cooperative Agreement, dated \_\_\_\_\_, \_\_\_\_\_, between the Borrower and the Commission, as the same may be further amended and supplemented from time to time.

**"EMMA"** shall mean MSRB's Electronic Municipal Market Access system on the MSRB Website.

**"Indenture"** shall mean the Indenture of Trust, dated as of \_\_\_\_\_, 2013 by and between the Bank and the Trustee in connection with the sale and issuance of the Series 2013C Bonds.

**"Independent Accountant"** shall mean any firm of certified public accountants appointed by the Commission, which is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants or the State Auditor.

**"Listed Events"** shall mean any of the events listed in Section 6 of this Agreement.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board established under 15 U.S.C. §77a *et seq.*, as amended and supplemented from time to time, or any successor thereto.

**"MSRB Website"** shall mean [www.emma.msrb.org](http://www.emma.msrb.org).

**"National Repository"** shall mean (a) MSRB's EMMA, and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule.

**"Official Statement"** shall mean the Official Statement dated \_\_\_\_\_, 2013 in connection with the Series 2013C Bonds.

**"Original Purchaser"** shall mean together, Morgan Stanley & Co. LLC., acting for and on behalf of itself and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc. and Duncan-Williams Inc.

**"Registered Owner"** shall mean the person or persons in whose name any Series 2013C Bond is registered on the Bond Register.

**"Repository"** shall mean each National Repository and each State Repository.

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

**"Rule"** shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under 15 U.S.C. §78a *et seq.*, as the same may be amended from time to time.

**"SEC"** shall mean the Securities and Exchange Commission.

**"State"** shall mean the State of Mississippi.

**"State Repository"** shall mean any public or private repository or entity designated by the State as a State repository for the purposes of the Rule. As of the date of this Agreement, there is no State Repository.

**SECTION 2. General.** Nothing in this Agreement shall prevent the Bank, the Borrower or the Commission from disseminating any information in addition to that required by this Agreement. If the Bank, the Borrower or the Commission disseminates any such additional information, neither the Bank, the Borrower nor the Commission, respectively, shall have any obligation to update such information or include it in any further materials disseminated. All expenses and any other costs incurred by the Bank, the Borrower, the Commission or the Trustee in complying with this Agreement shall be paid by the Borrower.

**SECTION 3. Bank Undertaking.** The Bank hereby agrees for the benefit of the Registered Owners and the Beneficial Owners of the Series 2013C Bonds to provide to each Repository, in a timely manner, notice of any Listed Events.

**SECTION 4. Borrower Undertaking.** The Borrower hereby agrees for the benefit of holders of the Series 2013C Bonds to deliver, or cause to be delivered, together with any Accompanying Information:

To each Repository no later than 180 days after the end of each fiscal year of the Borrower, information related to the Borrower similar to that information contained in Appendix A to the Official Statement, and

- (a) (1) to each Repository, in a timely manner, notice of any Listed Events; and
- (2) to each Repository, in writing, in a timely manner, notice of any event which, in the opinion of an authorized officer of the Borrower had, or will have, a material effect on the financial condition or operations of the Borrower.

**SECTION 5. Commission Undertaking.** The Commission hereby agrees for the benefit of holders of the Series 2013C Bonds to deliver, or cause to be delivered, together with any Accompanying Information:

- (a) To each Repository no later than 180 days after the end of each fiscal year of the State:
  - (1) the Commission Annual Financial Information relating to such fiscal year together with audited financial statements of the State for such fiscal year if audited

financial statements are then available; provided, however, that if audited financial statements of the State are not then available, the Commission shall deliver or cause to be delivered such audited financial statements, if any, to each Repository when they become available (but in no event later than 350 days after the end of such fiscal year); or

(2) notice of the failure of the Commission to provide the Commission Annual Financial Information; and

(b) (1) to each Repository, in a timely manner, notice of any Listed Events; and

(2) to each Repository, in writing, in a timely manner, notice of any event which, in the opinion of an authorized officer of the Commission had, or will have, a material effect on the financial condition or operations of the Commission or MDOT.

**SECTION 6. Listed Events.** (a) In addition to the provisions of Sections 3, 4 and 5 above, the Bank, the Borrower and the Commission shall give or cause to be given notice of the occurrence of any of the following Listed Events with respect to the Series 2013C Bonds, in a timely manner not in excess of ten (10) business days after the occurrence thereof, if material. All fifteen (15) events mandated by the Rule are listed below; however, some may not apply to the Series 2013C Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on the credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modification to rights of security holders.

