

MARCH 11, 2013 DRAFT

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**MISSISSIPPI DEVELOPMENT BANK**  
**SPECIAL OBLIGATION REFUNDING BONDS, SERIES 2013C**  
**(MADISON COUNTY, MISSISSIPPI HIGHWAY REFUNDING PROJECT)**

**BOND PURCHASE AGREEMENT**

April \_\_, 2013

Mississippi Development Bank  
735 Riverside Drive, Suite 300  
Jackson, Mississippi 39202

Board of Supervisors  
Madison County, Mississippi  
Madison County Chancery and Administrative Building  
125 West North Street  
Canton, Mississippi 39046

Ladies and Gentlemen:

The undersigned, acting for and on behalf of itself and the other underwriters set forth in **Exhibit A** hereto (collectively, the "Underwriter"), offers to enter into the following agreement with the Mississippi Development Bank (the "Bank") that, upon the Bank's and Madison County, Mississippi's (the "Borrower") acceptance of this offer, will be binding upon the Bank, the Borrower and upon the Underwriter. The offer is made subject to the Bank's and the Borrower's written acceptance of this Bond Purchase Agreement (this "Agreement") on or before 5:00 o'clock p.m., Mississippi Time, on April \_\_, 2013, 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 Borrower at the above addresses, at any time prior to the acceptance hereof by the Bank and the Borrower.

**1. Sale of the Series 2013C Bonds.**

- (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 all (but not less than all) and deliver to the Underwriter for such purpose, an aggregate of \$\_\_\_\_\_ principal amount of the Mississippi Development Bank Special Obligation Refunding Bonds, Series 2013C (Madison County, Mississippi Highway Refunding Project) (the "Series 2013C Bonds"), dated the date of delivery thereof, and having maturities and bearing interest at the rates per annum as set forth in **Exhibit B** hereto and incorporated herein by this reference thereto, and payable as described in the Indenture of Trust, to be dated \_\_\_\_\_,

2013 (the "Indenture"), between the Bank and Hancock Bank, Jackson, Mississippi, as trustee (in such capacity, the "Trustee"). The Series 2013C Bonds are further described in the Indenture and in the Preliminary Official Statement (as hereinafter defined). The Board of Directors (the "Board") of the Bank authorized the issuance of the Series 2013C Bonds by a resolution (the "Resolution") adopted by the Board on March 6, 2013. The purchase price for the Series 2013C Bonds shall be \$ \_\_\_\_\_, which is equal to the par amount of \$ \_\_\_\_\_, plus a net original issue premium of \$ \_\_\_\_\_, and less an Underwriter's discount of \$ \_\_\_\_\_. [The Series 2013C Bonds will be subject to redemption prior to their respective maturities as set forth in **Exhibit B** hereto.]

- (b) It is intended that interest on the Series 2013C Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, rulings and judicial decisions and as set forth in the Preliminary Official Statement.
- (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 Series 2013C Bonds shall be payable solely and only from those revenues and funds of the Bank pledged pursuant to the Indenture and as described in the Preliminary Official Statement.
- (e) The Series 2013C Bonds are being issued to provide a loan (the "Loan") to the Borrower to finance the advance refunding and defeasance of certain outstanding maturities (the "Refunded Bonds") of the Bank's Series 2006 Bonds (as defined in the Indenture) and to pay certain financing costs associated therewith including, but not limited to, the costs incident to the sale and issuance of the Series 2013C Bonds (the "Refunding Project").
- (f) In connection with the Refunding Project, a portion of the proceeds of the Series 2013C Bonds will be delivered to Hancock Bank, as Escrow Agent (in such capacity, the "Escrow Agent"), pursuant to the terms and provisions of an Escrow Deposit Trust Agreement (the "Escrow Agreement") among the Borrower, the Bank and the Escrow Agent, to be dated the date of delivery of the Series 2013C Bonds.

## **2. Official Statement.**

A Preliminary Official Statement of the Bank, dated March \_\_, 2013 (the "Preliminary Official Statement"), has been distributed in connection with the sale of the Series 2013C Bonds, and an Official Statement of the Bank, to be dated the date of this Agreement, will be delivered as provided in Section 4 hereof. The final Official Statement as it may be amended or supplemented, with the consent of the Bank and the Underwriter, is hereinafter called the "Official Statement."



### **3. Public Offering.**

- (a) The Underwriter agrees to make a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Series 2013C Bonds at prices not greater than and yields not less than those set forth in **Exhibit B** hereto. If such public offering does not result in the sale of all of the Series 2013C Bonds, the Underwriter may offer and sell the Series 2013C Bonds without any request or prior notice to certain bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices or yields higher than the yields, set forth in **Exhibit B** hereto; provided, however, the Underwriter reasonably expects that at least ten percent (10%) of each maturity of the Series 2013C Bonds will be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than or yields not less than those shown in **Exhibit B** hereto.
- (b) The Underwriter certifies that at the time of the execution of this Agreement, based upon prevailing market conditions, it does not have any reason to believe that any of the Series 2013C Bonds will be initially sold to the public (excluding, such bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than, or yields less than, those set forth in **Exhibit B** hereto. At the Closing (as hereinafter defined), the Underwriter shall deliver to the Bank a certificate confirming the representations of this Section 3 and as to such other matters reasonably required by Butler, Snow, O'Mara, Stevens & Cannada, PLLC ("Bond Counsel").
- (c) The Bank agrees to cooperate with the Underwriter and Co-Underwriter's Counsel (as defined herein) in any endeavor to qualify the Series 2013C Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States of America (the "United States") as the Underwriter may request; provided that the Bank shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other state. The Bank consents to the use of the Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualification.

