

The Board of Supervisors of Madison County, Mississippi, took up for consideration the matter of acquiring, renovating, financing, equipping and leasing a public building for the County. After a discussion, Supervisor \_\_\_\_\_ offered and moved the adoption of the following resolution:

**RESOLUTION AUTHORIZING THE LEASE OF A BUILDING AND RELATED FACILITIES AND EQUIPMENT FOR USE AS A SOUTH MADISON COUNTY ANNEX; APPROVING OTHER DOCUMENTS RELATING TO LEASE; AUTHORIZING CERTAIN ACTION BY COUNTY OFFICIALS.**

**WHEREAS**, the Board of Supervisors of Madison County, Mississippi (the "Governing Body" of the "County"), acting for and on behalf of the County, does hereby find, determine, adjudicate and declare as follows:

1. The County is in need of acquiring, renovating, financing, equipping and leasing a South Madison County Annex and related facilities (together, the "Project").
2. The County is authorized by Sections 31-8-1 et seq., Mississippi Code of 1972, as amended from time to time (the "Act"), to enter into a lease and option to purchase agreement for the acquisition, renovation, financing, and equipping of the Project.
3. After due diligence and discussion, the County desires to enter into such a lease with the Central Mississippi Public Improvement Corporation, a non-profit corporation organized under the laws of the State of Mississippi (the "Corporation"), and created under the procedure authorized by the Act for the expressed purpose of acquiring, constructing, renovating, financing, equipping and leasing facilities to certain governmental units.
4. The County proposes to enter into a Ground Lease (as hereinafter defined) pursuant to which the County agrees to lease to the Corporation (the "Lessor") a parcel of real property to be owned by the County (the "Property") for the Project.
5. The County and the Lessor propose to enter into a Lease and Option to Purchase (as hereinafter defined) pursuant to the Act and pursuant to which the Lessor agrees to lease the Property and certain public facilities including but not limited to a South Madison County Annex to be located on the Property to the County in consideration for which the County will make payments of base rental ("Base Rental") for the use and possession of the Project.
6. The County previously solicited various financing proposals from financial institutions to provide financing the Project. Four (4) such proposals were received by the County, each as attached on **EXHIBIT A** hereto. Based on the proposals received, the County desires to award the financing of the Project to BancorpSouth Bank, Jackson, Mississippi (the "Lender"), based on its winning proposal (the "Lender's Proposal"), as attached hereto, reflecting an interest rate of 3.69% per annum, subject to approval by the Corporation.
7. The Lessor and the Lender, with the consent and approval of County, propose to enter into a Loan Agreement (as hereinafter defined) pursuant to which (a) the Lender will make a loan (the "Loan") to the Lessor to provide funds for the County's acquisition of the Project (as provided in said Loan Agreement), and (b) the Lessor will execute and deliver to the Lender a not to exceed \$2,400,000

Promissory Note (Madison County, Mississippi Lease Purchase – South Madison County Annex Project), to be dated the date of delivery thereof (the “Note”), representing the Lessor’s undivided proportionate interests in the Lease, including the Lessor’s right to receive payments of Base Rental thereunder.

8. As security for the Loan Agreement and the Note, the Lessor proposes to assign and transfer to the Lender certain of its rights, title and interest in and to the Ground Lease and the Lease, including its right to receive payments of Base Rental thereunder, by entering into an Assignment Agreement (as hereinafter defined) with the Lender, as approved by the County.

9. The County desires to employ Mike Espy, PLLC, Jackson, Mississippi, as Local Counsel (“Local Counsel”), and approve Butler, Snow, O’Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, as Special Counsel to the Corporation (“Special Counsel”), and Government Consultants, Inc., Jackson, Mississippi, as Financial Advisor to the Corporation (“Financial Advisor”), all in connection with the Lease and negotiating the Loan Agreement with the Lender, with the approval of the Corporation, and to authorize Local Counsel, Special Counsel and the Financial Advisor to assist the County and the Corporation in negotiating the Loan, to prepare and distribute documents in connection with negotiating the Loan, and to provide other services as are typically provided in similar transactions.

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

**SECTION 1.** All capitalized terms not defined herein shall have the same meanings in this resolution as such terms are given in the Lease and the Loan Agreement.

**SECTION 2.** This resolution is adopted pursuant to the provisions of the Act, and the Governing Body hereby declares its intent for financing the Project, including acquiring, renovating, financing, equipping and leasing a South Madison County Annex and related facilities from the Corporation through the Lease, upon such terms and conditions as may be provided in the Lease and Loan Agreement approved by the Governing Body as provided herein, and under authority granted by the Act.

**SECTION 3.** Pursuant to the Act, the Lease of the Project is awarded to the Central Mississippi Public Improvement Corporation and the Lender pursuant to the provisions of the Lender’s Proposal. A copy of the Lender’s Proposal is attached hereto as **EXHIBIT A**. The President of the Governing Body is hereby authorized to execute the Lender’s Proposal, in substantially the same or similar form, for and on behalf of the County, subject to the approval of the Corporation, with such completions, changes and insertions as shall be approved by the officer executing and delivering the same, including the execution of any final term sheet or other document from the Lender required to provide the financing (the execution thereof shall constitute conclusive evidence of approval of any such completions, changes, insertions and modifications of any such document), under the following conditions: (1) the par amount of the Loan will not exceed \$2,400,000; (2) a net interest cost not to exceed 3.689%; and (3) a final maturity no later than ten (10) years from the dated date of the Loan.

**SECTION 4.** The total amount of Base Rental payments, less any premium received, if any, to be made by the County pursuant to the Lease is hereby established to be no greater than \$2,911,664.30, assuming a dated date of September 4, 2013 and a total par amount of \$2,400,000; provided, however, if the Lessor and the County mutually agree on a delivery date for the Note prior to or after September

1, 2013, the total Lease payments will be adjusted according to the delivery date of the Note. In accordance with the Lender's Proposal, the Base Rental payments to be made by the County pursuant to the Lease, including the principal and interest components of each payment, are established and finally set to be those amounts specified as such in the Lender's Proposal attached hereto and incorporated herein by reference.

**SECTION 5.** The forms of the Ground Lease (the "Ground Lease") and the Lease and Option to Purchase (the "Lease") each of which is to be dated the date of delivery thereof, all by and between the County and the Lessor, and attached hereto as **EXHIBITS B and C**, respectively, are hereby approved and/or ratified. The President of the Governing Body and the Chancery Clerk of the County are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the County, to execute by manual or facsimile signature and deliver the Ground Lease and the Lease in substantially the forms attached hereto and presented to and considered at this meeting, with such changes therein as the officer executing the same on behalf of the County may approve, in such officer's discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the execution and delivery thereof.

**SECTION 6.** The form of Loan Agreement (the "Loan Agreement"), to be dated the date of delivery thereof, by and between the Lessor and the Lender, attached hereto as **EXHIBIT D**, is hereby approved. The President of the Governing Body and the Chancery Clerk of the County are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the County, to execute by manual or facsimile signature and deliver the Loan Agreement in substantially the form attached hereto with such changes therein as the officer executing the same on behalf of the County may approve, in such officer's discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the execution and delivery thereof.

**SECTION 7.** The County hereby consents to the assignment by the Lessor pursuant to the Assignment Agreement, to be dated the date of delivery thereof, by and between the Lender and the Lessor ("Assignment Agreement"), the form of which is attached hereto as **EXHIBIT E**, of certain of the Lessor's rights under the Ground Lease and the Lease, including the right to receive payments of Base Rental under the Lease, to the Lender as the holder of the Note.

**SECTION 8.** The County hereby employs Mike Espy, PLLC, Jackson, Mississippi, as Local Counsel, and approves Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, as Special Counsel to the Corporation, and Government Consultants, Inc., Jackson, Mississippi, as Financial Advisor to the Corporation, all in connection with the Lease and the Loan and authorizes Local Counsel, Special Counsel and the Financial Advisor to assist in the negotiations for the Loan, to prepare and distribute documents and resolutions, including, but not all inclusive, the Lease, a Ground Lease and the Loan Agreement and Note regarding the negotiations for the Loan, and to provide other services as are typically provided in similar transactions. Local Counsel, Special Counsel and the Financial Advisor shall be paid reasonable and customary fees for their services. All fees and expenses incurred by the County and the Corporation to be paid from the proceeds of the Loan shall not exceed a total of \$100,000, as hereby approved by the Governing Body. Special Counsel shall also be reimbursed for reasonable out of pocket expenses in connection with its services. As provided in the Loan Agreement, all costs, fees and expenses incurred by the Corporation and the County to provide the Project shall be paid from the 2013 Acquisition and Construction Fund created in the Loan Agreement, upon requisitions presented to the Chancery Clerk of the County for approval, which payment and approval process are hereby authorized by the Governing Body.

**SECTION 9.** All actions heretofore taken by any officer or officers of the County, as may be authorized by the County, with respect to the sale of the Lease or in connection with or related to any of the agreements referenced herein or the financing of the Project, are hereby approved, confirmed and ratified.

**SECTION 10.** The President of the Governing Body and the Chancery Clerk of the County are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents, certificates and instruments as may be necessary to effectuate the purposes of this resolution.

**SECTION 11.** All other ordinances, resolutions and orders of the County in conflict with this resolution shall be and the same are hereby replaced, rescinded and set aside, but only to the extent of such conflict. For cause, it is hereby found, determined and adjudicated that this resolution shall become effective immediately upon its adoption by the County.

Following the reading of the foregoing resolution, Supervisor \_\_\_\_\_ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

|                             |              |
|-----------------------------|--------------|
| Supervisor John Bell Crosby | voted: _____ |
| Supervisor Ronny Lott       | voted: _____ |
| Supervisor Paul Griffin     | voted: _____ |
| Supervisor Karl Banks       | voted: _____ |
| Supervisor Gerald Steen     | voted: _____ |

The motion having received the affirmative vote of a majority of the members present, the President declared the motion carried and this Resolution adopted this the 5th day of August, 2013.

\_\_\_\_\_  
**PRESIDENT, BOARD OF SUPERVISORS**

**ATTEST:**

\_\_\_\_\_  
**CLERK, BOARD OF SUPERVISORS**

(SEAL)

**EXHIBIT A**  
**OFFICIAL BANK PROPOSALS RECEIVED**

**EXHIBIT B**  
**FORM OF GROUND LEASE**

**EXHIBIT C**

**FORM OF LEASE AND OPTION TO PURCHASE**

**EXHIBIT D**  
**FORM OF LOAN AGREEMENT**



**EXHIBIT E**

**FORM OF ASSIGNMENT AGREEMENT**

17165265v3

**LEASE AND OPTION TO PURCHASE**

**Dated as of \_\_\_\_\_, 2013**

**by and between**

**CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**

**and**

**MADISON COUNTY, MISSISSIPPI**

**Prepared By:  
BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC  
1020 Highland Colony Parkway, Suite 1400  
Ridgeland, Mississippi 392157**

***INDEXING INSTRUCTIONS: GET LEGAL.***

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## LEASE AND OPTION TO PURCHASE

**THIS LEASE AND OPTION TO PURCHASE** (the "Lease"), is dated as of \_\_\_\_\_, 2013, by and between the **CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION** (the "Corporation"), an affiliate of the Central Mississippi Planning and Development District, and a Mississippi non-profit corporation, and **MADISON COUNTY, MISSISSIPPI** (the "County"), a political subdivision of the State of Mississippi (the "State").

### WITNESSETH:

**WHEREAS**, the Corporation and the County have entered into a Ground Lease (the "Ground Lease"), dated as of the date hereof, pursuant to which the County agrees to lease certain real property located in the County, as described in **EXHIBIT A** hereto (the "Property"), to the Corporation; and

**WHEREAS**, the County is in need of acquiring and renovating a public building to be used as an annex for the County, and related facilities to be located in the City of Madison in the southern portion of the County (collectively, the "Project", more particularly described in **EXHIBIT A** attached hereto), and the County is authorized pursuant to the laws of the State to enter into leases for such purpose; and

**WHEREAS**, the County has determined that in order to accomplish such purpose it is necessary and desirable to acquire the Project by leasing the same pursuant to this Lease under the authority of Sections 31-8-1 et seq., Mississippi Code of 1972, as amended; and

**WHEREAS**, the Corporation is simultaneously providing for the transfer of all its rights, title and interest (other than its obligation to have the Project acquired, renovated and constructed and its rights to indemnification and payment or reimbursement of its costs and expenses incurred in connection with the acquisition and renovation of the Project) in and to this Lease to the Lender.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

### **SECTION 1. Definitions.**

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Lease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings given to such terms in the Loan Agreement (as hereinafter defined).