(8) Bond calls.

(9) Tender offers.

(10) Defeasances.

(11) Release, substitution or sale of property securing repayment of the securities.

(12) Rating changes.

(13) Bankruptcy, insolvency, receivership or similar event of the Bank, the Borrower, MDOT or the State.

(14) Consummation of a merger, consolidation, or acquisition involving the Bank, the Borrower, MDOT or the Commission or the sale of all or substantially all of the assets of the Bank, the Borrower, MDOT or the State, 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.

(15) The appointment of a successor or additional trustee or the change of name of a trustee.

(b) Any Listed Event under subsection (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) of this Section will always be deemed to be material.

**SECTION 7. Commission Annual Financial Information.** The contents, presentation and format of the Commission Annual Financial Information may be modified from time to time as determined in the judgment of the Commission to conform to changes in the Rule to disclosure principles or practices and legal requirements followed by or applicable to the Commission, provided that such modifications shall comply with the requirements of the Rule.

**SECTION 8. Financial Statements.** The annual financial statements required of the Commission and the State hereunder shall be prepared in accordance with generally accepted accounting principles in effect from time to time. Such financial statements shall be audited by an Independent Accountant.

**SECTION 9. Remedies.** This Agreement is enforceable in accordance with its terms by any Bondholder either directly or as a third party beneficiary. Any Bondholder shall have the rights, for the equal benefit and protection of all Bondholders, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the Bank, the Borrower and the Commission and any of the officers, agents and employees of the Bank, the Borrower and the Commission, and to compel the Bank, the Borrower and the Commission or any such officers, agents, or employees to perform and carry out their duties under their respective undertakings; provided that such rights shall be limited to an action to compel specific enforcement of the obligations of the Bank, the Borrower and the Commission hereunder and shall not include any rights to monetary damages.

The Trustee shall not be obligated or liable to any holder of the Series 2013C Bonds or other party with respect to any aspect of the implementation, operation or enforcement of any undertaking set forth herein. If the Trustee is made a party to any litigation or legal action involving any undertaking, the Borrower, to the extent permitted by law, shall pay the legal fees and related costs and expenses of the Trustee in connection with such litigation or legal action.

**SECTION 10. Amendments.** This Agreement may be amended, changed or modified pursuant to a written instrument signed by the Bank, the Borrower, the Commission and the Trustee, without the consent of any of the Bondholders, (a) to comply with the provisions of the Rule, (b) to cure any ambiguity, remedy any omission, or cure or correct any defect or inconsistent provision in the undertakings of the Bank, the Commission and the Borrower, or (c)

if the Bank, the Borrower or the Commission make a determination that any such amendment will not have a material adverse effect on the interest of the Bondholders; provided, that any such amendment, change or modification comply with the provisions of the Rule.

**SECTION 11. Parties in Interest; Governing Law.** This Agreement is executed and delivered for the sole benefit of the holders of the Series 2013C Bonds, the Bank, the Borrower, the Commission and the Original Purchaser and shall be governed by the laws of the State.

**SECTION 12. Termination.** The undertaking of the Bank, the Borrower and the Commission hereunder shall terminate on the earlier of (a) June 1, 2013, in the event that the Series 2013C Bonds have not been issued by such date; (b) such date that the Rule, or the provisions thereof are no longer effective; or (c) the date upon which there are no outstanding Series 2013C Bonds.

**SECTION 13. Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF,** the Bank, the Borrower, the Commission and the Trustee each have caused this Agreement to be executed by its respective officers, duly authorized, all as of the date first above written.

**MISSISSIPPI DEVELOPMENT BANK**

By \_\_\_\_\_  
Executive Director

**MADISON COUNTY, MISSISSIPPI**

By \_\_\_\_\_  
President, Board of Supervisors

**MISSISSIPPI TRANSPORTATION  
COMMISSION,** by and through the duly  
authorized Executive Director of the  
Mississippi Department of Transportation

By \_\_\_\_\_  
Executive Director

**ACCEPTED BY:**

**HANCOCK BANK**, as Trustee

By \_\_\_\_\_  
Senior Vice President and Trust Officer

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