### **4. Delivery of Official Statement.**

- (a) The Bank hereby consents to and confirms the prior use by the Underwriter of the Preliminary Official Statement (in printed and/or electronic form) in connection with the public offering of the Series 2013C Bonds by the Underwriter, and further confirms the authority of the Underwriter to use, and consents to, the use of the final Official Statement (in printed or electronic form) with respect to the Series 2013C Bonds, and any amendments or supplements thereto that shall be approved by the Bank in connection with the public offering, and sale of the Series 2013C Bonds. The Bank hereby represents and warrants that the Preliminary Official Statement previously furnished to the Underwriter was

"deemed final" by the Bank as of its date for purposes of Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission of the United States (the "SEC") under 15 U.S.C. §78a *et seq.*, as amended and supplemented from time to time (the "Exchange Act"), except for the omission of such information as is specified in Rule 15c2-12(b)(1).

- (b) The Bank shall provide, or cause to be provided, to the Underwriter within seven business days after the date of this Agreement or three business days prior to the Closing, whichever comes first, ten executed counterparts of the Official Statement, and conformed copies of a final Official Statement in sufficient quantity to permit the Underwriter to comply with Rule 15c2-12 and other applicable rules of the SEC and the Municipal Securities Rulemaking Board (the "MSRB").
- (c) The Bank hereby authorizes the Underwriter to file, and the Underwriter hereby agrees to file, the Official Statement with the MSRB, or its designee.

## **5. Bank's Representations and Warranties.**

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 is duly organized and existing under the Constitution and laws of the State with the powers and authority set forth in Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and is authorized to issue the Series 2013C Bonds and otherwise to act on behalf of the Bank in connection with the sale and issuance of the Series 2013C Bonds;
- (b) The Board, on behalf of the Bank, has full legal right, power and authority to enter into or accept this Agreement, the Indenture, the Loan Agreement (as defined in the Indenture), the Intercept Agreement (as defined in the Indenture), the Escrow Agreement and the Continuing Disclosure Agreement, dated the date of delivery of the Series 2013C Bonds (the "Continuing Disclosure Agreement"), by and among the Bank, the Borrower, Mississippi Transportation Commission (the "Commission"), acting for and on behalf of the Mississippi Department of Transportation ("MDOT"), and the Trustee, to adopt the Resolution, and to sell, issue and deliver the Series 2013C Bonds to the Underwriter as provided herein and to carry out and consummate all other transactions contemplated by this Agreement, the Series 2013C Bonds, the Indenture, the Loan Agreement, the Intercept Agreement, the Resolution, the Continuing Disclosure Agreement, the Escrow Agreement 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 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 Resolution, the Indenture, the Loan Agreement, the Intercept Agreement, the Continuing



Disclosure Agreement, the Series 2013C Bonds, the Escrow Agreement and this Agreement and the consummation by it of all other transactions contemplated by the Preliminary Official Statement;

- (d) The Bank is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any agreement or other instrument to which the Bank 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, the Resolution, the Indenture, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement or the issuance of the Series 2013C 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 Agreement, the Indenture, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Series 2013C Bonds and the adoption of the 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 the Bank is a party or is otherwise subject;
- (e) At the time of the Bank's acceptance hereof, 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 the light of the circumstances under which they were made, not misleading;
- (f) Between the date of this Agreement and the Closing, the Bank will not, 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 on behalf of the Commission, MDOT or the Borrower except as otherwise disclosed in the Preliminary Official Statement;
- (g) 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 Series 2013C Bonds or in any way contesting or affecting the tax exempt status of the interest on the Series 2013C Bonds or the validity or enforceability of the Series 2013C Bonds, the Resolution, the Indenture, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement or this 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 Series 2013C Bonds, the adoption of the Resolution, or the execution or

acceptance of this Agreement, the Indenture, the Loan Agreement, the Intercept Agreement, the Escrow Agreement and the Continuing Disclosure Agreement or the Bank's performance thereunder, nor is there any controversy or litigation pending or threatened, nor, to the best of the knowledge of the Bank and the Board, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the tax exempt status of the interest on the Series 2013C Bonds, or the validity or enforceability of the Series 2013C Bonds, the Resolution, the Indenture, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement or this Agreement;

- (h) The proceeds from the sale of the Series 2013C Bonds will be used or applied as is provided in the Indenture and the Preliminary Official Statement;
- (i) The Bank will lend the proceeds of the Series 2013C Bonds to the Borrower pursuant to the Loan Agreement, which the Bank will enter into with the Borrower, as the borrower thereunder. Under the Loan Agreement, the Borrower will be required to make installment payments (solely from amounts paid to the Borrower by the Commission pursuant to the terms of the Cooperative Agreement (as defined in the Indenture)) in amounts which, in the aggregate, will be sufficient to pay the principal or redemption price of and interest on all Series 2013C Bonds as and when due. The Series 2013C Bonds will be secured by a pledge and assignment by the Bank to the Trustee of the Bank's right, title, and interest in and to the Loan Agreement and all payments to be received from the Borrower thereunder (except for the Bank's right to certain indemnity payments and administrative expenses, which will not be pledged) including its rights under a promissory note delivered by the Borrower to the Bank in connection with the Loan (the "Series 2013C Note"); and
- (j) The Bank has at all times been in compliance with all of their prior continuing disclosure obligations under Rule 15c2-12(b)(5).