"Acquisition Costs" means, with respect to the Project, the contract price paid or to be paid for the acquisition, construction, renovation, installation and delivery of the Project, and includes reimbursement to the County for any payments made to the Contractor by the County prior to or subsequent to the execution of the Lease. Acquisition Costs also include the cost of

the site of the Project, the costs of site preparation necessary for the acquisition, renovation, construction and installation of the Project, costs and expenses incurred in connection with the execution and delivery of the Note, the Ground Lease, the Lease, the Assignment Agreement and the Loan Agreement, and any and all agreements, instruments, certificates or other documents issued in connection with the issuance of the Note, as well as administrative, engineering, legal, financial and other costs incurred in connection with the acquisition, construction, delivery, installation and financing of the Project and related facilities.

“Additional Rental” means the amounts specified as such in Section 4(b) of this Lease.

“Assignment Agreement” means that certain Assignment Agreement dated as of \_\_\_\_\_, 2013, by and between the Corporation and the Lender pertaining to the assignment of all of the Corporation’s right, title and interest (other than its obligation to have the Project acquired, renovated and constructed and its rights to indemnification and payment or reimbursement of its costs and expenses incurred in connection with the acquisition, renovation and construction of the Project) in and to this Lease and the Ground Lease to the Lender to secure the payment of the Note, a copy thereof attached hereto as **EXHIBIT C**.

“Base Rental” means the amounts referred to as such in Section 4(a) of this Lease, as such amounts may be adjusted from time to time in accordance with the terms hereof, but does not include Additional Rental.

“Business Day” means a day which is not a Saturday or Sunday, or not a day on which the offices of the County are authorized or required by law to be closed, or not a day on which banking institutions are authorized or required by law to be closed in the State for commercial banking purposes.

“Certificate of Completion” means the notice filed with the Lender by the County Representative, as defined hereunder, stating that the Improvements have been substantially completed, but reserving the rights of the County or Corporation against third parties.

“Closing Date” means \_\_\_\_\_, 2013, or such later date as may be agreed upon by the parties hereto.

“Construction Costs” means, with respect to the Improvements, the contract price paid or to be paid for completion of the acquisition, renovation, construction, installation and delivery of the Improvements, and includes reimbursement to the County for any payments made by the County prior or subsequent to the execution of this Lease. Construction Costs also include the costs of site preparation necessary for the acquisition, construction and installation of the Improvements, as well as administrative, engineering, legal, financial and other costs incurred in connection with the acquisition, construction, installation, delivery and financing of the Improvements.

“Contractor” means the contractor or contractors, if any, selected by the County for construction of one or more phases or portions of the Project.

“Corporation” means the Central Mississippi Public Improvement Corporation, an affiliate of the Central Mississippi Planning and Development District, and a Mississippi non-profit corporation.

“County” means Madison County, Mississippi, a political subdivision of the State.

“County Representative” means either of the President of the Board of Supervisors of the County or the Chancery Clerk of the County.

“Fiscal Year” means the fiscal year of the County, which at the date of this Lease is the period from October 1 to and including the following September 30.

“General Construction Contract” means the contract or contracts, if any, entered into with the Contractor with respect to the construction, acquisition, delivery or installation of the Project.

“General Fund” means the General Fund of the County.

“Improvements” means those certain improvements which are acquired, constructed, installed and delivered on the Property in accordance with the Plans.

“Lease” means this Lease and Option to Purchase.

“Lease Purchase and Public Building Note Fund” means the Lease Purchase and Public Building Note Fund to be created by the County pursuant to Section 6 herein.

“Lease Term” means the term of this Lease as provided in Section 2 hereof.

“Lender” means BancorpSouth Bank, Jackson, Mississippi, as the lender acting in its capacity as such under the Loan Agreement or any successor appointed as therein provided.

“Lessor” means the Corporation, or, after the effective date of the Assignment Agreement, the Lender.

“Loan Agreement” means that certain Loan Agreement, dated as of the date hereof, by and between the Lessor, the County and the Lender.

“Note” means the Promissory Note (Madison County, Mississippi Lease Purchase - South Madison County Annex Project), dated \_\_\_\_\_, 2013, of the Corporation, payable to the order of the Lender, in the principal amount of \$2,400,000.

“Option Price” means the total amount necessary to repay or prepay all outstanding amounts under the Loan Agreement.

“Outstanding” when used as of any particular time with respect to the Note, means all outstanding principal plus accrued and unpaid interest.

“Plans” means the plans and specifications for the Project approved by the County. Said specifications may from time to time be amended with the consent of the County, but no such amendment may be made which would increase the cost of the Project beyond the amount of money available, in the determination of the County, to pay the same or which would change the character of the Project to the extent that it would cease to be of the nature described in the Plans.

“Project” means and includes the Property and the Improvements to be acquired and placed thereon, as more particularly described hereinabove and in the Plans to be approved by the County, to be acquired and renovated by the County on the Property, all of which are to be leased to and used by the County for essential public purposes of the County.

“Property” shall mean the property described in **EXHIBIT A** hereto.

“Property Insurance” means the insurance required to be maintained by the County under clauses (1) and (3) of Section 14 of the Lease.

“Rental Deposit Date” means the day which is five (5) days prior to the date on which the next payment of Base Rental is scheduled to become payable.

“Scheduled Completion Date” means \_\_\_\_\_, 2013.

“State” means the State of Mississippi.

## **SECTION 2. Acquisition of Project; Agreement to Lease; Term of Lease.**

(a) The Corporation agrees to cause the Project to be acquired and installed, and to enter into and to provide for, or cause to be provided for, the complete construction and installation of the Project in accordance with the Plans, if any, the terms of this Lease and the General Construction Contract, if any. The Plans, if any, will be examined and approved in all particulars by the County. Proposals for the Lease of the Project have been received and the Corporation’s proposal has been accepted by the County. To the extent that actual acquisition and Construction Costs of the Project as approved hereafter by the County is greater than the estimated costs on which the Corporation’s bid was based, the County will transfer to the 2013 Acquisition and Construction Fund the amount necessary to provide sufficient funds for payment of the actual Acquisition Costs and costs of completing the Project as approved by the Corporation. Payment for the costs of acquiring, renovating, constructing and installing the Project shall be made from the moneys deposited in the 2013 Acquisition and Construction Fund which shall be disbursed for this purpose in accordance and upon compliance with the Loan Agreement, or which may be made by the County from other funds available to the County. The Corporation will cause the construction, acquisition, delivery and installation of the Project to be diligently performed after the deposit of funds into the 2013 Acquisition and Construction Fund and that the Project shall be complete at or before the time specified in any Plans and any General Construction Contract for acquisition, renovation and construction to be approved by the County. If such construction is not completed, there shall be no resulting liability on the part of the Corporation and no diminution in the payments to be paid by the County. It is understood and agreed that all such construction shall at all times be subject to the supervision and direction



of the County as set forth in this Lease. The Corporation agrees that the unexpended moneys remaining in the 2013 Acquisition and Construction Fund shall, upon payment in full of all Acquisition Costs of the Project, be applied solely in accordance with the provisions of the Loan Agreement.

(b) The Lessor hereby agrees to lease the Project to the County, and the County hereby agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Project, all on the terms and conditions set forth herein. Upon substantial completion of the Improvements, the County shall promptly deliver to the Lender a Certificate of Completion. The Lease Term begins on the Closing Date and ends September 1, 2023, or at such earlier time as the Note has been paid or provision for its payment has been made in accordance with the provisions of this Lease and the Loan Agreement, which term in no event shall exceed fifteen years.

### **SECTION 3. Transfer of Title.**

Upon payment of all Base Rental and Additional Rental required by this Lease or upon the sale of the Project to the County or its assignee pursuant to the exercise of its option to purchase the Project in accordance with Section 27 of this Lease, this Lease shall terminate and title to the Project, and any improvements thereon or additions thereto, shall be transferred directly to the County or, at the option of the County, to any assignee or nominee of the County, in accordance with the provisions of this Lease.

### **SECTION 4. Rental Payments.**

The County shall pay the Base Rental and Additional Rental in the amounts, at the times and in the manner set forth herein, such amounts constituting in the aggregate the rental payable under this Lease, as follows:

(a) Base Rental. The County agrees to pay as Base Rental under this Lease in semiannual payments, commencing March 1, 2014 payable on each March 1 and September 1 thereafter during the Lease Term, in the amounts set forth in **EXHIBIT B** hereof, a portion of which shall constitute principal and a portion of which shall constitute interest, as shown in such **EXHIBIT B**. The allocation of any Base Rental payment to a principal component and an interest component shall correspond to the principal and interest payable with respect to the Note on the date such Base Rental payment is due. In no event shall the amount of Base Rental payable on any date exceed the aggregate amount of principal and interest required to be paid or prepaid on such date with respect to the Note, according to its tenor. The Lender shall receive its proportionate share of the Base Rental pursuant to the schedule attached to the Note.

To secure the performance of its obligation to pay Base Rental, the County shall deposit the Base Rental scheduled to become due on the next succeeding date on which a payment of Base Rental is due with the Lender on or before the Rental Deposit Date, for application by the Lender in accordance with the terms of the Loan Agreement. In the event any such date of deposit is not a Business Day, such deposit shall be made on the next preceding Business Day.

Rental payments under this paragraph shall be paid by the County directly to the Lender in accordance with the terms hereof and of the Assignment Agreement.

The obligation of the County to pay Base Rental shall commence on the Closing Date. Base Rental payments with respect to the Project shall be payable from any source lawfully available therefor.

(b) Additional Rental. In addition to the Base Rental set forth herein, the County agrees to pay as Additional Rental, as and when due, all of the following:

(i) All taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and special lien special assessments and gross receipts taxes, if any, levied upon the Project or upon any interest of the Corporation or the Lender therein or in this Lease;

(ii) Insurance premiums, if any, on all insurance required under the provisions of Section 14 of this Lease;

(iii) All fees and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Note) of the Lender in connection with the Loan Agreement; and

(iv) Any other fees, costs or expenses incurred by the Lessor in connection with the execution, performance or enforcement of this Lease or any assignment hereof or the Loan Agreement or any of the transactions contemplated hereby or thereby or related to the Project, including, without limitation, any amounts (not otherwise paid or provided for out of the proceeds of the sale of the Note) which may become due.

Amounts constituting Additional Rental payable hereunder shall be paid by the County directly to the person or persons to whom such amounts shall be payable. The County shall pay all such amounts when due or at such later time as such amounts may be paid without penalty and, upon request of the Lender, shall furnish to the Lender a certificate stating that any such amounts have been paid or that no such amounts were due.

#### **SECTION 5. Consideration.**

The payments of Base Rental and Additional Rental under this Lease attributable to each semi-annual payment period or portion thereof during the Lease Term shall constitute the total rental for such semi-annual payment period or portion thereof and shall be paid by the County for and in consideration of the right to the use and occupancy, and the continued quiet use and enjoyment, of the Project by the County for and during such Fiscal Year or portion thereof. The parties hereto have agreed and determined that such total rental is not in excess of the total fair rental value of the Project.

In making such determination, consideration has been given to the Acquisition Costs and financing of the Project, the uses and purposes served by the Project, and the benefits therefrom

that will accrue to the parties by reason of this Lease and to the general public by reason of the County's use of the Project.

#### **SECTION 6. County's Obligation.**

As the County deems the existence and operation of the Project to comprise an essential part of its governmental functions, the County hereby covenants to take such action as may be necessary to include all Base Rental and Additional Rental due hereunder in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental until all principal of and interest on the Note shall have been paid or all obligations of the County under the Loan Agreement have been satisfied and terminated. This covenant is specifically subject to the express limitation contained in the following paragraph.

The obligation of the County to make Base Rental and Additional Rental payments under the Lease constitutes a binding obligation of the County in accordance with the terms of said Lease. Provided, however, so long as no default of any monetary obligation of the County has occurred, the County's obligation to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, annual appropriation made by the County to fund such Lease. Nothing contained in the Lease shall create any monetary obligation on the part of the County beyond such current and specific appropriation. The Board of Supervisors of the County (the "Governing Body"), in its sole discretion, may make said payments with any lawfully available revenues. Except as stated in the Loan Agreement, nothing in the Lease creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, note or certificates of the Governing Body or for any other purpose whatsoever. The County has not pledged or levied any form of taxation for the payment of Base Rental under this Lease.

The obligation of the County under the Lease is not a general obligation and does not constitute a pledge of the full faith and credit of the County, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

All monies budgeted, appropriated and collected by the County pursuant to this Section 6 for the purpose of paying Base Rental and/or Additional Rental shall be deposited to the credit of a fund to be created by the County called the Lease Purchase and Public Building Note Fund within the General Fund of the County until such time as such monies are expended to pay Base Rental or Additional Rental.

