

LOAN AGREEMENT

Between

MISSISSIPPI DEVELOPMENT BANK

And

MADISON COUNTY, MISSISSIPPI

Acknowledged and Accepted by:

Hancock Bank, as Trustee

Secured by:

\$ _____,000

PROMISSORY NOTE, SERIES 2013C

(Madison County, Mississippi Highway Refunding Project),

Dated _____, 2013

The interest of the Mississippi Development Bank in this Loan Agreement, except for certain rights retained by the Mississippi Development Bank pursuant to Section 4.6 hereof, has been assigned to Hancock Bank, as Trustee under the Indenture of Trust dated _____, 2013 between Hancock Bank and the Mississippi Development Bank.

TABLE OF CONTENTS

Page

**ARTICLE I
DEFINITIONS, EXHIBITS AND MISCELLANEOUS**

SECTION 1.1 Definitions 2
SECTION 1.2 Exhibit..... 8
SECTION 1.3 County's Acts..... 8
SECTION 1.4 Rules of Interpretation. 8

**ARTICLE II
REPRESENTATIONS OF THE BANK AND THE COUNTY**

SECTION 2.1 Representations and Warranties of the Bank 9
SECTION 2.2 Representations and Warranties of the County. 10
SECTION 2.3 Survival..... 12

**ARTICLE III
APPLICATION OF LOAN PROCEEDS**

SECTION 3.1 Application of Loan Proceeds. 13
SECTION 3.2 Reserved. 13
SECTION 3.3 Reserved. 13
SECTION 3.4 Payment for Costs of the Refunded Series 2006 Bonds. 13
SECTION 3.5 Reserved. 13
SECTION 3.6 Disposition of Surplus Funds. 13
SECTION 3.7 Insufficient Series 2013C Bond Proceeds..... 13
SECTION 3.8 Payment of Costs by County. 14
SECTION 3.9 Issuance of Series 2013C Bonds. 14

**ARTICLE IV
THE LOAN, BASIC PAYMENTS AND ADDITIONAL CHARGES**

SECTION 4.1 The Loan..... 15
SECTION 4.2 Basic Payments. 15
SECTION 4.3 Pledge of Project Revenues of MDOT. 16
SECTION 4.4 Additional Charges. 16
SECTION 4.5 County's Obligations..... 17
SECTION 4.6 Assignment of the Bank's Rights. 17
SECTION 4.7 County's Remedies..... 18
SECTION 4.8 Agreement Withholding County Moneys to Satisfy Delinquent Payments. 18

ARTICLE V
 FUNDS CREATED AND ESTABLISHED IN THE INDENTURE, APPLICATION THEREOF
 AND SECURITY THEREFOR

SECTION 5.1	Indenture Funds and Accounts.	19
SECTION 5.2	Refunding Account.	19
SECTION 5.3	General Account and Redemption Account.	20
SECTION 5.4	Investment of Moneys Held by Any Fiduciary.	20
SECTION 5.5	Direction of Investments.	20

ARTICLE VI
 PROJECT COVENANTS

SECTION 6.1	Affirmative Covenants of the County.	20
SECTION 6.2	Highway Project Operation and Maintenance.	20
SECTION 6.3	Covenants in Bond Documents.	21
SECTION 6.4	Conduct of Governmental Operations.	21
SECTION 6.5	Payment of Indebtedness.	21
SECTION 6.6	Performance of Obligations.	21
SECTION 6.7	Indebtedness and Liens.	21

ARTICLE VII
 [RESERVED]

ARTICLE VIII
 COUNTY'S SECURITY AND TAX COVENANTS

SECTION 8.1	Covenants for the Benefit of the Trustee and the Bondholders.	22
SECTION 8.2	Inspection and Access.	22
SECTION 8.3	Certificate of Compliance and Other Reports.	22
SECTION 8.4	Continuing Disclosure.	23
SECTION 8.5	Tax Covenants.	23

ARTICLE IX
 COUNTY'S OPTIONS

SECTION 9.1	Prepayment of the Series 2013C Note and Termination of this Loan Agreement.	24
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ARTICLE X
 EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1	Events of Default.	25
SECTION 10.2	Remedies.	25
SECTION 10.3	Disposition of Funds.	26
SECTION 10.4	Nonexclusive Remedies.	26
SECTION 10.5	Attorneys' Fees and Expenses.	26
SECTION 10.6	Effect of Waiver.	27

SECTION 10.7	Waiver of Stay or Extension.....	27
SECTION 10.8	The Bank May File Proofs of Claim.....	27
SECTION 10.9	Restoration of Positions.....	27
SECTION 10.10	Performance by Third Parties.....	27
SECTION 10.11	Exercise of the Bank's Remedies by Trustee.....	28

ARTICLE XI
GENERAL

SECTION 11.1	Amounts Remaining in Funds.....	28
SECTION 11.2	Notices.....	28
SECTION 11.3	Binding Effect.....	29
SECTION 11.4	Severability.....	29
SECTION 11.5	Amendments, Changes and Modifications.....	29
SECTION 11.6	Execution Counterparts.....	29
SECTION 11.7	Required Approvals.....	29
SECTION 11.8	Limitations on Bank, County and MDOT Liability.....	29
SECTION 11.9	Representations of County.....	31
SECTION 11.10	Survivorship of Obligations.....	31
SECTION 11.11	Administrative Fees, Attorneys' Fees and Costs.....	31
SECTION 11.12	Governing Law.....	31

EXHIBIT A - Form of Series 2013C Note

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated _____, 2013 (this “Loan Agreement”), is by and between the **MISSISSIPPI DEVELOPMENT BANK** (the “Bank”), a public body corporate and politic of the State of Mississippi (the “State”), exercising essential public functions and organized under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the “Bank Act”), and **MADISON COUNTY, MISSISSIPPI**, a political subdivision organized and validly existing under the Constitution and laws of the State (the “County”).

RECITALS:

A. The Bank is authorized by the provisions of the Bank Act to, among other things, loan money to local governmental units for any purposes set forth under the Bank Act.

B. The Bank is further authorized to issue revenue bonds for the purpose of providing funds to pay all or a part of the cost of providing the aforementioned loans to local governmental units, and to pledge or assign any money, rents, charges, fees or other revenues and any proceeds derived from the loans with such local governmental units.

C. The Bank has duly authorized as a project under the Bank Act the financing and refinancing of the Highway Project (as hereinafter defined) or portions thereof, as applicable.

D. The Bank has duly authorized the issuance, as provided in the Indenture (as hereinafter defined), of its Mississippi Development Bank Special Obligation Refunding Bonds, Series 2013C (Madison County, Mississippi Highway Refunding Project), dated the date of issuance and delivery thereof (the “Series 2013C Bonds”), pursuant to the Bank Act in the original aggregate principal amount of \$_____,000, in order to loan the proceeds thereof to the County to provide funds for the financing of the Project (as hereinafter defined) pursuant to this Loan Agreement.

E. The obligations arising from this Loan Agreement are evidenced by a \$_____,000 Promissory Note, Series 2013C (Madison County, Mississippi Highway Refunding Project) dated _____, 2013 (the “Series 2013C Note”), pursuant to which the amount of payments to be made to the Bank by the County or caused to be paid by the County in respect of the Series 2013C Note shall be sufficient to pay the principal of, premium, if any, and interest on the Series 2013C Bonds as and when the same shall become due and payable.

F. The Series 2013C Bonds are to be issued pursuant to and secured by an Indenture of Trust (the “Indenture”) dated even date herewith, by and between the Bank and Hancock Bank, as Trustee (the “Trustee”).

G. The Bank shall loan the proceeds of the Series 2013C Bonds to the County pursuant to the terms and provisions of this Loan Agreement, which has been authorized, executed and delivered by the County.

H. To further secure the payment of the Series 2013C Bonds pursuant to this Loan Agreement, the County has authorized, executed and delivered the Series 2013C Note, which

Series 2013C Note and this Loan Agreement (except certain rights retained by the Bank) the Bank has assigned or will assign to the Trustee.

I. To secure further the payment of the Series 2013C Bonds, the County will pledge (1) the Project Revenues (as hereinafter defined) from the Cooperative Agreement (as hereinafter defined) as assigned to the Trustee pursuant to the Assignment Agreement (as hereinafter defined) and (2) the Intercept Moneys (as hereinafter defined).

J. The amounts owed under this Loan Agreement and the Series 2013C Note are payable from Project Revenues and Intercept Moneys on a parity of lien with amounts owed under the Series 2006 Loan Agreement and the Series 2006 Note (each as hereinafter defined), and any additional indebtedness incurred under the Cooperative Agreement.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS LOAN AGREEMENT WITNESSETH:

That the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree as follows:

**ARTICLE I
DEFINITIONS, EXHIBITS AND MISCELLANEOUS**

SECTION 1.1 Definitions.

The terms used herein, unless the context hereof shall require otherwise, shall have the following meanings, and any other terms defined in Section 1.01 of the Indenture shall have the same meanings when used herein as assigned them in the Indenture, unless the context or use thereof indicates another or different meaning or intent.

“Act” means together the Bank Act, the Refunding Act and the Authorizing Acts.

“Additional Charges” means the payments required by Section 4.4 of this Loan Agreement.

“Administrative Expenses” means the reasonable and necessary fees, costs or expenses incurred or payable by the County to the Bank pursuant to this Loan Agreement or the Indenture, including compensation and expenses paid to or incurred by the Trustee or any paying agent under this Loan Agreement or the Indenture.

“Assignment Agreement” means the Assignment Agreement dated _____, 2013, by and between the County and the Trustee, whereby the County assigns to the Trustee its rights under the Cooperative Agreement.

“Authorized County Representative” means any person or persons at the time designated to act on behalf of the County by a written certificate, signed on behalf of the County by the President of the Governing Body or other duly authorized Person and its Chancery Clerk or other authorized Person and furnished to the Bank and the Trustee, containing the specimen signature of each such person.

“Authorized MDOT Representative” means any person or persons at the time designated to act on behalf of MDOT and the Commission by a written certificate, signed on behalf of MDOT and/or the Commission by an authorized Person.

“Authorizing Acts” means Sections 65-1-8(2)(z) and 17-13-1 *et seq.*, of the Mississippi Code of 1972, as amended and supplemented from time to time.