**6. Bank's Additional Representations and Warranties.**

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 Series 2013C 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 Series 2013C 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 Series 2013C 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 evidence to the Underwriter that the same has been obtained;

(c) Except as otherwise provided herein,

(1) The Resolution, the Indenture, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Series 2013C Bonds conform to the descriptions thereof contained in the Preliminary Official Statement,

(2) The Series 2013C Bonds, when validly issued, authenticated and delivered in accordance with the Resolution and sold to the Underwriter as provided herein, will be validly issued and outstanding limited special obligations of the Bank entitled to the benefits and security of the 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 special obligations of the Bank, and

(3) The Resolution, the Indenture, the Loan Agreement, the Intercept Agreement, the Escrow Agreement and the Continuing Disclosure Agreement 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:

(1) represents and warrants that if, after the date of this Agreement and until twenty-five (25) days after the "end of the underwriting period," as such term is defined in paragraph 16 herein, 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 (1) of this subsection (d) to provide the Underwriter with such information as they may from time to time reasonably request), and it will forthwith prepare and furnish, at its own expense (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;

(2) represents and warrants that, at the time of the Bank's acceptance hereof, and unless an event of the nature described in paragraph (1) 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

(3) represents and warrants that if the Official Statement is supplemented or amended pursuant to paragraph (1) of this subsection (d), at the time of each supplement or amendment thereto and (unless an event of the nature described in paragraph (1) 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;

(e) Any certificate signed by an authorized officer of the Bank and delivered to the Underwriter shall be deemed a representation and warranty of the Bank to the Underwriter as to the statements made therein; and

(f) The Bank has entered or will enter into, and will cause the Borrower and the Commission to enter into, in accordance with Rule 15c2-12, the Continuing Disclosure Agreement for the benefit of holders of the Series 2013C Bonds, to provide to the MSRB and to the appropriate state information depository, if any (where applicable), (i) certain annual financial information, including audited financial statements and operating data, generally consistent with the information contained or incorporated by reference in the Official Statement, (ii) timely notice of any of the fifteen (15) events identified in Rule 15c2-12 with respect to the securities being offered in the offering, if material, and (iii) timely notice of any failure of any obligated person, including the Commission and the Borrower, to provide the required annual information on or before the date specified in the written agreement. A description of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

## **7. Delivery of the Series 2013C Bonds.**

(a) The Bank will deliver the Series 2013C Bonds to the Underwriter by delivery thereof to The Depository Trust Company ("DTC") in accordance with DTC's FAST registration system for the account of the Underwriter against payment of the purchase price therefor by wire transfer of immediately available funds to the Trustee at or prior to 11:00 o'clock a.m., Mississippi Time, on May \_\_, 2013 (the "Closing"), or such other place, time or date as shall be mutually agreed upon by the Bank, the Borrower, MDOT and the Underwriter. The Series 2013C Bonds will be delivered in fully registered form, bearing proper CUSIP numbers, in such denominations and registered to such persons as the Underwriter shall request at least one (1) day prior to the date of Closing. The Series 2013C Bonds may be in printed, engraved, typewritten or photocopied form and each such form shall constitute "definitive form." At the offices of Bond Counsel on such date or such



other date corresponding with the payment for and delivery of the Series 2013C Bonds, and contemporaneously with such payment and delivery, the legal documents required by this Agreement and the Official Statement shall be delivered to the parties.

- (b) The Bank and the Underwriter agree that there shall be a preliminary closing held at the offices of Bond Counsel, commencing at least 24 hours prior to the Closing, or at such other time or place as the Bank, the Borrower, MDOT and the Underwriter shall agree.

**8. Performance of Underwriter.**

- (a) The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Bank contained herein and upon the accuracy of the statements to be contained in the documents and instruments to be delivered at the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, accept delivery of, and pay for the Series 2013C Bonds are subject to the performance by the Bank of its obligations hereunder required to be performed at or prior to the Closing, and to the following additional conditions precedent:

- (1) On the Closing, the representations and warranties of the Bank contained herein shall be true, complete, and correct as if made on and as of the Closing; the Official Statement shall have been executed and delivered by the Bank; the Resolution, the Indenture, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Series 2013C Bonds, the Escrow Agreement and this Agreement shall have been duly executed and delivered by the appropriate parties thereto, shall be in full force and effect, and shall not have been amended, modified, or supplemented, except as may have been agreed to in writing by the Underwriter; the net proceeds derived from the sale of the Series 2013C Bonds shall have been paid to the Trustee for deposit for use as described in the Official Statement and in the Resolution; and the Bank shall have adopted the Resolution and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel and Co-Underwriter's Counsel, shall be necessary in connection with the transactions contemplated hereby.