#### **SECTION 7. Payment; Credit.**

Amounts necessary to pay Base Rental shall be remitted by the County on or before the Rental Deposit Date as set forth in Section 4(a) in lawful money of the United States of America, at the office of the Lender, or at such other place or places as may be established in accordance with the Loan Agreement. Any amount necessary to pay any Base Rental or portion thereof

which is not so deposited shall remain due and payable until received by the Lender. Notwithstanding any dispute between the County and the Lessor hereunder, and subject to the provisions in Section 6 above, the County shall make all rental payments when due and shall not withhold any rental payments pending the final resolution of such dispute or for any other reason whatsoever. Except as provided in Section 6 above, the County's obligation to make rental payments in the amounts and on the terms and conditions specified hereunder shall be absolute and unconditional without any right of setoff or counterclaim.

#### **SECTION 8. No Rental Abatement.**

Except as provided in Section 6 above, the obligations of the County to make the payments required in Section 4 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, regardless of whether the Project shall have been entirely completed at the time the first payments become due hereunder and regardless of the continued existence of the Project in physical condition satisfactory to the County. Until such time as the principal of and interest on the Note shall have been fully paid or all the County's obligations hereunder satisfied and defeased, and except as provided in Section 6 above, the County (1) shall not diminish, suspend or discontinue any payments provided for in Section 4 hereof, (2) shall perform and observe all of its other agreements contained in this agreement, and (3) shall not terminate this Lease for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, condemnation, destruction of or damage to the Project, frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease. Nothing contained in this Section shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained; and in the event the Corporation shall fail to perform any such agreement on its part, the County may institute such action against the Corporation as the County may deem necessary to compel performance or recover its damages for nonperformance so long as such action shall not violate the agreements on the part of the County contained in the next two preceding sentences. The County may, however, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the County deems reasonably necessary in order to secure or protect its rights of possession, occupancy and use hereunder, and in such event the Corporation hereby agrees to cooperate fully with the County and to take all action necessary to effect the substitution of the County for the Corporation in any such action or proceeding if the County shall so request.

#### **SECTION 9. Triple Net Lease.**

This Lease is intended to be a triple net lease. The County agrees that the rental payments provided for herein shall be an absolute net return to the Lessor free and clear of any taxes, insurance premiums, expenses, charges or set-offs whatsoever.

**SECTION 10. Affirmative Covenants of the Corporation and the County.**

The Corporation and the County are entering into this Lease in consideration of, among other things, the covenants provided in the following Sections 11 through 16 hereof.

**SECTION 11. Construction of Improvements.**

The Corporation agrees to cause the Improvements to be acquired, renovated, constructed, delivered and installed. Payment for the costs of acquiring, renovating, constructing, delivering and installing the Improvements shall be made from money deposited in the 2013 Acquisition and Construction Fund which shall be disbursed for this purpose in accordance with the Loan Agreement. The Corporation agrees that the unexpended money remaining in the 2013 Acquisition and Construction Fund shall, upon payment in full of all costs of acquiring, renovating, constructing, delivering and installing the Improvements, be applied solely in accordance with the provisions of the Loan Agreement.

**SECTION 12. Replacement, Maintenance and Repairs.**

The County shall, at its own expense, during the term of this Lease maintain the Project, or cause the same to be maintained, in good order, condition and repair and shall replace any portion of the Project which is destroyed; provided, that the County shall not be required to repair or replace any such portion of the Project pursuant to this Section 12 if there shall be applied to the prepayment of all Base Rental due and to become due under this Lease insurance proceeds or other lawfully available funds sufficient to repay (i) all of the Base Rental due and to become due under this Lease, or (ii) any portion thereof and the rental payments allocable to the remaining portion of the Project equals the pro-rata portion of Base Rental allocable to the remaining amounts due under this Lease after such prepayment. The County shall provide or cause to be provided all security service, custodial service, janitorial service and other services necessary for the proper upkeep and maintenance of the Project. It is understood and agreed that in consideration of the payment by the County of the rental herein provided for, the County is entitled to occupy the Project and no other party shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Project during the Lease Term. The Lessor shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Project. The County hereby expressly waives the right to make repairs or to perform maintenance of the Project at the expense of the Lessor. The County shall keep the Project free and clear of all liens, charges and encumbrances, subject only to the provisions of Section 15 hereof.

**SECTION 13. Utilities.**

The County shall pay for the furnishing of all utilities which may be used in or upon the Project during the Lease Term. Such payment shall be made by the County directly to the respective utility companies furnishing such utility services or products, under such contract or contracts therefor as the County may make.

## **SECTION 14. Insurance.**

The County shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance to the extent specifically permitted in this Section 14, all coverage on the Project required by this Section 14.

Such insurance shall consist of:

(1) Property and casualty insurance for the Project in an amount (except as provided below) equal to the replacement cost of the Project. Such coverage must apply exclusively to the Project and must be available to repair/rebuild the Project under all circumstances after the occurrence of an insured peril. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Project shall, under no circumstances, be contingent on the degree of damage sustained at other facilities owned or leased by the City. The policy must explicitly waive any co-insurance penalty;

(2) To the extent sovereign immunity is waived, comprehensive general liability coverage against claims for damages including death, personal injury, bodily injury, or property damage arising from operations involving the Project, in an amount recommended from time to time by the County's risk management officer or an independent insurance consultant retained by the County for that purpose; provided, however, that the County's obligations under this clause (2) may be satisfied by self-insurance;

(3) From and after the substantial completion of the Project which shall be evidenced by a Certificate of Completion, boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed in the Project in an amount not less than \$1,000,000 per accident; and

(4) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State; provided, however, that the County's obligations under this clause (4) may be satisfied by self-insurance.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be cancelled or materially changed without at least 30 days' prior written notice to the Lender. Upon request of the Lender, the County shall deposit with the Lender a certificate of a County Representative stating that the County is in compliance with the insurance requirements set forth in this Section 14.

All policies or certificates of insurance provided for herein shall name the County as a named insured, and shall name the Corporation and its directors and the Lender as additional insureds. In addition, the policies or certificates of insurance required to be maintained under clauses (1) and (3) shall name the Lender as loss payee. All proceeds of insurance maintained

under clauses (1) and (3) above, shall be applied pursuant to the Loan Agreement. All proceeds of insurance maintained under clauses (2) and (4) shall be deposited with the County.

**SECTION 15. Liens.**

The County shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment furnished or to be furnished to or for, in, upon or about the Project and which may be secured by any mechanic's, materialman's or other lien against the Project, or the interest of the Lessor therein, and shall cause each such lien to be fully discharged and released; provided, however, that the County or the Lessor may (i) contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in such event the County shall forthwith pay and discharge such judgment or lien; or (ii) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty.

**SECTION 16. Laws and Ordinances.**

The County agrees to observe and comply with all rules, regulations and laws applicable to the County with respect to the Project and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the County, and the Lessor shall not be liable therefor. The County agrees further to place, keep, use, maintain and operate the Project in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees and the public.

**SECTION 17. Application of Property Insurance Proceeds.**

Proceeds of Property Insurance received in respect of destruction of or damage to the Project by fire or other casualty or event shall be applied in accordance with the Loan Agreement. In absence of specific direction regarding the application of such proceeds, the County will have the option to rebuild the Project or prepay all Base Rental due and to become due under this Lease.

**SECTION 18. Eminent Domain.**

If the Project, or any portion thereof, shall be taken under the power of eminent domain, then this Lease shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be applied in accordance with the provisions of the Loan Agreement. In absence of specific direction regarding the application of such proceeds, the County shall apply the proceeds to the prepayment of the Lease.

**SECTION 19. Assignment and Lease.**

(a) The County shall not mortgage, pledge, assign or transfer any interest of the County in this Lease by voluntary act or by operation of law, or otherwise; provided, however, that the County may, subject to compliance with the Loan Agreement, sublease all or any portion of the Project, may grant concessions to others involving the use of any portion of the Project, whether such concessions purport to convey a leasehold interest or a license to use a portion of the Project, and may assign its right to purchase the Project pursuant to Section 27 hereof. The County shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Lease, notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the County from its obligation to pay Base Rental and Additional Rental as provided in this Lease or to relieve the County from any other obligations contained herein.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest (other than its obligation to have the Project acquired, renovated and constructed and its rights to indemnification and payment or reimbursement for any costs or expenses incurred in the construction of the Project) in and to this Lease, including, without limitation, its right to receive Base Rental or Additional Rental payable hereunder, to the Lender pursuant to the Assignment Agreement, and the County hereby approves such assignment. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

**SECTION 20. Additions and Improvements.**

Subject to compliance with the Loan Agreement, the County shall have the right during the Lease Term to make any additions or improvements to the Project, to attach fixtures, structures or signs, and to affix any personal property to the Project, so long as the fair market value of the Project is not thereby reduced.

**SECTION 21. Right of Entry.**

Representatives of the Lessor shall, subject to reasonable security precautions, have the right to enter upon the Project during reasonable business hours (and in an emergency at all times) (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Lessor under this Lease, or (iii) for all other lawful purposes.

**SECTION 22. Quiet Enjoyment.**

The Lessor covenants and agrees that the County, by keeping and performing the covenants and agreements herein contained, shall, at all times during the Lease Term, peaceably and quietly have, hold, and enjoy the Project.



### **SECTION 23. Indemnification and Hold Harmless Agreement.**

The County hereby agrees to indemnify and hold harmless, to the extent authorized by State law, the Corporation and the Lender and their officers and directors against any and all liabilities which might arise out of or are related to the Project and the Note, and the County, to the extent authorized by State law, further agrees to defend the Corporation and the Lender and their officers and directors in any action arising out of or related to the Project and the Note.

### **SECTION 24. Default by County; Remedies.**

(a) Default. If the County shall (i) fail to deposit with the Lender any Base Rental payment required to be so deposited pursuant to Section 4(a) hereof by the close of business on the day such deposit is required to be made pursuant to Section 4(a) hereof, (ii) fail to pay any item of Additional Rental as and when the same shall become due and payable pursuant to Section 4(b) hereof, or (iii) materially breach any other terms, covenants or conditions contained herein or in the Loan Agreement and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof from the Lessor to the County, then and in any such event the County shall be deemed to be in default hereunder; provided, however, that if the failure stated in the notice cannot be corrected within such period, then such period will be extended so long as corrective action is instituted by the County within such period and diligently pursued until the default is corrected, but only if such extension would not materially adversely affect the interests of the Lender.

(b) Remedies. Upon an event of default as defined in Section 24(a) above, the Lessor shall have the right to (i) terminate this Lease, (ii) re-enter the Project, (iii) eject all parties in possession therefrom and (iv) relet the Project or sell the Improvements, subject to the Ground Lease. Notwithstanding anything herein to the contrary, in no event will the Lessor be entitled to, nor will the County be liable for, any deficiency resulting from said reletting of the Project or sale of the Improvements, or from the continuation of this Lease by the Lessor, beyond the amount of the specific appropriation, if any, by the County for the Project for the Fiscal Year in which the default occurred reduced by the amount of said current and specific appropriation disbursed by the County in accordance with the terms of this Lease and the Loan Agreement.

All damages and other payments received by the Lessor pursuant to the exercise of its rights and remedies pursuant to this Section 24 shall be applied in the manner set forth in the Loan Agreement.

(c) Limitations. Notwithstanding any other provision of this Lease or the Loan Agreement, in no event shall the Lessor have the right to accelerate the payment of any Base Rental hereunder.

(d) Remedies Cumulative. Each and every remedy of the Lessor or any assignee of the rights of the Lessor hereunder is cumulative and the exercise of one remedy shall not impair the right of the Lessor or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Lessor or any assignee of the rights of the Lessor hereunder, the

Lessor or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

**SECTION 25. Waiver.**

The waiver by the Lessor of any breach by the County, and the waiver by the County of any breach by the Lessor of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

**SECTION 26. Disclaimer of Warranties.**

Neither the Corporation nor any person acting on its behalf has made or makes any warranty or representation as to the past, present or future condition of the Project not herein expressed, and the County has entered into this Lease without representations or warranties with respect thereto on the part of the Corporation, its agents, representatives or employees other than those expressed herein.

**SECTION 27. Option to Purchase.**

The County shall have the exclusive right and option, which shall be irrevocable during the Lease Term, to purchase the Lessor's interest in the Project on any Business Day, upon payment to the Lender of the Option Price, but only if the County is not in default under this Lease or the Loan Agreement and only in the manner provided in this Section 27.