“Bank” means the Mississippi Development Bank, a public body corporate and politic of the State, exercising essential public functions and organized under the provisions of the Bank Act.

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

“Basic Payments” means all payments required by Section 4.2 of this Loan Agreement.

“Bond Closing” means the date on which there is delivery by the Bank of, and payment for, the Series 2013C Bonds.

“Bond Counsel” means an attorney or firm of attorneys approved by the County, MDOT and the Bank that is nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with Section 148(f) of the Code.

“Bond Documents” means the Indenture, this Loan Agreement, the Series 2013C Note, the Series 2013C Bonds, the Assignment Agreement, the Intercept Agreement, the Cooperative Agreement, the Escrow Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and all other agreements, instruments, documents, notices of assignment, schedules, assignments, pledges, powers of attorney, leases, trust account agreements, certificates, consents, contracts, notices, and all other written matter and all amendments, modifications, supplements, extensions and restatements thereof and thereto, and all agreements, notes, documents or instruments delivered in substitution therefor, or in lieu thereof, whether heretofore, now, or hereafter executed by or on behalf of the County, or any other person that are delivered to the Trustee, the Bank or any participant with respect to the transactions contemplated in the Indenture.

“Bondholder” or **“Holder of Bonds”** or **“Owner of Bonds”** or any similar term means the registered owner of any Series 2013C Bond.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated _____, 2013 by and between the Bank and the Original Purchaser.

“Bond Register” means, when used with respect to the Series 2013C Bonds, the registration records maintained by the Trustee pursuant to Section 3.06 of the Indenture.

“Certificate” means as the case may be, either (a) a signed document attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or

(b) a signed document setting forth matters to be determined by an Authorized County Representative or Authorized MDOT Representative pursuant to this Loan Agreement.

“Code” or “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time and in effect on the date of issuance of the Series 2013C Bonds, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto.

“Commission” means the Mississippi Transportation Commission and any successor thereto.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated _____, 2013 by and among the Bank, the Commission, the County and the Trustee.

“Cooperative Agreement” means the Amended and Restated Interlocal Cooperative Agreement between the Commission and the County effective as of July 25, 2006, as the same may be further amended and supplemented from time to time.

“Costs of Issuance” means any and all reasonable costs and expenses properly documented relating to the issuance, sale and delivery of the Series 2013C Bonds, and the execution and delivery of the Bond Documents, including, but not limited to, all reasonable fees and expenses properly documented of legal counsel, financial consultants, feasibility consultants and accountants, the initial reasonable fees and expenses of the Trustee, any fee to be paid to the Bank, the preparation and printing of the Bond Documents, any preliminary official statement and final official statement, the Series 2013C Bonds and all other related closing documents and certificates, and all other expenses relating to the issuance, sale and delivery of the Series 2013C Bonds to be paid from the proceeds of the Series 2013C Bonds, including but not limited to any other costs which are treated as “issuance costs” within the meaning of Section 147(g) of the Code, including the costs, fees and expenses of the Original Purchaser in connection with the initial sale and issuance of the Series 2013C Bonds.

“County” means Madison County, Mississippi and any successor thereto.

“Date of this Loan Agreement” means _____, 2013.

“Depository” means any bank, trust company or national banking association selected by the County and approved by the Trustee and MDOT as a depository of moneys and securities held under the provisions of this Loan Agreement, and its successor or assign or successors or assigns.

“Discharge Date” means the date on which all Outstanding Bonds are discharged under Article IX of the Indenture.

“Escrow Agent” means Hancock Bank, in its capacity as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Deposit Trust Agreement, dated _____, 2013 by and among the Bank, the County and the Escrow Agent.

“Event of Default” means any of the events set forth in Section 10.1 hereof.

“Fiduciary” or **“Fiduciaries”** means the Trustee, any paying agent, the Depository or any or all of them, as may be appropriate.

“Fiscal Year” means, when used with respect to the County, a period beginning on October 1 in any year and ending on September 30 of the following year.

“Fund” means any fund described in Article VI of the Indenture.

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

“General Fund” means the Fund by that name created pursuant to Section 6.02 of the Indenture.

“Governing Body” means the Board of Supervisors of the County.

“Highway Project” means the design, right of way acquisition, and construction of a split-diamond interchange, frontage roads and connector roads which together provide additional capacity to United States Interstate Highway 55 from Old Agency Road to State Road 463, along with the connector road of Madison Avenue in the City of Madison, Mississippi from Highland Colony Parkway to United States Highway 51 and State Highway 463 from Grandview Boulevard/Galleria Parkway to United States Highway 51 and the construction of a multi-lane McClellan Drive in the City of Ridgeland, Mississippi from Highland Colony Parkway to United States Highway 51, or any other highway, road and/or bridge improvements in the County, more specifically described in the Cooperative Agreement.

“Indenture” means the Indenture of Trust dated _____, 2013 by and between the Bank and the Trustee, as the same may from time to time be amended or supplemented as therein provided.

“Intercept Agreement” means the Intercept Agreement dated _____, 2013, by and between the County and the Bank described in Section 4.8 to this Loan Agreement.

“Intercept Moneys” means any moneys which the County is entitled to receive from time to time pursuant to the Cooperative Agreement, which MDOT has included in its annual budget and has been appropriated by the Mississippi Legislature in accordance with law, and which is or may be in possession of the State Treasurer's Office, the Commission, MDOT or any State agency, department or commission created pursuant to State law.

“Interest Payment Date” means each January 1 and July 1, commencing _____ 1, 201____, and ending on the date of payment in full of the Series 2013C Bonds.

“Investment Securities” means any of the following to the extent such investments are permitted by State law: (a) obligations of any municipality of the State or the State or the United States of America rated at least “A” by Standard & Poor’s or Moody’s; (b) obligations the principal and interest of which are fully guaranteed by the State or the United States of America; (c) obligations of any corporation wholly owned by the United States of America; (d) obligations

of any corporation sponsored by the United States of America which are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System; (e) obligations of insurance firms or other corporation whose investments are rated “AA” or better by recognized rating companies; (f) certificates of deposit or time deposits of qualified depositories of the State as approved by the State Depository Commission, secured in such manner, if any, as the Bank shall determine; (g) contracts for the purchase and sale of obligations of the type specified in items (a) through (e) above; (h) repurchase agreements secured by obligations specified in items (a) through (e) above; or (i) money market funds rated “AAm” or “AAm-G” or better by Standard & Poor’s, the assets of which are required to be invested in obligations specified in items (a) through (f) above.

“**Loan**” means the loan of the proceeds of the Series 2013C Bonds by the Bank to the County described in Section 4.1 of this Loan Agreement.

“**Loan Agreement**” means this Loan Agreement by and between the Bank and the County, as the same may from time to time be amended or supplemented as provided herein and in the Indenture.

“**Loan Proceeds**” means the Net Proceeds of the sale of the Series 2013C Bonds and investment earnings thereon deposited with the Trustee under the Indenture.

“**MDOT**” means the Mississippi Department of Transportation.

“**MDOT Tax Certificate**” means MDOT’s Tax Certificate delivered as of the Bond Closing for the Series 2013C Bonds.

“**Net Proceeds**” means proceeds from the sale of the Series 2013C Bonds at the public offering price, plus any original issue premium, less any original issue discount and less the Original Purchaser's discount.

“**Original Purchaser**” means, collectively, Morgan Stanley & Co. LLC, New York, New York, Merrill Lynch, Pierce, Fenner & Smith Inc., New York, New York, Raymond James & Associates, Inc., Memphis, Tennessee, and Duncan-Williams, Inc., Memphis, Tennessee, as the original purchasers of and underwriters for the Series 2013C Bonds.

“**Outstanding**” means all Series 2013C Bonds that have been authenticated and delivered by the Trustee under the Indenture, including Series 2013C Bonds held by the Bank, except:

- (1) Series 2013C Bonds cancelled after purchase in the open market by any of the Bank, the County or MDOT, or because of payment at or redemption prior to maturity;
- (2) Series 2013C Bonds deemed paid under Article IX of the Indenture; and
- (3) Series 2013C Bonds in lieu of which other Series 2013C Bonds have been authenticated under Sections 3.05, 3.06 or 3.10 of the Indenture.

“Person” means an individual, a corporation, a limited liability company, an association, a joint stock company, a business trust, a partnership, a joint venture, an unincorporated organization, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Project” means providing funds for financing (i) the Refunding Project, and (ii) paying the Costs of Issuance.

“Project Revenues” means all revenues received by the County from the Commission pursuant to the Cooperative Agreement in connection with the financing and the refinancing of the obligations issued to finance and refinance the Highway Project, which Project Revenues are parity revenues in respect of the Series 2013C Bonds, the Series 2006 Bonds and any Additional Bonds.

“Redemption Account” means the Redemption Account of the General Fund.

“Redemption Price” means the same as that term is defined in the Indenture.

“Refunded Series 2006 Bonds” means the Series 2006 Bonds maturing January 1, [INSERT MATURITIES TO BE REFUNDED].

“Refunding Account” means the Refunding Account of the General Fund, into which a portion of the Net Proceeds will be deposited for providing funds necessary to pay the costs of the Refunding Project.

“Refunding Act” means Sections 31-27-1 *et seq.* of the Mississippi Code of 1972, as amended and supplemented from time to time.

“Refunding Project” means using a portion of the proceeds of the Series 2013C Bonds to provide funds for the advance refunding of the Refunded Series 2006 Bonds and simultaneous repayment of an equal amount of the Series 2006 Note.

“Registered Owner” means the person or persons in whose name any Series 2013C Bond shall be registered on the Bond Register.

“Series 2006 Bonds” means the \$145,000,000 (original aggregate principal amount) Mississippi Development Bank Special Obligation Bonds, Series 2006 (Madison County, Mississippi Highway Construction Project) dated October 11, 2006, which such Series 2006 Bonds are issued on a parity of lien with the Series 2013C Bonds and any Additional Bonds with respect to Project Revenues and the Intercept Moneys.

“Series 2006 Indenture” means the Indenture of Trust, dated October 11, 2006, by and between the Bank and the Trustee, providing for the issuance of the Series 2006 Bonds.

“Series 2006 Intercept Agreement” means the Intercept Agreement, dated October 11, 2006, by and between the Bank and the County, and accepted by the Trustee, entered into in connection with the issuance of the Series 2006 Bonds.

“Series 2006 Loan Agreement” means the Loan Agreement, dated October 11, 2006, by and between the Bank and the County regarding the loan from the Bank to the County of proceeds of the Series 2006 Bonds.

“Series 2006 Note” means the County’s \$145,000,000 Promissory Note (Madison County, Mississippi Highway Construction Project) dated October 11, 2006 issued under the Series 2006 Loan Agreement.

“Series 2013C Bonds” means the \$_____,000 Mississippi Development Bank Special Obligation Refunding Bonds, Series 2013C (Madison County, Mississippi Highway Refunding Project), dated as of their date of delivery, issued pursuant to Section 2.01 of this Indenture.

“Series 2013C Note” means the \$_____,000 Promissory Note, Series 2013C (Madison County, Mississippi Highway Refunding Project), dated as of its date of delivery, a form of which is attached as Exhibit A hereto.

“State” means the State of Mississippi.

“Tax Certificate” means the County's Tax Certificate delivered as of the Bond Closing for the Series 2013C Bonds and the execution and delivery of the Series 2013C Note.

“Term of this Loan Agreement” means the period of time commencing on the date of this Loan Agreement and terminating on the final payment date of the Series 2013C Bonds or upon earlier termination of this Loan Agreement under Section 9.1, whichever date occurs sooner.

“Trustee” means the state banking corporation or national banking association with corporate trust powers qualified to act as trustee under the Indenture which may be designated (originally or as a successor) as trustee for the owners of the Series 2013C Bonds issued and secured under the terms of the Indenture, and which shall initially be Hancock Bank, Jackson, Mississippi.

SECTION 1.2 Exhibit.

Exhibit A, the form of the Series 2013C Note, is attached to and by reference made a part of this Loan Agreement.

SECTION 1.3 County's Acts.

Where the County is permitted or required to do or accomplish any act or thing hereunder, the County may cause the same to be done or accomplished by a third party selected by the County with the same force and effect as if done or accomplished by the County.

SECTION 1.4 Rules of Interpretation.

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

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

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

(d) The Table of Contents and titles of articles and sections herein are for convenience only and are not a part of this Loan Agreement.

(e) For purposes of this Loan Agreement and the Indenture, a petition in bankruptcy shall be deemed dismissed only if either (1) the petition is dismissed by order of a court of competent jurisdiction and no further appeal rights exist from such order or (2) the County notifies the Trustee that such a dismissal has occurred.

(f) Any opinion of counsel required hereunder shall be a written opinion of such counsel.

ARTICLE II REPRESENTATIONS OF THE BANK AND THE COUNTY

SECTION 2.1 Representations and Warranties of the Bank.

The Bank makes the following representations and warranties as the basis for the undertakings on the part of the County herein contained:

(a) The Bank is a public body corporate and politic of the State, exercising essential public functions and organized under the provisions of the Bank Act.

(b) The Bank has full power and authority to enter into the transactions contemplated by this Loan Agreement, the Indenture and the other Bond Documents to which it is a party and to perform its obligations hereunder and thereunder.

(c) The Bank is not in default under any provisions of the laws of the State material to the performance of its obligations under this Loan Agreement and the other Bond Documents to which it is a party.

(d) The Bank has been duly authorized to execute and deliver this Loan Agreement, the Indenture, the other Bond Documents to which it is a party, the assignment of the Series 2013C Note to the Trustee and by proper action has duly authorized the execution and delivery hereof and thereof and as to the Bank, this Loan Agreement, the Indenture, the assignment of the Series 2013C Note to the Trustee and the other Bond Documents to which it is a party are valid and legally binding and enforceable in accordance with their terms, except to the extent that the

enforceability thereof may be limited (1) by bankruptcy, reorganization, or similar laws limiting the enforceability of creditors' rights generally or (2) by the availability of any discretionary equitable remedies.

(e) The Loan of the Net Proceeds of the Series 2013C Bonds for the Project as provided by this Loan Agreement will further the purposes of the Bank Act, to wit, to assist local governmental units in obtaining financing for those purposes set forth under the Bank Act in furtherance of its governmental purpose.

(f) Under existing statutes and decisions, no taxes on income or profits are imposed on the Bank.

(g) The Project comprises an authorized purpose within the meaning of the Bank Act.

(h) There is not pending any suit, action or proceeding against the Bank before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the Bank, of this Loan Agreement, the Indenture, and the other Bond Documents to which it is a party, any of its obligations hereunder or thereunder or any of the transactions contemplated hereby or thereby.

(i) No officer or member of the Bank has either a direct or an indirect financial interest in this Loan Agreement nor will any officer or member directly or indirectly benefit financially either from this Loan Agreement or the other Bond Documents to which it is a party.

(j) The Bank hereby incorporates herein and makes each of the representations and warranties contained in the other Bond Documents to which it is a party, operative and applicable for the benefit of the County and the Trustee as if the same were set forth at length herein.

SECTION 2.2 Representations and Warranties of the County.

The County represents, covenants and warrants as follows:

(a) The County is a political subdivision of the State duly organized and validly existing under the Constitution and the laws of the State and the County is a local governmental unit within the meaning of the Bank Act.

(b) The execution, delivery and performance by the County of this Loan Agreement, the Intercept Agreement, the Series 2013C Note, the Cooperative Agreement, the Escrow Agreement and each of the other Bond Documents to which it is a party are (1) within the County's governmental powers, and (2) have been duly authorized by all necessary actions of the Governing Body.

(c) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the County of this Loan Agreement, the Intercept Agreement, the Series 2013C Note, the Cooperative Agreement and the other Bond Documents to which it is a party.

(d) The Cooperative Agreement remains in full force and effect and has not been modified, amended or otherwise altered since October 11, 2006.

(e) The Project comprises an authorized purpose within the meaning of the Bank Act.

(f) To the best of the County's knowledge, as of the date hereof, the use of the Highway Project as designed and proposed to be operated complies, in all material respects, with all presently applicable highway construction standards and other laws, regulations, rules and ordinances of the federal government and the State and the respective agencies thereof and the political subdivisions in which the Highway Project is located.

(g) The County has reviewed and approved the provisions of the Indenture.

(h) To the best of County's knowledge, no public official of the County has either a direct or an indirect financial interest in this Loan Agreement nor will any public official either directly or indirectly benefit financially from this Loan Agreement or the other Bond Documents to which the County is a party.

(i) This Loan Agreement, the Intercept Agreement, the Series 2013C Note, the Cooperative Agreement, the Escrow Agreement and the other Bond Documents to which the County is a party are legal, valid and binding obligations of the County, and are enforceable against the County in accordance with their respective terms, except as such enforceability may be limited (1) by bankruptcy, reorganization, or similar laws limiting the enforceability of creditors' rights generally or (2) by the availability of any discretionary equitable remedies.

(j) There is no pending action or proceeding before any court, governmental agency or arbitrator against or directly involving the County and, to the best of the County's knowledge, there is no threatened action or proceeding affecting the County or any of its assets before any court, governmental agency or arbitrator (1) which, in any case, may materially and adversely affect the financial condition or operations of the County, (2) which seeks to restrain or would otherwise have a material adverse effect on the transactions contemplated herein, or (3) which would affect the validity or enforceability of this Loan Agreement, the Intercept Agreement, the Series 2013C Note, the Cooperative Agreement, the Escrow Agreement or the other Bond Documents to which it is a party.

(k) The County is not in default in the payment or performance of any of its obligations or in the performance of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which it is a party or by which it or any of its assets may be bound, which default would have a material and adverse effect on the governmental functions, operations, assets or condition, financial or otherwise, of the County, either individually or taken as a whole. No Event of Default hereunder or "event of default" under the Series 2013C Note or any other Bond Document to which it is a party has occurred and is continuing. The County is not in default under any order, award or decree of any court, arbitrator, or governmental authority binding upon or affecting it or by which any of its assets may be bound or affected which default would have a material adverse effect on the governmental functions, operations, assets or condition, financial or otherwise, of the County, either individually or taken as a whole, and no such order, award or decree adversely affects the ability of the County to carry on its

governmental functions as currently conducted or the ability of the County to perform its obligations under this Loan Agreement, the Intercept Agreement, the Series 2013C Note, the Cooperative Agreement and the other Bond Documents to which it is a party.

(l) The County is not a party to any contract or agreement or subject to any restriction that materially and adversely affects its governmental functions, its property or assets, or financial condition. The County is not a party to, or otherwise subject to, any provision contained in, any instrument evidencing indebtedness of the County, any agreement relating thereto or any other contract or agreement that restricts or otherwise limits the incurring of the indebtedness to be represented by this Loan Agreement, the Series 2013C Note, the Cooperative Agreement and the other Bond Documents to which it is a party.

(m) The County is in substantial compliance with all laws, orders, regulations and ordinances of all federal, foreign, State and local governmental authorities binding upon or affecting the governmental functions, operation or assets of the County, except for laws, orders, regulations and ordinances the violation of which would not, in the aggregate, have a material and adverse effect on the County's financial condition.

(n) There is no fact known to the County which materially adversely affects or in the future may (so far as the County can now foresee) materially adversely affect the property, assets or financial condition of the County which has not been set forth in this Loan Agreement, the Series 2013C Note or in the other Bond Documents to which it is a party, prior to the date hereof in connection with the transactions contemplated hereby or thereby.

(o) The County hereby incorporates herein and makes each of the representations and warranties contained in the other Bond Documents to which it is a party, operative and applicable for the benefit of the Bank and the Trustee as if the same were set forth at length herein.

(p) The County has not received notice of, and has no knowledge of, (1) any proceedings, whether actual, pending or threatened, for the taking under the power of eminent domain or any similar power or right, of all or any portion of the Highway Project; or (2) any damage to or destruction of any portion of the Highway Project; or (3) any zoning, building, fire or health code violations in respect of the Highway Project which have not heretofore been corrected.

SECTION 2.3 Survival.

The foregoing representations and warranties of the Bank and the County shall be continuing and shall survive the execution and delivery of this Loan Agreement, the Intercept Agreement, the Series 2013C Note and the other Bond Documents. The disbursement of Loan Proceeds from the Refunding Account by the Trustee shall constitute a certification by the County that the aforesaid representations, covenants and warranties are true and correct in all material respects as of the date of such disbursement.

ARTICLE III APPLICATION OF LOAN PROCEEDS

SECTION 3.1 Application of Loan Proceeds.

(a) Upon the delivery of the Series 2013C Bonds and receipt of the Net Proceeds therefor, the Bank shall deliver to the Trustee proceeds of the Series 2013C Bonds in the amount of \$ _____ (\$ _____,000 par amount of Series 2013C Bonds, less \$ _____ as the Original Purchaser's discount, plus \$ _____ for the net original issue premium) for deposit of (i) \$ _____ into the Bond Issuance Expense Account of the General Fund to provide for Costs of Issuance for the Series 2013C Bonds and the Series 2013C Note, and (ii) \$ _____ into the Refunding Account of the General Fund for use in making the Loan to the County under this Loan Agreement to be used to pay the costs of the Refunding Project, as provided in the Indenture.

(b) Notwithstanding anything to the contrary herein, the Trustee is hereby authorized and directed, to the extent there are no available funds otherwise held under the Indenture, to transfer any Series 2013C Bond funds on deposit in the Refunding Account to the General Account of the General Fund to pay principal and interest on the Series 2013C Bonds then due to prevent a default under Section 10.1(a) or (b) of the Indenture, with the Trustee receiving an Opinion of Bond Counsel stating that such transfer will not adversely affect the exclusion of interest on the Series 2013C Bonds from gross income of the holders thereof for federal income tax purposes.

SECTION 3.2 Reserved.

SECTION 3.3 Reserved.

SECTION 3.4 Payment for Costs of the Refunded Series 2006 Bonds.

Moneys deposited into the Refunding Account shall be transferred by the Trustee at the Bond Closing to the Escrow Agent to be used to provide for the advance refunding of the Refunded Series 2006 Bonds (and a like amount of the Series 2006 Note) as provided in the Escrow Agreement, but for no other purposes.

SECTION 3.5 Reserved.

SECTION 3.6 Disposition of Surplus Funds.

If any moneys remain in the Refunding Account (including moneys earned on investments of the Refunding Account made pursuant to the Indenture) after payment of all costs then due and payable, such moneys shall be used in accordance with the provisions of Section 6.11 of the Indenture.

SECTION 3.7 Insufficient Series 2013C Bond Proceeds.

If the moneys in the Refunding Account, including interest earned thereon, are not sufficient to provide all funds required by the terms of the Indenture or the Escrow Agreement, pursuant to the Cooperative Agreement MDOT will, at its sole expense, pay all such additional expenses as may be necessary to provide all funds required by the terms of the Indenture or the Escrow Agreement. The Bank does not make any warranty, either express or implied, that the

moneys which will be deposited into the Refunding Account and which, under the provisions of this Loan Agreement, will be available to provide all funds required by the terms of the Indenture or the Escrow Agreement, will be sufficient to pay all such costs. If after exhaustion of the moneys in the Refunding Account, including the interest earned thereon, MDOT pays any portion to provide all funds required by the terms of the Indenture or the Escrow Agreement, it shall not be entitled to any reimbursement therefor from the Bank, the Trustee or the Bondholders, nor shall it be entitled to any diminution or postponement of the Basic Payments or Additional Charges payable hereunder and under the Series 2013C Note.

SECTION 3.8 Payment of Costs by County.

The County agrees that it will authorize the Trustee to use the Net Proceeds of the Series 2013C Bonds for the prompt and full payment of:

- (a) All Costs of Issuance;
- (b) All other Project costs; and
- (c) All reasonable fees and expenses properly documented of the Trustee under the Indenture.

The Bank and an Authorized MDOT Representative shall approve payment of requisitions for Costs of Issuance in an amount not to exceed \$_____, which shall be paid by the Trustee from a portion of the Net Proceeds; provided, however, that such Costs of Issuance do not include Original Purchaser' discount, which amount is paid to the Original Purchaser as a net deduction of the distribution of proceeds of the Series 2013C Bonds from the Original Purchaser to the Trustee in accordance with the Bond Purchase Agreement.

SECTION 3.9 Issuance of Series 2013C Bonds.

The Bank has contracted for the sale of the Series 2013C Bonds authorized by the Indenture, and the County has and does approve the terms of the Indenture and the other Bond Documents. Forthwith upon execution of this Loan Agreement and the Indenture, or as soon thereafter as practicable, the Bank will execute the Series 2013C Bonds and cause them to be authenticated by the Trustee and delivered to or upon the direction of the Original Purchaser in accordance with the Bond Purchase Agreement for the purchase of the Series 2013C Bonds upon payment of the purchase price therefor and filing with the Trustee of the opinion of Bond Counsel as to the legality of the Series 2013C Bonds and the furnishing of all other documents required by this Loan Agreement, the Indenture and the Bond Purchase Agreement to be furnished before delivery of the Series 2013C Bonds. The Bank will then cause the Net Proceeds of the Series 2013C Bonds to be transmitted to the Trustee as provided in the Indenture.

ARTICLE IV
THE LOAN, BASIC PAYMENTS AND ADDITIONAL CHARGES

SECTION 4.1 The Loan.

The Bank agrees, upon the terms and conditions herein specified, to lend to the County the Net Proceeds received by the Bank from the sale of the Series 2013C Bonds by causing such Net Proceeds to be deposited with the Trustee for disposition as provided herein and in the Indenture. The amount of the Loan shall also be deemed to include any “original issue discount,” “original issue premium” or any other amount by which the aggregate price at which the Bank sells the Series 2013C Bonds to the Original Purchaser is less than or exceeds the aggregate principal amount of the Series 2013C Bonds. The obligation of the Bank to make the Loan shall be deemed fully discharged upon so depositing the Net Proceeds of the Series 2013C Bonds with the Trustee as set forth herein and in the Indenture.

SECTION 4.2 Basic Payments.

Subject to the provisions for prepayment set forth in Section 9.1 hereof, the County agrees to repay the Loan, or cause the Loan to be repaid, as follows:

(a) Subject to the availability of Project Revenues, the County shall pay or cause to be paid to the Trustee for the account of the Bank an amount equal to the aggregate principal amount and Redemption Price, as the case may be, of the Series 2013C Bonds Outstanding and, as interest on its obligation to pay such amount, an amount equal to interest on the Series 2013C Bonds, such amounts to be due (1) semiannually as to interest on January 1 and July 1 of each year, commencing _____ 1, 201__, in the amounts and in the manner provided in the Indenture for the payment of interest on the Series 2013C Bonds on such dates, and (2) annually as to principal on January 1 of each year, commencing January 1, 201__, to and including January 1, 2027 in an amount equal to the principal scheduled to become due on such Interest Payment Date or at maturity, all in order that the Bank can cause amounts to be deposited in the General Account of the General Fund for the payment of the principal of, Redemption Price, and interest on the Series 2013C Bonds whether at maturity, upon mandatory sinking fund redemption, if applicable, upon purchase or as otherwise provided for under the Indenture; provided, however, that the obligation of the County to make any such payment hereunder shall be reduced by the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the Bank thereunder.

(b) The County shall remit or cause to be paid Project Revenues to the Trustee for deposit into the General Account or Redemption Account, as applicable, of the General Fund under the Indenture (1) all amounts due under the Series 2013C Note and required for the payment of the principal of and the interest due on the Outstanding Series 2013C Bonds at least five (5) days prior to any Interest Payment Date, and (2) the amounts required for the payment of the purchase or Redemption Price including accrued interest on Outstanding Series 2013C Bonds being redeemed or purchased for retirement, and in each such case, such amounts shall be applied by the Trustee to such payments. The payments of principal, Redemption Price, and interest on the Series 2013C Bonds shall constitute an equal and corresponding payment on the Series 2013C Note.

SECTION 4.3 Pledge of Project Revenues of MDOT.

The principal of, premium, if any, and interest on the Series 2013C Note and other amounts due under this Loan Agreement shall be payable solely from Project Revenues payable pursuant to the Cooperative Agreement, which revenues are assigned to the Trustee pursuant to the Assignment Agreement. All amounts owed in respect of the Series 2013C Note and the Series 2006 Note are to be paid equally and ratably from Project Revenues on a parity basis with all amounts owed in respect of the Series 2006 Note and all other amounts due under the Series 2006 Loan Agreement and any Additional Bonds. Such an amount of Project Revenues as provided for in the Cooperative Agreement as will provide payments of debt service due under the Series 2013C Note and other amounts required by this Loan Agreement, the Series 2006 Note and other amounts required by the Series 2006 Loan Agreement, and any Additional Bonds, as the same shall become due, is hereby irrevocably pledged by the County to said purpose. Additionally, the County has assigned its rights under the Cooperative Agreement to the Trustee under the terms and conditions set forth in the Assignment Agreement. Neither the Series 2013C Note, the Series 2006 Note, this Loan Agreement nor the Series 2006 Loan Agreement constitutes an indebtedness of the County within the meaning of any constitutional or statutory restriction, limitation or provision, and the taxing power of the County is not pledged to the payment of the obligations under this Loan Agreement, the Series 2006 Loan Agreement, the Series 2013C Note or the Series 2006 Note, either as to principal or interest. The Bank Act, this Loan Agreement and the Intercept Agreement provide for the intercept of any moneys which the County (or Trustee as assignee of the County) is entitled to receive pursuant to the Cooperative Agreement and as further described in Section 4.8 hereof.

SECTION 4.4 Additional Charges.

Subject to the availability of Project Revenues, the County agrees to pay or cause to be paid as additional charges, when due, each and all of the following:

- (a) All Costs of Issuance, except those paid with a portion of Net Proceeds;
- (b) To or upon the order of the Trustee, upon demand, all reasonable fees properly documented of the Trustee for services rendered under the Indenture and all reasonable fees and charges properly documented of the paying agent, registrars, legal counsel, accountants, engineers, public agencies and others incurred in the performance on request of the Trustee of services required under the Indenture for which the Trustee and such other persons are entitled to payment or reimbursement; provided that after payment in full thereof the County may, without creating a default hereunder, contest in good faith the necessity or reasonableness of any such services, fees or expenses other than the Trustee's fees for ordinary services as set forth in the Indenture, paying agency fees and any fees or charges of public agencies;
- (c) To the Bank and the Trustee, the Administrative Expenses, and all other reasonable expenses properly documented and incurred by the Bank and the Trustee in relation to the Series 2013C Bonds which are not otherwise required to be paid by the County under the terms of this Loan Agreement, including any amounts to be rebated to the United States as required by Section 6.09 of the Indenture; and

(d) Any and all out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses properly documented of any counsel, accountants, appraisers or other professionals) incurred by the Trustee or the Bank at any time, in connection with (1) the preparation, negotiation and execution of this Loan Agreement, the Indenture, the Intercept Agreement, the Series 2013C Note, the Cooperative Agreement and all other Bond Documents, any amendment of or modification of this Loan Agreement, the Indenture, the Intercept Agreement, the Series 2013C Note, the Cooperative Agreement or the other Bond Documents (including in connection with any sale, transfer, or attempted sale or transfer of any interest herein to a participant or assignee), but only with the prior written consent of MDOT, which consent shall not be unreasonably withheld; (2) any litigation, contest, dispute, suit, proceeding or action, whether instituted by the Bank, the Trustee, the County or any other Person in any way relating to the Highway Project or the Series 2013C Note or the other Bond Documents; (3) any attempt to enforce any rights of the Trustee or the Bank against the County or any other Person which may be obligated to the Trustee and/or the Bank by virtue of this Loan Agreement, the Series 2013C Note or the other Bond Documents or any other document related to the Highway Project; and (4) performing any of the obligations relating to or payment of any obligations of the County hereunder in accordance with the terms hereof or any other Bond Document.

SECTION 4.5 County's Obligations.

The County will not suspend or discontinue any Basic Payments or Additional Charges, and will perform and observe all of its other agreements in this Loan Agreement, and, except as expressly permitted in Section 9.1, will not terminate this Loan Agreement for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction or damage to the Highway Project, the taking of the Highway Project by condemnation or otherwise, the lawful prohibition of the use of the Highway Project, the interference with such use by any Person, the invalidity or unenforceability or lack of due authorization or other infirmity of this Loan Agreement, the Series 2013C Note or any other Bond Document, or lack of right, power or authority of the Bank to enter into this Loan Agreement, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Bank or the Trustee, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State or any political subdivision thereof, or failure of the Bank to perform and observe any agreement, whether express or implied or any duty, liability or obligation arising out of or connected with this Loan Agreement, the Series 2013C Note or any other Bond Document, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Basic Payments, Additional Charges and other amounts payable by the County hereunder from Project Revenues shall be paid in full when due without any delay or diminution whatever.

SECTION 4.6 Assignment of the Bank's Rights.

As security for the payment of the Series 2013C Bonds, the Bank hereby pledges the amounts payable hereunder and under the Series 2013C Note, and hereby assigns, without recourse or liability, to the Trustee, the Bank's rights under this Loan Agreement (except certain rights retained by the Bank) and under the Series 2013C Note. The rights pledged and assigned by the Bank hereunder will include the right to receive payments hereunder (except the right to

receive payments, if any, under Sections 4.4, 10.5, 11.8 and 11.11 hereof) and the Bank hereby directs the County to make said payments directly to the Trustee. The County herewith assents to such assignment and will make payments under this Loan Agreement directly to the Trustee without defense or set off by reason of any dispute between the County and the Trustee. The Bank and the County hereby agree that the Trustee is fully authorized and directed to enforce all rights and remedies hereunder (except certain rights retained by the Bank) as provided for under the terms and conditions of this Loan Agreement and the Indenture.

SECTION 4.7 County's Remedies.

Nothing contained in this Article shall be construed to release the Bank from the performance of any of its agreements herein, and if the Bank should fail to perform any such agreements, the County may institute such action against the Bank as the County may deem necessary to compel the performance so long as such action for specific performance shall not violate the County's agreements in Section 4.5 or diminish or delay the amounts required to be paid by the County pursuant to Sections 4.2 and 4.4 of this Loan Agreement. The County acknowledges, however, and agrees that any pecuniary obligation of the Bank created by or arising out of this Loan Agreement shall be payable solely out of the proceeds derived from this Loan Agreement or the sale of the Series 2013C Bonds.

SECTION 4.8 Agreement Withholding County Moneys to Satisfy Delinquent Payments.

(a) As provided for in the Bank Act, the County and the Bank have entered into and the Trustee has accepted the Intercept Agreement whereby the County has covenanted, agreed and authorized the Mississippi State Treasurer (the "Treasurer's Office"), the Commission, MDOT, or any other State agency, department or commission to (a) withhold all or any part of any moneys which the County is entitled to receive from time to time pursuant to the Cooperative Agreement and this Loan Agreement, and which have been included in MDOT's annual budget, have been appropriated by the State Legislature in accordance with law, and are in possession of the Treasurer's Office, the Commission, MDOT or any other State agency, department or commission created pursuant to State law (the "Intercept Moneys"), subject to the Intercept Moneys which may be withheld by the Treasurer's Office, the Commission, MDOT or any other State agency, department or commission pursuant to the Series 2006 Intercept Agreement and which could be paid over to the Trustee to satisfy any delinquent payment (the "Series 2006 Delinquent Payment") under Section 4.8 of the Series 2006 Loan Agreement, and (b) pay the same over to the Trustee to satisfy any delinquent payment (the "Delinquent Payment") hereunder. The Intercept Moneys are only those funds that are due to County by the Commission and/or MDOT under the terms of the Cooperative Agreement and this Loan Agreement, and no other funds or moneys due the County shall be or are the subject of or otherwise affected by the Intercept Agreement. If, at any time, there are Delinquent Payments and Series 2006 Delinquent Payments occurring simultaneously under this Loan Agreement and the Series 2006 Loan Agreement, the Trustee is directed in the Intercept Agreement and in the Indenture to apply the Intercept Moneys to the Delinquent Payments and the Series 2006 Delinquent Payments on a proportionate basis.

(b) If on the first day of each June and December, commencing June 1, 201___, there are insufficient Project Revenues to make the payments under Section 4.2 hereof, when due under the provisions hereof, the Bank has authorized and directed the Trustee to file the Intercept Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the Treasurer's Office, the Commission, MDOT, or any other State agency, department or commission created pursuant to State law, thereby directing the Treasurer's Office, the Commission, MDOT or any other State agency, department or commission created pursuant to State law to pay any Intercept Moneys directly to the Trustee, for and on behalf of the Bank, to satisfy any Delinquent Payment, all as permitted under the Bank Act. In any event, if the County fails to make timely payments under this Loan Agreement and/or the Series 2013C Note, as provided in Section 4.2 hereof, the Trustee is further directed in the Intercept Agreement and the Indenture to file the Intercept Agreement with the Treasurer's Office, the Commission, MDOT, or any other State agency, department or commission created pursuant to State law and take further action to recover Intercept Moneys as required to be taken by the Trustee under the Intercept Agreement and the Indenture. The Trustee is directed under the Indenture to deposit any Intercept Moneys into the General Account of the General Fund to be applied in accordance with Section 6.05 of the Indenture.

ARTICLE V
FUNDS CREATED AND ESTABLISHED IN THE INDENTURE, APPLICATION
THEREOF AND SECURITY THEREFOR

SECTION 5.1 Indenture Funds and Accounts.

(a) In connection with this Loan Agreement and the Series 2013C Note, certain Funds and Accounts have been created pursuant to Section 6.02 of the Indenture. The amounts in all the Funds created pursuant to Section 6.02 of the Indenture shall be held by the Trustee for and on behalf of the County and the holders of the Series 2013C Bonds. All moneys or securities deposited with the Trustee or any Depository or received by the County pursuant to this Loan Agreement (which shall be transferred to the Trustee) shall be held in trust and applied only in accordance with the provisions of the Indenture and shall be considered trust funds for the purposes of this Loan Agreement.

(b) The Trustee may establish within any Funds created pursuant to Section 6.02 of the Indenture such Accounts and subaccounts as the Bank may designate from time to time or as the Trustee deems necessary to aid in the efficient administration of said Funds and Accounts.

SECTION 5.2 Refunding Account.

There shall be deposited by the Trustee into the Refunding Account the portion of the Net Proceeds required to be deposited therein by the provisions of Section 6.07 of the Indenture (such portion being the "Refunding Project Proceeds"). The County and the Bank hereby acknowledge and agree that under the Indenture, following deposit of Refunding Project Proceeds into the Refunding Account, (a) the Trustee shall transfer such funds with the Escrow Agent for deposit into the Escrow Fund established pursuant to the Escrow Agreement to be used to provide the refunding of the Series 2006 Refunded Bonds in accordance with the terms of the

Escrow Agreement, and (b) such deposit shall result in the simultaneous prepayment of that portion of the Series 2006 Note represented by the Series 2006 Refunded Bonds.

SECTION 5.3 General Account and Redemption Account.

Pursuant to the terms and conditions of this Loan Agreement and the Indenture, the Trustee shall pay out of the General Account and the Redemption Account, as applicable, of the General Fund under the Indenture for any Outstanding Series 2013C Bonds the amounts required for the payment of the principal of and the interest due on the Outstanding Series 2013C Bonds five (5) days prior to each Interest Payment Date and the amounts required for the payment of the purchase or Redemption Price plus accrued interest on Outstanding Series 2013C Bonds being redeemed or purchased for retirement, and in each such case, such amounts shall be applied by the Trustee to such payments.

SECTION 5.4 Investment of Moneys Held by Any Fiduciary.

Moneys in all Funds and Accounts created pursuant to Section 6.02 of the Indenture shall be invested to the fullest extent possible in Investment Securities as provided in written instructions from MDOT (or the County in the case of an Event of Default as provided in Section 5.5 hereof) to the Trustee, provided that the maturity date or the date on which such Investment Securities may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event later than) the date or dates on which moneys in the Funds for which the investments were made will be required for the purpose thereof.

SECTION 5.5 Direction of Investments.

Except during the continuance of an Event of Default, MDOT and the County have agreed under the Cooperative Agreement that MDOT shall have the right during the Term of this Loan Agreement to direct the Trustee to invest or reinvest all moneys held for the credit of the Funds and Accounts established by Article VI of the Indenture in Investment Securities, subject, however, to the further conditions of Article VIII of the Indenture.

**ARTICLE VI
PROJECT COVENANTS**

SECTION 6.1 Affirmative Covenants of the County.

Until the termination date of the Series 2013C Note and thereafter and until no amount is due or owing to the Bank hereunder, the County shall comply with each of the covenants, undertakings and agreements set forth in this Article VI unless the Trustee and the Bank shall otherwise consent in writing which consent may be withheld in their sole and absolute discretion.

SECTION 6.2 Highway Project Operation and Maintenance.

Pursuant to the Cooperative Agreement, MDOT has agreed to accept the Highway Project as part of the State designated highway system and to maintain the Highway Project in accordance with all applicable State and federal standards and regulations.

SECTION 6.3 Covenants in Bond Documents.

The County shall keep and perform all applicable covenants and agreements set forth in the Indenture and each and every other Bond Document to which it is a party, which covenants are incorporated herein by reference as if fully set forth herein.

SECTION 6.4 Conduct of Governmental Operations.

The County shall maintain its existence as a political subdivision organized and validly existing under the Constitution and laws of the State. MDOT has agreed under the Cooperative Agreement to conform the Highway Project to appropriate details and requirements contained in the Commission's Standard Operating Procedures and the Federal Highway Administration Federal-aid Policy Guide.

SECTION 6.5 Payment of Indebtedness.

The County shall pay any indebtedness for which it is liable when due and shall not permit any default to occur under any document evidencing or securing any such indebtedness; provided, however, the County's obligations to pay hereunder are subject to the availability of Project Revenues and Intercept Moneys as provided in Sections 4.3 and 4.8 hereof.

SECTION 6.6 Performance of Obligations.

The County shall observe and perform its obligations under this Loan Agreement, the Series 2013C Note, the other Bond Documents to which it is a party and the other agreements relating to the transaction contemplated hereby to which it is a party or by which it is bound and shall not suffer or permit any default, Event of Default or "event of default" to exist hereunder or thereunder. The County shall use its good faith efforts to cause the other parties to the other Bond Documents to deliver notices and documents required to be delivered to the Bank and the Trustee, and cause such parties to observe and perform those obligations and covenants contained in the Bond Documents required to be observed and performed thereunder.

SECTION 6.7 Indebtedness and Liens.

(a) Except as provided in the Indenture regarding the issuance by the Bank of Additional Bonds, the County shall not issue any bonds, notes or other evidences of indebtedness, other than the Series 2013C Note, the Series 2006 Note and any other debt entered into pursuant to the Cooperative Agreement, secured by a pledge of or other lien or charge on Project Revenues and shall not permit or create or cause to be created any liens or charge on such Project Revenues or on any amounts held by any Fiduciary under this Loan Agreement; provided, however, the County may enter into an amendment to this Loan Agreement in accordance with Section 11.5 hereof, or a separate loan agreement to provide for completion of, and additions and expansions to, the Highway Project consistent with the provisions of the Cooperative Agreement. Such additional indebtedness under this Section 6.7 shall not exceed the amount provided for in the Cooperative Agreement and shall have a parity lien on Project Revenues and Intercept Moneys with the Series 2013C Note, the Series 2006 Note and any other debt entered into pursuant to the Cooperative Agreement.

(b) Nothing in this Section 6.7 shall prohibit the County from developing, participating, implementing and/or financing any other transportation project that is not payable from or secured by Project Revenues.

**ARTICLE VII
[RESERVED]**

**ARTICLE VIII
COUNTY'S SECURITY AND TAX COVENANTS**

SECTION 8.1 Covenants for the Benefit of the Trustee and the Bondholders.

The County recognizes the authority of the Bank to assign its interest in and pledge moneys receivable under this Loan Agreement (other than certain payments required to be made to the Bank under Sections 4.4, 10.5, 11.8 and 11.11) to the Trustee as security for the payment of the principal of, premium, if any, and interest and Redemption Price, if any, on the Series 2013C Bonds, and the payment of all reasonable fees and expenses properly documented of the Trustee. The County hereby agrees to be bound by, and joins with the Bank in the grant of a security interest to the Trustee in any rights and interest the County may have in Project Revenues, Intercept Moneys and sums held in the Funds and Accounts described in Article VI of the Indenture, all so as to secure payment of the Series 2013C Bonds. Each of the terms and provisions of this Loan Agreement is a covenant for the use and benefit of the Trustee and the Holders of the Series 2013C Bonds so long as the Series 2013C Bonds shall remain Outstanding; provided, however, upon payment in full of the Series 2013C Bonds in accordance with Article IX of the Indenture and of all reasonable fees and charges properly documented of the Trustee and any paying agent, all references in this Loan Agreement to the Series 2013C Bonds, the Holders and the Trustee shall be ineffective, and neither the Trustee nor the Holders of any of the Series 2013C Bonds shall thereafter have any rights hereunder, save and except those that shall have theretofore vested or that arise from provisions hereunder which survive termination of this Loan Agreement.

SECTION 8.2 Inspection and Access.

The County agrees that the Bank, the Trustee and their duly authorized agents shall, pursuant to the Cooperative Agreement, have the right at all reasonable times to examine and inspect the Highway Project and all books and records of the County and MDOT related thereto and for that purpose to enter upon the Highway Project after reasonable notice to the County and MDOT.

SECTION 8.3 Certificate of Compliance and Other Reports.

The County will at the request of the Trustee, and at the County's expense payable from Project Revenues only, furnish to the Trustee and the Bank at such times and in such form as the Trustee may reasonably require a copy of reports containing such information as is necessary to comply with any lawful reporting or continuing registration requirements imposed by any agency of the State under the Act, the Mississippi Blue Sky Laws or any other applicable State law as it now exists or may hereafter be amended or any agency of any other state in which the Series

2013C Bonds have been sold, or such information as necessary to comply with federal securities law.

SECTION 8.4 Continuing Disclosure.

The County, the Bank, the Commission and the Trustee have entered into the Continuing Disclosure Agreement and shall comply with the provisions of the Continuing Disclosure Agreement.

SECTION 8.5 Tax Covenants.

(a) In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2013C Bonds and for no other purpose, the County covenants to comply with each applicable requirement of the Code. In furtherance of the covenant contained in the preceding sentence, the County agrees to comply with the Tax Certificate executed by the County on the date of the issuance and delivery of the Series 2013C Bonds, as such Tax Certificate may be amended from time to time.

(b) The County covenants and agrees with the Trustee and the Bondholders that the County shall not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Series 2013C Bonds, would cause the Series 2013C Bonds to be “private activity bonds” or “arbitrage bonds” within the meaning of Sections 141(a) and 148(a), respectively, of the Code, or any successor provisions.

(c) Subject to the availability of Project Revenues, the County shall make or cause to be made any and all payments required to be made to the United States Department of the Treasury in connection with the Series 2013C Bonds pursuant to Section 148(f) of the Code and Section 6.09 of the Indenture.

(d) Upon the authentication and delivery of the Series 2013C Bonds, the County shall furnish to the Trustee a certificate of an Authorized County Representative to the effect that, on the basis of the facts, estimates and circumstances in existence on the date of such authentication and delivery, it is not expected that the proceeds of the Series 2013C Bonds will be used in a manner that would cause such Series 2013C Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code, and in such certificate the County shall set forth such facts and circumstances which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized County Representative, there are no other facts or circumstances that would materially change the expectations expressed in such certificate.

(e) Notwithstanding any other provisions of this Loan Agreement to the contrary, so long as necessary in order to maintain the exclusion from gross income for federal income tax purposes under Section 103(a) of the Code of interest on the Series 2013C Bonds, the covenants contained in this Section 8.5 shall survive the payment of the Series 2013C Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 9.1 of this Loan Agreement and Article IX of the Indenture, respectively.

**ARTICLE IX
COUNTY'S OPTIONS**

SECTION 9.1 Prepayment of the Series 2013C Note and Termination of this Loan Agreement.

(a) Unless an Event of Default has occurred and is continuing, the County shall have the option (with the prior written consent of MDOT) to prepay the Series 2013C Note and to direct the Trustee to call for redemption prior to maturity the Outstanding Series 2013C Bonds, in whole or in part, but only to the extent provided in, and pursuant to the parameters of, Section 4.01 of the Indenture. The Series 2013C Bonds to be redeemed shall be redeemed at the Redemption Prices as set forth in Section 4.01 of the Indenture upon not less than thirty (30) but no more than forty-five (45) days prior written notice. The County acknowledges that the Series 2013C Bonds may become subject to redemption, in whole or in part, and at varied Redemption Prices, pursuant to certain events as provided in Section 4.01 of the Indenture. In the event the Series 2013C Bonds are called for redemption in whole or in part under the Indenture, a Basic Payment shall be made or shall be caused to be made by the County in the amount of principal and premium, if any, plus accrued interest and all other fees due hereunder and under the Indenture to effectuate said redemption.

(b) If, after the County exercises its option to prepay the Series 2013C Note and to direct the Trustee to redeem all Series 2013C Bonds, no Series 2013C Bonds remain Outstanding, the Indenture is discharged, and the County has satisfied all of its obligations hereunder and under the Series 2013C Note, the Trustee and the Bank shall execute and deliver to the County such instruments as the County reasonably determines are necessary to terminate this Loan Agreement. All further obligations of the County hereunder, except as set forth in Sections 8.5, 10.5, 11.8, 11.10 and 11.11, shall thereupon terminate.

(c) The County shall pay or cause to be paid to the Trustee on or prior to the Discharge Date an amount equal to the Trustee's and any paying agent's fees and expenses under the Indenture, accrued and to accrue until final payment and redemption of the Series 2013C Bonds and all other advances, fees, costs and expenses reasonably incurred and to be incurred on or before the Discharge Date by the Trustee and any paying agent under the Indenture and by the Bank under this Loan Agreement.

(d) Upon termination of this Loan Agreement as provided for in this Section 9.1, the Bank will cause the Trustee to deliver a release of the Indenture and the estate created by this Loan Agreement and the Series 2013C Note, and all further obligations of the County hereunder, except under Sections 8.5, 10.5, 11.8, 11.10 and 11.11, shall thereupon terminate, provided, however, that the County, subject to the availability of Project Revenues, shall also remain obligated to pay or reimburse the Bank and the Trustee for the payment of all other fees, costs and expenses unaccounted for in the sum paid in accordance with subsection (c) above and reasonably incurred before or subsequent to the termination hereof in connection with the Series 2013C Bonds.

**ARTICLE X
EVENTS OF DEFAULT AND REMEDIES**

SECTION 10.1 Events of Default.

Any one or more of the following events is an Event of Default under this Loan Agreement, and the term Event of Default, wherever used herein, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

- (a) If the County shall fail to pay any Basic Payments due under this Loan Agreement;
- (b) If there is a declaration or proceeding of insolvency by or against the County;
- (c) If the County shall fail to pay any Additional Charges on or before the date that the payment is due and shall continue to be in arrears for five (5) days after the due date thereof;
- (d) If the County shall fail to observe and perform or shall breach any other covenant, condition or agreement on its part under this Loan Agreement for a period of fifteen (15) days after receipt of a notice to it by the Bank or the Trustee, specifying such default or breach and requesting that it be remedied; and provided that if the failure stated in the notice cannot be corrected within fifteen (15) days, the Bank and Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the County within said fifteen (15) days and is diligently pursued, for an additional thirty (30) days;
- (e) If dissolution of the County occurs;
- (f) If any representation or warranty made by the County herein, or by an officer or representative of the County in any document or certificate furnished the Trustee or the Bank in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made; and/or
- (g) The occurrence of an "event of default" under any other Bond Document that is not cured within the time period provided therefor, if any.

SECTION 10.2 Remedies.

- (a) Whenever any Event of Default specified in Section 10.1(a) or (b) shall have happened and be continuing, the Trustee shall declare all the Basic Payments payable for the remainder of the Term of this Loan Agreement (an amount equal to that necessary to pay in full the Series 2013C Note and the accrued and unpaid interest thereon assuming acceleration of the Series 2013C Bonds under the Indenture and to pay all other indebtedness thereunder) to be immediately due and payable whereupon the same shall become immediately due and payable by the County to the Trustee, but only if the acceleration of payment of Series 2013C Bonds has been declared by the Trustee under Section 10.02(d) of the Indenture.
- (b) Whenever any Event of Default shall have occurred and be continuing any one or more of the following remedial steps may also be taken to the extent permitted by law:

(1) The Trustee may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the County, under this Loan Agreement, the Series 2013C Note or any Bond Document, or to otherwise compensate the Bank, the Trustee or the Bondholders for any damages on account of such Event of Default; and

(2) The Bank with prior notice to the Trustee (without the prior written consent of the Trustee if the Trustee is not enforcing the Bank's right in a manner to protect the Bank or is otherwise taking action that brings adverse consequences to the Bank) may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due to the Bank under Sections 4.4, 10.5, 11.8 and 11.11 of this Loan Agreement. Notwithstanding the foregoing, the Bank is not precluded from exercising any of its rights reserved to it as set forth in this Section, even if the Trustee is exercising the rights of the Bank hereunder.

In exercising any of these remedial steps, the Bank and/or the Trustee shall notify MDOT and the County in writing of any Event of Default specified in Section 10.1 as well as any remedial steps to be taken regarding such Event of Default.

SECTION 10.3 Disposition of Funds.

Any amounts collected by the Trustee pursuant to action taken under Section 10.2 (other than sums collected for the Bank on account of its rights to certain direct payments to be made to the Bank under Sections 4.4 and 10.5 hereof) shall be applied in accordance with the provisions of the Indenture.

SECTION 10.4 Nonexclusive Remedies.

No remedy herein conferred upon or reserved to the Bank, the Trustee or the County is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank, the Trustee or the County to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required or be required by law.

SECTION 10.5 Attorneys' Fees and Expenses.

If an Event of Default shall exist under this Loan Agreement and the Bank, the Trustee or the County should employ attorneys or incur other expenses for the collection of any amounts due hereunder, or the enforcement of performance of any obligation or agreement on the part of the defaulting party, the defaulting party will upon demand pay to the non-defaulting party the reasonable fees properly documented of such attorneys and such other reasonable expenses so incurred.

SECTION 10.6 Effect of Waiver.

In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 10.7 Waiver of Stay or Extension.

The County covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Loan Agreement, and the County (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Bank or the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 10.8 The Bank May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the County, the Project Revenues, the Intercept Moneys or the Highway Project, the Trustee or the Bank with the prior consent of the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Bank and the Trustee (for themselves and on behalf of Bondholders) (including any claim for the reasonable compensation, expenses, disbursements and advances of the Bank and Trustee, their agents and counsel) allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same.

SECTION 10.9 Restoration of Positions.

If the Bank or the Trustee have instituted any proceeding to enforce any right or remedy under this Loan Agreement or the Series 2013C Note or any Bond Document, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Bank or the Trustee, then and in every such case the County and the Bank shall, subject to any determination in the proceeding, be restored to the positions they held prior to commencement of such proceedings, and thereafter all rights and remedies of the Bank shall continue as though no such proceeding had been instituted.

SECTION 10.10 Performance by Third Parties.

The Bank may permit third parties to perform any and all acts or take such action as may be necessary for and on behalf of the County to cure any Event of Default hereunder. The

acceptance by the Bank or the Trustee of any such performance by third parties shall not in any way diminish or absolve the County of primary liability hereunder.

SECTION 10.11 Exercise of the Bank's Remedies by Trustee.

Whenever any Event of Default shall have happened and be subsisting the Trustee may, but except as otherwise provided in the Indenture shall not be obliged to, exercise any or all of the rights of the Bank under this Article X.

**ARTICLE XI
GENERAL**

SECTION 11.1 Amounts Remaining in Funds.

Except during the continuance of an Event of Default, any amounts remaining in the Funds and Accounts created under Article VI of the Indenture and held by the Trustee, upon expiration or earlier termination of this Loan Agreement, as provided herein, and after adequate provision has been made for payment in full of the Series 2013C Bonds in accordance with Article IX of the Indenture, any Additional Charges payable to the Trustee and the Bank, including paying agent's fees and expenses, and all other amounts required to be paid under this Loan Agreement, the Indenture and the other Bond Documents, shall forthwith be paid to MDOT by the Trustee except as provided in Section 3.08 of the Indenture.

SECTION 11.2 Notices.

All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given five (5) days following mailing when mailed by registered or certified mail or commercially expedited delivery service, with proper address as indicated below. The Bank, the County, the Original Purchaser, MDOT and the Trustee may, by written notice given by each of them to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Loan Agreement. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

County: Madison County, Mississippi
125 West North Street
Canton, Mississippi 39046
Attention: President, Board of Supervisors

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

Trustee: Hancock Bank, as Trustee
1855 Lakeland Drive, Suite Q-230
Jackson, Mississippi 39216
Attention: Corporate Trust Department

Original Purchaser: Morgan Stanley & Co. LLC
1585 Broadway, 11th Floor
New York, New York 10036

MDOT: Mississippi Department of Transportation
401 N. West Street
Jackson, Mississippi 39201
Attention: Executive Director
With a copy to: Deputy Executive Director, Administration

SECTION 11.3 Binding Effect.

This Loan Agreement shall inure to the benefit of and shall be binding upon the Bank and the County and their respective successors and assigns.

SECTION 11.4 Severability.

In the event any provisions of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 11.5 Amendments, Changes and Modifications.

Except as otherwise provided in this Loan Agreement or in the Indenture, subsequent to the issuance of the Series 2013C Bonds and before the lien of the Indenture is satisfied and discharged in accordance with its terms, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, the County, the Bank and MDOT.

SECTION 11.6 Execution Counterparts.

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

SECTION 11.7 Required Approvals.

Consents and approvals required by this Loan Agreement to be obtained from the County, the Bank, MDOT or the Trustee shall be in writing.

SECTION 11.8 Limitations on Bank, County and MDOT Liability.

(a) It is understood and agreed by the County and the Holders that no covenant, provision or agreement of the Bank herein or in the Series 2013C Bonds or in any other document executed by the Bank in connection with the issuance, sale and delivery of the Series 2013C Bonds, or any obligation herein or therein imposed upon the Bank or breach thereof, shall give rise to a pecuniary liability of the Bank or a charge against its general credit or shall obligate the Bank financially in any way except with respect to this Loan Agreement and the Series

2013C Note and the application of revenues therefrom and the proceeds of the Series 2013C Bonds. To the extent permitted by law, no failure of the Bank, unless wrongful, to comply with any term, condition, covenant or agreement herein or therein shall subject the Bank to liability for any claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from this Loan Agreement and the Series 2013C Note or revenues therefrom or proceeds of the Series 2013C Bonds. To the extent permitted by law, no execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit or general funds of the Bank. In making the agreements, provisions and covenants set forth herein, the Bank has not obligated itself except with respect to this Loan Agreement and the application of revenues hereunder as herein provided. The Series 2013C Bonds constitute special limited obligations of the Bank, payable solely from Project Revenues and Intercept Moneys pledged to the payment thereof pursuant to this Loan Agreement and the Indenture, and do not now and shall never constitute an indebtedness or a loan of the credit of the Bank, the State or any political subdivision thereof or a charge against general taxing powers within the meaning of any constitutional or statutory provision whatsoever. It is further understood and agreed by the County and the Holders that the Bank shall incur no pecuniary liability hereunder and shall not be liable for any expenses related hereto. All references to the Bank under this Section 11.8(a) shall include its employees, directors, attorneys and/or agents as applicable.

(b) It is understood and agreed that no covenant, provision or agreement of the County herein or in the Series 2013C Note or in any other document executed by the County in connection with the issuance and delivery of the Series 2013C Note, or any obligation herein or therein imposed upon the County or breach thereof, shall give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers or shall obligate the County financially in any way except with respect to this Loan Agreement and the Series 2013C Note and the application of Project Revenues and Intercept Moneys therefrom and the proceeds of the Series 2013C Note. To the extent permitted by law, no failure of the County, unless wrongful, to comply with any term, condition, covenant or agreement herein or therein shall subject the County to liability or any claim for damages, cost or other financial or pecuniary charges except to the extent that the same can be paid or recovered from this Loan Agreement, the Series 2013C Note, Project Revenues or Intercept Moneys. To the extent permitted by law, no execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or taxing powers of the County, except only as to Project Revenues.

(c) It is understood and agreed that no covenant, provision or agreement of MDOT herein or in any other document executed by MDOT in connection with the delivery of the Cooperative Agreement, or any obligation therein imposed upon MDOT or breach thereof, shall give rise to a pecuniary liability of MDOT or shall obligate MDOT financially in any way except with respect to the Cooperative Agreement. No failure of MDOT, unless wrongful, to comply with any term, condition, covenant or agreement herein or therein shall subject MDOT to liability or any claim for damages, cost or other financial or pecuniary charges except to the extent that the same can be paid or recovered from the Cooperative Agreement.

(d) No recourse shall be had for any claim based upon any obligation, covenant or agreement in this Loan Agreement contained against any past, present or future officer, member, director, agent or employee of the Bank, the County and/or MDOT or any officer, member,

director, trustee, agent or employee of any successor entities thereto, as such, either directly or through the Bank, the County and/or MDOT or any successor entities, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, directors, trustees, agents, or employees as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and issuance of the Series 2013C Note.

SECTION 11.9 Representations of County.

All representations made in this Loan Agreement by the County are based on the County's independent investigation of the facts and law, and accordingly no such representations are made in reliance upon any representations made or legal advice given by the Bank, Bond Counsel, or any of its appointed or elected officials, agents, officers or employees.

SECTION 11.10 Survivorship of Obligations.

All obligations of the County under Sections 8.5, 10.5, 11.8 and 11.11 shall survive payment of the Series 2013C Bonds or earlier termination of this Loan Agreement.

SECTION 11.11 Administrative Fees, Attorneys' Fees and Costs.

Solely from the proceeds of the Series 2013C Bonds, Project Revenues or Intercept Moneys, the County shall reimburse the Bank, upon demand, for all reasonable costs and expenses properly documented, including without limitation attorneys' fees, paid or incurred by the Bank in connection with (a) the discussion, negotiation, preparation, approval, execution and delivery of the Series 2013C Bonds, and any other Bond Documents and instruments related hereto or thereto; (b) any amendments or modifications to any of the foregoing documents, instruments or agreements and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; (c) the servicing and administration of the Loan during the term hereof or thereafter; and (d) the enforcement by the Bank during the term hereof or thereafter of any of the rights or remedies of the Bank hereunder or under the foregoing documents, or any document, instrument or agreement related hereto or thereto, including, without limitation, reasonable costs and expenses properly documented of collection or the occurrence of an Event of Default, whether or not suit is filed with respect thereto.

SECTION 11.12 Governing Law.

This Loan Agreement has been delivered in Jackson, Mississippi. The provisions of this Loan Agreement and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State and to the extent they preempt such laws, the laws of the United States of America.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Bank and the County have caused this Loan Agreement to be executed by their duly authorized officers.

MISSISSIPPI DEVELOPMENT BANK

(SEAL)

By: _____
Executive Director

ATTEST:

By: _____
Secretary

MADISON COUNTY, MISSISSIPPI

(SEAL)

By: _____
President, Board of Supervisors

ATTEST:

By: _____
Chancery Clerk

ACKNOWLEDGED AND ACCEPTED BY:

HANCOCK BANK, as Trustee

By: _____
Senior Vice President and Trust Officer

EXHIBIT A
FORM OF SERIES 2013C NOTE

§ _____,000
**PROMISSORY NOTE, SERIES 2013C
(MADISON COUNTY, MISSISSIPPI
HIGHWAY REFUNDING PROJECT)**

Date: _____, 2013

Madison County, Mississippi, a political subdivision organized and validly existing under the Constitution and laws of the State of Mississippi (the “County”), for value received, hereby promises to pay, in immediately available funds, to the order of the Mississippi Development Bank (the “Bank”) or its assigns, the aggregate principal sum equal to the outstanding principal amount of the Series 2013C Bonds (as hereinafter defined) outstanding up to a maximum principal amount of \$ _____,000 together with interest on the unpaid principal balance thereof from the date hereof until fully and finally paid, premium, if any, and all other amounts payable by the County under the Loan Agreement (as hereinafter defined). This Series 2013C Note shall bear interest at the interest rate or rates on the Series 2013C Bonds except as otherwise provided hereunder.

It is understood and agreed that no covenant, provision or agreement of the County or in this Series 2013C Note or in any other document executed by the County in connection with the issuance and delivery of this Series 2013C Note, or any obligation herein or therein imposed upon the County or breach thereof, shall give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers or shall obligate the County financially in any way except with respect to the Loan Agreement and this Series 2013C Note and the application of Project Revenues, the Intercept Moneys (as such terms are defined in the Loan Agreement) therefrom and the proceeds of this Series 2013C Note. No failure of the County, unless wrongful, to comply with any term, condition, covenant or agreement herein or therein shall subject the County to liability or any claim for damages, cost or other financial or pecuniary charges except to the extent that the same can be paid or recovered from the Loan Agreement, this Series 2013C Note, Project Revenues or the Intercept Moneys. No execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or taxing powers of the County.

This Series 2013C Note has been executed under and pursuant to a Loan Agreement dated _____, 2013, between the Bank and the County (the “Loan Agreement”) which Loan Agreement is incorporated herein in its entirety by reference. This Series 2013C Note is issued to evidence the obligation of the County under the Loan Agreement to repay the loan made by the Bank to the County from the proceeds of the Bank’s \$ _____,000 Special Obligation Refunding Bonds, Series 2013C (Madison County, Mississippi Highway Refunding Project), dated _____, 2013 (the “Series 2013C Bonds”), together with interest thereon at the interest rate or rates as defined and set forth in the Indenture (as hereinafter defined), premium, if any, and all other amounts, fees, penalties, premiums, adjustments, expenses, counsel fees and other payments of any kind required to be paid by the County under the Loan Agreement. The Loan Agreement includes provisions permitting the County, at its election, to prepay this Series 2013C Note, in whole or in part, all as more particularly described in the Loan Agreement and Indenture as hereinafter defined). The Loan Agreement includes provisions permitting the Trustee (as hereinafter defined), at the direction of the Bondholders, to require mandatory prepayment of this

Series 2013C Note at certain times and under certain circumstances, all as set forth in the Indenture and the Loan Agreement. In the event that the terms of this Series 2013C Note conflict with the terms of the Indenture or the Loan Agreement, the terms of the Indenture or the Loan Agreement shall control.

If the County shall fail to pay on the due date therefor, whether by acceleration or otherwise, any principal, premium, if any, or interest owing hereunder, then interest shall accrue on such unpaid amounts from the date due until and including the date on which such amounts are paid in full.

The Loan Agreement and this Series 2013C Note have been assigned by the Bank to Hancock Bank, Jackson, Mississippi, as Trustee (the "Trustee") pursuant to an Indenture of Trust, dated _____, 2013, by and between the Bank and the Trustee (the "Indenture"). Such assignment is made as security for the payment of the Series 2013C Bonds issued by the Bank pursuant to the Indenture and is subject to the reservation of certain unassigned rights of the Bank under the Loan Agreement.

As provided in the Loan Agreement and subject to the provisions thereof, payments hereon are to be made at a corporate trust office of the Trustee as shown in the Loan Agreement in an amount which, together with other moneys available therefor pursuant to the Indenture, will equal the amount payable as principal of, premium, if any, and interest on the Series 2013C Bonds outstanding on such due date.

The County shall make payments on this Series 2013C Note solely from Project Revenues on the dates and in the amounts specified herein and in the Loan Agreement and in addition shall make such other payments as are required pursuant to the Loan Agreement, the Indenture and the Series 2013C Bonds. The Loan Agreement provides that each payment made by the County pursuant to this Series 2013C Note shall constitute an equal and corresponding payment of the Series 2013C Bonds. Upon the occurrence of an Event of Default, as defined in the Indenture or the Loan Agreement, the principal of, premium, if any, and interest on this Series 2013C Note may be declared immediately due and payable as provided in the Loan Agreement. Upon any such declaration the County shall pay with Project Revenues all costs, disbursements, expenses and reasonable counsel fees of the Bank and the Trustee in seeking to enforce their rights under the Loan Agreement and this Series 2013C Note.

To the extent permitted by law, the County waives diligence, demand, presentment for payment, notice of nonpayment, protest and notice of protest, notice of any renewals or extension of this Series 2013C Note, and all rights under any statute of limitations. Any delay on the part of the Bank or the Trustee in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent or continuing default.

All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered or certified mail or commercially expedited delivery service, with proper address as indicated below. The Bank, the County and the Trustee may, by written notice given by each of them to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent

when required as contemplated by this Series 2013C Note. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Bank:	Mississippi Development Bank 735 Riverside Drive, Suite 300 Jackson, Mississippi 39202 Attention: Executive Director
To the County:	Madison County, Mississippi 125 West North Street Canton, Mississippi 39046 Attention: President, Board of Supervisors
To the Trustee:	Hancock Bank, as Trustee 1855 Lakeland Drive, Suite Q-230 Jackson, Mississippi 39216 Attention: Corporate Trust Department

This Series 2013C Note has been delivered in Jackson, Mississippi. The provisions of this Series 2013C Note and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Mississippi and to the extent they preempt such laws, the laws of the United States.

To the extent permitted by law, the County agrees that it shall not assert any permissive counterclaims in any proceeding brought by the Trustee or the Bank, or to enforce a judgment or other court order in favor of Trustee. To the extent permitted by law, the County waives any objection that it may have to the location of the court in which the Trustee has commenced a proceeding described in this paragraph.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture and the Loan Agreement.

[Signature page to follow.]

IN WITNESS WHEREOF, the undersigned has caused this Series 2013C Note to be executed in its name and, if applicable, its corporate seal to be hereunto affixed and attested to by its duly authorized officers all as of the day and year first above written.

MADISON COUNTY, MISSISSIPPI

By: _____
President, Board of Supervisors

(SEAL)

ATTEST:

By: _____
Chancery Clerk

ASSIGNMENT OF SERIES 2013C NOTE

FOR VALUE RECEIVED, the Mississippi Development Bank hereby assigns and transfers, without recourse, this Series 2013C Note to Hancock Bank, Jackson, Mississippi, as Trustee under the Indenture herein mentioned, provided, however, that the rights pledged and assigned hereunder do not include unassigned rights reserved by the Mississippi Development Bank in Sections 4.4, 10.5, 11.8 or 11.11 of the Loan Agreement dated _____, 2013, between the Mississippi Development Bank and Madison County, Mississippi.

(SEAL)

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

ATTEST:

By: _____
Secretary

ButlerSnow 15572999v2