- (2) The Underwriter shall have the right to cancel its obligation to purchase the Series 2013C Bonds if between the date hereof and the Closing:

- (i) Legislation shall have been enacted or introduced by the Congress of the United States or the legislature of the State or shall have been reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States 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 of

that to be derived by the Bank and the Trustee under the Indenture or by the Borrower and the Commission from their operations, or upon interest received on obligations of the general character of the Series 2013C Bonds that, in the Underwriter's reasonable judgment, materially adversely affects the market for the Series 2013C Bonds, or the market price generally of obligations of the general character of the Series 2013C Bonds, or the ability of the Underwriter to enforce contracts for sale of the Series 2013C Bonds; or

(ii) Legislation shall have been enacted or introduced by the Congress of the United States or the legislature of the State or shall have been reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or shall have been proposed to be made by any federal or state authority that, in the Underwriter's reasonable judgment, materially adversely affects the market for the Series 2013C Bonds, or the market price generally of obligations of the general character of the Series 2013C Bonds, or the ability of the Underwriter to enforce contracts for sale of the Series 2013C Bonds; or

(iii) There shall exist any event or circumstance that in the Underwriter's reasonable judgment either makes untrue or incorrect in any material respect any statement or information in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make any statement of material fact therein not misleading in any material respect; or

(iv) There shall have occurred (A) an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs; or (B) the occurrence of any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (A) or (B), in the judgment of the Underwriter, makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Series 2013C Bonds on the terms and in the manner contemplated in the Preliminary Official Statement; or

(v) There shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of determination by that Exchange or by order of the SEC or any other governmental authority having jurisdiction that, in the Underwriter's reasonable judgment, makes it impracticable for the Underwriter to market the Series 2013C Bonds or enforce contracts for the sale of the Series 2013C Bonds; or

(vi) A general banking moratorium shall have been declared by federal or state authorities having jurisdiction and be in force that, in the Underwriter's



reasonable judgment, makes it impracticable for the Underwriter to market the Series 2013C Bonds or enforce contracts for the sale of the Series 2013C Bonds; or

(vii) Legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Series 2013C Bonds or any comparable securities of the Bank, any obligations of the general character of the Series 2013C Bonds and the Indenture are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or of the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"), or otherwise, or would be in violation of any provision of the federal securities laws; or

(viii) There shall have been any material adverse change in the affairs of the Bank, the Borrower or the Commission which in the Underwriter's reasonable judgment will materially adversely affect the market for the Series 2013C Bonds or the ability of the Underwriter to enforce contracts for the sale of the Series 2013C Bonds; or

(ix) There shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or state agency or the Congress of the United States, or by executive order; or

(x) A stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Series 2013C Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Series 2013C Bonds is or would be in violation of any provision of the federal securities laws as of the Closing, including the Securities Act, the Exchange Act, and the Trust Indenture Act, as amended; or

(xi) There shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the Bank, the Borrower, the Commission or the State or any political subdivision thereof or proceedings under the bankruptcy laws of the United States or of such state shall have been instituted by the Bank, the Borrower, the Commission or any agency or political subdivision of such state, in either case the effect of which, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect the market price or the marketability of the Series 2013C Bonds or the

ability of the Underwriter to enforce contracts for the sale of the Series 2013C Bonds.

(b) At or prior to the Closing, the Underwriter shall have received each of the following documents:

(1) 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 President and/or Executive Director of the Bank;

(2) A copy of the Resolution certified as of the date of the Closing by the Executive Director and/or 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;

(3) Executed copies of the Indenture, the Loan Agreement, the Intercept Agreement, the Cooperative Agreement, the Assignment Agreement (as defined in the Indenture), the Continuing Disclosure Agreement, the Series 2013C Note and the Escrow Agreement with such amendments, modifications and supplements as may have been agreed to by the Underwriter;

(4) An executed copy of the First Amended and Restated Memorandum of Understanding between the Commission and the Federal Highway Administration (the "FHWA MOU") in connection with the Series 2013C Bonds;

(5) (i) An unqualified opinion, acceptable to the Underwriter, 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 them; and

(ii) A supplemental opinion of Bond Counsel addressed to the Underwriter, in form and substance satisfactory to the Underwriter.

(6) An opinion addressed to the Underwriter, in form and substance acceptable to the Underwriter, dated the date of the Closing, of Balch & Bingham, LLP (the "Bank's Counsel") to the effect that:

(i) The Bank and the Board are duly organized and existing under the laws of the State, including the Act;

(ii) The Resolution has been duly adopted by the Board on behalf of the Bank and the Bank has full power and authority to perform its obligations thereunder;



(iii) This Agreement, the Series 2013C Bonds, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Indenture have been duly authorized, executed and delivered, or accepted, by the Board on behalf of the Bank;

(iv) The Resolution, the Series 2013C Bonds, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, this Agreement, the Escrow Agreement and the Indenture constitute, assuming the valid authorization, execution and delivery by the other parties thereto (if any), legal and binding obligations of the Bank, enforceable in accordance with their respective terms, subject to (A) applicable bankruptcy, insolvency or other similar laws of the State or federal government affecting the enforcement of creditors' rights generally and (B) the fact that specific performance and other equitable remedies are granted only in the discretion of a court;