On any Business Day as to which the County shall have exercised the option granted it pursuant hereto, and shall have paid or made provision for the payment to the Lender of the required Option Price, the Lessor and the Lender shall execute and deliver to the County a quitclaim deed conveying to the County or its nominee Lessor's interest so purchased. If the County shall exercise the option provided in this Section prior to the expiration of the Lease Term, and the Lessor and the Lender shall execute and deliver the quitclaim deed as aforesaid, then this Lease shall terminate, but such termination shall not affect the County's obligation to pay the Option Price to the Lender on the terms herein set forth.

**SECTION 28. Validity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Lease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Lease is held by a court of competent jurisdiction void, voidable, or unenforceable by the Lessor or by the County, or if for any reason it is held by such a court that any of the covenants and agreements of the County hereunder, including the covenant to pay Base Rental and Additional Rental hereunder, is unenforceable for the full Lease Term, then and in such event for and in consideration of the right of the County to possess, occupy and use the

Project, which right in such event is hereby granted, this Lease shall thereupon become and shall be deemed to be a lease from year to year under which the annual Base Rental payments and Additional Rental payments herein specified will be paid by the County.

**SECTION 29. Execution.**

This Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Lease.

**SECTION 30. Law Governing.**

This Lease is made in the State under the Constitution and laws of the State and is to be so construed.

**SECTION 31. Notices.**

Except as otherwise provided in the Lease, all notices under this Lease by any party shall be in writing and shall be sufficiently given and served if delivered by hand directly to the offices named below or sent by United States first class mail postage prepaid and addressed as follows:

(a) if to the County, to the County Clerk, Madison County, 125 W. North Street, Canton, Mississippi 39046.

(b) if to the Corporation, to Central Mississippi Public Improvement Corporation, c/o Central Mississippi Planning and Development District, 1170 Lakeland Drive, Jackson, Mississippi 39216, Attention: President.

**SECTION 32. Amendment.**

This Lease may be amended only in accordance with and as permitted by the terms of the Loan Agreement.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the date and year first above written.

**MADISON COUNTY, MISSISSIPPI**

[SEAL]

By: \_\_\_\_\_  
PRESIDENT, BOARD OF SUPERVISORS

ATTEST:

\_\_\_\_\_  
CHANCERY CLERK

**CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**

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

ATTEST:

\_\_\_\_\_  
SECRETARY

Signature page to Lease and Option to Purchase, dated \_\_\_\_\_, 2013, between Central Mississippi Public Improvement Corporation and Madison County, Mississippi.

**STATE OF MISSISSIPPI**

**COUNTY OF MADISON**

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named Gerald Steen and Arthur Johnston, who acknowledged to me that they are President of the Board of Supervisors and Chancery Clerk, respectively, of **MADISON COUNTY, MISSISSIPPI**, and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said County and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**STATE OF MISSISSIPPI**

**COUNTY OF HINDS**

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named F. Clarke Holmes and Shay Lipe, who acknowledged to me that they are President and Secretary, respectively, of the **CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**, and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said Corporation and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**EXHIBIT A**

**DESCRIPTION OF REAL PROPERTY AND IMPROVEMENTS**

**DESCRIPTION OF REAL PROPERTY**

[to be provided]

## **DESCRIPTION OF IMPROVEMENTS**

The project will consist of the acquisition and renovation of the South Madison County Annex and related facilities in Madison, Mississippi.



**EXHIBIT B**  
**RENTAL PAYMENTS**

**TOTAL AGGREGATE  
RENTAL PAYMENTS**

| Date   | Principal             | Rate   | Interest            | Period Total          | Fiscal Total |
|--------|-----------------------|--------|---------------------|-----------------------|--------------|
| 3/1/14 |                       |        | \$43,530.20         | \$43,530.20           |              |
| 9/1/14 | \$205,000.00          | 3.689% | 44,268.00           | 249,268.00            | \$292,798.20 |
| 3/1/15 |                       |        | 40,486.78           | 40,486.78             |              |
| 9/1/15 | 210,000.00            | 3.689  | 40,486.78           | 250,486.78            | 290,973.55   |
| 3/1/16 |                       |        | 36,613.33           | 36,613.33             |              |
| 9/1/16 | 220,000.00            | 3.689  | 36,613.33           | 256,613.33            | 293,226.65   |
| 3/1/17 |                       |        | 32,555.43           | 32,555.43             |              |
| 9/1/17 | 225,000.00            | 3.689  | 32,555.43           | 257,555.43            | 290,110.85   |
| 3/1/18 |                       |        | 28,405.30           | 28,405.30             |              |
| 9/1/18 | 235,000.00            | 3.689  | 28,405.30           | 263,405.30            | 291,810.60   |
| 3/1/19 |                       |        | 24,070.73           | 24,070.73             |              |
| 9/1/19 | 245,000.00            | 3.689  | 24,070.73           | 269,070.73            | 293,141.45   |
| 3/1/20 |                       |        | 19,551.70           | 19,551.70             |              |
| 9/1/20 | 250,000.00            | 3.689  | 19,551.70           | 269,551.70            | 289,103.40   |
| 3/1/21 |                       |        | 14,940.45           | 14,940.45             |              |
| 9/1/21 | 260,000.00            | 3.689  | 14,940.45           | 274,940.45            | 289,880.90   |
| 3/1/22 |                       |        | 10,144.75           | 10,144.75             |              |
| 9/1/22 | 270,000.00            | 3.689  | 10,144.75           | 280,144.75            | 290,289.50   |
| 3/1/23 |                       |        | 5,164.60            | 5,164.60              |              |
| 9/1/23 | <u>280,000.00</u>     | 3.689  | <u>5,164.60</u>     | <u>285,164.60</u>     | 290,329.20   |
| Totals | <u>\$2,400,000.00</u> |        | <u>\$511,664.34</u> | <u>\$2,911,664.34</u> |              |

**EXHIBIT C**  
**FORM OF ASSIGNMENT AGREEMENT**

**[INSERT A COPY OF THE FORM OF THE ASSIGNMENT AGREEMENT]**

16976719v2

**GROUND LEASE**

Dated as of \_\_\_\_\_, 2013

by and between

**MADISON COUNTY, MISSISSIPPI**

and

**CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**

Prepared By:  
**BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC**  
1020 Highland Colony Parkway, Suite 1400  
Ridgeland, Mississippi 39157

***INDEXING INSTRUCTIONS: GET LEGAL DESCRIPTION TO INSERT***

## **GROUND LEASE**

**THIS GROUND LEASE**, is dated as of \_\_\_\_\_, 2013 (herein called the "Ground Lease"), and entered into by and between the **MADISON COUNTY, MISSISSIPPI** (the "County"), a political subdivision of the State of Mississippi, and the **CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION** (the "Corporation").

### **WITNESSETH**

That in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

#### **SECTION 1. Definitions.**

All capitalized terms used herein without definition shall have the meanings given to such terms in the Lease and Option to Purchase, dated as of the date hereof, by and between the Corporation and the County (the "Lease").

#### **SECTION 2. Property.**

The County hereby leases to the Corporation the real property described in **EXHIBIT A** hereto and all buildings and improvements thereon (the "Property") and made a part hereof, subject to the terms hereof and subject to any conditions, reservations, exceptions and rights of way which are of record.

#### **SECTION 3. Ownership.**

The County covenants that it is the owner of and holds title in fee simple to the Property described in **EXHIBIT A** hereof.

#### **SECTION 4. Term.**

This Ground Lease shall commence on the date of execution and delivery hereof and end on the earlier to occur of (a) September 1, 2023, or (b) the date of termination of the Lease with respect to the Property pursuant to Section 2 or 27 thereof.

#### **SECTION 5. Rent.**

The Corporation shall pay to the County an advance rent of \$1.00 as full consideration for this Ground Lease over its term.

#### **SECTION 6. Purpose.**

The Corporation shall utilize the Property for the purposes described in the Lease and for such other purposes as may be incidental thereto.

**SECTION 7. Assignment and Sublease.**

The Corporation shall not assign, mortgage, hypothecate or otherwise encumber this Ground Lease and any rights hereunder and the leasehold created hereby by trust agreement, indenture or deed of trust or otherwise or sublet the Property without the written consent of the County, except that the County expressly approves and consents to the assignment and transfer of the Corporation's rights, title and interest in this Ground Lease to the Lender pursuant to the Assignment Agreement, dated as of \_\_\_\_\_, 2013, by and between the Corporation and the Lender.

**SECTION 8. Right of Entry.**

The County reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time.

**SECTION 9. Expiration.**

The Corporation agrees, upon the expiration of this Ground Lease, to relinquish its rights in and to quit and surrender the Property.

**SECTION 10. Quiet Enjoyment.**

The Corporation at all times during the term of this Ground Lease shall peaceably and quietly have, hold and enjoy all of the Property.

**SECTION 11. Taxes.**

The County covenants and agrees to pay any and all taxes and assessments levied or assessed upon the Property.

**SECTION 12. Eminent Domain.**

If the whole or any part of the Property shall be taken under the power of eminent domain, the interest of the Corporation shall be recognized and is hereby determined to be the aggregate amount of unpaid Base Rental under the Lease and shall be paid to the Lender in accordance with the terms of the Lease and the Loan Agreement.

**SECTION 13. Default.**

In the event that the Corporation or its assignee shall be in default in the performance of any obligation on its part to be performed under the terms of this Ground Lease, the County may exercise any and all remedies granted by law, except that no merger of this Ground Lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this Ground Lease by reason of any default on the part of the Corporation or its assignee if (i) such termination would affect or impair the assignment of the

Lease and Ground Lease pursuant to the Assignment Agreement, or (ii) such termination would prejudice the exercise of the remedies provided in Section 24 of the Lease. So long as any such assignee or subtenant of the Corporation or any successor in interest to the Corporation shall duly perform the terms and conditions of this Ground Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment.

**SECTION 14. Notices.**

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

County - Chancery Clerk, Madison County, 125 W. North Street, Canton, Mississippi 39046

Corporation - Central Mississippi Public Improvement Corporation, c/o Central Mississippi Planning and Development District, 1170 Lakeland Drive, Jackson, Mississippi 39216, Attention: President.

**SECTION 15. Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Ground Lease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Ground Lease shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**SECTION 16. Governing Law.**

This Ground Lease shall be governed by the laws of the State of Mississippi.

**SECTION 17. Execution in Counterparts.**

This Ground Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

[The remainder of this page is intentionally left blank.]



**IN WITNESS WHEREOF**, the parties hereto have caused this Ground Lease to be executed and attested by their proper officers thereunto duly authorized, as of the day and year first above written.

**MADISON COUNTY, MISSISSIPPI**

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

**ATTEST:**

By: \_\_\_\_\_  
**Chancery Clerk**

**CENTRAL MISSISSIPPI PUBLIC  
IMPROVEMENT CORPORATION**

By: \_\_\_\_\_  
**President**

**ATTEST:**

By: \_\_\_\_\_  
**Secretary**

**STATE OF MISSISSIPPI**

**COUNTY OF MADISON**

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named Gerald Steen and Arthur Johnston, who acknowledged to me that they are the President of the Board of Supervisors and Chancery Clerk, respectively, of **MADISON COUNTY, MISSISSIPPI** and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said County and as its official act and deed, being duly authorized so to do.

**GIVEN UNDER MY HAND** and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**STATE OF MISSISSIPPI**

**COUNTY OF HINDS**

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named F. Clarke Holmes and Shay Lipe, who acknowledged to me that they are the President and Secretary, respectively, of the **CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION** and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said Corporation and as its official act and deed, being duly authorized so to do.

**GIVEN UNDER MY HAND** and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**EXHIBIT A**  
**REAL PROPERTY DESCRIPTION**

## **REAL PROPERTY DESCRIPTION**

[to be provided]

16976252v2

**ASSIGNMENT AGREEMENT**

Dated as of \_\_\_\_\_, 2013

by and between

**CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**

and

**BANCORPSOUTH BANK  
Jackson, Mississippi  
as Lender**

Prepared by:  
**BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC  
1020 Highland Colony Parkway, Suite 1400  
Ridgeland, Mississippi 39157**

***INDEXING INSTRUCTIONS: GET LEGAL***

## **ASSIGNMENT AGREEMENT**

**THIS ASSIGNMENT AGREEMENT** (the "Assignment Agreement"), is dated as of \_\_\_\_\_, 2013, by and among the **CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION** (the "Corporation") and **BANCORPSOUTH BANK, Jackson, Mississippi**, a banking corporation organized and existing under the laws of State of Mississippi (the "Bank" or "Lender"), and authorized to accept assignments of the nature herein set forth to secure payment of the applicable promissory note, as Lender.