(v) Neither the execution, delivery or performance by the Bank of this Agreement, the Series 2013C Bonds, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and 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;

(vi) All consents, approvals and other action required by any governmental authority or agency in connection with the execution, delivery and performance by the Bank of this Agreement, the Series 2013C Bonds, the Loan Agreement, the Intercept Agreement, the Cooperative Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Indenture have been obtained or accomplished;

(vii) 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 Series 2013C Bonds by the Underwriter;

(viii) The Series 2013C Bonds, the Indenture, the Loan Agreement, the Intercept Agreement, the Cooperative Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Resolution conform as to form and tenor with the terms and provisions thereof as summarized and set out in the Official Statement; and

(ix) 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," "UNDERWRITING" or Appendix A, Appendix B, Appendix C and Appendix D 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 Section 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;

(7) An opinion addressed to the Underwriter, in form and substance acceptable to the Underwriter, dated the date of the Closing, of Baker Donelson Bearman, Caldwell & Berkowitz, PC and Adams and Reese LLP ("Co-Underwriter's Counsel");

(8) A certificate, dated the date of the Closing and signed by the Executive Director and the Secretary of the Bank to the effect that:

(i) 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;

(ii) No summons or complaint or any other notice or document has been served upon or delivered to the Bank or any of its officers, directors 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 Series 2013C Bonds, or in any way contesting or affecting the tax exempt status of the interest on the Series 2013C Bonds, or the validity or enforceability of the Series 2013C Bonds, the Resolution, the Indenture, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement or this Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Bank or the Board for the issuance of the Series 2013C Bonds, the adoption of the Resolution or the execution or acceptance of this Agreement, the Indenture, the Loan Agreement, the Continuing Disclosure Agreement, the Escrow Agreement or the Intercept Agreement, nor is there any controversy or litigation pending or 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 Series 2013C Bonds, or the validity or enforceability of the Series 2013C Bonds, the Resolution, the Loan Agreement, the Intercept Agreement, the Indenture, the Continuing Disclosure Agreement, the Escrow Agreement or this 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's Counsel, that in their 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);



(iii) To the best of their knowledge, no event affecting the Bank or the 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

(iv) 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;

(9) A certificate, dated the date of Closing, signed by the Executive Director and/or the Secretary of the Bank, in a form acceptable to Bond Counsel, the Underwriter and Co-Underwriter's Counsel, 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, the "Code"), to support the conclusion that the Series 2013C Bonds will not be "arbitrage bonds" under the Code;

(10) The unqualified final decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi validating the Series 2013C Bonds, in customary form;

(11) A certified copy of a transcript of all proceedings taken by the Bank relating to the authorization and issuance of the Series 2013C Bonds, including but not limited to the Resolution;

(12) Those certain documents, certificates and opinions required by the Indenture;

(13) A certificate, dated the date of the Closing and signed by the President and Clerk of the Board of Supervisors (the "Governing Body") of the Borrower to the effect that:

(i) No summons or complaint or any other notice or document has been served upon or delivered to the Borrower or any of its officials 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 Borrower or the Governing Body, affecting the existence of the Borrower or the Governing Body or the titles of their officials to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2013C Bonds or the Series 2013C Note, or in any way contesting or affecting the tax exempt status of the interest on the Series 2013C Bonds, or the validity or enforceability of the Series 2013C Bonds, the Series 2013C Note, the Loan Agreement, the Intercept Agreement, the Assignment Agreement, the Cooperative Agreement, the Escrow

Agreement or the Continuing Disclosure Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Borrower or the Governing Body for the issuance of the Series 2013C Note or the execution or acceptance of the Indenture, the Loan Agreement, the Continuing Disclosure Agreement, the Cooperative Agreement, the Assignment Agreement, the Escrow Agreement or the Intercept Agreement, nor is there any controversy or litigation pending or 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 Series 2013C Bonds, or the validity or enforceability of the Series 2013C Bonds, the Series 2013C Note, the Loan Agreement, the Intercept Agreement, the Cooperative Agreement, the Assignment Agreement, the Escrow Agreement or the Continuing Disclosure Agreement (but in lieu of or in conjunction with such certificate the Underwriter may, in its sole discretion, accept certificates or opinions of the Borrower's Counsel (as hereinafter defined), that in their 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);

(ii) To the best of their knowledge, no event affecting the Borrower or the 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;

(iii) The Borrower 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; and

(iv) The Borrower has at all times been in compliance with all of their prior continuing disclosure obligations under Rule 15c2-12(b)(5);

(14) A certified copy of a transcript of all proceedings taken by the Borrower relating, among other things, to the authorization and issuance of the Series 2013C Note and the execution and delivery of the Assignment Agreement, the Loan Agreement, the Cooperative Agreement, including but not limited to the resolution adopted by the Governing Body on March 18, 2013 (the "Borrower Resolution");

(15) A certified copy of the orders adopted by the Commission and MDOT relating, among other things, to the authorization and issuance of the Series 2013C Bonds and the execution and delivery of the Cooperative Agreement, the Series 2013C Bonds, and the FHWA MOU including but not limited to the resolution adopted by the Commission on March 26, 2013 (the "Commission Resolution")



(16) An opinion addressed to the Underwriter, in form and substance acceptable to the Underwriter, dated the date of the Closing and addressed to the Underwriter, of Mike Espy PLLC (the "Borrower's Counsel") to the effect that:

(i) The Borrower and the Governing Body are duly organized and existing under the laws of the State;

(ii) The Borrower is a "local governmental unit" within the meaning of the Act;

(iii) The Borrower Resolution has been duly adopted by the Governing Body on behalf of the Borrower and the Borrower has full power to perform its obligations thereunder;

(iv) The Series 2013C Bonds, the Series 2013C Note, the Cooperative Agreement, the Assignment Agreement, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Indenture have been duly authorized, executed and delivered, or accepted, by the Governing Body on behalf of the Borrower;

(v) The Borrower Resolution, the Series 2013C Note, the Loan Agreement, the Intercept Agreement, the Continuing Disclosure Agreement, the Cooperative Agreement, the Escrow Agreement and the Assignment Agreement constitute, assuming the valid authorization, execution and delivery by the other parties thereto (if any), legal and binding obligations of the Borrower, enforceable in accordance with their respective terms, subject to (i) applicable bankruptcy, insolvency or other similar laws of the State or federal government affecting the enforcement of creditors' rights generally and (ii) the fact that specific performance and other equitable remedies are granted only in the discretion of a court;

(vi) Neither the execution, delivery or performance by the Borrower of the Series 2013C Note, the Loan Agreement, the Cooperative Agreement, the Assignment Agreement, the Intercept Agreement, the Escrow Agreement and the Continuing Disclosure Agreement 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;

(vii) All consents, approvals and other action required by the Borrower in connection with the acceptance of, or the execution, delivery and performance by, the Borrower of the Series 2013C Note, the Loan Agreement, the Intercept Agreement, the Cooperative Agreement, the Assignment Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Indenture have been obtained or accomplished; and

(viii) 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 contains any untrue statement by the Borrower of a material fact or omits to state any material fact required to be stated therein by the Borrower or necessary to make the statements therein by the Borrower in connection with the Borrower, the Loan Agreement, the Series 2013C Note, the Cooperative Agreement, the Assignment Agreement, the Escrow Agreement and the Continuing Disclosure Agreement, 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 Section 6 hereof (except as aforesaid), as of the date of the Closing, contains any untrue statement of a material fact by the Borrower or omits to state a material fact required to be stated therein by the Borrower or necessary to make the statements therein in connection with the Borrower, the Loan Agreement, the Series 2013C Note, the Cooperative Agreement, the Assignment Agreement, the Escrow Agreement and the Continuing Disclosure Agreement, in the light of the circumstances under which they were made, not misleading;

(17) A certificate or certificates from the Commission and MDOT related to the Commission Resolution, the Preliminary Official Statement, the Official Statement and other matters required by the Underwriter in form and substance satisfactory to the Underwriter, the Co-Underwriter's Counsel and Bond Counsel;

(18) An opinion, dated the date of the Closing, of Counsel to the Commission and MDOT in form and substance satisfactory to the Underwriter, the Co-Underwriter's Counsel and Bond Counsel;

(19) 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:

(i) He or she is an authorized officer of the Trustee;

(ii) The Indenture, the Continuing Disclosure Agreement and the Escrow Agreement have been duly executed and delivered by the Trustee;

(iii) The Trustee has all necessary corporate and trust powers required to carry out the trust created by the Indenture;

(iv) To the best of his or her knowledge, the acceptance by the Trustee of the duties and obligations of the Trustee under the Indenture, the Continuing Disclosure Agreement and the Escrow Agreement 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

(v) The Trustee has duly authenticated the Series 2013C Bonds, and the person signing the certificate of authentication on each Series 2013C Bond has been duly authorized to do so;



(20) On or before the date of the Closing, evidence that there shall be in effect ratings of "\_\_\_" and "\_\_\_" on the Series 2013C Bonds by Moody's and Standard & Poor's, respectively, and letters of confirmation of such ratings shall be made available at the Closing;

(21) A certificate, dated the date of the Closing, signed by the Executive Director and Secretary of the Bank, certifying that on the date of the execution of the certificate:

(i) They are the duly chosen, qualified and acting officers of the Bank occupying the offices indicated opposite their names;

(ii) The members of the Board at all times relevant to the sale and issuance of the Series 2013C Bonds are as set forth therein;

(iii) The Executive Director and Secretary of the Bank have executed the Series 2013C Bonds by causing their signatures to be affixed to each Series 2013C Bond;

(iv) They do thereby recognize the said signatures as their true and lawful signatures; and

(v) Further certifying that the seal, which is imprinted on each of said Series 2013C Bonds and on such certificate, is the official seal of the Bank;

(22) A certificate, dated the date of the Closing, signed by the Executive Director and the Secretary of the Bank, 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 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 and 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;

(23) A copy of the DTC Blanket Letter of Representations of the Bank;

(24) A letter with respect to the Series 2013C Bonds, dated the date of the Closing, of The Arbitrage Group, Inc., certified public accountants (the "Verification Agent"), in a form satisfactory to the Underwriter, to the effect that they have verified the accuracy of the mathematical computations of the Underwriter of the adequacy of the securities and cash to be held by the Escrow Agent to pay when due the interest, the principal and redemption premium, if any, of the Refunded Bonds on the dates and in the amounts provided in the verification report of the Verification Agent; and

(25) Such additional legal opinions, certificates, instruments and other documents as the Underwriter 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, the Borrower, the Commission and MDOT contained in the Official Statement and the due performance or satisfaction by the Bank, the Borrower, the Commission and MDOT 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, the Borrower, the Commission and MDOT.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this 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 and the Co-Underwriter's Counsel.