### **WITNESSETH**

**WHEREAS**, the Corporation and Madison County, Mississippi (the "County") have entered into a Ground Lease (the "Ground Lease"), dated as of the date hereof, pursuant to which the County agrees, among other things, to lease certain real property described in **EXHIBIT A** hereto (the "Property") to the Corporation; and

**WHEREAS**, the County and the Corporation have entered into a Lease and Option to Purchase (the "Lease"), dated as of the date hereof, pursuant to which the Corporation agrees as lessor, among other things, to lease the Property and certain facilities to be located thereon as described in the Lease (the "Project") to the County as lessee in consideration for which the County has agreed to pay base rental (the "Base Rental") and additional rental, all as more particularly described in the Lease; and

**WHEREAS**, the Corporation and the Lender and the County have entered into a Loan Agreement, dated as of the date hereof (the "Loan Agreement"), pursuant to which the Corporation has agreed to execute and deliver the \$2,400,000 Promissory Note (Madison County, Mississippi Lease Purchase - South Madison County Annex Project), dated \_\_\_\_\_, 2013 (the "Note"); and

**WHEREAS**, the Corporation desires to assign and transfer certain of its rights, title and interests in and to the Ground Lease and the Lease to the Lender on the terms and conditions set forth herein below.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and conditions contained herein, the parties hereto agree as follows:

#### **SECTION 1. Definitions.**

All capitalized terms used herein without definition shall have the meanings given to such terms in the Loan Agreement.

#### **SECTION 2. Assignment.**

The Corporation does hereby assign and transfer to the Lender all of the Corporation's rights, title and interests in and to the Ground Lease and the Lease (excepting only the Corporation's obligation to cause the Project to be acquired, renovated and constructed in

accordance with the Lease and its rights to indemnification and payment or reimbursement of its costs and expenses incurred in connection with the acquisition, renovation and construction of the Project), including the Corporation's right to receive Base Rental and Additional Rental, as well as its rights to enforce payment of such Base Rental when due or otherwise to protect its interest in the event of a default or termination by the County under the Lease, in accordance with the terms thereof. The Base Rental and other rights of the Corporation assigned hereunder shall be applied and the rights so assigned shall be exercised by the Lender as provided in the Loan Agreement.

**SECTION 3. Acceptance of Assignment.**

The Lender hereby accepts the assignment of such of the Corporation's rights under the Ground Lease and the Lease as are assigned pursuant to the terms of this Assignment Agreement, for the purpose of securing such Base Rental and rights to the Lender under the Note.

**SECTION 4. No Additional Rights or Duties.**

This Assignment Agreement shall not confer any rights nor impose any duties, obligations or responsibilities upon the Lender beyond those expressly provided in the Ground Lease, the Lease and the Loan Agreement. This Assignment Agreement shall not impose any duties, obligations or responsibilities upon the Corporation or the County beyond those expressly provided in the Ground Lease, the Lease and the Loan Agreement or as otherwise set forth herein.

**SECTION 5. Further Assurances.**

The Corporation will make, execute and deliver any and all such further resolutions, instruments, assurances to continue the existence in good standing of the Corporation under the laws of the State of Mississippi and other assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Lender the rights and benefits intended to be conveyed pursuant hereto.

**SECTION 6. Execution in Counterparts.**

This Assignment 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 agreement.



**IN WITNESS WHEREOF** the parties hereto have executed this Assignment Agreement as of the date first above written.

**CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**

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

**BANCORPSOUTH BANK, Jackson, Mississippi**  
as Lender

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

**STATE OF MISSISSIPPI**

**COUNTY OF HINDS**

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named F. Clarke Holmes, who acknowledged to me that he is President of **CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION** and that he signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said Corporation and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My Commission Expires:

**STATE OF MISSISSIPPI**

**COUNTY OF \_\_\_\_\_**

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction the within named \_\_\_\_\_ who acknowledged to me that such person is an authorized officer of **BANCORPSOUTH BANK**, a Mississippi banking corporation, and that such person signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said financial institution and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My Commission Expires:

**EXHIBIT A**  
**REAL PROPERTY DESCRIPTION**

## REAL PROPERTY DESCRIPTION

[to be provided]

16983582v1

# **LOAN AGREEMENT**

Dated as of \_\_\_\_\_, 2013

By and Among

**BANCORPSOUTH BANK**  
Jackson, Mississippi  
as Lender

and

**CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**  
as Borrower

as

APPROVED BY:

**MADISON COUNTY, MISSISSIPPI**

Prepared by:  
BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC  
1020 Highland Colony Parkway, Suite 1400  
Ridgeland, Mississippi 39157

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This **LOAN AGREEMENT**, dated as of \_\_\_\_\_, 2013 (this "Agreement"), is by and among **CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**, a Mississippi non-profit corporation (the "Corporation"), as borrower hereunder, **BANCORPSOUTH BANK**, Jackson, Mississippi (the "Lender"), as approved by **MADISON COUNTY, MISSISSIPPI** (the "County").

**WHEREAS**, the Corporation has applied to the Lender for a loan, the proceeds of which are to be used for the purposes hereinafter described, and pursuant to said loan the parties hereto agree as follows:

## **ARTICLE I DEFINITIONS**

Use of or reference to the following terms herein shall be construed as indicated, provided that capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Lease:

**SECTION 1.1. Term Loan.** The Term Loan by Lender to the Corporation is an aggregate principal amount of \$2,400,000 (the "Term Loan") for the purpose of acquiring, renovating, constructing, delivery and installation for a South Madison County Annex and related facilities and leasing same to the County. The Term Loan shall be made only if each of the following terms and conditions has been met on a basis acceptable to Lender:

(a) No Event of Default shall have occurred and no event shall have occurred which, with the giving of notice or lapse of time, or both, would constituted such an Event of Default; and

(b) The Lender shall have received the applicable executed promissory note described in Section 1.2 below.

**SECTION 1.2. The Note.** The Term Loan shall be evidenced by a Promissory Note (Madison County, Mississippi Lease Purchase - South Madison County Annex Project), dated \_\_\_\_\_, 2013 (the "Note"), of the Corporation, payable to the order of BancorpSouth Bank, Jackson, Mississippi, as the Lender, in the principal amount of \$2,400,000, the form of which is attached hereto as **EXHIBIT C**. Principal on the Note shall be payable in annual payments, commencing September 1, 2014 through September 1, 2023. Interest on the Note shall be payable as provided in Section 1.3 hereof.

The Note shall be executed and delivered by the Corporation and accepted by Lender on the terms and conditions set forth in Section 1.1 above. The final maturity date of such Note shall be September 1, 2023. The Corporation may prepay the Note on any date, in full or in part, solely at the election of the Corporation with the consent of the County. The Corporation and the County shall give the Lender written notice of any prepayment thirty (30) days prior to making any prepayment.



The Note and Term Loan shall be payable solely from Base Rental and Additional Rental paid by the County as provided in the Lease. As provided in the Lease, each Base Rental payment shall have a principal component and/or interest component as set forth in EXHIBIT B thereto and EXHIBIT B hereto. All payments under the Note and this Agreement represent the Lender's right to receive Base Rental and Additional Rental payments under the Lease.

**SECTION 1.3. Interest.** Interest on the Note shall be equal to three and six hundred eighty nine thousandths percent (3.689%) per annum, payable on March 1 and September 1 of each year, commencing September 1, 2014, until the Note is paid. Interest will be calculated using a three hundred sixty (360) day year based on twelve (12) thirty (30) day months.

**SECTION 1.4. Lease.** The Lease and Option to Purchase dated as of the date hereof, by and between the Corporation and the County.

**SECTION 1.5. Property.** Real property located in Madison County, Mississippi and more fully described in EXHIBIT A annexed hereto and made a part hereof (the "Property").

**SECTION 1.6. Improvements.** Improvements to the Property, now existing or hereafter acquired, constructed, renovated, deliver or installed, including improvements to a South Madison County Annex and related facilities to be acquired, constructed, renovated, deliver or installed with the proceeds of the Note and to be located at the Property (the "Improvements").

**SECTION 1.7. Project.** The Property and the Improvements (the "Project").

**SECTION 1.8. Permitted Encumbrances.** Liens on the Property existing on the date of this Agreement and disclosed by the title certificate issued by the attorney for or on behalf of the County (the "Permitted Encumbrances").

**SECTION 1.9. General Contractor.** The general contractor, if any, to be selected by the Governing Body of the County based on bids or proposals to be received by the County (the "General Contractor").

**SECTION 1.10. Collateral Documents.**

- (a) The Lease;
- (b) The Ground Lease;
- (c) Assignment Agreement; and
- (d) Consent to Assignment Agreement

(together the "Collateral Documents").

**SECTION 1.11. Certificate of Completion.** The notice filed with the Lender by the County Representative (the "Certificate of Completion"), stating that the Improvements to be

acquired, constructed, renovated, deliver or installed with Note proceeds have been substantially completed, but reserving the rights of the Corporation or the County against third parties.

## **ARTICLE II THE LOAN**

**SECTION 2.1. Disbursement Procedure.** The Lender agrees on the terms and conditions set forth herein and in reliance on the representations and warranties set forth herein to lend to the Corporation, and the Corporation agrees to borrow from the Lender the aggregate principal amount of \$2,400,000.

**SECTION 2.2. Delivery of Funds.** On the Closing Date, the Lender will remit proceeds of the Note of \$2,400,000 to the County on behalf of the Corporation to be deposited in a fund held by the County to be designated the 2013 Acquisition and Construction Fund (the "2013 Acquisition and Construction Fund"). Any income received from investment of monies in the 2013 Acquisition and Construction Fund shall be deposited in the 2013 Acquisition and Construction Fund. From the 2013 Acquisition and Construction Fund there shall be first paid the costs, fees and expenses incurred by the Corporation and the County in connection with the Ground Lease, the Lease, this Agreement and the Note. The balance thereof shall be held and disbursed for acquisition of the Project by the County. All disbursements from the 2013 Acquisition and Construction Fund by the Corporation shall be approved by an authorized County Representative. Any amounts which remain in the 2013 Acquisition and Construction Fund after the completion of the Project shall be used to prepay the Note on a proportionate basis.

## **ARTICLE III CONDITIONS TO THE LOAN**

Lender's obligation to make the Term Loan or any advance thereof shall be effective only upon fulfillment of the following conditions:

**SECTION 3.1. Commitment Letter.** Receipt and approval by Lender of all items required to be provided to Lender under the terms of the Lender Proposal, dated August 1, 2013 (the "Proposal"). For purposes of this Section, such items shall be in final form if required by the Proposal.

**SECTION 3.2. Payment of Fees.** Payment by the Corporation of all fees and expenses required by this Agreement or by the Proposal.

**SECTION 3.3. Execution of Documents.** Execution, delivery and when appropriate, recording or filing, of this Agreement, the Note, the Collateral Documents and all other instruments and documents evidencing or securing the Term Loan, and all other documents required by this Agreement, all in form and content satisfactory to Lender.

**SECTION 3.4. Other.** All Collateral Documents shall be in full force and effect without any change in the priority of the liens created thereby and no event or condition constituting an Event of Default shall exist.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

The Corporation represents and warrants to the Lender, knowing that the Lender will rely on such representations and warranties as incentives to make the Term Loan, that:

**SECTION 4.1. Corporation's Existence.** The Corporation is duly organized and existing and has full power and authority to consummate the transactions contemplated by this Agreement.

**SECTION 4.2. Violations or Actions Pending.** To the best of the Corporation's knowledge, there are no actions, suits, or proceedings pending or threatened, which might adversely affect the financial condition of the Corporation or which might impair the value of any collateral taken or to be taken by Lender in connection with this Agreement. Neither the Corporation nor the County is in violation of any agreement the violation of which might reasonably be expected to have a materially adverse effect on the Corporation's or the County's business or assets, nor is the Corporation or the County in violation of any order, judgment, or decree of any court, or any statute or governmental regulation to which the Corporation or the County is subject. The performance of this Agreement and the Collateral Documents by the Corporation or the County will not result in any breach of any mortgage, lease, credit or loan agreement, or any other instrument which may bind or affect the Corporation or the County.

**SECTION 4.3. Compliance with Laws and Regulations.** The Corporation and the County have complied with all laws and regulations including without limitation compliance with all regulatory matters, any and all governmental or governmental agency, approvals as required, necessary permits and licenses to do business. All necessary action has been taken to permit acquisition, construction and renovation of the Improvements according to the Plans and Specifications and full use of the Improvements for their intended purpose under applicable laws, ordinances, and regulations, including, without limitation, zoning and environmental laws. The Corporation and the County have obtained or caused to be issued, or will seek and obtain promptly, all approvals, consents, resolutions or other authorizations required and appropriate for issuance of the Note, including, without limitation, any such authorization by the Corporation or by the County. When completed according to any Plans and Specifications, the Improvements will comply with all applicable laws and regulations.

**SECTION 4.4. Roads and Utilities.** All utility services necessary for the acquisition, construction and use of the Improvements are available to the Property or will be available upon completion of construction and renovation. All roads necessary for the full use of the Improvements for their intended purposes have been completed, or the necessary rights-of-way therefor have been acquired or dedicated, and all necessary steps to date have been taken to insure the completion thereof.

**SECTION 4.5. Priority.** The Lease and all other Collateral Documents, when duly executed, delivered, and recorded, will constitute first liens against the collateral subject thereto, prior to all other liens and encumbrances, including those which may hereafter accrue, except for Permitted Encumbrances and such matters as shall have been disclosed or excepted by the opinion of the County's attorney.

**SECTION 4.6. Condemnation.** There are no proceedings pending, or, to the best of the Corporation's knowledge, threatened, to acquire by power of condemnation or eminent domain, any interest in the Project, or to enjoin or similarly prevent the construction or use of the Improvements.

**SECTION 4.7. Accuracy of Documents.** All documents furnished to the Lender by or on behalf of the Corporation, as part of or in support of the Term Loan application or pursuant to the Proposal or this Agreement, are true, correct, and complete and accurately represent the matters to which they pertain.

**SECTION 4.8. Continuing Effectiveness.** All representations and warranties contained herein shall be deemed continuing and in effect at all times while the Corporation remains indebted to the Lender or while the Lender is holder of the Note, unless the Corporation specifically notifies the Lender of any change therein.

**SECTION 4.9. Laws and Regulations.** The Corporation shall not use any proceeds of the Term Loan in a manner or for any purpose which would violate any applicable laws or regulations of the State.

## **ARTICLE V AFFIRMATIVE COVENANTS OF CORPORATION**

The Corporation covenants and agrees, from the date of this Agreement, and for as long as the Corporation remains indebted to the Lender or so long as the Lender is holder of the Note, to:

**SECTION 5.1. Acquire and Renovate Improvements.** Commence or cause to be commenced the acquisition, construction, renovation, delivery and installation of the Improvements within thirty (30) days of the date hereof, if such acquisition construction, renovation, delivery and installation has not already begun; to cause the Improvements to be acquired, constructed, renovated, delivered and installed on the Property and in accordance with any Plans and Specifications, and in compliance with all applicable regulations including zoning and setback requirements, and so as not to encroach upon or overhang any easement or right-of-way; to cause such construction to proceed continuously; and to complete (or cause to be completed) construction and installation of the Improvements by the Scheduled Completion Date, as each term is defined in the Lease, time being of the essence.

**SECTION 5.2. Use of Proceeds.** Use the proceeds of the Term Loan solely and exclusively for the purposes and within the dollar limitations for specific items, and to pay such fees, closing costs, and other non-construction expenses relating to the Term Loan, the

acquisition, renovation, construction and installation of the Improvements, or the discharge of the Corporation's obligations under this Agreement as the Lender has approved or may from time to time approve. All payments for disbursement of proceeds shall be approved by the County.

**SECTION 5.3. Liens and Encumbrances.** Keep the Property and Improvements free from all liens and encumbrances except those contemplated by this Agreement or as shown in an exhibit hereto and those incurred in the ordinary course of business, to the extent payments thereof is paid currently in the ordinary course of business, and those imperfections of title which in the Lender's opinion do not substantially impair the value or use of the Project; to pay promptly all persons or entities supplying work or materials for the Improvements; and to immediately discharge by bond or otherwise, or make other arrangements acceptable to the Lender with respect to, any mechanic's or other lien filed against the Property or the Corporation.

**SECTION 5.4. Fees.** Pay (or cause to be paid) all commitment, loan and inspection fees of the Lender, and all expenses involved in perfecting the lien status or priority provided by the Collateral Documents, and all other reasonable out-of-pocket expenses actually incurred by the Lender directly related to the Term Loan, the protection and preservation of the Property and Improvements or the enforcement of any provision of this Agreement or of any of the Collateral Documents, including, without limitation, recording fees and taxes, tax, title and lien search charges, title insurance charges, architects, engineers and attorneys' fees (including fees for appellate proceedings), and to indemnify against, and hold the Lender harmless from, all claims, losses, expenses, and liabilities, including reasonable attorneys' fees, incurred by the Lender on account of any claim by any party arising out of the Lender's interest in or lien upon the Property or Improvements.

**SECTION 5.5. Access.** Permit the Lender and its agents to have access to the Project at reasonable times.

**SECTION 5.6. Compliance with Laws and Regulations.** Comply at all times with all applicable federal, State and local laws, regulations, and ordinances.

**SECTION 5.7. Indebtedness.** Duly and promptly pay (or cause to be paid) all of the Corporation's indebtedness to the Lender according to the terms of this Agreement, the Note and other instruments or documents evidencing and securing the Term Loan.

**SECTION 5.8. Maintain Existence.** Maintain its existence in good standing, and to make no changes in its organizations or ownership as presently constituted without the Lender's and the County's prior written approval.

**SECTION 5.9. List of Contractors, Subcontractors, and Materialmen.** Notify the Lender promptly, if requested, of the names and addresses of all contractors, subcontractors and materialmen who are employed in connection with the construction of the Improvements, and whose names and addresses have not heretofore been supplied to Lender.

**SECTION 5.10. Comply with Lender Loan Commitment.** Comply in all respects with, and to perform all acts necessary to keep the Proposal in effect in connection with the issuance of the Note and otherwise.

**SECTION 5.11. Comply with Other Loan Documents.** Perform all its obligations under the Note, the Lease, other Collateral Documents and all other documents and instruments evidencing or securing the Term Loan.

**SECTION 5.12. Completion of Project.** Upon completion of the Project, furnish to the Lender on behalf of County each of the following:

- (a) Certificate of Completion; and
- (b) Final lien releases.

**SECTION 5.13. Title Certificate.** Upon completion of the Improvements, furnish to the Lender, if requested, a final Title Certificate indicating that the Improvements have been completed free of all liens or encumbrances except in favor of the Lender.

## **ARTICLE VI EVENTS OF DEFAULT**

The occurrence of any of the events or the existence of any of the conditions described in this Article shall constitute an event of default under this Agreement (“Event of Default”).

**SECTION 6.1. Nonpayment of Indebtedness.** Failure of the Corporation to make any payment of interest or principal or any other sum, within fifteen (15) days of when due, whether by acceleration or otherwise, under the terms of the Note, the Collateral Documents, this Agreement, or any other document or instrument evidencing or securing the Term Loan.

**SECTION 6.2. Assignment or Conveyance.** Assignment or attempted assignment by the Corporation of this Agreement, any rights hereunder, or any advance to be made hereunder, or the conveyance, lease, or any other alienation or encumbrance of the Property or Improvements or any interest therein or in the proceeds thereof without the prior written consent of the Lender.

**SECTION 6.3. Involuntary Insolvency Proceedings.** The filing against the Corporation of a request or a petition for liquidation, reorganization, adjustment of debts, arrangement, adjudication as a bankrupt or similar relief under the bankruptcy, insolvency or similar laws of the United States or any state or territory thereof or any foreign jurisdiction; or the institutions against the Corporation of any formal or informal proceeding for the reorganization, dissolution or liquidation of, settlement of claims against or winding up of affairs of the Corporation; and the failure by the Corporation within sixty (60) days to terminate, discharge or otherwise remove such proceeding.

**SECTION 6.4. Receiver.** The appointment of or authorization for a custodian, committee or trustee of the Corporation, or for a trustee, committee, custodian or receiver of all or any part of the property of the Corporation; provided, such custodian, trustee, committee or receiver shall not have been removed or otherwise discharged within the ninety (90) days of the date of his qualification which period may be extended at the Lender's option if the Corporation is diligently pursuing resolution of such matter.

**SECTION 6.5. Insolvency.** The failure of the Corporation to generally pay the Corporation's debts as such debts become due.

**SECTION 6.6. Transfer.** The transfer of title to the Property or Project or the transfer of the Corporation's interest in or rights under this Agreement by operation of law or otherwise (including, without limitation, a transfer to the Corporation as debtor in possession under the Bankruptcy Code, or the appointment of a trustee for the Corporation under the Bankruptcy Code), to any third party, whether or not the obligations of the Corporation under this Agreement are assumed by such third party (except as contemplated in the Lease).

**SECTION 6.7. Foreclosures or Liens.** The institution of a foreclosure action against the Property, the Improvements or any part thereof, or the filing of a lien against the Property, the Improvements or any part thereof, which is not removed of record, bonded off, or dismissed within twenty (20) days after the Corporation is notified by the Lender, or otherwise, of such filing which period may be extended at the Lender's option if the Corporation is diligently pursuing resolution of such matter.

**SECTION 6.8. Casualty Loss.** Substantial damage to, or partial or total destruction of, the Improvements by fire or other casualty such that, in the determination of the Lender, the Improvements will not be restored, rebuilt and completed within a commercially reasonable period of time.

**SECTION 6.9. Misrepresentation.** If any certificate, statement, representation, warranty or audit, heretofore or hereafter furnished by or on behalf of the Corporation pursuant to or in connection with this Agreement, or otherwise (including, without limitation, representations and warranties contained herein) or as an inducement to the Lender to extend any credit to or to enter into this Agreement or any other agreement with the Corporation, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or to have omitted any substantial contingent or unliquidated liability or claim against the Corporation, or if on the date of execution of this Agreement, there shall have been a material adverse change in any of the facts previously disclosed by any such certificate, statement, representation, warranty or audit, which change shall not have been disclosed to the Lender at or prior to the time of such execution.

**SECTION 6.10. [RESERVED].**

**SECTION 6.11. Violation of Covenants.** Violation of any covenants contained in Article V of this Agreement.

**SECTION 6.12. Failure to Perform Obligations.** Failure by the Corporation or the County to perform any other terms, conditions or covenants herein, which failure shall have continued for ten (10) days (thirty (30) days for affirmative covenants) after notice by the Lender to the Corporation and the County specifying such failure and requiring such failure to be remedied; or if the failure cannot be fully remedied within such ten (10) day (or 30 day) period, substantial progress has not been made within such ten (10) day (or 30 day) period toward such remedy.

**SECTION 6.13. Default Under Collateral Documents.** Default by the Corporation or the County in the performance, of any other obligation, term or condition of this Agreement, the Note, any collateral document or of any other agreement between the Corporation and the Lender.

**SECTION 6.14. [RESERVED].**

**SECTION 6.15. Quality of Work.** The Improvements not being erected or installed in a good and workmanlike manner in accordance with the Plans and Specifications unless such deviation be approved by all governmental authorities having jurisdiction, by the Lender and by the supervising architect, if any; or the Corporation or the County failing to comply promptly with any requirement, note, or notice of violation of law issued by or filed in any department of any governmental authority having jurisdiction over the Corporation or the Property or the Improvements or any matter in or about the Property or the Improvements.

## **ARTICLE VII REMEDIES UPON DEFAULT**

Upon the occurrence or existence of any Event of Default, the Lender shall have the absolute right to and at its option and election and in its sole discretion to exercise alternatively or cumulatively any or all of the remedies set forth in this Article. Without limiting the generality of the foregoing, the Lender may:

**SECTION 7.1. Specific Performance.** Institute appropriate proceedings to specifically enforce performance of the terms and conditions of this Agreement, the Note and the Collateral Documents.

**SECTION 7.2. Other.** Exercise any other right, privilege or remedy available to the Lender except acceleration of payment, as may be provided by applicable law.

Upon any Event of Default which is not remedied as herein provided, the Lender shall have the absolute right to make such use of the property so assigned as the Lender shall desire, and, as to any such property which is also the subject of a security agreement or financing statement in favor of the Lender, that the Lender will not be limited to remedies available under the Uniform Commercial Code, but may at its option avail itself of the rights granted herein in addition to or in substitution for its Uniform Commercial Code remedies.



**ARTICLE VIII  
MISCELLANEOUS**

**SECTION 8.1. Note and Lease.** If the Lease and the Note are duly assigned, this Agreement shall be considered assigned in like manner. The Lender shall notify the Corporation promptly of any such assignment. In the event of a conflict between this Agreement and any provision of the Lease, the Note, or other instruments or documents evidencing or securing the Term Loan, the provisions of this Agreement shall control. A breach or default by the Corporation of any term or condition of this Agreement shall constitute a default under the Collateral Documents and the Note, and any default or Event of Default under any of the Collateral Documents or the Note shall be an Event of Default hereunder.