If the Bank, in good faith, shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this 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 Agreement, this Agreement shall terminate and neither the Underwriter nor the Bank shall be under further obligation hereunder.

#### **9. Expenses.**

The Bank shall pay expenses incident to the performance of the obligations of the Bank hereunder, including but not limited to:

- (a)
  - (1) The cost of the preparation of the Resolution, the Indenture, the Loan Agreement, the Assignment Agreement, the Intercept Agreement, the Escrow Agreement, the Cooperative Agreement, the FHWA MOU, the Preliminary Official Statement and the Official Statement;
  - (2) The cost of the preparation and printing of the definitive Series 2013C Bonds and the Series 2013C Note;
  - (3) The fees and disbursements of the Borrower's financial advisor, the Bank's Counsel, Bond Counsel, Co-Underwriter's Counsel, counsel to the Trustee, the Borrower's Counsel, the Verification Agent and all other experts or consultants retained by the Bank, the Borrower or the Commission;
  - (4) Fees for bond ratings;
  - (5) The cost of preparation and printing of the Preliminary Official Statement in sufficient quantity (but not to exceed 300 copies) to permit the Underwriter to comply with the requirements of Rule 15c2-12;
  - (6) The cost of preparation and printing of the Official Statement in sufficient quantity (but not to exceed 250 copies) to permit the Underwriter to comply with the requirements of Rule 15c2-12;
  - (7) The cost of the preparation of this Agreement; and



(8) All other expenses in connection with the sale and issuance of the Series 2013C Bonds except as set forth in the following paragraph (b).

The Bank shall not be required to pay any such costs or to reimburse any party for any such expenses other than from the proceeds of the Series 2013C Bonds.

(b) The only costs and expenses to be paid by the Underwriter shall be:

(1) All advertising expenses in connection with the public offering of the Series 2013C Bonds;

(2) The cost of any copies of the Preliminary Official Statement and the Official Statement in excess of said copy limitations;

(3) All expenses incurred by the Underwriter in connection with their public offering and distribution of the Series 2013C Bonds;

(4) All travel and out-of-pocket expenses of the Underwriter; and

(5) All costs of qualifying the Series 2013C Bonds for sale in various states chosen by the Underwriter and all other expenses incurred by it or the other Underwriter in connection with the public offering and distribution of the Series 2013C Bonds.

## **10. Indemnity.**

To the extent permitted by State law, the Bank agrees to indemnify the Underwriter (or any person who controls the Underwriter within the meaning of the Securities Act) and hold the Underwriter harmless against any loss, damage, claim, liability or expense (including reasonable cost of defense) arising out of or based upon any allegation that any of the information contained in this Agreement, the Preliminary Official Statement or the Official Statement includes any untrue statement of a material fact or omits to state any material fact necessary in order to make statements therein in the light of the circumstances under which they were made not misleading, and will reimburse the Underwriter for any legal or other expenses reasonably incurred by them in investigating, defending or preparing to defend any such action or claim. The indemnity agreement in this paragraph shall be in addition to any liability that the Bank may otherwise have to the Underwriter and shall extend upon the same terms and conditions to the officers, directors, agents or employees of the Underwriter and to each person, if any, who controls the Underwriter within the meaning of the Securities Act. Promptly after receipt by the Underwriter of notice of the commencement of any action, the Underwriter shall, if a claim in respect thereof is to be made against the Bank under this paragraph, notify the Bank in writing of the commencement thereof, but the omission so to notify the Bank shall not relieve the Bank from any liability which it may have to the Underwriter otherwise than under this paragraph. In case any such action shall be brought against the Underwriter and the Underwriter shall notify the Bank of the commencement thereof, the Bank shall be entitled to participate therein and, to the extent that it wishes, to assume the defense thereof, with counsel reasonably satisfactory to the Underwriter, and after notice from the Bank to the Underwriter of its election so to assume the defense thereof, the Bank shall not be liable to the Underwriter under this paragraph for any legal or other expenses subsequently incurred by the Underwriter in connection with the defense thereof

other than reasonable out-of-pocket costs of any investigation; provided, however, that if the named parties to any such action (including any impleaded parties) include both the Underwriter (or their officers, directors, agents or employees, or any person so controlling the Underwriter) and the Bank, and the Underwriter (or such officers, directors, agents or employees or any person so controlling the Underwriter) shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, the Underwriter (or such officers, directors, agents or employees or such person so controlling the Underwriter) shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of the Underwriter (or such officers, directors, agent or employees or such person so controlling the Underwriter), and in such event the said fees and expenses of the Underwriter in defending such action shall be borne by the Bank. The Underwriter agrees to indemnify and hold harmless the Bank, each of its members, directors, officers, and employees, and each person who controls the Bank within the meaning of Section 15 of the Securities Act, or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Bank to the Underwriter, but only with reference to written information relating to the Underwriter furnished by them specifically for use in the preparation of the Preliminary Official Statement or the Official Statement. This indemnity agreement will be in addition to any liability which the Underwriter may otherwise have. The Bank acknowledges that the statements under the caption "Underwriting" in the Preliminary Official Statement and the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Preliminary Official Statement and the Official Statement.

If the indemnification provided for in the first paragraph of this Section 10 is unavailable to an indemnified party in respect of any losses, claims, damages or liabilities referred to therein and to the extent permitted by State law, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (a) in such proportion as is appropriate to reflect the relative benefits received by the Bank and the Underwriter from the offering of the Series 2013C Bonds or (b) if the allocation provided by clause (a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (a) above but also the relative fault of the Bank and of the Underwriter in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Bank and the Underwriter shall be deemed to be in the same respective proportions as the net proceeds from the offering (before deducting expenses) received by the Bank and the total underwriting discounts and commissions received by the Underwriter, bear to the aggregate public offering price of the Series 2013C Bonds. The relative fault of the Bank and the Underwriter shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Bank or by the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Bank and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section were determined by pro rata allocation (even if the Underwriter were treated as one entity for such purpose) or by any other method of allocation that does not take



into account the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Series 2013C Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

**11. Notices.**

Any notice or other communication to be given to the Bank or Borrower under this Agreement may be given by delivering the same in writing at the address set forth above, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to Jim Perry, Morgan Stanley & Co. LLC, 1585 Broadway, 11<sup>th</sup> Floor, New York, New York 10014.

**12. Sole Benefit.**

This Agreement is made solely for the benefit of the Bank, the Borrower 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 Borrower and the Underwriter contained in this 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 Borrower; (b) delivery of any payment for the Series 2013C Bonds hereunder; and (c) any termination of this Agreement.

**13. Governing Law.**

This Agreement shall be governed by, and construed in accordance with, the laws of the State. This Agreement shall become effective upon the execution and acceptance hereof by a duly authorized officer of the Bank and upon the execution and the approval hereof by a duly authorized officer of the Borrower, and shall be valid and enforceable as of the time of such acceptance.

**14. Counterparts.**

This 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 Agreement, when accepted by the Bank in writing as heretofore specified, shall constitute the entire agreement among the parties hereto with respect to the offer and sale of the Series 2013C Bonds and the transactions related thereto, as set forth herein.

**16. Underwriting Period.**

For purposes of this Agreement, the "end of the underwriting period" for the Series 2013C Bonds shall mean the earlier of:

- (a) The day of the Closing unless the Bank has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the "end of the underwriting period" for the Series 2013C Bonds for all purposes of Rule 15c2-12 will not occur on the day of the Closing, or
- (b) The date on which notice is given to the Bank by the Underwriter in accordance with the following sentence.

In the event that the Underwriter has given notice to the Bank pursuant to clause (a) above that the "end of the underwriting period" for the Series 2013C Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the Bank in writing as soon as practicable following the "end of the underwriting period" for the Series 2013C Bonds for all purposes of Rule 15c2-12.

**17. Underwriter has No Advisory or Fiduciary Role.**

The Bank and the Borrower 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;
- (b) The Underwriter is not acting as a municipal advisor, financial advisor, or fiduciary to the Bank or the Borrower and has not assumed any advisory or fiduciary responsibility to the Bank or the Borrower with respect to the transaction contemplated by this 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 Borrower on other matters);
- (c) the only obligations the Underwriter has to the Bank and the Borrower with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and
- (d) the Bank and the Borrower 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 or the Borrower would like a municipal advisor in this transaction that has legal fiduciary duties to the Bank or the Borrower, then the Bank and/or the Borrower are free to engage a municipal advisor to serve in that capacity.



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 Borrower, whereby this Bond Purchase Agreement shall then become a binding agreement among the Underwriter, the Bank and the Borrower.

Very truly yours,

**MORGAN STANLEY & CO. LLC, acting for and on behalf of itself, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc. And Duncan-Williams, Inc.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ACCEPTED:**

This \_\_\_ day of April, 2013.

**MISSISSIPPI DEVELOPMENT BANK**

By: \_\_\_\_\_  
William T. Barry, Executive Director

**APPROVED:**

This \_\_\_ day of April, 2013.

**MADISON COUNTY, MISSISSIPPI**

By: \_\_\_\_\_  
President, Board of Supervisors of  
Madison County, Mississippi

**EXHIBIT A**

**UNDERWRITERS**

Morgan Stanley & Co. LLC  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Raymond James & Associates, Inc.  
Duncan-Williams Inc.



**EXHIBIT B**

**§ \_\_\_\_\_**  
**MISSISSIPPI DEVELOPMENT BANK**  
**SPECIAL OBLIGATION REFUNDING BONDS, SERIES 2013C**  
**(MADISON COUNTY, MISSISSIPPI HIGHWAY REFUNDING PROJECT)**

**SERIAL BONDS**

**MATURITY SCHEDULE (JANUARY 1)**

<b>Year of Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>
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**REDEMPTION PROVISIONS**

ButlerSnow 15723976v1