**SECTION 8.2. Exclusiveness.** This Agreement, the Lease, the Note, the Collateral Documents and any other documents and instruments made pursuant hereto are made for the sole protection of the Corporation and the Lender, and the Lender's successors and assigns, and no other person shall have any right of action or beneficial interest hereunder or thereunder.

**SECTION 8.3. Notice.** All notices provided for herein shall be in writing and shall be given personally or by mail or by overnight private delivery service, addressed to the appropriate party at the following addresses or such other address as the party who is to receive such notice may designate in writing:

Central Mississippi Public Improvement Corporation  
c/o Central Mississippi Planning and Development District  
1170 Lakeland Drive  
Jackson, Mississippi 39216  
Attn: President

BancorpSouth Bank  
P.O. Box 1605  
Jackson, Mississippi 39215  
Attn: Senior Vice President – Municipal Lending

Madison County, Mississippi  
125 W. North Street  
Canton, Mississippi 39046  
Attn: Chancery Clerk

Notice by mail shall be addressed to the party with the proper amount of postage affixed thereto. Such notice shall be effective four business days after such mailing, and actual receipt of notice shall not be required to effect notice hereunder.

**SECTION 8.4. Governing Law.** This Agreement, the Note, the Collateral Documents and all other documents evidencing or securing the Term Loan, and the rights and obligations of the parties thereto, shall be construed and interpreted in accordance with the laws of the State.

**SECTION 8.5. Reserved.**

**SECTION 8.6. Modification and Waiver.** No provision of this Agreement may be amended, waived or modified except by an instrument in writing signed by the Lender, the Corporation, and the County.

**SECTION 8.7. Materiality.** All representations and warranties made herein and in documents delivered in support of the Term Loan shall be deemed to have been material and relied on by the Lender and shall survive the execution and delivery of this Agreement, the Collateral Documents, the Note and the disbursements and advances of funds made pursuant to this Agreement.

**SECTION 8.8. Headings.** All descriptive headings of articles and sections in this Agreement are inserted for convenience only, and shall not affect the construction or interpretation hereof.

**SECTION 8.9. Severability.** Inapplicability or unenforceability of any provisions of this Agreement shall not limit or impair the operation or validity of any other provision of this Agreement.

**SECTION 8.10. Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but such counterparts shall together constitute one and the same document.

**SECTION 8.11. Assignability.** Except as provided in the Assignment Agreement, neither this Agreement, nor any right or obligation hereunder, is assignable by the Corporation or the County. The Corporation or the County will not convey or encumber the Property or Improvements or any collateral subject to any of the Collateral Documents by lease or other liens without the prior written consent of the Lender. The rights of the Lender under this Agreement are assignable in part or wholly and any assignee of the Lender shall succeed to and be possessed of the rights of the Lender hereunder to the extent of the assignment made. The Lender shall notify the Corporation of any such assignment.

**SECTION 8.12. No Agency Relationship.** The Lender is not the agent or representative of the Corporation, and this Agreement shall not make the Lender liable to materialmen, contractors, suppliers, craftsmen, laborers or others for goods delivered to or services performed by them upon the Property, or for debts or claims accruing to such parties against the Corporation and there is no contractual relationship, either expressed or implied, between the Lender and any materialman, contractors, suppliers, craftsman, laborer, or any other person supplying any work, labor or materials for the improvement of the Property.

**SECTION 8.13. Waiver.** No course of dealing and no delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any indebtedness of the Corporation to the Lender shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any right or remedy. The Lender may, upon notice to the Corporation, remedy any

default by the Corporation to the Lender or any other person, firm or corporation in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Corporation and shall be reimbursed for any and all of its expenses in so remedying such default. All rights and remedies of the Lender hereunder are cumulative.

**SECTION 8.14. Collateral Assignment.** The Corporation hereby assigns to the Lender as additional collateral for the payment of the Corporation's indebtedness to the Lender or for payment of the Note as appropriate, and performance of the Corporation's obligations hereunder, under the Note, and under the Collateral Documents all the Corporation's right, title, and interest in:

- (i) The Lease;
- (ii) Any Plans and Specifications and working drawings for the Project;
- (iii) The Corporation's books and records relating to the Property or acquisition and renovation of the Improvements; and
- (iv) All contracts, agreements or other documents now or hereafter made by the Corporation relating to the Property or the construction, equipping, marketing, management, sale or lease of all or any part of the Improvements or Property.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be signed by their duly authorized officers and their corporate seals to be hereunto affixed, all as of the date first set forth above.

**CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**

BY: \_\_\_\_\_  
President

**ATTEST:**

BY: \_\_\_\_\_  
Secretary

**BANCORPSOUTH BANK, Jackson, Mississippi**

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

**APPROVED BY:**

**MADISON COUNTY, MISSISSIPPI**

BY: \_\_\_\_\_  
President, Board of Supervisors

**ATTEST:**

BY: \_\_\_\_\_  
Chancery Clerk

Signature page to Loan Agreement, dated \_\_\_\_\_, 2013, between Central Mississippi Public Improvement Corporation, BancorpSouth Bank, Jackson, Mississippi, and Madison County, Mississippi.

**EXHIBIT A**

**REAL PROPERTY DESCRIPTION**

[to be provided]

**EXHIBIT B**

**BASE RENTAL PAYMENT**

**TOTAL AGGREGATE  
BASE RENTAL PAYMENTS**

| Date   | Principal             | Rate   | Interest            | Period Total          | Fiscal Total |
|--------|-----------------------|--------|---------------------|-----------------------|--------------|
| 3/1/14 |                       |        | \$43,530.20         | \$43,530.20           |              |
| 9/1/14 | \$205,000.00          | 3.689% | 44,268.00           | 249,268.00            | \$292,798.20 |
| 3/1/15 |                       |        | 40,486.78           | 40,486.78             |              |
| 9/1/15 | 210,000.00            | 3.689  | 40,486.78           | 250,486.78            | 290,973.55   |
| 3/1/16 |                       |        | 36,613.33           | 36,613.33             |              |
| 9/1/16 | 220,000.00            | 3.689  | 36,613.33           | 256,613.33            | 293,226.65   |
| 3/1/17 |                       |        | 32,555.43           | 32,555.43             |              |
| 9/1/17 | 225,000.00            | 3.689  | 32,555.43           | 257,555.43            | 290,110.85   |
| 3/1/18 |                       |        | 28,405.30           | 28,405.30             |              |
| 9/1/18 | 235,000.00            | 3.689  | 28,405.30           | 263,405.30            | 291,810.60   |
| 3/1/19 |                       |        | 24,070.73           | 24,070.73             |              |
| 9/1/19 | 245,000.00            | 3.689  | 24,070.73           | 269,070.73            | 293,141.45   |
| 3/1/20 |                       |        | 19,551.70           | 19,551.70             |              |
| 9/1/20 | 250,000.00            | 3.689  | 19,551.70           | 269,551.70            | 289,103.40   |
| 3/1/21 |                       |        | 14,940.45           | 14,940.45             |              |
| 9/1/21 | 260,000.00            | 3.689  | 14,940.45           | 274,940.45            | 289,880.90   |
| 3/1/22 |                       |        | 10,144.75           | 10,144.75             |              |
| 9/1/22 | 270,000.00            | 3.689  | 10,144.75           | 280,144.75            | 290,289.50   |
| 3/1/23 |                       |        | 5,164.60            | 5,164.60              |              |
| 9/1/23 | <u>280,000.00</u>     | 3.689  | <u>5,164.60</u>     | <u>285,164.60</u>     | 290,329.20   |
| Totals | <u>\$2,400,000.00</u> |        | <u>\$511,664.34</u> | <u>\$2,911,664.34</u> |              |

**EXHIBIT C**

**FORM OF NOTE**

**PROMISSORY NOTE  
(MADISON COUNTY, MISSISSIPPI  
LEASE PURCHASE - SOUTH MADISON COUNTY ANNEX PROJECT)**

**Evidencing the Total Interest of the  
Owner Hereof in a Lease, Including the Right to Receive  
Base Rental Payments to be Made by**

**MADISON COUNTY, MISSISSIPPI**

**Note No. R-1**

**\$2,400,000**

| <u>INTEREST RATE</u> | <u>ORIGINAL<br/>MATURITY DATE</u> | <u>NOTE R-1 DATE</u> |
|----------------------|-----------------------------------|----------------------|
| 3.689%               | September 1, 2023                 | _____, 2013          |

**OWNER: BancorpSouth Bank, Jackson, Mississippi**

**PRINCIPAL AMOUNT: Two Million Four Hundred Thousand And 00/100 Dollars**

Central Mississippi Public Improvement Corporation, a not for profit corporation organized and existing under the laws of the State of Mississippi (the "Corporation"), for value received, hereby promises to pay, in immediately available funds, to the order of BancorpSouth Bank, Jackson, Mississippi (the "Lender") or its assigns, the aggregate principal sum equal to the outstanding principal amount of this Note of \$2,400,000 together with interest on the unpaid principal balance thereof from the date hereof until fully and finally paid, premium, if any, together with all taxes levied or assessed on this Note or the debt evidenced hereby against the holder hereof and all other amounts payable by the Corporation under the Loan Agreement (as hereinafter defined). This Note shall bear interest at the interest rate stated above, calculated using a three hundred sixty (360) day year based on twelve (12) thirty (30) day months.

The Lender, as the owner of this Promissory Note (Madison County, Mississippi Lease Purchase - South Madison County Annex Project), is the owner of a proportionate interest in, including the right to receive Base Rental payable under, a Lease and Option to Purchase dated as of \_\_\_\_\_, 2013 (the "Lease"), by and between Madison County, Mississippi (the "County"), a political subdivision of the State of Mississippi, as lessee, and the Corporation, as lessor. All payments under the Loan Agreement dated \_\_\_\_\_, 2013 (the "Loan Agreement"), by and between the Corporation and the Lender, with the approval of the County, and the Note represent the Lender's right to receive a proportionate share of the Base Rental and Additional Rental Payments under the Lease. The Note and the Term Loan, as defined in the Loan Agreement, shall be payable solely from Base Rental and Additional Rental paid by the County to the Lender as provided by the Lease.

The Lender is entitled to receive, subject to the terms of the Lease and unless sooner paid in full, on the maturity date identified above, the principal amount identified above, representing a proportionate share of the total Base Rental payments designated as principal coming due on or prior to such date, and, subject to the terms of the Lease, to receive annual payments commencing September 1, 2014, the proportionate share of the Base Rental designated as interest coming due on or prior to each of such dates. Such Base Rental designated as interest is the result of the multiplication of the outstanding portion of the Base Rental designated as principal by the interest rate specified above.

The principal amount of the Note is payable in annual installments on each September 1, as set forth in Exhibit A attached hereto, the final principal installment being due and payable on September 1, 2023. The County has agreed to pay this principal amount under the Lease as a portion of the Base Rental payments.

Interest with respect to this Note shall accrue from the date of execution and delivery hereof and shall be payable on each March 1 and September 1, commencing March 1, 2014, to final maturity of the Note, as provided on Exhibit A hereto.

Amounts due hereunder in respect of principal are payable in lawful money of the United States of America upon the surrender hereof at maturity or the earlier prepayment hereof at BancorpSouth Bank, Jackson, Mississippi.

The Note is subject to prepayment on any date without a prepayment penalty at the option of the Corporation with the consent of the County. The Corporation and the County will give the Lender written notice of any prepayment at least thirty (30) business days prior to making any prepayment.

The County is authorized to enter into the Lease pursuant to the laws of the State of Mississippi. The County has entered into the Lease for the purpose of leasing certain facilities (the "Project") in connection with the performance of the County's governmental functions. The Corporation has assigned all of its right, title and interest (other than its obligation to cause the Project to be acquired, constructed, renovated, delivered and installed and its rights to indemnification and payment for its costs and expenses) in and to the Lease, including the right to receive Base Rental thereunder, to the Lender, pursuant to the Assignment Agreement (the "Assignment Agreement"), dated as of \_\_\_\_\_, 2013, by and between the Corporation and the Lender.

This Note has been executed and delivered by the Corporation pursuant to the terms of the Loan Agreement. Reference is hereby made to the Lease, the Loan Agreement and the Assignment Agreement (copies of all of which are on file at the aforesaid offices of the Lender) for a description of the terms on which the Note is delivered, and the rights thereunder of the owner of the Note and the rights, duties and immunities of the Lender and the rights and obligations of the County under the Lease, to all of the provisions of which the owner of this Note, by acceptance hereof, assents and agrees.

The obligation of the County to make Base Rental and Additional Rental payments under the Lease constitutes a binding obligation of the County in accordance with the terms of said Lease. The County is required under the Lease to pay Base Rental from any source of lawfully



available funds. The County has covenanted in the Lease to make the necessary annual appropriations for such purpose. Base Rental is required to be deposited with the Lender on each payment date for application to the Lease Purchase Note Fund established pursuant to the Lease. The County has also pledged all amounts on deposit from time to time in the funds and accounts established pursuant to the Loan Agreement for the purposes therein specified, including the payment of all Base Rental.

The obligation of the County under the Lease is not a general obligation and does not constitute a pledge of the full faith and credit of the County, the State of Mississippi, or any political subdivision or agency within the meaning of any constitutional or statutory provisions or limitation.

To the extent and in manner permitted by the terms of the Loan Agreement, the provisions of the Loan Agreement may be amended by the parties thereto.

This Note shall not be entitled to any benefit under the Loan Agreement or become valid for any purpose until it has been duly executed and delivered to the Lender.

**THE COUNTY AND THE CORPORATION HAVE CERTIFIED, RECITED AND DECLARED** that all things, conditions and acts required by the Constitution and laws of the State of Mississippi and the Loan Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Note, do exist, have happened and have been performed in due time, form and manner, as required by law.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

**IN WITNESS WHEREOF**, this Note has been executed and delivered by the Corporation, acting pursuant to the Loan Agreement.

**DATE OF EXECUTION:** \_\_\_\_\_, 2013

**CENTRAL MISSISSIPPI PUBLIC IMPROVEMENT CORPORATION**

BY: \_\_\_\_\_  
President

ATTEST:

BY: \_\_\_\_\_  
Secretary

**APPROVED BY:**

**MADISON COUNTY, MISSISSIPPI**

BY: \_\_\_\_\_  
President, Board of Supervisors

ATTEST:

BY: \_\_\_\_\_  
Chancery Clerk

**EXHIBIT "A"**

**\$2,400,000**

**PROMISSORY NOTE**

**(Madison County, Mississippi Lease Purchase –  
South Madison County Annex Project)**

| <b>Date</b>   | <b>Principal</b>             | <b>Rate</b> | <b>Interest</b>            | <b>Period Total</b>          | <b>Fiscal Total</b> |
|---------------|------------------------------|-------------|----------------------------|------------------------------|---------------------|
| 3/1/14        |                              |             | \$43,530.20                | \$43,530.20                  |                     |
| 9/1/14        | \$205,000.00                 | 3.689%      | 44,268.00                  | 249,268.00                   | \$292,798.20        |
| 3/1/15        |                              |             | 40,486.78                  | 40,486.78                    |                     |
| 9/1/15        | 210,000.00                   | 3.689       | 40,486.78                  | 250,486.78                   | 290,973.55          |
| 3/1/16        |                              |             | 36,613.33                  | 36,613.33                    |                     |
| 9/1/16        | 220,000.00                   | 3.689       | 36,613.33                  | 256,613.33                   | 293,226.65          |
| 3/1/17        |                              |             | 32,555.43                  | 32,555.43                    |                     |
| 9/1/17        | 225,000.00                   | 3.689       | 32,555.43                  | 257,555.43                   | 290,110.85          |
| 3/1/18        |                              |             | 28,405.30                  | 28,405.30                    |                     |
| 9/1/18        | 235,000.00                   | 3.689       | 28,405.30                  | 263,405.30                   | 291,810.60          |
| 3/1/19        |                              |             | 24,070.73                  | 24,070.73                    |                     |
| 9/1/19        | 245,000.00                   | 3.689       | 24,070.73                  | 269,070.73                   | 293,141.45          |
| 3/1/20        |                              |             | 19,551.70                  | 19,551.70                    |                     |
| 9/1/20        | 250,000.00                   | 3.689       | 19,551.70                  | 269,551.70                   | 289,103.40          |
| 3/1/21        |                              |             | 14,940.45                  | 14,940.45                    |                     |
| 9/1/21        | 260,000.00                   | 3.689       | 14,940.45                  | 274,940.45                   | 289,880.90          |
| 3/1/22        |                              |             | 10,144.75                  | 10,144.75                    |                     |
| 9/1/22        | 270,000.00                   | 3.689       | 10,144.75                  | 280,144.75                   | 290,289.50          |
| 3/1/23        |                              |             | 5,164.60                   | 5,164.60                     |                     |
| 9/1/23        | 280,000.00                   | 3.689       | 5,164.60                   | 285,164.60                   | 290,329.20          |
| <b>Totals</b> | <b><u>\$2,400,000.00</u></b> |             | <b><u>\$511,664.34</u></b> | <b><u>\$2,911,664.34</u></b> |                     |



# **BancorpSouth®**

**PROPOSAL FOR MADISON COUNTY**  
**\$2,400,000.00 Madison County, Mississippi Lease Purchase, Series 2013**  
**Courthouse Annex Project**  
**AUGUST 1, 2013**

**Borrower:** Central Mississippi Public Improvement Corporation

**Loan Amount:** Up to \$2,400,000.00

**Purpose:** To provide funds for the acquisition of property and a building to be used as a Madison County Courthouse Annex located within Madison County, Mississippi.

**Rate:** A fixed interest rate of 3.689 percent per annum for the ten year term.

**Term:** Ten years.

**Principal Payments** Annually starting September 1, 2014

**Interest Payments** March 1 and September 1 each year beginning March 1, 2014

**Collateral** 1<sup>st</sup> deed of trust on property acquired with proceeds and leased to Madison County as Courthouse Annex

**Documentation** Assignment of lease between Madison County and the Central Mississippi Public Improvement Corporation

Real Estate Title Policy

Property and Casualty Insurance and Flood if necessary to protect interest of BancorpSouth . If self insured, Certificate of Self Insurance will be acceptable.

Delivery of Annual Financial audits as received by the County

Receipt of documentation evidencing Validation of Issue from attorney or judge qualified to render said Validation


Any other documentation normal and customary in closing real estate acquisitions transactions supported by assignment of lease in State of Mississippi

Appraisal not required

**Closing Cost** All closing cost paid by Madison County and/or Obligor

**Other Fees** No other fees required by BancorpSouth

BancorpSouth

  
By MD Booker Senior Vice President

Trustmark National Bank  
P.O. Box 291  
Jackson, MS 39205-0291  
601-208-5111



**Trustmark**

August 1, 2013

Madison County, Mississippi  
ATTN: Steve Pittman

Re: Madison County lease purchase

Dear Mr. Pittman:

It has come to our attention that Madison County seeks to obtain funds for the acquisition of property and a building to be used as a Madison County Courthouse Annex. We are pleased to submit this listing of possible terms for this deal to use for discussion purposes only. **This is not a commitment to lend, and this request, once finalized, would require formal credit approval from the bank.**

**Issuer:** A non profit special purpose entity is anticipated to issue the COP. It is our understanding that the special purpose entity will assign all lease payments to be received over the life of the loan from the Mississippi Public Improvement Corporation to the purchaser for payment.

**Amount:** The maximum principal amount of the COP is anticipated to be \$2,400,000

**Purpose:** The COP will be issued as a means of securing funding for the acquisition of property and a building that was originally Madison County bank to be used as a Madison County Courthouse Annex

**Structure:** The term of the note will be 10 years. Interest payments would be made semi-annually, while principal payments could be made either semi-annually or annually.

**Security:** The pledge of annual lease payments that are ultimately made from Madison County (including principal and interest).

**Bond Counsel:** The issuer will hire bond counsel who would create the legally required borrowing documents. Issuer bond counsel will provide an opinion as to the legality and to the tax status of the transaction. This opinion must be acceptable to the bank. We reserve the right to hire our own counsel.

**Taxability:** Interest on the Bonds will be excluded from gross income of the Bondholders for purposes of State of Mississippi income taxes. This transaction will be designated a "non bank qualified" transaction.

Interest  
Rate:

Upon issuance of the Bonds, the interest rates for each maturity will be fixed for the term of the note. Based on today's environment, a non bank qualified rate of 4.25% to 4.60% would be anticipated for Certificates with the aforementioned characteristics.

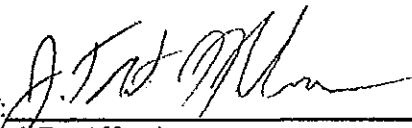
Confidentiality: The contents of this letter are intended for discussion purposes by the parties named herein. Any contents should not be shared with any other party.

We appreciate the opportunity to discuss this prospective deal with you. Please call me at 601-208-6161 if you have any questions.

Sincerely,

TRUSTMARK NATIONAL BANK

BY:



J. Trent Marchman  
Relationship Manager Associate

8/1/13

Date



# Community Trust Bank

August 1, 2013

Government Consultants, Inc.  
Attn: Steve Pittman  
1830 Crane Ridge Drive  
Jackson, MS 39216

Re: Madison County, Mississippi Lease Purchase, Series 2013

Dear Mr. Pittman,

This letter is a proposal to be used as the basis for continued discussions, and does not constitute a commitment or a contract for financing, or an offer to enter into a contract for financing on the part of Community Trust Bank. The terms upon which a financing facility may be offered are subject to the completion of due diligence, formal credit approval of Community Trust Bank ("Bank") and documentation satisfactory to the Bank.

Subject to the forgoing, we are prepared to continue discussions with you and work toward offering financing according to the following terms and conditions:

**Borrower:** Central Mississippi Public Improvement Corporation

**Loan Amount:** \$2,400,000

**Purpose:** Acquisition of property and a building to be used as a Madison County Courthouse Annex located within Madison County, MS.

**Term:** Ten years from closing.

**Rate:** 10 year swap rate plus 225bps, fixed at the time of closing.  
(Currently 5.02%)

**Commitment Fee:** None

**Repayment:** Principal due annually beginning September 1, 2014.  
Interest due March 1 and September 1 of each year, beginning March 1, 2014

**Collateral:** Assignment of Lease between Central Mississippi Public Improvement Corporation and Madison County, Mississippi  
1<sup>st</sup> D/T on Courthouse Annex in Madison County, MS

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**Other Requirements:**

Closing is subject to satisfactory completion and execution of all required legal documentation, including, but not limited to, promissory notes, loan agreement, and filing documents, and to satisfaction of all other requirements of Bank for transactions typical of this nature, as Bank in its sole discretion deems appropriate.

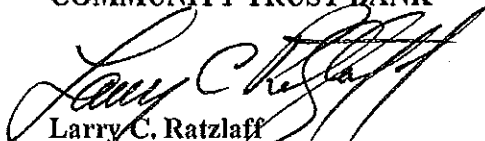
**Financial Information:**


Annually, Financial Statements for Madison County, Mississippi.  
Annually, Final Adopted Budget for Madison County, Mississippi.

Please note the final commitment shall contain greater detail on the terms and conditions of the credit facilities. Again, thank you for the opportunity to provide you with this proposal.

Sincerely,

**COMMUNITY TRUST BANK**

  
Larry C. Ratzlaff  
Executive Vice President

  
Melissa Peters  
Assistant Vice President

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The foregoing proposal is hereby accepted, and undersigned agrees to accept the credit(s) described therein this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

Accepted by:  
Central Mississippi Public Improvement Corporation

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

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

Date: \_\_\_\_\_





August 1, 2013

Mr. Steve Pittman  
Government Consultants, Inc.  
gcms@bellsouth.net  
601-982-0005

RE: Central Mississippi Public Improvement Corporation

Dear Steve:

It is my pleasure to inform you that Regions Bank ("Bank") has approved the following credit facility for Central Mississippi Public Improvement Corporation ("Borrower") based on the following terms and conditions:

**BORROWER:** Central Mississippi Public Improvement Corporation

**AMOUNT:** Not to exceed \$2,400,000.00

**PURPOSE:** Providing funds for the acquisition of property and a building to be used as a Madison County Courthouse Annex located within Madison County, Mississippi.

**RATE:** **As of today 4.39% fixed for 10 years.** Rate is subject to change based on rate change for 10 year treasury notes from today until delivery. As of today 10 year T bills rate is 2.58% . Spread over this rate is 1.81%, which will remain constant until delivery.

**REPAYMENT:** As per Fact Sheet

**FEES:** None

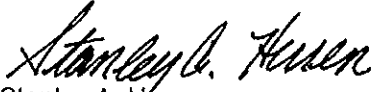
**MATURITY:** September 1, 2023

**COLLATERAL:** As per the Security section of the Fact Sheet.

**OTHER:** As per Fact Sheet for this offering

Your consideration of our proposal for this offering is appreciated. If you have any questions please call.

Sincerely,



Stanley A. Herren  
Senior Vice President  
1020 Highland Colony Parkway, Suite 200  
Ridgeland, MS 39157  
601-790-8072

**AGREED TO AND ACCEPTED:**

Central Mississippi Public Improvement Corporation

BY:

Its:

Date:

Madison County

By:

Its:

Date: