

**MINUTES OF THE REGULAR MEETING
OF THE MAYOR AND BOARD OF ALDERMEN
The City of Starkville, Mississippi
June 7, 2016**

Be it remembered that the Mayor and Board of Alderman met in a Regular Meeting on June 7, 2016 at 5:30 p.m. in the Courtroom of City Hall, located at 110 West Main Street, Starkville, MS. Present were Mayor Parker Wiseman, Aldermen Ben Carver, Lisa Wynn, David Little, Jason Walker, Roy A.' Perkins, and Henry Vaughn, Sr. Alderman Scott Maynard attended telephonically and all votes were taken as roll call votes until he exited the meeting. Attending the Board were City Clerk Lesa Hardin and Attorney Chris Latimer.

Mayor Parker Wiseman opened the meeting with the Pledge of Allegiance followed by a moment of silence.

Mayor Parker Wiseman asked for any revisions to the Official Agenda. No revisions were requested.

1. A MOTION TO APPROVE THE OFFICIAL AGENDA.

Alderman Little offered a motion, duly seconded by Alderman Wynn, to approve the June 7, 2016 Official Agenda. The Board voted as follows:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

**OFFICIAL AGENDA OF
THE MAYOR AND BOARD OF ALDERMEN
OF THE
CITY OF STARKVILLE, MISSISSIPPI
REGULAR MEETING OF TUESDAY, JUNE 7, 2016
5:30 P.M., COURT ROOM, CITY HALL
110 WEST MAIN STREET**

Alderman Maynard will attend telephonically

- I. CALL THE MEETING TO ORDER**
- II. PLEDGE OF ALLEGIANCE AND A MOMENT OF SILENCE**

III. APPROVAL OF THE OFFICIAL AGENDA

IV. APPROVAL OF THE BOARD OF ALDERMEN MINUTES

CONSIDERATION OF THE MINUTES OF THE MAY 3, 2016 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS INCORPORATING ANY AND ALL CHANGES RECOMMENDED BY THE CITY ATTORNEY.

V. ANNOUNCEMENTS AND COMMENTS

A. MAYOR'S COMMENTS:

1. New Employee Introductions:

Firefighters:

Tyler Alan Davis

Jason Ken Britt

Police Officer:

John Michael Lay

Utilities:

Alex Davis

B. BOARD OF ALDERMEN COMMENTS:

VI. CITIZEN COMMENTS

VII. PUBLIC APPEARANCES

A. BOYS AND GIRLS CLUB

B. VOLUNTEER STARKVILLE

VIII. PUBLIC HEARING

FIRST PUBLIC HEARING PERTAINING TO THE PROPOSED AMENDMENTS TO THE CODE OF ORDINANCES, OF THE CITY OF STARKVILLE, MISSISSIPPI, SPECIFICALLY, APPENDIX A – ZONING, ARTICLE VII. – DISTRICT REGULATIONS, SEC. T., SECTION 7.3 BUILDING FORM, SECTION 7.4 BUILDING USE, AND 8.4 BUILDING USE.

IX. MAYOR'S BUSINESS

- A. CONSIDERATION OF THE PILOT CLUB PLAYGROUND PROPOSAL FOR THE J. L. KING PARK.
- B. CONSIDERATION OF TAX INCREMENT FINANCING BONDS (TIF) COMMITMENT (NICHOLAS SITE) IN THE AMOUNT OF \$1,135,000.
- C. CONSIDERATION OF THE APPROVAL OF THE COMMITMENT TO A MISSISSIPPI CAPITAL IMPROVEMENTS REVOLVING LOAN PROGRAM (CAP) TO BE DERIVED FROM CURRENT AND FUTURE WATER FEES AND REVENUE IN THE WATER ENTERPRISE FUND UPON APPROVAL OF SAID PROJECT BY THE MISSISSIPPI DEVELOPMENT AUTHORITY.
- D. CONSIDERATION OF THE RESOLUTION FOR APPOINTING 2016 VOTING DELEGATE AND 2 ALTERNATIVES FOR THE CITY OF STARKVILLE DURING THE 2016 MML SUMMER CONFERENCE IN BILOXI, MS JUNE 26-29, 2016.

X. BOARD BUSINESS

- A. DISCUSSION AND CONSIDERATION OF THE SERIES 2016A G O \$3,000,000 PUBLIC IMPROVEMENT BOND RESOLUTION AND PRELIMINARY OFFICIAL STATEMENT.
- B. DISCUSSION AND CONSIDERATION OF THE SERIES 2016B G O \$2,400,000 PUBLIC IMPROVEMENT BOND RESOLUTION AND PRELIMINARY OFFICIAL STATEMENT.
- C. DISCUSSION OF A TEMPORARY LOCATION FOR THE POLICE DEPARTMENT PERSONNEL.
- D. CONSIDERATION OF SOUTHPARK PLAZA LEASE AGREEMENT.
- E. UPDATE ON STATUS OF SANITATION TRUCK PURCHASES AUTHORIZED 5/17/16.

XI. DEPARTMENT BUSINESS

- A. AIRPORT

THERE ARE NO ITEMS FOR THIS AGENDA

- B. COMMUNITY DEVELOPMENT DEPARTMENT
 - 1. CODE ENFORCEMENT

THERE ARE NO ITEMS FOR THIS AGENDA

2. PLANNING

- a. DISCUSSION AND CONSIDERATION OF AN APPEAL REQUEST BY WENDIE WOODS OF CHRISTIAN CHANGES FOR THE DENIAL OF THE REZONING REQUEST RZ 16-04 BY THE PLANNING AND ZONING COMMISSION TO REZONE ONE PARCEL AT 300 YELLOW JACKET DRIVE FROM R-1 SINGLE FAMILY TO B-1 BUFFER.
- b. CONSIDERATION OF AUTHORIZATION TO ADVERTISE A PUBLIC NOTICE OF A SECOND PUBLIC HEARING PERTAINING TO THE PROPOSED AMENDMENTS TO THE CODE OF ORDINANCES, OF THE CITY OF STARKVILLE, MISSISSIPPI, SPECIFICALLY, APPENDIX A – ZONING, ARTICLE VII. – DISTRICT REGULATIONS, SEC. T., SECTION 7.3 BUILDING FORM, SECTION 7.4 BUILDING USE AND AUTHORIZATION TO ADVERTISE TO THE PUBLIC NOTICE OF THE INTENT OF THE MAYOR AND BOARD OF ALDERMEN TO HOLD A SECOND PUBLIC HEARING PERTAINING TO THE PROPOSED AMENDMENTS TO THE ORDINANCE AT THE JUNE 21, 2016 MEETING OF THE MAYOR AND BOARD OF ALDERMEN.

C. COURTS

THERE ARE NO ITEMS FOR THIS AGENDA

D. ENGINEERING

1. REQUEST AUTHORIZATION TO DECLARE THE OCE COLORWAVE 300 PLOTTER (SERIAL NUMBER: 330403010) AS SURPLUS WITH AUTHORIZATION TO ADVERTISE ON GOVDEALS AND REMOVE FROM CITY'S INVENTORY WITH PROCEEDS FROM SALE TO BE USED TO PURCHASE ANOTHER MACHINE.
2. REQUEST APPROVAL OF THE LOW QUOTE FROM WELDING WORKS IN THE AMOUNT OF \$9,200.00 TO INSTALL GUARDRAILS AROUND THE OPEN DRAINAGE CHANNEL ON EDGEWOOD DRIVE TO BE PAID FROM WARD 5 DISCRETIONARY FUNDS.
3. REQUEST APPROVAL OF THE LOW QUOTE FROM WARREN INC. IN THE AMOUNT OF \$7,500.00 FOR A 9' DUMP BODY FOR A

PICKUP TRUCK FOR THE STREET DEPARTMENT.

4. REQUEST APPROVE OF THE LOW QUOTE FROM STIDHAM CONSTRUCTION IN THE AMOUNT OF \$23,900.00 FOR THE TIMBERCOVE DRAINAGE IMPROVEMENT PROJECT BETWEEN BRIARWICK AND WINDOVER STREETS TO BE PAID FROM WARD 4 DISCRETIONARY FUNDS.
5. REQUEST APPROVAL OF THE ADVERTISEMENT FOR BIDS FOR THE LAFAYETTE-LAMPKIN STREET INTERSECTION ADA IMPROVEMENT PROJECT AND THE LAMPKIN STREET RESTRIPIING PROJECT.

E. FINANCE AND ADMINISTRATION

1. REQUEST APPROVAL OF THE CITY OF STARKVILLE CLAIMS DOCKET FOR ALL DEPARTMENTS INCLUDING STARKVILLE UTILITIES DEPARTMENT AS OF JUNE 1, 2016 FOR FISCAL YEAR ENDING 9/30/16.

F. FIRE DEPARTMENT

THERE ARE NO ITEMS FOR THIS AGENDA

G. INFORMATION TECHNOLOGY

THERE ARE NO ITEMS FOR THIS AGENDA

H. PARKS

THERE ARE NO ITEMS FOR THIS AGENDA

I. PERSONNEL

1. REQUEST AUTHORIZATION TO ADVERTISE TO FILL THE VACANT POSITION OF OPERATOR 1 IN THE DRINKING WATER DIVISION.
2. REQUEST AUTHORIZATION TO ADVERTISE TO FILL THE VACANT POSITION OF SUPERINTENDENT IN THE WATER DIVISION.
3. REQUEST AUTHORIZATION TO ADVERTISE TO FILL A VACANT POSITION OF PAYROLL/COLLECTOR CLERK IN THE UTILITIES DEPARTMENT.

4. REQUEST AUTHORIZATION TO ADVERTISE TO FILL THE VACANT POSITIONS OF FOREMEN IN THE WATER/SEWER DIVISION.
5. REQUEST AUTHORIZATION OF THE TEMPORARY PAY INCREASE PER PERSONNEL POLICY FOR UTILITIES DEPARTMENT EMPLOYEES MICHAEL REESE, CALVIN YOUNG AND NATHANIEL HINTON, WHO ARE ASSIGNED TO THE TEMPORARY POSITIONS OF FOREMEN AND EQUIPMENT OPERATOR IN THE UTILITY DEPT.
6. REQUEST AUTHORIZATION TO HIRE A TEMPORARY FULL-TIME EMPLOYEE TO FILL-IN AS SECRETARY IN THE SANITATION AND ENVIRONMENTAL SERVICES DEPARTMENT DURING THE MEDICAL LEAVE OF AN EXISTING EMPLOYEE.

J. POLICE DEPARTMENT

1. REQUEST APPROVAL TO TRANSFER A 2013 FORD EXPLORER VIN# 1FM5K8AR1DGCO6898 FROM STARKVILLE POLICE INVENTORY AND ADD TO MAYOR'S OFFICE INVENTORY AND TO TRANSFER FROM MAYOR'S OFFICE INVENTORY A 2004 FORD CROWN VICTORIA VIN# 2FAFP71W44X169601 TO STARKVILLE POLICE DEPARTMENT.
2. REQUEST AUTHORIZATION FOR THE POLICE CHIEF AND MAYOR TO DETERMINE AND ACCEPT THE LOWEST AND BEST QUOTE RECEIVED, NOT TO EXCEED \$6,500, FROM EITHER WILLIAMS TRANSFER AND STORAGE OR MCCONNELL BROTHERS MAYFLOWER AFTER FINAL QUOTES ARE RECEIVED TO MOVE THE STARKVILLE POLICE DEPARTMENT JUNE 29 – JULY 1.
3. DISCUSSION AND CONSIDERATION TO ACCEPT THE BID FROM JACKET MINI STORAGE FOR 1 STORAGE BUILDING AT A TOTAL COST OF \$429.45.

K. SANITATION DEPARTMENT

THERE ARE NO ITEMS FOR THIS AGENDA

L. UTILITIES DEPARTMENT

1. REQUEST APPROVAL OF RELIABILITY STANDARDS MEMO OF UNDERSTANDING BETWEEN THE CITY OF STARKVILLE AND THE TENNESSEE VALLEY AUTHORITY.

2. REQUEST AUTHORIZATION TO PURCHASE MOBILE311 WORK FLOW SOFTWARE AND ASSOCIATED SERVICE FROM FACILITY DUDE AT AN ANNUAL FEE OF \$15,470.00.
3. REQUEST APPROVAL FOR TERRY KEMP TO TRAVEL TO BILOXI, MS DURING THE MML CONFERENCE TO MEET WITH CONSULTANTS AND CONTRACTORS WITH ADVANCE TRAVEL OF APPROXIMATELY \$250.
4. REQUEST APPROVAL FOR STARKVILLE UTILITIES TO INSERT THE DRINKING WATER ANNUAL CONSUMER CONFIDENCE REPORT INTO THE JUNE UTILITY BILLS.
5. REQUEST APPROVAL FOR TERRY KEMP AND RUSSELL HAMILTON TO TRAVEL TO ATLANTA, GA JUNE 15, 2016 TO MEET WITH SEDC, OUR CIS PROVIDER, AT NO COST TO THE CITY.

XII. CLOSED DETERMINATION SESSION

XIII. OPEN SESSION

XIV. EXECUTIVE SESSION

- A. PERSONNEL
- B. POTENTIAL LITIGATION

XV. OPEN SESSION

XVI. RECESS UNTIL JUNE 21, 2016 @ 5:30 IN THE COURT ROOM AT CITY HALL LOCATED AT 110 WEST MAIN STREET.

The City of Starkville is accessible to persons with disabilities. Please call the ADA Coordinator, Joyner Williams, at (662) 323-2525, ext. 3121 at least forty-eight (48) hours in advance for any services requested.

2. CONSIDERATION OF THE MINUTES OF THE MAY 3, 2016 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS INCORPORATING ANY AND ALL CHANGES RECOMMENDED BY THE CITY ATTORNEY.

Upon the motion of Alderman Carver, duly seconded by Alderman Wynn, to approve the minutes of the May 3, 2016 meeting, including all advertisement proofs and other documents, of the Mayor and Board of Aldermen of the City of Starkville, MS incorporating any and all changes recommended by the City Attorney, the Board voted as follows:

| | |
|---------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |

Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Yea
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

ANNOUNCEMENTS AND COMMENTS:

MAYOR'S COMMENTS: The Mayor updated the public that Saturday, June 11, 2016, the Golden Triangle Landfill will be receiving hazardous residential waste from 9 a.m. to 2 p.m. The Mayor read a list of items that can be dropped off that day. The Mayor then recognized Herman Peters and the Park staff for the City's 6th recognition as a "Playful City" and showed the winning video submitted by the Park and Recreation Department. The 17 summer youth workers in attendance were then recognized. They will be working in various departments this summer through a MDOT grant.

At this time, he introduced the following new employees:

| | | |
|------------------|-------------------------------------|------------|
| Police Officer: | Firefighters: | Utilities: |
| John Michael Lay | Tyler Alan Davis Jason Ken Britt | Alex Davis |

BOARD OF ALDERMEN COMMENTS:

Alderman Wynn recognized Herman Peters for his recent work on the Devin Mitchell Day event. It was noted the Park has 83 teams for a state tournament the weekend of June 9 – 12. Alderman Wynn then thanked Buddy Sanders for his work on the 182 renovation event recently held and the upcoming Charrette on the revitalization. Alderman Wynn also thanked Bully's Burgers and Insomnia Cookies for recently providing refreshments to the Sanitation and Landscape department.

Alderman Little congratulated the MSU Baseball team on their success and the upcoming tournament to be held at MSU. Along with the Starkville park tournament, hotels and restaurants will be filled.

CITIZEN COMMENTS:

Alvin Turner, Ward 7, thanked Chief Nichols for letting the citizens know what they do and what is expected of citizens. He asked the Board to always be considerate of its citizens.

Chris Taylor, asked that good employees be rewarded with good pay. It was noted there are several firemen making less than \$10 per hour as well as other employees.

Dorothy Issac, stated her appreciation for city employees and services and for what Starkville is accomplishing. She supports relocating the Police Dept. to the City Hall and asked that wherever they end up, the City work together.

Alexis Logan, Mayor's Youth Council, thanked the Mayor and Aldermen for their support this year.

PUBLIC APPEARANCES

BOYS AND GIRLS CLUB

Nadia Colom, Chief Professional Officer of the Boys and Girls Club, presented information on the Boys and Girls Club. The average daily attendance is 120 which are served by 3 full time and 14 part time employees. She encouraged elected officials to work with young people and to help these future adults. She thanked the Police and Fire departments for their assistance in the past and the time they have spent with the youth.

VOLUNTEER STARKVILLE

Ms. Bauchman was unable to attend and asked to present at the June 21, 2016 meeting.

PUBLIC HEARING

FIRST PUBLIC HEARING PERTAINING TO THE PROPOSED AMENDMENTS TO THE CODE OF ORDINANCES, OF THE CITY OF STARKVILLE, MISSISSIPPI, SPECIFICALLY, APPENDIX A – ZONING, ARTICLE VII. – DISTRICT REGULATIONS, SEC. T., SECTION 7.3 BUILDING FORM, SECTION 7.4 BUILDING USE, AND 8.4 BUILDING USE.

Mayor Wiseman opened the Public Hearing. Buddy Sanders and Daniel Havelin of the Community Development Department introduced the proposed amendments to the Ordinance. Maps of the T District were displayed and proposed changes outlined. Alderman Walker offered his support to these changes and agreed Ordinance now needs to be updated. He offered several changes to the proposed Ordinance which were discussed and the Board agreed to include.

3. CONSIDERATION OF THE ADVERTISEMENT OF A SECOND PUBLIC HEARING OF THE MAYOR AND BOARD OF ALDERMEN PERTAINING TO THE PROPOSED AMENDMENTS TO THE ORDINANCE PERTAINING TO THE CODE OF ORDINANCES, OF THE CITY OF STARKVILLE, MISSISSIPPI, SPECIFICALLY, APPENDIX A – ZONING, ARTICLE VII. – DISTRICT REGULATIONS, SEC. T., SECTION 7.3 BUILDING FORM, SECTION 7.4 BUILDING USE

Alderman Walker offered a motion to grant authorization to advertise a public notice of a second public hearing of the Mayor and Board of Aldermen pertaining to the proposed amendments to the Ordinance

pertaining to the Code of Ordinances, of the City of Starkville, Mississippi, specifically, Appendix A – Zoning, ARTICLE VII. – DISTRICT REGULATIONS, Sec. T., Section 7.3 Building Form, Section 7.4 Building Use at the June 21, 2016 meeting of the Mayor and Board of Aldermen. Alderman Little seconded the motion and the Board voted as follows:

| | |
|---------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |

Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Yea
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion carried.

4. CONSIDERATION OF THE PILOT CLUB PLAYGROUND PROPOSAL FOR THE J. L. KING PARK.

Chris Emplincourt of the Starkville Pilot Club, along with several club members in attendance, presented a playground equipment proposal partnership with the City for additions to the Splash Pad and outdoor musical instruments for the J. L. King Park.

Upon the motion of Alderman Vaughn, duly seconded by Alderman Walker, to authorize the acceptance of a donation of playground equipment from the Pilot Club and to approve the grant submittal in the City of Starkville by the Pilot Club including in-kind services as well as some monetary support to install the trail around the musical instrument playground equipment, the Board voted as follows to approve the motion:

Alderman Ben Carver Voted: Yea
Alderman Lisa Wynn Voted: Yea
Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Yea
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion carried.

5. CONSIDERATION OF TAX INCREMENT FINANCING BONDS (TIF) COMMITMENT (NICHOLAS SITE) IN THE AMOUNT OF \$1,135,000.

Upon the motion of Alderman Wynn, duly seconded by Alderman Little, to authorize the City of Starkville to approve the following letter of Commitment, the Board voted as follows to approve the motion:

Alderman Ben Carver Voted: Yea
Alderman Lisa Wynn Voted: Yea
Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Yea
Alderman Roy A'. Perkins Voted: Nay
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion carried.



Our One Priority Is You.™

COMMITMENT LETTER

May 20, 2016

City of Starkville
Starkville, MS

Re: \$1,135,000 City of Starkville, MS
Tax Increment Financing Bonds (Nicholas Site)

Please accept this letter as a commitment of the undersigned to purchase the above-captioned bonds upon the terms and conditions outlined below:

1. Issuer and Amount: \$1,135,000 aggregate principal amount of City of Starkville, State of Mississippi (the "Issuer") Tax Increment Financing Bonds (Nicholas Site) (the "Bonds").
2. Purpose of Issue: To build public infrastructure within the Tax Increment Financing District. The Bonds were approved in the Tax Increment Financing Plan approved by the City of Starkville in June 2008.
3. Authority for Issue: Tax Increment Bonds are issued in accordance with Section 21-45-1 et seq., Mississippi Code of 1972, as amended.
4. Dated Date of Bonds: Date of Delivery.
5. Form of Bonds: The Bonds will be issued as written or printed certificates that will be prepared by Jones Walker (Bond Counsel).
6. Interest Rates & Maturities: (a) Term of the bonds will be 10 years, with a final maturity date of July 1, 2026. (b) Interest rate will be 5.00%, tax-exempt.
7. Interest Payments: Annual payments on July 1 of each year, commencing July 1, 2017.
8. Prepayment Provisions. The Bonds can be prepaid on any payment date without penalty.
9. Security: The Bonds shall be secured by and payable as to principal and interest from an irrevocable pledge and dedication of 75% of incremental City and County ad valorem taxes generated within the District and 75% of sales taxes collected within the District. At this time, an estimated

\$177,462 is reasonably expected to be collected from the pledged sources each year.

10. Debt Service Covenants: (a) The Issuer pledges to produce incremental revenues sufficient to create a debt service coverage of 1.2x the maximum annual debt service requirement on the Bonds. (b) The Issuer is required to maintain a fully funded Debt Service Reserve Fund in the amount equal to the maximum annual principal and interest requirement. (c) Excess incremental City and County ad valorem taxes generated within the District and sales taxes collected in the District above the amounts required for annual debt service will be escrowed annually into an Early Redemption Account.
11. Paying Agent: PriorityOne Bank - P.O. Box 516 - Magee Mississippi 39111 will serve as sole paying agent.
12. Legal Opinion: Legal opinion of Jones Walker Law Firm.
13. Bank Eligibility: The Bonds will be designated as "bank qualified" tax-exempt obligations under Code Section 265(b).
14. Investment Letter: If requested, the undersigned will sign an investment letter indicating that it has made a full investigation of the security for the issue and has not relied upon or requested that any disclosure document be prepared by or on behalf of the Issuer, and further that it is purchasing the Bonds without any intention to sell any portion thereof to any person other than another financial institution.
15. Continuing Disclosure: It is understood that, with respect to the Certificates, the Issuer will not be required to comply with the continuing disclosure requirements of SEC Rule 15c2-12(b).
16. Delivery: Expected to be on or about July 1, 2016.

PriorityOne Bank

By: 
Chester White, Chief Lending Officer

Accepted by:

City of Starkville, MS

on _____, 2016

6. CONSIDERATION OF THE APPROVAL OF THE COMMITMENT TO A MISSISSIPPI CAPITAL IMPROVEMENTS REVOLVING LOAN PROGRAM (CAP) TO BE DERIVED FROM CURRENT AND FUTURE WATER FEES AND REVENUE IN THE WATER ENTERPRISE FUND UPON APPROVAL OF SAID PROJECT BY THE MISSISSIPPI DEVELOPMENT AUTHORITY.

Phylis Benson of the GTPDD discussed the history of CAP loans and that the Resolution is a requirement of MDA. Upon the motion of Alderman Little, duly seconded by Alderman Wynn, to move approval that the City of Starkville commit funds to a Mississippi Capital Improvements revolving loan program (CAP) to be derived from current and future water fees and revenue in the water enterprise fund upon approval of said project by the Mississippi Development Authority, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

RESOLUTION
Authorizing the City of Starkville To
Commit Funds To A
Mississippi Capital Improvements Revolving Loan Program (CAP) Project

WHEREAS, the State of Mississippi has grant funds available under the Mississippi Capital Improvements Program (CAP) for cities, towns and counties to address public facilities and economic development needs; and

WHEREAS, the City of Starkville has specific economic and community development needs and problems which can be corrected or alleviated by using loan funds under the Mississippi Capital Improvements Program (CAP) for the purpose of public infrastructure improvements which include water improvements; and

WHEREAS, the City of Starkville intends to leverage Mississippi Capital Improvements Program (CAP) funds with \$1,278,470.23 in the form of a cash commitment from current and future water fees and revenue in the water enterprise fund in order to provide maximum use of the \$554,800 Capital Improvements Program (CAP) funds.

NOW, THEREFORE, BE IT RESOLVED that the City of Starkville commits \$1,278,470.23 to be derived from current and future water fees and revenue in the water enterprise fund for public infrastructure improvements to the total project, contingent upon approval of said project by the Mississippi Development Authority.

ADOPTED, this, the 7th day of June 2016, by the Board of Aldermen of the City of Starkville, Mississippi.

Starkville, Mississippi

Parker Wiseman, Mayor

Attest:

Lesa Hardin, City Clerk

(SEAL)

7. CONSIDERATION OF THE RESOLUTION FOR APPOINTING 2016 VOTING DELEGATE AND 2 ALTERNATIVES FOR THE CITY OF STARKVILLE DURING THE 2016 MML SUMMER CONFERENCE IN BILOXI, MS JUNE 26-29, 2016.

Upon the motion of Alderman Wynn, duly seconded by Alderman Little, to name Alderman Vaughn as the voting delegate to the 2016 MML Conference, with Aldermen Carver as first alternate and Alderman Little as second alternate, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

RESOLUTION
RESOLUTION APPOINTING
MISSISSIPPI MUNICIPAL LEAGUE
2016 VOTING DELEGATES
FOR THE CITY OF STARKVILLE, MS

WHEREAS, the Mississippi Municipal League amended the bylaws of the association to provide for a ballot election, to be conducted by the officers of the Mississippi Municipal Clerks and Collectors Association, to be held

each year at the summer convention, to elect a second vice president and to vote on any proposed bylaw changes; and

WHEREAS, the amended bylaws require the Aldermen to designate in its minutes the voting delegate and two alternates to cast the vote for each member municipality.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF STARKVILLE, MISSISSIPPI

In accordance with the bylaws of the Mississippi Municipal League, the voting delegate(s) for the 2016 Mississippi Municipal League election to be held at the annual convention on June 27 – June 29, 2016 are as follows:

Voting Delegate: Henry Vaughn, Alderman Ward 7
First Alternate: Ben Carver, Alderman Ward 1
Second Alternate: David Little, Alderman Ward 3

That public interest and necessity requiring same, this Resolution shall become effective upon passage.

The above and foregoing Resolution, after having been first reduced to writing, was introduced by Alderman Lisa Wynn, seconded by Alderman David Little, and was adopted by the following vote, to-wit:

Yeas: 7 Nays: 0

The Mayor thereby declared the motion carried and the Resolution adopted, this the 7th day of June, 2016.

Approved:

Parker Wiseman, Mayor

Attest:

Lesa Hardin, City Clerk / CFO

8. DISCUSSION AND CONSIDERATION OF THE SERIES 2016A G O \$3,000,000 PUBLIC IMPROVEMENT BOND RESOLUTION AND PRELIMINARY OFFICIAL STATEMENT.

Upon the motion of Alderman Perkins, duly seconded by Alderman Little, to Approve a Resolution directing the issuance of general obligation public improvement bonds, Series 2016a, of the City of Starkville, Mississippi, in the principal amount of three million dollars (\$3,000,000) to raise money for the purpose of acquiring, renovating, equipping and furnishing of the then-present city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 E. Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department, and for related purposes; prescribing the form and incidents of said bonds; providing for the levy of taxes for the payment thereof; providing for the sale of said bonds; making provision for maintaining the tax-exempt status of the bonds; authorizing a bond insurance policy; authorizing a bond rating; approving and authorizing the distribution of a preliminary official statement; authorizing the execution and distribution of an official statement; authorizing the execution of a continuing disclosure certificate; acknowledging and authorizing the execution of post issue compliance procedures; and for related purposes,, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Nay |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

CITY OF STARKVILLE, MISSISSIPPI
\$3,000,000
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS
SERIES 2016A

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RESOLUTION DIRECTING THE ISSUANCE OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016A, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF THREE MILLION DOLLARS (\$3,000,000) TO RAISE MONEY FOR THE PURPOSE OF ACQUIRING, RENOVATING, EQUIPPING AND FURNISHING OF THE THEN-PRESENT CITY HALL BUILDING AND ASSOCIATED REAL AND PERSONAL PROPERTY, INCLUDING WITHOUT LIMITATION THE REPAIR, PATCHING, OVERLAY, AND STRIPING OF THE BUILDING'S PARKING LOT, LOCATED AT 101 E. LAMPKIN STREET IN STARKVILLE, MISSISSIPPI, TO HOUSE AND FACILITATE THE OPERATIONS OF THE STARKVILLE POLICE DEPARTMENT, AND FOR RELATED PURPOSES; PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT THEREOF; PROVIDING FOR THE SALE OF SAID BONDS; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF THE BONDS; AUTHORIZING A BOND INSURANCE POLICY; AUTHORIZING A BOND RATING; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; ACKNOWLEDGING AND AUTHORIZING THE EXECUTION OF POST ISSUE COMPLIANCE PROCEDURES; AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality"), acting for and on behalf of the Municipality, hereby finds, determines, adjudicates, and declares as follows:

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

"Act" shall mean Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended.

"Authorized Purpose" shall mean acquiring, renovating, equipping and furnishing of the present city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the buildings parking lot, located at 101 E. Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

"Bond" or "Bonds" shall mean the General Obligation Public Improvement Bonds, Series 2016A, of the Municipality authorized and directed to be issued in this Bond Resolution.

"Bond Counsel" shall mean Jones Walker LLP, Jackson, Mississippi, or any other nationally recognized attorneys on the subject of municipal bonds.

"Bond Fund" shall mean the Bond Fund (Series 2016A) of the Municipality provided for in Section 14 hereof.

"Bond Insurance Policy" shall mean a municipal bond insurance policy issued by the Bond Insurer, if any, guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Bond Insurer" shall mean a municipal bond insurance company, if any, guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Bond Resolution" shall mean this resolution.

"Bondholder" or "Holder" shall mean the Registered Owner of any Bond issued pursuant to this Bond Resolution.

"Business Day" shall mean a day of the year on which banks located in the city in which the principal office of the Paying Agent is located are not required or authorized to remain closed.

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

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate to be executed by the Municipality and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Event of Default" shall mean an event of default as described in Section 19 of this Bond Resolution.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Improvement Fund" shall mean the Improvement Fund (Series 2016A) of the Municipality provided for in Section 15 hereof.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

"Notice" shall mean the Notice of Bond Sale set out in Section 24 hereof.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Paying Agent" shall mean any bank, trust company or other institution designated, whether herein or hereafter, by the Governing Body to make payments of the principal of and interest on the Bonds, to serve as registrar and transfer agent for the registration of

owners of the Bonds and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization or government or any agency or political subdivision thereof.

"Procedures" shall mean the Post Issuance Compliance Procedures in substantially the form set out in **Attachment A** hereto.

"Project" shall mean the acquiring, renovating, equipping and furnishing of the present city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department.

"Project Costs" shall mean (a) obligations of the Municipality incurred, or reimbursement to the Municipality, for labor and to contractors, builders and materialmen in connection with acquiring, renovating, equipping and furnishing the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) all costs of engineering services, including test borings, surveys, estimates, plans and specifications and preliminary investigations, and supervising construction, equipping as well as for the performance of all other duties required by or consequent upon the proper construction of the Project; (d) all costs relating to the temporary relocation of the operations of the Municipality's police department in connection with acquiring, renovating, equipping and furnishing the Project; (e) all other costs which the Municipality shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction and installation of the Project, including contracts for construction, engineering and architectural services; (f) the costs, fees and expenses incurred by the Municipality in connection with the authorization, issuance, bond insurance (if obtained), bond rating (if obtained), sale, validation and delivery of the Bonds and (g) all other costs relating to the Project to the extent that such costs are eligible for payment under the Act.

"Purchaser" shall mean the successful bidder for the Bonds, to be hereafter designated by the Governing Body.

"Record Date" shall mean, as to interest payments, the fifteenth (15th) day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the fifteenth (15th) day of the month preceding the date on which such principal shall be due and payable, whether at maturity or upon redemption prior to maturity.

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

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the Municipality maintained by the Paying Agent.

"Representation Letter" shall mean the blanket representation letter to DTC pertaining to book-entry obligations of the Municipality.

“Responsible Party” shall mean the party specified in each section of the Procedures as being responsible for compliance.

“Series 2016B Bonds” shall mean the Municipality’s General Obligation Public Improvement Bonds, Series 2016B, in the maximum principal amount of Two Million Four Hundred Thousand Dollars (\$2,400,000).

"Subsection 148(f)" shall mean Subsection 148(f) of the Code.

"Subsection 148(f) Regulations" shall mean any regulations promulgated from time to time pursuant to Subsection 148(f).

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

Heretofore, on May 5, 2015, the Governing Body adopted a certain resolution entitled "RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, TO ISSUE GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF SAID MUNICIPALITY IN THE MAXIMUM PRINCIPAL AMOUNT OF THREE MILLION DOLLARS (\$3,000,000) TO RAISE MONEY FOR THE PURPOSE OF ACQUIRING, RENOVATING, EQUIPPING AND FURNISHING OF THE PRESENT CITY HALL BUILDING AND ASSOCIATED REAL AND PERSONAL PROPERTY, INCLUDING WITHOUT LIMITATION THE REPAIR, PATCHING, OVERLAY, AND STRIPING OF THE BUILDINGS PARKING LOT, LOCATED AT 101 E. LAMPKIN STREET IN STARKVILLE, MISSISSIPPI, TO HOUSE AND FACILITATE THE OPERATIONS OF THE STARKVILLE POLICE DEPARTMENT; AND FOR RELATED PURPOSES; AND DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION," wherein the Governing Body found, determined, and adjudicated that it is necessary that bonds of the Municipality be issued in the amount, for the purpose and secured as aforesaid, declared its intention to issue said bonds, and fixed June 2, 2015 at 5:30 o'clock p.m., as the date and hour on which it proposed to authorize the issuance of said bonds, on or prior to which date and hour any protest to be made against the issuance of such bonds was required to be filed.

As required by law and as directed by the aforesaid resolution, said resolution was published once a week for at least three (3) consecutive weeks in the *Starkville Daily News*, a newspaper published in and having a general circulation in the Municipality, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty-one (21) days prior to June 2, 2015, and the last publication having been made not more than seven (7) days prior to such date, said notice having been published in said newspaper on *May 12, 2015, May 19, 2015, and May 26, 2015*, as evidenced by the publisher's affidavit and on file with the Clerk.

On or prior to the aforesaid hour and date set for the receipt of protests, no written protest or other objection of any kind or character against the issuance of the bonds described in the aforesaid resolution had been filed or presented by qualified electors of the Municipality, and no such protest or objection has been filed to this date.

Heretofore, on June 2, 2015, the Governing Body adopted a certain resolution entitled “RESOLUTION FINDING AND DETERMINING THAT THE RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI TO ISSUE GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF SAID MUNICIPALITY IN THE MAXIMUM PRINCIPAL AMOUNT OF THREE MILLION DOLLARS (\$3,000,000) ADOPTED ON THE 5TH DAY OF MAY, 2015, WAS DULY PUBLISHED AS REQUIRED BY LAW; THAT NO WRITTEN PROTEST OR OTHER OBJECTION OF ANY KIND OR CHARACTER AGAINST THE ISSUANCE OF THE BONDS DESCRIBED IN SAID RESOLUTION HAS BEEN FILED BY THE QUALIFIED ELECTORS; AND AUTHORIZING THE ISSUANCE OF SAID BONDS,” wherein the Governing Body found, determined, and adjudicated that general obligation public improvement bonds of the Municipality were authorized to be issued in the maximum principal amount of Three Million Dollars (\$3,000,000) to raise money for the Authorized Purpose.

The Governing Body is now authorized and empowered by the provisions of the Act to issue the Bonds without an election on the question of the issuance thereof and is authorized to issue bonds registered as to principal and interest in the form and manner hereinafter provided for by Sections 31-21-1 to 31-21-7, Mississippi Code of 1972, as amended.

Subsequent to June 2, 2015, when the Governing Body authorized the issuance of general obligation public improvement bonds in the maximum principal amount of Three Million Dollars (\$3,000,000), the Municipality’s City Hall has moved from its previous location at 101 East Lampkin Street in the Municipality to its new location at 110 West Main Street in the Municipality. Any reference in this Bond Resolution to the “present city hall,” whether in the Authorized Purpose or otherwise, refers to what was the “present city hall” at 101 East Lampkin Street at the time of the authorization of the said general obligation public improvement bonds and is now referred to as the “old city hall.”

The assessed value of all taxable property within the Municipality, according to the last completed assessment for taxation, is Two Hundred Twenty-Four Million Five Hundred Eight Thousand Two Hundred Seventy-Six Dollars (\$224,508,276); the Municipality has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended, in the amount of Nine Million Nine Hundred Sixty-Five Thousand Dollars (\$9,965,000), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended (which amount includes the sum set forth above subject to the 15% debt limit), in the amount of Fourteen Million One Hundred Twenty Thousand Dollars (\$14,120,000); the issuance of the Bonds hereinafter proposed to be issued and the proposed issue of the Series 2016B Bonds of the Municipality, when added to the outstanding bonded indebtedness of the Municipality, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the Municipality, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the Municipality, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the Municipality.

The Code provides that noncompliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance, and provides that the tax-exempt status of interest on obligations such as the Bonds is contingent on a number of future actions by the Municipality. It is necessary to make certain covenants pertaining to the exemption of the interest on the Bonds from federal income taxes since such exemption may depend, in part, upon continuing compliance by the Municipality with certain requirements of the Code.

The Bonds are not private activity bonds as such term is defined in Section 141 of the Code. The Governing Body does not reasonably anticipate that the Municipality or any other subordinate entities thereof will issue more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations (other than private activity bonds) in this calendar year. It is necessary to designate the Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

The Municipality reasonably expects that not less than eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within a three-year period beginning on the date of issuance of the Bonds.

It is advisable and in the public interest to authorize the Mayor to arrange for bond insurance for the payment of principal and interest on the Bonds, in the event that the Municipality may realize a savings in connection with the issuance of the Bonds. The Governing Body should authorize such bond insurance to be obtained and should authorize a commitment for bond insurance to be executed on behalf of the Municipality by the Mayor if same determines such bond insurance to be in the best interest of the Municipality.

It is advisable and in the public interest to authorize the Mayor to arrange for a bond rating for the Bonds, in the event that said officer determines that obtaining any such rating is in the best interests of the Municipality. The Governing Body should authorize the obtaining of such rating, the execution of any documents necessary or appropriate for such purpose, and the commitment to pay the rating fee and usual costs pertaining to any such rating, by the Mayor if same determines any such rating to be in the best interest of the Municipality.

It is now necessary to direct the issuance of and offer for sale the Bonds in the maximum principal amount of Three Million Dollars (\$3,000,000).

It has now become necessary to make provision for the preparation, execution, issuance and sale of the Bonds.

The Municipality desires to go forward with preparation for the issuance of the Bonds and in connection therewith, desires to approve the engagement of certain professionals to assist with the issuance of the Bonds.

The Preliminary Official Statement pertaining to the sale of the Bonds should be approved by the Governing Body of the Municipality, and copies thereof distributed to prospective purchasers of the Bonds in substantially the form attached hereto as **Attachment B**.

The Official Statement pertaining to the sale of the Bonds should be approved by the Governing Body and it is necessary and appropriate for the Governing Body to authorize the execution thereof.

It is necessary and appropriate for this Governing Body to approve the Continuing Disclosure Certificate attached to the Preliminary Official Statement and to authorize the execution thereof.

The Governing Body desires to approve and adopt the Post Issuance Compliance Procedures in substantially the form attached hereto as **Attachment A**.

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

Bond Resolution as Contract. In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, this Bond Resolution shall constitute a contract between the Municipality and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the Municipality shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

Engagement of Professionals. The Municipality desires to go forward with preparation for the issuance of the Bonds and in connection therewith, desires to confirm and approve the engagement of various professionals in connection with the issuance of the Bonds, including Jones Walker LLP, Jackson, Mississippi, to serve as Bond Counsel; Christopher L. Latimer, Mitchell, McNutt & Sams, P.A., Columbus, Mississippi to serve as counsel to the Municipality; and Demery F. Grubbs, Government Consultants, Inc., Jackson, Mississippi, to serve as financial advisor.

Amount; Purpose. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of Three Million Dollars (\$3,000,000) to raise money for the Authorized Purpose as authorized by the Act.

Payments; Bond Details; Prior Redemption.

Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America. Interest shall be paid on the principal amount of each Bond from the date of such Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth therein.

Bond Details. The Bonds shall be registered as to both principal and interest; shall be dated July 1, 2016; shall be issued in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one (1) upward in the order of issuance; shall bear interest from the date thereof at the rate or rates specified by further order of the Governing Body, payable on July 1, 2017, and semiannually thereafter on January 1 and July 1 of each year;

and shall mature and become due and payable, with option of prior payment, on July 1 in the years and in the principal amounts as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2017 | \$110,000 |
| 2018 | \$110,000 |
| 2019 | \$115,000 |
| 2020 | \$120,000 |
| 2021 | \$125,000 |
| 2022 | \$130,000 |
| 2023 | \$130,000 |
| 2024 | \$135,000 |
| 2025 | \$140,000 |
| 2026 | \$145,000 |
| 2027 | \$150,000 |
| 2028 | \$155,000 |
| 2029 | \$160,000 |
| 2030 | \$165,000 |
| 2031 | \$170,000 |
| 2032 | \$175,000 |
| 2033 | \$180,000 |
| 2034 | \$190,000 |
| 2035 | \$195,000 |
| 2036 | \$200,000 |

Prior Redemption. Bonds maturing after July 1, 2026 are subject to redemption prior to their respective maturities at the election of the Municipality on and after July 1, 2026, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds (in integral multiples of \$5,000), and for all purposes of this Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

BOND INSURANCE AND RATING AUTHORIZED; COVENANTS. i. The Mayor is hereby authorized to execute a commitment for bond insurance and to do such other things and take such other actions as may be necessary to obtain such insurance for the Bonds if such official determines that obtaining such insurance will result in the realization of greater savings in connection with the issuance of the Bonds. Such bond insurance may be obtained or not obtained within the discretion of such official.

The provisions of the Bond Insurance Policy (if any) and the municipal bond insurance commitment pertaining thereto, together with any attachments and documents referenced therein, as long as the Bond Insurance Policy remains outstanding and the Bond Insurer has not failed to comply with its payment obligations thereunder and notwithstanding anything contained in this Bond Resolution to the contrary, shall govern and are made a part of this Bond Resolution as though set forth in full herein. In addition to all notices and reporting requirements specifically set forth herein, the Bond Insurer shall be provided with such additional information as the Bond Insurer may reasonably request from time to time.

The Bonds are issued subject to certain requirements and covenants set forth in the Bond Resolution, including without limitation those requirements and covenants pertaining to bond insurance, if any, for the Bonds.

The Mayor is hereby authorized to obtain a bond rating or ratings with regard to the sale of the Bonds, and to execute such documents and to do such other things and take such other actions as may be necessary with regard thereto, if such officials determine that obtaining such rating or ratings will result in a net savings with regard to the sale of the Bonds. Such bond rating may be obtained or not obtained within the discretion of such official.

Bonds Registered as Obligations; Registration and Validation Certificate; Execution; Delivery; Bond Transcript; Legal Opinion; Items Filed with Paying Agent; Authentication; Bond Certificates.

Bonds Registered as Obligations When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the Municipality in the office of the Clerk in a book maintained for that purpose, and the Clerk shall cause to be imprinted upon or accompany each of the Bonds, over her manual or facsimile signature and manual or facsimile seal, her certificate in substantially the form set out in Section 8 hereof.

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

Delivery; Bond Transcript; Legal Opinion. The Bonds shall be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale, and validation of the Bonds, and the final, unqualified approving opinion of Bond Counsel.

Items Filed with Paying Agent. Prior to or simultaneously with the delivery by the Paying Agent of any of the Bonds, the Municipality shall file with the Paying Agent:

a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the Bonds; and

an authorization to the Paying Agent, signed by the Mayor, to authenticate and deliver the Bonds to the Purchaser.

Authentication. The Paying Agent acting through its officers, employees or agents, shall authenticate the Bonds and deliver them to the Purchaser thereof upon payment of the purchase price of the Bonds to the Municipality.

Bond Certificates. Certificates, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the Municipality to meet the reasonable transfer and reissuance needs on the Bonds, may be printed and delivered to the Paying Agent in generally-accepted format, and held by the Paying Agent until needed for transfer or reissuance, whereupon the Paying Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder. The Paying Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional certificates bearing the manual or facsimile seal of the Municipality and manual or facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

Designation of Paying Agent; Paying Agent as Transfer Agent; Fees and Expenses of Paying Agent; Change of Paying Agent; Successor Corporation or Association as Paying Agent.

Designation of Paying Agent. A Paying Agent for the Bonds, which shall serve as paying agent, registrar and transfer agent, shall be designated by further order of the Governing Body.

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

Fees and Expenses of Paying Agent. The Municipality shall pay or reimburse the Paying Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents and bond registrars, subject to agreement between the Municipality and the Paying Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Paying Agent, shall be made by the Municipality on a

case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

Change of Paying Agent. 1. A Paying Agent may at any time resign and be discharged of its duties and obligations as Paying Agent by giving at least sixty (60) days' written notice to the Municipality, and may be removed as Paying Agent at any time by resolution of the Governing Body delivered to the Paying Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Paying Agent, and shall be transmitted to the Paying Agent being removed within a reasonable time prior to the effective date thereof. Provided, however, that no resignation or removal of a Paying Agent shall become effective until a successor Paying Agent has been appointed pursuant to this Bond Resolution.

Upon receiving notice of the resignation of a Paying Agent, the Municipality shall promptly appoint a successor Paying Agent by resolution of the Governing Body. Any appointment of a successor Paying Agent shall become effective, on the effective date of the resignation or removal of the predecessor Paying Agent upon acceptance of appointment by the successor Paying Agent. If no successor Paying Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Paying Agent.

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

Any successor Paying Agent appointed under the provisions hereof shall be a bank, trust company or national banking association having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

Every successor Paying Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Paying Agent and to the Municipality an instrument in writing accepting such appointment hereunder, and thereupon such successor Paying Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

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

The Municipality will provide any successor Paying Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the Bonds.

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

Successor Corporation or Association as Paying Agent. Any corporation or association into which a Paying Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the Municipality or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor Paying Agent shall be satisfactory to the Municipality and eligible under the provisions of this Section hereof.

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

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

OKTIBBEHA COUNTY

CITY OF STARKVILLE, MISSISSIPPI

GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND

SERIES 2016A

NO. _____ \$ _____

| | | | |
|-------------------------|----------------------|-------------------|--------------|
| <u>Rate of Interest</u> | <u>Maturity Date</u> | <u>Dated Date</u> | <u>CUSIP</u> |
| _____ % | _____, 20__ | _____, 20__ | _____ |

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Starkville, in the State of Mississippi (the "Municipality"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, on the maturity date stated above, upon the presentation and surrender of this bond, at the principal office of _____, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Public Improvement Bonds, Series 2016A, of the Municipality (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent, which will also serve as registrar and transfer agent for the Bonds, as of the fifteenth (15th) day of the calendar month preceding the maturity date hereof.

All capitalized terms not otherwise defined herein shall have the meaning set forth in the resolution authorizing and directing the issuance of the Bonds adopted _____ (the "Bond Resolution").

The Municipality further promises to pay interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above payable on _____, 20__, and semiannually thereafter on _____ 1 and _____ 1 of each year, until said principal sum is paid, to the Registered Owner hereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent as of the fifteenth (15th) day of the calendar month preceding the applicable interest payment date.

Payments of principal of and interest on this Bond shall be made by check or draft delivered directly to or mailed on the date on which interest or principal and interest shall be due and payable (or, with respect to principal, such later date on which any Bond shall

be presented and surrendered for payment as provided herein) to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the fifteenth (15th) day of the calendar month preceding the applicable principal or interest payment date.

Bonds maturing after _____, 20____, are subject to redemption prior to their respective maturities at the election of the Municipality on and after _____, 20____, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds (in integral multiples of \$5,000), and for all purposes of the Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of Three Million Dollars (\$3,000,000) to raise money for the purpose of acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the Municipality, including the Bond Resolution.

The Bonds are registered as to both principal and interest and are to be issued or reissued in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity.

This Bond may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Paying Agent, but only in the manner provided by and subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer or exchange, a new Bond or Bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The Municipality and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of

principal hereof and interest due hereon and for all other purposes and neither the Municipality nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Paying Agent, acting through its officers, employees or agents.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding general obligations of the Municipality, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the Municipality are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the Municipality, countersigned by the manual or facsimile signature of the Clerk of the Municipality, under the manual or facsimile seal of the Municipality, which said facsimile signatures said officials adopt as and for their own proper signatures, all as of the _____ day of _____, 20__.

City of Starkville, Mississippi

Mayor

Countersigned:

City Clerk

(SEAL)

There shall be printed or accompany the Bonds a registration and authentication certificate in substantially the following form:

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Public Improvement Bonds, Series 2016A, of the City of Starkville, Mississippi.

as Paying Agent

Authorized Signatory

Date of Registration and Authentication: _____

There shall be printed on or accompany the Bonds a registration and validation certificate and an assignment form in substantially the following form:

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI

COUNTY OF OKTIBBEHA

I, the undersigned City Clerk of the City of Starkville, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said Municipality pursuant to law in a book kept in my office for that purpose, and has been validated and confirmed by Validation Judgment of the Chancery Court of Oktibbeha County, Mississippi, rendered on the ___ day of _____, 20__.

(Seal)

City Clerk

ASSIGNMENT

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

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint _____ as Paying Agent to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Signature guaranteed:

(Bank, Trust Company or Paying Agent)

Authorized Signatory

NOTICE: Signature(s) must be guaranteed by an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this Assignment must correspond with the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Date of Assignment: _____

Insert Social Security Number or Other Tax Identification Number of Assignee: _____

[END OF BOND FORM]

Replacement of Bond Certificates. In case any Bond shall become mutilated or be stolen, destroyed or lost, the Municipality shall, if not then prohibited by law, cause to be authenticated and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the Municipality in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the Municipality or Paying

Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the Municipality or Paying Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

Security for Payment. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue, to the extent other moneys are not available, there shall be and is hereby levied a direct, continuing tax upon all of the taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, and taking into account any other moneys available for such purpose, to produce sums required for the payment of the principal of and the interest on the Bonds. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the Municipality are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

Certificate of Registration and Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Paying Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Paying Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Paying Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign said certificate on all of the Bonds that may be issued hereunder at any one time.

Initial Registration; Registered Owner as Owner.

Initial Registration In the event the Purchaser shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the Municipality, one (1) Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Bonds shall be in the Purchaser until the initial Registered Owner has made timely payment and, upon request of the Purchaser within a reasonable time of the initial delivery of the Bonds, the Paying Agent shall re-register any such Bond upon its records in the name of the Registered Owner to be designated by the Purchaser in the event timely payment has not been made by the initial Registered Owner.

Registered Owner as Owner. Except as hereinabove provided, the Person in whose name any Bond shall be registered in the records of the Municipality maintained by

the Paying Agent may be deemed the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on any Bond shall be made only to or upon the order of the Registered Owner thereof, or his legal representative, but such registration may be changed as hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Transfers; Paying Agent to Transfer in Accordance with Bond Resolution; Expenses of Transfer.

Transfers Each Bond shall be transferable only in the records of the Municipality, upon surrender thereof at the office of the Paying Agent, together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the Municipality, acting through its Paying Agent, shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

Paying Agent to Transfer in Accordance with Bond Resolution. In all cases in which the privilege of transferring Bonds is exercised, the Paying Agent, acting through its officers, employees or agents, shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.

Expenses of Transfer. The Municipality or the Paying Agent may require payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of Bonds. All other expenses incurred by the Municipality or the Paying Agent in connection with any transfer of Bonds shall be paid by the Municipality.

Bond Fund; Payments; Bond Fund Options.

Bond Fund. The Municipality shall maintain with a qualified depository thereof a Bond Fund in its name for the payment of the principal of and interest on the Bonds, and the payment of Paying Agents' fees in connection therewith. There shall be deposited into the Bond Fund as and when received:

The accrued interest, if any, received upon delivery of the Bonds;

The avails of any of the ad valorem taxes levied and collected pursuant to Section 10 hereof;

Any income received from investment of moneys in the Bond Fund;

and

Any other funds available to the Municipality which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Bond Fund.

Payments by Clerk. As long as any principal of and interest on the Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the Bond Fund sufficient moneys to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent prior

to the date on which said interest or principal and interest shall become due, and in accordance with any statutory requirements.

Bond Fund Options. Notwithstanding anything herein to the contrary, the Municipality at its option, may maintain one (1) bond fund for all general obligation bonds of the Municipality, or as many as it shall deem to be appropriate.

Improvement Fund (Series 2016A). The principal proceeds received upon the sale of the Bonds shall be deposited with a qualified depository of the Municipality in a special improvement fund, hereby created, in the name of the Municipality and herein referred to as the "Improvement Fund (Series 2016A)". From the Improvement Fund there shall be first paid the costs, fees and expenses incurred by the Municipality in connection with the authorization, issuance, and bond insurance, if any, bond rating, if any, sale, validation and delivery of the Bonds. The balance thereof shall be held and disbursed for other Project Costs.

Payments of Principal; Payments of Interest; Method of Payment; Change of Address.

Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent as of the Record Date.

Payments of Interest. Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

Method of Payment; Change of Address. Principal of and interest on the Bonds shall be paid by check or draft delivered directly to or mailed on the date on which interest or principal and interest shall be due and payable (or, with respect to principal, such later date on which any Bond shall be presented and surrendered for payment as provided herein) or such other method as may be mutually satisfactory to the Paying Agent and Bond Holders, to the Registered Owners at the addresses appearing in the registration records of the Paying Agent. Any such address may be changed by written notice from the Registered Owner to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the fifteenth (15th) day of the calendar month preceding the applicable principal or interest payment date to be effective as of such date.

Validation. The Bonds shall be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, as amended, and to that end the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bonds and to certify and forward the same to the State Bond Attorney for the institution of validation proceedings.

Validation of Certain Amendments, Revisions or Supplements. It is specifically provided, notwithstanding the dates set out in this Bond Resolution for the date of the Bonds and the payment dates for principal and interest, that in the event the delivery of the Bonds is delayed by a contest of the validation of the Bonds or otherwise and the initial

Purchaser shall decline to take delivery of the Bonds, then the Bonds may be reoffered for sale. In such event, all principal maturities may be adjusted so that such maturities will fall due in the same amounts and intervals as herein provided, but beginning one (1) year from the actual date of the Bonds as provided by the subsequent resolution directing the offer for sale thereof, and continuing through the twentieth (20th) year from such actual date of the Bonds. The interest payments may also be adjusted accordingly, with interest payments due semiannually, commencing twelve (12) months from such actual date of the Bonds. After the validation of the Bonds, no amendment, revision or supplement contemplated by this Section shall be cause for the re-submission of the proceedings for the issuance of the Bonds, as amended, revised or supplemented, to any further validation proceedings, it being the intent of this Bond Resolution that any such amendments, revisions or supplements be covered by the initial validation proceeding.

Events of Default; Remedies. An "Event of Default" as used in this Resolution shall mean any of the following: ii. failure to pay the principal of, premium, if any, or interest on any of the Bonds when such payments shall become due, iii. failure to comply with any other of the covenants of the Municipality set out in this Bond Resolution and the continuation thereof for thirty (30) days after written notice specifying such failure shall have been given to the Municipality by any Bondholder or iv. filing by the Municipality of a petition under federal bankruptcy laws or a petition seeking composition of indebtedness under any other applicable federal or state laws. Notwithstanding the foregoing, the Municipality's noncompliance with its obligations under Section 22 hereof and the Continuing Disclosure Certificate shall not constitute an Event of Default within the meaning of this Section.

The Holders of not less than twenty-five percent (25%) of the aggregate principal amount of the outstanding Bonds may, upon an Event of Default, by suit, action, mandamus or other proceedings at law or in equity take action to enforce and compel performance by the appropriate official or officials of the Municipality of any or all of the acts or duties to be performed by the Municipality under the provisions of the Act and this Bond Resolution. The Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then outstanding may appoint a trustee for the Holders of all outstanding Bonds issued under this Bond Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders under this Bond Resolution.

Nothing in this Bond Resolution contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Municipality to pay the principal of and interest on each of the Bonds issued hereunder to the respective Bondholders thereof at the time and place and in the manner in said Bonds expressed.

Preliminary Official Statement. The Governing Body hereby approves the Preliminary Official Statement pertaining to the sale of the Bonds, and the distribution of said Preliminary Official Statement is hereby authorized in substantially the form attached hereto, as **Attachment B**.

Official Statement. v. The Governing Body hereby approves and adopts the Official Statement pertaining to the sale of the Bonds in substantially the form of the Preliminary Official Statement with such completions, changes, insertions, and modifications as shall be approved by the officers of the Municipality executing and

delivering the same, the execution thereof by such officers to be conclusive evidence of such approval.

The Governing Body hereby approves the execution by the Mayor and the Clerk of the Official Statement for and on behalf of this Governing Body, and the distribution of such Official Statement pertaining to the sale of the Bonds is hereby approved.

Continuing Disclosure Certificate. The Governing Body hereby approves and adopts the Continuing Disclosure Certificate attached to the Preliminary Official Statement, and approves and authorizes the execution of said Continuing Disclosure Certificate by the Clerk of the Municipality for and on behalf of the Municipality in substantially the form attached to the Preliminary Official Statement, with such completions, changes, insertions, and modifications as shall be approved by the officer of the Municipality executing and delivering the same, the execution thereof to be conclusive evidence of such approval.

Offer for Sale as Provided in Notice; Interest Rate Limit; Requirements of Act.

Offer for Sale as Provided in Notice The Bonds shall be offered for sale on sealed bids at a meeting of the Governing Body to be held at the place, and on the date and at the hour specified and upon the terms and conditions set out in the Notice in Section 24 hereof. On or before said date and hour, such sealed bids must be filed with the Clerk at the place specified in the Notice. The Governing Body reserves the right to reject any and all bids submitted, and if all bids are rejected, to sell the Bonds at a private sale at any time within sixty (60) days after the date advertised for the receipt of bids, at a price not less than the highest bid which shall have been received at the advertised sale.

Interest Rate Limit; Requirements of Act. In no event shall the Bonds be issued at a rate of interest in excess of that allowed in the Notice and the Bonds shall in all other respects comply with the requirements of the Act.

Notice: Publication and Form. As required by Section 31-19-25, Mississippi Code of 1972, as amended, the Clerk is hereby authorized and directed to give the Notice by publishing an advertisement at least two (2) times in *The Starkville Daily News*, a newspaper published in and of general circulation in Oktibbeha County, Mississippi, the first publication thereof to be made at least ten (10) days preceding the date fixed herein for the receipt of bids. The Notice shall be in substantially the following form:

NOTICE OF BOND SALE

\$3,000,000

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016A
OF THE
CITY OF STARKVILLE, MISSISSIPPI

NOTICE IS HEREBY GIVEN that the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality") will receive sealed bids for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of Three Million Dollars (\$3,000,000) General Obligation Public Improvement Bonds, Series 2016A, of the Municipality (the "Bonds") on July 7, 2016, until the hour of 4 o'clock pm, and such bids should be delivered to the City Clerk at her office in the City Hall of the Municipality. The City Clerk will act on behalf of the Governing Body to receive bids at the aforesaid date, time and place. Immediately following said time on said date, said bids will be publicly opened and read in the City Hall.

THE BONDS: The Bonds will be dated and bear interest from July 1, 2016; will be delivered in definitive form as registered bonds; will be in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity; will be numbered from one (1) upward in the order of issuance; will be payable as to principal at a bank or trust company to be named by the Governing Body in the manner hereinafter provided; and will bear interest from the date thereof, payable on July 1, 2017, and semiannually thereafter on January 1 and July 1 of each year, at the rate or rates offered by the successful bidder in its bid in accordance with this Notice of Bond Sale.

MATURITIES: The Bonds will mature serially, with option of prior payment, on July 1 in each of the years and amounts as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2017 | \$110,000 |
| 2018 | \$110,000 |
| 2019 | \$115,000 |
| 2020 | \$120,000 |
| 2021 | \$125,000 |
| 2022 | \$130,000 |
| 2023 | \$130,000 |
| 2024 | \$135,000 |
| 2025 | \$140,000 |
| 2026 | \$145,000 |
| 2027 | \$150,000 |
| 2028 | \$155,000 |
| 2029 | \$160,000 |
| 2030 | \$165,000 |
| 2031 | \$170,000 |
| 2032 | \$175,000 |
| 2033 | \$180,000 |

| | |
|------|-----------|
| 2034 | \$190,000 |
| 2035 | \$195,000 |
| 2036 | \$200,000 |

REDEMPTION: Bonds maturing after July 1, 2026, are subject to redemption prior to their respective maturities at the election of the Municipality on and after July 1, 2026, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds, in integral multiples of Five Thousand Dollars (\$5,000), and for all purposes of the Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

AUTHORITY AND SECURITY: The Bonds will be issued pursuant to the provisions of Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, amended (the "Act"), and shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

PURPOSE: The Bonds are being issued to provide funds for acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department, and for related purposes.

FORM OF BIDS: Bids should be addressed to the Mayor and Board of Aldermen and should be plainly marked "Bid for General Obligation Public Improvement Bonds, Series 2016A, of the City of Starkville, Mississippi," and should be filed with the City Clerk of the Municipality on or prior to the date and hour hereinabove named. All bids should be submitted substantially in the form prepared by the Municipality. A copy of the Preliminary Official Statement and the bid form may be obtained from Brad C. Davis at Jones Walker LLP, Jackson, Mississippi (601-949-4623; bdavis@joneswalker.com).

INTEREST RATE AND BID RESTRICTIONS: The Bonds shall not bear a greater overall maximum interest rate to maturity than eleven percent (11%) per annum, nor shall the interest rate for any one maturity exceed eleven percent (11%) per annum. No Bond shall bear more than one (1) rate of interest; each Bond shall bear interest from its

date to its stated maturity date at the interest rate specified in the bid; all Bonds of the same maturity shall bear the same rate of interest from date to maturity; and the lowest interest rate specified shall not be less than seventy percent (70%) of the highest interest rate specified. Each interest rate specified in any bid must be a multiple of one-eighth of one percent ($1/8^{\text{th}}$ of 1%) or one-tenth of one percent ($1/10^{\text{th}}$ of 1%), and a zero percent (0%) rate of interest cannot be named.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a cashier's check, certified check, or exchange, issued or certified by a bank located in the State of Mississippi, payable to the Mayor and Board of Aldermen of the City of Starkville, Mississippi, in the amount of Forty-Eight Thousand Dollars (\$48,000) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the Municipality as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit.

DTC BOOK-ENTRY-ONLY: The Bonds are being initially offered as registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-Entry-Only system of registration. Purchasers of interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry-only. As long as Cede & Co. is the Registered Owner of the Bonds as nominee of DTC, payments of principal and interest will be made directly to such Registered Owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

AWARD OF BONDS: The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Bonds at the lowest net interest cost to the Municipality, which shall be determined by computing the aggregate interest on the Bonds over the life of the issue at the rate or rates of interest specified by the bidder, less premium offered, if any. It is requested that each bid be accompanied by a statement of the net interest cost (computed to six (6) decimal places), but such statement will not be considered a part of the bid. All bids shall remain firm for four (4) hours after the time specified for the opening of bids, and an award of the Bonds, or rejection of bids, will be made by the Governing Body within said period of time.

RIGHT OF REJECTION, CANCELLATION: The Governing Body reserves the right to reject any or all bids submitted, as well as to waive any irregularity or informality in any bid. The successful bidder shall have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the Governing Body shall return to said bidder its good faith deposit. The Governing Body shall have the right, at its option, to cancel its agreement to sell the Bonds if within five (5) days after the tender of the Bonds for delivery the successful bidder shall not have accepted delivery of and paid for the Bonds, and in such event the Governing Body shall retain the successful bidder's good faith deposit as liquidated damages as hereinabove provided.

PAYING AGENT, TRANSFER AGENT, AND REGISTRAR: The successful bidder may designate a bank or trust company located within the State of Mississippi to

serve as paying agent (the "Paying Agent") for the Bonds within forty-eight (48) hours of the date of sale of the Bonds, subject to the approval of the Governing Body. The Governing Body's approval of the Paying Agent shall be contingent on a determination as to the willingness and ability of the Paying Agent to perform the duties of registrar and transfer agent and on the satisfactory negotiation of service fees. The Paying Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Bonds are issued. Both principal of and interest on the Bonds will be payable by check or draft mailed to Registered Owners of the Bonds as of the fifteenth (15th) day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the Municipality maintained by the Paying Agent. The Bonds will be transferable only upon the books of the Paying Agent, and payment of principal at maturity shall be conditioned on the proper presentation and surrender of the Bonds to the Paying Agent.

DELIVERY: The successful bidder must designate within thirty (30) days of the date of sale, or at such other later date as may be designated by the Governing Body, the names and addresses of the Registered Owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit such information within the required time, one Bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder. The Bonds will be delivered at a place to be designated by the purchaser and without cost to the purchaser, and payment therefor shall be made in immediately available funds.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds unless specifically declined by the purchaser, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the Municipality; the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

LEGAL OPINION; CLOSING DOCUMENTS: The Bonds are offered subject to the unqualified approval of the legality thereof by Jones Walker LLP, Jackson, Mississippi, Bond Counsel. In the opinion of Jones Walker LLP, Jackson, Mississippi, interest on the Bonds is exempt from federal and Mississippi income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be described in the Official Statement for the Bonds. A copy of the opinion of Bond Counsel, together with the usual closing papers, including a non-litigation certificate dated the date of delivery of the Bonds, evidencing that no litigation is pending in any way affecting the legality of the Bonds or the taxes to be levied for the payment of the principal thereof and interest thereon, and a transcript of the proceedings relating to the Bonds will be delivered to the successful bidder without charge. The Municipality will pay for all legal fees and will pay for the printing and validation of the Bonds.

BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS: The Municipality has designated the Bonds as qualified tax-exempt obligations within the meaning and for purposes of Section 265(b)(3) of the Code.

INFORMATION FROM PURCHASER: The purchaser must certify to the Municipality the initial offering price to the public (excluding bond houses, brokers and

other intermediaries) of each maturity of the Bonds at which a substantial amount of Bonds of that maturity were sold, to enable the Municipality to compute the yield on the Bonds for federal arbitrage law purposes.

FURTHER INFORMATION: The Municipality has prepared a Preliminary Official Statement which it deems, for purposes of SEC Rule 15c2-12, to be final and complete as of this date except for the omission of the offering prices, interest rates, and any other terms of the Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Upon the award of the Bonds, the Municipality will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Municipality will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Failure of the Municipality to deliver the Continuing Disclosure Certificate at the time of issuance and delivery of the Bonds shall relieve the successful bidder from its obligation to purchase the Bonds.

By order of the Mayor and Board of Aldermen of the City of Starkville, Mississippi, this the 7th day of June, 2016.

/s/ Lesa Hardin
City Clerk

Publication Dates:

Starkville Daily News _____, 20____ and _____, 20____

[END OF NOTICE]

Proof of Publication. The Clerk shall obtain from the publisher of the aforesaid newspaper the customary publisher's affidavit proving publication of the Notice for the time and in the manner required by law, and such proof of publication shall be filed in the Clerk's office and exhibited before the Governing Body at the hour and date aforesaid.

Continuing Disclosure. The Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Bond Resolution, failure of the Municipality

to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default pursuant to Section 19 hereof; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Section.

Book-Entry Only System. Notwithstanding anything herein to the contrary, the Bonds shall be initially issued in the form of a separate, single and fully registered Bond for each of the maturities thereof. In such case, upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 28 hereof, all of the outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Municipality and the Paying Agent shall have no responsibility or obligation to any participant for whom DTC is a security depository nominee ("DTC participants") or to any Person on behalf of whom such a DTC participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Municipality and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC participant or any other Person, other than a Registered Owner, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any DTC participant or any other Person, other than a Registered Owner, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. Notwithstanding any other provision of this Bond Resolution to the contrary, the Municipality and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent, shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Bond Register as provided in this Bond Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Municipality's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Bond Register, shall receive a Bond certificate evidencing the obligation of the Municipality to make payments of principal, premium, if any, and interest pursuant to this Bond Resolution. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Resolution with respect to interest checks or drafts being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Bond Resolution shall refer to such new nominees of DTC.

Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Municipality and the Paying Agent determine that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Municipality and the Paying Agent shall (a) appoint a successor

securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC participants of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (b) notify DTC and DTC participants of the availability through DTC of Bond certificates and transfer one or more separate Bond certificates to DTC participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Bond Resolution.

Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any of the Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Non-arbitrage Bond Covenants; Non-arbitrage and Federal Tax Certificate. vi. The Municipality covenants and certifies to and for the benefit of the owners of the Bonds that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Bonds, including amounts treated as proceeds, if any, which will cause the Bonds to be classified as arbitrage bonds within the meaning of Section 148 of the Code, and any regulations thereunder as such may be applicable to the Bonds, at the time of such action, investment or use.

1. The Municipality shall take all actions necessary in order to comply with the requirements of paragraphs (2) and (3) of Subsection 148(f) in order that none of the Bonds shall be treated as an arbitrage bond pursuant to paragraph (1) of Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States of America in accordance with and within the time limits prescribed in Subsection 148(f) and the Subsection 148(f) Regulations, the making of any and all calculations, computations and filings required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations.

In order to effectuate the foregoing covenants, the Municipality hereby covenants and certifies that: (A) prior to delivery of the Bonds, it shall have received written instructions from nationally-recognized bond counsel with respect to specific actions which will, under Subsection 148(f) and such regulations as may have been promulgated prior to delivery of the Bonds, assure compliance with such covenants; and (B) the Municipality shall comply with such instructions until the Municipality shall have received from nationally-recognized bond counsel written advice that continued compliance with such instructions is not necessary in order to avoid adversely affecting the tax-exempt status of the Bonds or alternative written instructions with respect to certain actions which will assure compliance with the covenants set forth above, in which event the Municipality shall thereafter comply with all such alternative instructions.

The Municipality shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Bonds to acquire higher yielding investments (as defined in

Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder.

The Municipality shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Bonds in a manner or for a price which would cause any of the Bonds to be or become an arbitrage bond, within the meaning of Section 148 of the Code and all regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "market price" or "fair market value".

The Mayor and/or Clerk are hereby authorized to execute a "non-arbitrage and federal tax certificate" in connection with the sale and delivery of the Bonds, setting forth the reasonable expectations of the Municipality with respect to the investment and use of proceeds of the Bonds and also setting forth certain covenants, stipulations and certifications with respect to the investment and expenditures of the proceeds of the Bonds, and the Municipality shall comply with all certifications, stipulations and covenants set forth in such certificate. In addition, such officials are authorized to make such elections on behalf of the Municipality as are necessary or appropriate under the Code or the Subsection 148(f) Regulations.

Private Activity Bond Covenants; Tax Covenants. vii. The Municipality shall take such actions as may be necessary in order to assure that the Bonds are not private activity bonds within the meaning of Section 141 of the Code.

No more than ten percent (10%) of the Bond proceeds will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit.

No more than ten percent (10%) of any property with respect to which all or any part of the Bond proceeds will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit.

None of the Bond proceeds will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to the governmental use (within the meaning of Section 141 of the Code) of such Bond proceeds.

The amount of Bond proceeds used with respect to any private business use which is related to a governmental use of such Bond proceeds will not exceed the amount of Bond proceeds which are used for the governmental use to which such private business use relates.

None of the proceeds of the Bonds will be used to make or finance loans for persons other than governmental units.

In no event will the payment of the principal of or the interest on more than ten percent (10%) of the proceeds of the Bonds be (under the terms of the Bond or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141

of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the Municipality) in respect of property or borrowed money used or to be used for a private business use.

Other than the \$2,400,000 General Obligation Public Improvement Bonds, Series 2016B, the Municipality covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States of America, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Municipality, which (1) were or are to be sold at substantially the same time as the Bonds, (2) were or are to be sold pursuant to the same plan of financing as the financing plan for the Bonds, and (3) are payable directly or indirectly by the Municipality or from the source from which the Bonds are payable. The Municipality covenants and certifies that there are no additional facts or circumstances which may further evidence that the Bonds are part of any other issue of obligations.

The Municipality covenants and certifies that no payment of principal of or interest on the Bonds is or will be guaranteed (in whole or in part, directly or indirectly) by the United States of America, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States of America. The Municipality represents, warrants and covenants that none of the bond proceeds will be: 1. used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States; or 2. invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation other than: a. the investment of the bond proceeds for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Bonds are being issued; b. investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); c. investments of a reserve which meets the requirements of Subsection 148(d) of the Code; d. investments in bonds issued by the United States Treasury; or e. other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

The Municipality covenants and certifies that, notwithstanding any provision of this Bond Resolution or the rights of the Municipality hereunder, the Municipality will not take or permit to be taken on its behalf any action which would impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and it will take such reasonable action as may be necessary to continue such exclusion, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exclusion.

When Computations, Deposits or Rebate Payments Are Not Required. In the event it is determined the Bonds do not meet the requirements of paragraph (4) of Subsection 148(f), but in the event the Municipality receives an opinion of nationally recognized bond counsel to the effect that any of the computations, deposits or payments referenced in Sections 30 and 31 herein are not required to be made in order to maintain the tax-exempt status of interest on the Bonds, the Municipality need not make such computations, deposits or payments.

Bonds as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as a portion of the Ten Million Dollars (\$10,000,000) of qualified tax-exempt obligations for calendar year 2016 within the meaning and for the purposes of Section 265(b)(3) of the Code.

Covenant Regarding Hedge Bonds. The Municipality reasonably expects that not less than eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within a three-year period beginning on the date of issuance of the Bonds. No more than fifty percent (50%) of the proceeds of the Bonds will be invested in non-purpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more.

Modification or Amendment. viii. No material modification or amendment of this Bond Resolution or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Holders of two-thirds (2/3) or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of the Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the Municipality to levy taxes in an amount sufficient to pay the interest and principal on the Bonds, as the same mature and become due, or reduce such percentage of Holders of the Bonds required above for such modification or amendment without the consent of the Holders of all of the Bonds.

The foregoing shall not be construed to prohibit supplemental amendments of this Bond Resolution without the consent of Bondholders for the following purposes:

to add to the covenants and agreements of the Municipality herein contained other covenants and agreements thereafter to be observed and performed by the Municipality, provided that such other covenants and agreements shall not either expressly or implicitly limit or restrict any of the obligations of the Municipality contained in this Bond Resolution;

to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained in this Bond Resolution or in any supplemental resolution or to make any provisions with respect to matters arising under this Bond Resolution or any supplemental resolution for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of this Bond Resolution or any supplemental resolution and do not adversely affect the interests of the Holders of the Bonds; or

to subject to the pledge herein contained additional revenues or receipts.

Notwithstanding any provision herein to the contrary, this Bond Resolution may be amended by resolution of the Municipality prior to the delivery of any of the Bonds with the consent of the Purchaser.

Payments Due on Days Other Than Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds, or the date on which any funds are required to be deposited into a fund pursuant hereto, shall be in the city in which the principal office of the Paying Agent is located a day other than a Business Day, then payment of interest or principal, and premium, if any,

or deposit into the funds pursuant hereto, need not be made on such date but shall be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, or the date fixed for deposit into a fund, and no interest shall accrue for the period after such date.

Post Issuance Compliance Procedures. The Municipality hereby approved and adopts the Post Issuance Compliance Procedures in substantially the form set out in **Attachment A** hereto.

Severability; Ministerial Changes. ix. If any section, paragraph, clause or provision of this Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provision hereof.

In the event the Bonds are delivered in a year other than is shown as the year identifying the series of the Bonds, then the year identifying the series of the Bonds shall be changed to the year of delivery thereof.

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

Alderman _____ moved and Alderman _____ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

| | |
|----------------------------|--------------|
| Alderman Ben Carver | voted: _____ |
| Alderman David Little | voted: _____ |
| Alderman Scott Maynard | voted: _____ |
| Alderman Roy A'. Perkins | voted: _____ |
| Alderman Henry Vaughn, Sr. | voted: _____ |
| Alderman Jason Walker | voted: _____ |
| Alderman Lisa Wynn | voted: _____ |

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this, the _____ day of _____, 2016.

City of Starkville, Mississippi

Parker Wiseman, Mayor

ATTEST:

Lesa Hardin, City Clerk

ATTACHMENT A

POST ISSUANCE COMPLIANCE PROCEDURES

**POST ISSUANCE COMPLIANCE PROCEDURES
CITY OF STARKVILLE, MISSISSIPPI**

\$3,000,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS

SERIES 2016A

CITY OF STARKVILLE, MISSISSIPPI

DATED DATE _____, 2016

CLOSING DATE _____, 2016

All words and phrases defined in the Bond Resolution shall have the same meanings herein. In addition, as used herein, the following words and phrases shall have the following meanings:

"Act" will mean Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended.

"Authorized Purpose" will mean acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the buildings parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

"Bond" or "Bonds" will mean the \$3,000,000 General Obligation Public Improvement Bonds, Series 2016A, of the Municipality authorized and directed to be issued in the Bond Resolution.

"Bond Counsel" will mean Jones Walker LLP, Jackson, Mississippi, or any other nationally-recognized attorneys on the subject of municipal bonds.

"Bond Documents" shall mean the Bond Resolution, the Federal Tax Certificate and all other documents, certificates, writings and representations delivered in connection with the issuance of the Bonds.

"Bond Fund" will mean the fund of the Municipality provided for in the Bond Resolution.

"Bond Resolution" shall mean the resolution authorizing and directing the issuance of the Bonds of the Municipality adopted on _____, 2016.

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

"Code" will mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Federal Tax Certificate" shall mean that certain Federal Tax Certificate, dated as of _____, 2016, executed by the Municipality in connection with the issuance of the Bonds.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

"Paying Agent" shall mean _____, _____, Mississippi, which shall act as paying agent, registrar and transfer agent for the Bonds.

"Procedures" shall mean these Post Issuance Compliance Procedures.

"Project" shall mean the acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department.

"Project Costs" shall mean (a) obligations of the Municipality incurred, or reimbursement to the Municipality, for labor and to contractors, builders and materialmen in connection with acquiring, renovating, equipping and furnishing the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) all costs of engineering services, including test borings, surveys, estimates, plans and specifications and preliminary investigations, and supervising construction, equipping as well as for the performance of all other duties required by or consequent upon the proper construction of the Project; (d) all costs relating to the temporary relocation of the operations of the Municipality's police department in connection with acquiring, renovating, equipping and furnishing the Project; (e) all other costs which the Municipality shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction and installation of the Project, including contracts for construction, engineering and architectural services; (f) the costs, fees and expenses incurred by the Municipality in connection with the authorization, issuance, bond insurance (if obtained), bond rating (if obtained), sale, validation and delivery of the Bonds and (g) all other costs relating to the Project to the extent that such costs are eligible for payment under the Act

"Regulations" shall mean the regulations issued pursuant to the Code.

"Responsible Party" shall mean the party specified in each section of these Procedures as being responsible for compliance with these procedures.

"Purchaser" shall mean _____, _____, _____, the purchaser of the Bonds.

General

These Post Issuance Compliance Procedures are intended to complement, but not to be a substitute for, the requirements set forth in the Federal Tax Certificate and the Bond Documents.

Information Regarding the Bonds:

The Bonds were publicly offered and the initial offering price to the public (excluding bond houses and brokers) at which price a substantial ("substantial" being generally defined as at least ten percent (10%) of each maturity) amount of the Bonds was sold at the initial offering price or less, plus accrued interest from the date of the Bonds to the date of delivery.

As certified by the Purchaser, the yield on the Bonds is not less than _____% per annum.

Use of Proceeds

All of the proceeds of the Bonds must be spent for Project Costs. The Bond Documents provide that any proceeds of the Bonds remaining in the Improvement Fund after completion of the Project shall be transferred to the Bond Fund. If the amount remaining exceeds two percent (2%) of the proceeds of the Bonds, then Bond Counsel should be contacted to insure compliance with the Code and the Regulations.

Temporary Periods

Requirements:

Generally, sale and investment proceeds of this issue has a 3-year temporary period wherein the Municipality may invest at unrestricted yields. In order to qualify for the temporary period, the Municipality has certified that it expects to satisfy the following requirements:

Time Test:

The Municipality has certified that it reasonably expects to enter into, within six (6) months of the date of issuance (_____, 20___), substantial binding commitments to expend at least five percent (5%) of the net sale proceeds on capital projects.

3-Year Temporary Period:

At least eighty-five percent (85%) of the net sales proceeds should be expended by the end of the 3-year period following the date of issuance, or _____.

Timing: If the Municipality is not on schedule to comply by the stated deadlines, the Responsible Party should contact Bond Counsel.

Responsible Party: _____
Initials of City Clerk

Bond Fund – Avoidance of Arbitrage Rebate

Requirements:

The moneys in the Bond Fund may be invested without restriction as long as the fund is used primarily to achieve a proper matching of tax revenues with principal and interest payments. If (1) the amount therein following the principal and interest payment on _____ 1 of each year exceeds approximately \$_____, and (2) any investments in the Bond Fund exceed _____%, then Bond Counsel should be contacted.

Timing: Immediately following the principal and interest payment on _____ 1 of each year.

Responsible Party: _____
Initials of City Clerk

Private Use of Bond-Financed Facilities

Requirements:

The restrictions on private use of property are set forth in the Federal Tax Certificate.

Private use may result from the sale or lease of bond-financed property or the granting of special legal entitlements to a private business or the Federal government. Private business use can also result from contracts that permit private business activities to be conducted using bond-financed property or from research performed in a bond-financed facility for private parties or the Federal government. In addition, private use may result if private non-profit entities have regular and extended use of bond-financed property.

Timing:

Any material agreement that permits a private business or the Federal Government or any private non-profit entity to use bond-financed property should be reviewed prior to execution. Annually, a general review of the use of bond-financed facilities should be conducted. Bond-financed property should not be sold or leased without first consulting with Bond Counsel.

Responsible Party: _____
Initials of City Clerk

Bonds as “Bank Qualified” Obligations with Favorable Tax Treatment

Requirements:

In order for the Bonds to be “bank qualified” the Municipality determined that it reasonably expected to issue no more than Ten Million Dollars (\$10,000,000) in calendar year 2016 (other than “deemed designated” bonds).

Prior to the issuance of any other debt in calendar year 2016, including bonds, loans, certificates or lease purchase obligations, Bond Counsel should be contacted to insure compliance with this requirement.

Timing: Calendar year 2016.

Responsible Party: _____
Initials of City Clerk

Remedial Action Upon Change in Use

Requirements:

A deliberate action that changes the use of the bond-financed property and results in private business use in excess of permitted amounts can be remedied if remedial action is taken under Treasury Regulation §1.141-12.

Remedial action generally consists of redemption or defeasance of a portion of the outstanding bonds.

Timing: The remedial action generally must be implemented within 90 days of the deliberate action.

Responsible Party: _____
Initials of City Clerk

Record Retention

Requirements:

Records relating to the bond issue should be maintained until three years after all of the Bonds have been retired.

Records include the bond transcript, documentation of expenditures, and documentation of the government and private use of the bond-financed property.

Timing: Ongoing.

Responsible Party: _____
Initials of City Clerk

Reporting to the Internal Revenue Service

Requirements:

IRS Form 8038-G for the Bonds will be filed promptly after the Closing but in any event on or before the 15th day of the second (2nd) calendar month after the close of the calendar quarter in which the Bonds were issued.

Timing: IRS Form 8038-G should be filed promptly after closing and no more than the date described above.

Responsible Party: Bond Counsel

Dated _____, 2016.

CITY OF STARKVILLE, MISSISSIPPI

Lesa Hardin, City Clerk

SUBMITTED TO AND APPROVED BY:

Parker Wiseman, Mayor

ATTACHMENT B

PRELIMINARY OFFICIAL STATEMENT

BOND TRANSCRIPT CERTIFICATE

**STATE OF MISSISSIPPI
OKTIBBEHA COUNTY**

I, Lesa Hardin, the duly qualified and acting City Clerk of the City of Starkville, Mississippi (the "Municipality"), hereby certify that the following persons have constituted the duly qualified and acting members of the Board of Aldermen of the Municipality at all times relative to the proceedings pertaining to the issuance of the General Obligation Public Improvement Bonds, Series 2016A, of the Municipality in the principal amount of Three Million Dollars (\$3,000,000), dated _____, 2016 (the "Bonds"), to wit: Ben Carver, David Little, Scott Maynard, Roy A'. Perkins, Henry Vaughn, Sr., Jason Walker and Lisa Wynn.

I further certify that Parker Wiseman was the duly qualified and acting Mayor of the Municipality at all times relative to the proceedings pertaining to the issuance of the Bonds.

I further certify that the time set for holding regular meetings of the Mayor and Board of Aldermen (the "Governing Body") as set by its order is on the first Tuesday of each month at 5:30 o'clock p.m., unless otherwise specified by the Governing Body.

I hereby certify that the attached and foregoing pages included in this bond transcript constitute a full, true and complete transcript of all of the proceedings of the Governing Body which relate to and/or affect the issuance of negotiable interest-bearing Bonds.

I further certify that this transcript includes all legal papers pertaining to the issuance of the Bonds, including excerpts of minutes of meetings of the Governing Body, resolutions and proofs of publication, all of which are on file in my office in the City Hall.

I further certify that none of these proceedings or resolutions of the Governing Body in the matter of the issuance and sale of the Bonds have been amended, modified, vacated or rescinded in any manner, except as may be indicated; that all resolutions contained herein have been submitted to and approved by the Mayor of the Municipality; and that no appeal has been taken from any of the actions of the Governing Body in connection with said matter.

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

WITNESS MY SIGNATURE AND THE OFFICIAL SEAL OF THE CITY OF STARKVILLE, MISSISSIPPI, this the ____ day of _____, 2016.

CITY OF STARKVILLE, MISSISSIPPI

Lesa Hardin, City Clerk

SUBMITTED TO AND APPROVED BY:

(SEAL)

Parker Wiseman, Mayor

In the opinion of Bond Counsel, assuming continuing compliance with all covenants set forth in the Series 2016A Bond Resolution, and subject to the conditions set forth herein, under existing statutes, regulations, rulings and decisions, as presently interpreted and construed, interest on the Bonds earned by the respective owners thereof is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code, except as described in "TAX EXEMPTION" herein. Bond Counsel is of the opinion that under existing law, interest on the Bonds earned by the respective owners thereof is exempt from State of Mississippi income taxes.

BOOK-ENTRY ONLY

RATING: Moody's: _____
See "Bond Rating" herein

\$3,000,000*

**GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016A
 OF THE CITY OF STARKVILLE, MISSISSIPPI**

DATED: July 1, 2016

DUE: July 1 as shown below

Interest payable on July 1, 2017, and semiannually thereafter on January 1 and July 1 of each year. The Bonds, in registered form and in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity, will mature on July 1, with option of prior payment, in the years and principal amounts as follows:

Maturity Schedule

| <u>Year of Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>Year of Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Yield</u> |
|-------------------------|-------------------------|----------------------|--------------|-------------------------|-------------------------|----------------------|--------------|
| 2017 | \$110,000 | | | 2027 | \$150,000 | | |
| 2018 | \$110,000 | | | 2028 | \$155,000 | | |
| 2019 | \$115,000 | | | 2029 | \$160,000 | | |
| 2020 | \$120,000 | | | 2030 | \$165,000 | | |
| 2021 | \$125,000 | | | 2031 | \$170,000 | | |
| 2022 | \$130,000 | | | 2032 | \$175,000 | | |
| 2023 | \$130,000 | | | 2033 | \$180,000 | | |
| 2024 | \$135,000 | | | 2034 | \$190,000 | | |
| 2025 | \$140,000 | | | 2035 | \$195,000 | | |
| 2026 | \$145,000 | | | 2036 | \$200,000 | | |

The Bonds are being offered for sale in accordance with the official Notice of Bond Sale dated _____, 2016.

Sealed bids for the Bonds will be received until the hour of _____ o'clock [a.m./p.m.] on _____, 2016, by the City Clerk at her office in the City Hall of the Municipality. The City Clerk will act on behalf of the Governing Body to receive bids at the aforesaid date, time and place.

The Bonds are being offered as "qualified tax-exempt bonds" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

The Bonds are offered subject to the final approval of the legality thereof by Jones Walker LLP, Jackson, Mississippi, Bond Counsel.

*Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized to make any representations with respect to the Bonds other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon. This Official Statement, which includes the cover page and Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion contained herein are subject to change without notice, and while all information has been secured from sources which are believed to be reliable, all parties preparing and distributing this Official Statement make no guaranty or warranty relating thereto. All opinions, estimates or assumptions, whether or not expressly identified, are intended as such and not as representations of fact. Neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Municipality since the date hereof.

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THE CITY OF STARKVILLE, MISSISSIPPI

CITY OF STARKVILLE, MISSISSIPPI

Parker Wiseman
MAYOR

BOARD OF ALDERMEN

| | |
|---------------|----------------------|
| Ben Carver | Roy A'. Perkins |
| Scott Maynard | Henry N. Vaughn, Sr. |
| David Little | Jason Walker |
| Lisa Wynn | |

Lesa Hardin
CITY CLERK

Christopher J. Latimer, Esq.
Columbus, Mississippi
ATTORNEY FOR THE CITY

Watkins, Ward and Stafford, PLLC
Starkville, Mississippi
CERTIFIED PUBLIC ACCOUNTANTS
FOR THE CITY

Government Consultants, Inc.
Jackson, Mississippi
FINANCIAL CONSULTANTS-ADVISORS

Jones Walker LLP
Jackson, Mississippi
BOND COUNSEL

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OFFICIAL STATEMENT

\$3,000,000*

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016A

OF THE

CITY OF STARKVILLE, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the General Obligation Public Improvement Bonds, Series 2016A, dated July 1, 2016 (the "Bonds"), of the City of Starkville, Mississippi (the "Municipality").

Reference is made to the Act as hereinafter defined, the Bond Resolution as hereinafter defined and any and all modifications and amendments thereof for a description of the nature and extent of the security for the Bonds, the pledge of tax revenues for the payment of the principal of and interest on the Bonds, the nature and extent of said pledge and the terms and conditions under which the Bonds are issued.

DEFINITIONS

"Act" shall mean Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended.

"Authorized Purpose" shall mean acquiring, renovating, equipping and furnishing of the present city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the buildings parking lot, located at 101 E. Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

"Bond" or "Bonds" shall mean the General Obligation Public Improvement Bonds, Series 2016A, of the Municipality.

"Bond Counsel" shall mean Jones Walker L.L.P., Jackson, Mississippi, or any other nationally recognized attorneys on the subject of municipal bonds.

"Bond Fund" shall mean the Bond Fund (Series 2016A) of the Municipality provided for in the Bond Resolution.

"Bond Resolution" shall mean the resolution adopted by the Governing Body on _____, 2016, pursuant to which the Bonds are being issued as the same from time to time may be amended.

*Preliminary, subject to change.

"Bondholder" or "Holder" shall mean the Registered Owner of any Bond issued pursuant to the Bond Resolution.

"Business Day" shall mean a day of the year on which banks located in the city in which the principal office of the Paying Agent is located are not required or authorized to remain closed.

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

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate to be executed by the Municipality and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Event of Default" shall mean an event of default as described in the Bond Resolution.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Improvement Fund" shall mean the Improvement Fund (Series 2016A) of the Municipality provided for in the Bond Resolution.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

"Notice" shall mean the Notice of Bond Sale set out in APPENDIX A hereto.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Paying Agent" shall mean any bank, trust company or other institution designated, whether herein or hereafter, by the Governing Body to make payments of the principal of and interest on the Bonds, to serve as registrar and transfer agent for the registration of owners of the Bonds and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization or government or any agency or political subdivision thereof.

"Purchaser" shall mean the successful bidder for the Bonds, to be hereafter designated by the Governing Body.

"Record Date" shall mean, as to interest payments, the fifteenth (15th) day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the

fifteenth (15th) day of the month preceding the date on which such principal shall be due and payable, whether at maturity or upon redemption prior to maturity.

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

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the Municipality maintained by the Paying Agent.

THE BONDS

Purpose and Authorization. The Bonds are being issued to provide funds for the Authorized Purpose.

The Bonds will be issued pursuant to the provisions of Section 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended (the "Act"), and a Bond Resolution adopted by the Mayor and Board of Aldermen (the "Governing Body") on _____, 2016 (the "Bond Resolution").

In order to issue the Bonds, the Governing Body adopted a resolution declaring its intention to issue the Bonds and gave notice of such intention by publication of said resolution in a newspaper published and of general circulation in the Municipality. If twenty percent (20%) or 1,500, whichever had been less, of the qualified electors of the Municipality had filed a written protest against the issuance of the Bonds on or before the date specified in said resolution, an election on the question of the issuance of the Bonds would have been held. June 2, 2015, was set by the Governing Body as the date on or before which written protest was required to have been filed. No written protest having been received on or before said date, the Governing Body is now authorized and empowered by the Act to issue the Bonds without the necessity of calling and holding an election on the question of the issuance thereof.

Security. The Bonds will be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the Municipality. The Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

Redemption. Bonds maturing after July 1, 2026 are subject to redemption prior to their respective maturities at the election of the Municipality on and after July 1, 2026, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection

in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds (in integral multiples of \$5,000), and for all purposes of this Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

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

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

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

CONTINUING DISCLOSURE

The Municipality has entered into a Continuing Disclosure Agreement for the benefit of holders of the Bonds wherein the Municipality has agreed to provide annually certain financial information and operating data relating to the Municipality (the "Annual Reports"), and to provide notices through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board (the "MSRB") (or such other system as may be subsequently authorized by the MSRB). The Annual Reports and notices of material events will be filed by the Municipality through the EMMA system (or such other system as may be subsequently authorized by the MSRB). The specific nature of the information to be contained in the Annual Reports or the notices of material events and the other provisions of the Continuing Disclosure Agreement are set forth in "APPENDIX E" hereto. A failure by the Municipality to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission of the United States of America and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently,

such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Municipality's intention is to file the information required under the continuing disclosure undertaking for the Bonds in a complete and timely manner and the Municipality has hired an independent agent to monitor compliance within sixty (60) days of closing and throughout the term of the Series 2016A Bonds. The Municipality has also signed up for the EMMA tickler system reminders.

The Municipality is obligated to make continuing disclosure filings under agreements entered into with respect to the Series 2007 Bonds, the Series 2009 Bonds dated April 1, 2009, the Series 2009 Bonds dated November 1, 2009, the Series 2013 Bonds dated May 17, 2013, the Series 2013 Bonds dated June 13, 2013, and the Series 2015 Bonds, each of which require annual operating information and financial statements to be filed annually, and the Series 2011 Bonds, which requires annual operating information, financial statements and a budget to be filed annually. The Annual Reports for the fiscal years ended September 30, 2015, 2014, 2013, 2012, and 2011 were timely filed. The Audited Reports for the fiscal years ended September 30, 2014, 2013, 2012, 2011, and 2010 were timely filed. The Audited Report for the fiscal year ended September 30, 2015, has not yet been filed, but the deadline has not yet occurred. The Budget Report for the fiscal years ended September 30, 2016, 2015, 2014, 2013 and 2012 were timely filed. The Municipality was further obligated to make continuing disclosure filings under agreements entered into with respect to the Electric System Revenue Bonds Series 2004 and Electric System Revenue Bonds Series 2006, both of which were redeemed in 2013 and required annual operating information and audited financial to be filed annually. The Annual Reports and Audited Reports for the fiscal years ended 2012 and 2010 were timely filed, but the Municipality filed late the Annual Report and Audited Report for the fiscal year ended 2011.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered Series 2016A Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's Participants deposit with DTC. DTC also facilitates the post-trade settlement among DTC Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between DTC Participants' accounts. This eliminates the need for physical movement of securities certificates. DTC Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust

companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through DTC Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016A Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Municipality as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those DTC Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Municipality or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016A Bond certificates are required to be printed and delivered.

The Municipality may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2016A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Municipality believes to be reliable, but the Municipality takes no responsibility for the accuracy thereof. So long as Cede & Co. is the registered holder of the Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Bonds mean Cede & Co. and not the Beneficial Owners of the Bonds.

THE MUNICIPALITY AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS; (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT

THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC. NEITHER THE MUNICIPALITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General Description. The City, the county seat of Oktibbeha County, Mississippi (the "County"), is located in the northeastern section of the County. The City, originally named "Boardtown," was renamed "Starkville" in 1834 in honor of General John Stark, a hero of the American Revolution. The City is located 125 miles northeast of Jackson, the capital city of the State, 130 miles southwest of Birmingham, Alabama, 165 miles southeast of Memphis, Tennessee, and 286 miles northeast of New Orleans, Louisiana.

Mississippi State University of Agriculture and Applied Science (the "University") is located primarily immediately adjacent to the City, with only a small portion on the western edge of the University within the boundaries of the City. The University is an important factor in the City's growth and development. The University was established by the Legislature in 1878 as a Land Grant Institution and is comprised of ten colleges and schools that offer 120 majors.

The County, located in the northeastern prairie soil area of the State, was named for the Indian word meaning "bloody water," and has a land area of 459 square miles. Twenty-six of the existing eighty-two counties in the State were in existence before the County was formally organized on December 23, 1833, from a portion of the Choctaw Territory ceded by the Treaty of Dancing Rabbit Creek in 1830.

Population. The population of the City and the County have been recorded as follows:

| | <u>2010</u> | <u>2000</u> | <u>1990</u> | <u>1980</u> |
|------------|-------------|-------------|-------------|-------------|
| The City | 23,888 | 21,869 | 18,474 | 16,139 |
| The County | 47,671 | 42,902 | 38,404 | 36,060 |

SOURCE: United States Department of Commerce, Census data at www.census.gov.

Government. The City operates under a Code Charter approved in May, 1837, and is governed by the Mayor and Board of Aldermen consisting of seven aldermen who are elected from separate precincts or wards. The Mayor is elected at large. The Mayor and members of the Board of Aldermen are elected for four year terms which run concurrently.

The current Mayor and members of the Board of Aldermen are:

| <u>Name</u> | <u>Occupation</u> | <u>Position Held Since</u> |
|----------------------|--|----------------------------|
| Parker Wiseman | Mayor | 2009 |
| David Little | Insurance Claims Adjuster | 2013 |
| Scott Maynard | Director of Mississippi State University Career Center | 2013 |
| Roy A'. Perkins | Attorney | 1993 |
| Henry N. Vaughn, Sr. | Shipping/Receiving Supervisor | 2009 |
| Ben Carver | Center for Governmental Technology Extension Associate | 2009 |
| Jason Walker | Professor at Mississippi State University | 2013 |
| Lisa Wynn | Retired School Teacher | 2013 |

Transportation. Access to the City is available by several means. U. S. Highway 82 and State Highways 12, 25, 182 and 389 serve the immediate area. A number of county highways provide access to many outlying areas in the County.

Rail service is provided to the City by the Kansas City Southern Railroad. Several common carriers are authorized to serve the City. The nearest commercial airport is Golden Triangle Regional Airport in Lowndes County, 15 miles from the City. Bryan Field is located within the County a distance of three miles from the City. The nearest port is the Lowndes County Port, which has a channel depth of nine feet and is located 22 miles distant in Lowndes County on the Tennessee-Tombigbee Waterway.

Per Capita Income.

| <u>Year</u> | <u>County</u> | <u>Mississippi</u> | <u>United States</u> | <u>County as % of U. S.</u> |
|-------------|---------------|--------------------|----------------------|-----------------------------|
| 2014 | 29,636 | 34,431 | 46,049 | 64.40% |
| 2013 | 29,653 | 33,913 | 44,765 | 66.24% |
| 2012 | 29,105 | 33,446 | 44,200 | 65.85% |
| 2011 | 28,588 | 32,108 | 42,332 | 67.53% |
| 2010 | 27,484 | 30,834 | 40,144 | 68.46% |

SOURCE: United States Department of Commerce, Bureau of Economic Analysis
www.bea.gov.

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

| <u>Employer</u> | <u>Employees</u> | <u>Product/Service</u> |
|----------------------------------|------------------|---|
| Mississippi State University | 4,500 | Education |
| Sitel | 900 | Computer call center |
| Starkville School District | 800 | Education |
| Oktibbeha County Hospital | 652 | Health care |
| Wal-Mart Stores, Inc. | 500 | Retail |
| Flexsteel Industries, Inc. | 370 | Furniture manufacturing |
| Southwire Company | 280 | Wire and cable |
| City of Starkville | 260 | Local government |
| Weavexx | 260 | Felt |
| Oktibbeha County School District | 215 | Education |
| NE Miss. Coca-Cola Distributors | 185 | Sales and distribution |
| Gulf States Manufacturing | 175 | Commercial steel buildings |
| Oktibbeha County | 150 | Government |
| Garan Manufacturing Company | 140 | Management headquarters for children's clothing company |
| MFJ Manufacturing | 135 | HAM radio parts |
| Lowe's Home Centers, Inc. | 120 | Retail home improvement |

Retail Sales.

| <u>State Fiscal Year</u> <u>Ended June 30</u> | <u>Starkville</u> | <u>Oktibbeha County</u> |
|--|-------------------|-------------------------|
| 2015 | \$488,569,075 | \$719,169,505 |
| 2014 | 457,518,130 | 654,401,207 |
| 2013 | 443,596,476 | 606,567,774 |
| 2012 | 433,467,830 | 599,137,317 |
| 2011 | 420,956,244 | 579,916,984 |

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>
Annual Reports, for fiscal years indicated.

Sales Tax Rebates from State. The State of Mississippi rebates monthly 18.5% of the total State sales tax for all sales originating within the City; this rebate may be used for any lawful purpose. Sales tax rebates from the State to the City are as follows:

| <u>State Fiscal Year</u> <u>Ended June 30</u> | <u>Amount</u> |
|--|---------------|
| 2015 | \$6,350,826 |
| 2014 | 5,884,847 |
| 2013 | 5,666,165 |
| 2012 | 5,579,998 |
| 2011 | 5,283,053 |

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Employment Statistics of the County.

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <i>Residence Based Amounts.</i> | | | | | |
| Civilian Labor Force | 20,980 | 21,030 | 20,720 | 22,100 | 22,550 |
| Unemployed | 2,290 | 1,900 | 1,780 | 1,590 | 1,410 |
| Unemployment Rate | 10.9 | 9.0 | 8.6 | 7.2 | 6.3 |
| Employed | 18,690 | 19,130 | 18,940 | 20,510 | 21,140 |
| <i>Establishment Based Amounts.</i> | | | | | |
| Manufacturing | 1,380 | 1,420 | 1,400 | 1,500 | 1,620 |
| Nonmanufacturing | 18,940 | 19,430 | 19,690 | 20,290 | 20,410 |

SOURCE: Mississippi Department of Employment Security, website: www.mdes.ms.gov
Annual Averages, Labor Force and Establishment Based Employment.

Educational Facilities. Starkville Oktibbeha Consolidated School District (the “District”) is one of the largest school districts in the state, with a student enrollment of more than 4,300.

Students in preschool through grade 12 in the District are housed in seven school plants. Emerson Preschool is a licensed preschool that provides year-round comprehensive developmentally appropriate program for young children. Emerson is currently enrolling children ages 2 to 5.

Sudduth Elementary School and West Oktibbeha Elementary School serve kindergarten through grade two students. Henderson Ward Elementary School serves grades three through five. East Oktibbeha Elementary School serves kindergarten through grade five.

Armstrong Middle School serves grades six through eight and was constructed in 1976. An addition was completed in 1996 and additional renovations were completed in 1999.

Starkville High School serves grades nine through twelve and was constructed in 1961 with additions in 1976, 1984, 1987 and 1998. Also on the Starkville High School campus is Millsaps Vocational Center which was constructed in 1972 and renovated in 1998.

The administrative office for the District is located in the Greensboro Center which is the renovated former Starkville High School. The building was constructed in 1927-29 and was extensively renovated in 1987. The facility now also serves as a civic center for the City and surrounding area.

Related facilities of the District include a bus transportation complex, a maintenance building, an athletic complex, three gymnasiums, a baseball field, a softball field and a newly constructed football stadium with an approximate seating capacity of 6,500.

Enrollment figures for the District for the scholastic year 2015-2016 and for the four preceding years are as follows:

| <u>Scholastic Year</u> | <u>Enrollment</u> |
|------------------------|-------------------|
| 2015-16* | 5,152 |
| 2014-15 | 4,378 |
| 2013-14 | 4,281 |
| 2012-13 | 4,302 |
| 2011-12 | 4,150 |

SOURCE: Mississippi Department of Education website: www.mde.k12.ms.us

*The City School system merged with Oktibbeha County beginning in the 2015-2016 school year.

TAX INFORMATION

Assessed Valuation.

| <u>Assessment Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Public Utility Property</u> | <u>Total</u> |
|------------------------|----------------------|--------------------------|--------------------------------|---------------|
| 2015 | \$173,918,688 | \$48,709,628 | \$1,879,960 | \$224,508,276 |
| 2014 | 171,415,194 | 49,386,184 | 1,922,383 | 222,723,761 |
| 2013 | 164,020,584 | 47,043,050 | 2,794,780 | 213,858,414 |
| 2012 | 160,234,738 | 49,236,924 | 3,229,590 | 212,701,252 |
| 2011 | 158,654,488 | 47,402,669 | 4,414,930 | 210,472,087 |

NOTE: Assessed valuation of motor vehicles included in the 2015 assessed valuation of personal property above is \$22,948,888.

SOURCE: Office of the City Clerk, March, 2016.

The above assessed valuations are based upon the following assessment ratios: real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value; single-family owner-occupied residential real property, 10 percent of true value; motor vehicles and public utility property, 30 percent of true value.

Procedure For Property Assessments. Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the county tax assessor. All taxable real property situated in the Municipality is assessed each year and taxes thereon paid for the ensuing year. Assessment rolls of such property subject to taxation are prepared by the county tax assessor and are delivered to the Governing Body on the first Monday in July. Thereafter, the assessments are equalized by the Governing Body and notice is given to the taxpayers that the Governing Body will meet to hear objections to the assessments. After objections are heard, the Governing Body adjusts the rolls and submits them to the State Tax Commission, which examines them on receipt. The State Tax Commission may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls to the Governing Body to be corrected in accordance with the recommendations of the State Tax Commission. If the Governing Body has any objections to the order of the State Tax Commission, it may arrange a hearing before such commission. Otherwise, the assessment roll is finalized and submitted to the county tax collector for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the State Tax Commission. With minor exceptions the property of public utilities is assessed each year by the State Tax Commission.

Homestead Exemption. The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the state level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the type and dollar amount of property that may come within the exemption.

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

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Tax Commission. No taxing unit may be reimbursed an amount in excess of 106 percent of the total net reimbursement made to such taxing unit in the next preceding year.

Tax Levy Per \$1,000 Valuation.

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| <i>General Purposes.</i> | | | | | |
| General Revenue Purposes & General Improvements | \$21.98 | \$21.98 | \$21.98 | \$20.00 | \$20.00 |
| | <u>\$21.98</u> | <u>\$21.98</u> | <u>\$21.98</u> | <u>\$20.00</u> | <u>\$20.00</u> |
| <i>School Purposes.</i> | | | | | |
| District Maintenance | *** | \$51.46 | \$49.47 | \$49.19 | \$48.31 |
| Limited Tax Note & Int. Skg.Fd. | *** | 2.61 | <u>.12</u> | <u>.12</u> | .13 |
| Millsaps Vocational Ct. | *** | 1.00 | <u>1.50</u> | 1.75 | 2.10 |
| 1995 Bond & Int. Skg. Fd. | *** | 3.23 | 3.39 | <u>3.39</u> | 3.30 |
| 2008 Bond & Int. Fd | *** | <u>8.27</u> | <u>8.48</u> | <u>8.51</u> | <u>8.40</u> |
| | *** | <u>\$66.57</u> | <u>\$62.96</u> | <u>\$62.96</u> | <u>\$62.24</u> |
| | *** | <u>\$88.55</u> | <u>\$84.94</u> | <u>\$82.96</u> | <u>\$82.24</u> |

The City also levies a tax of 2 mills for the development and growth of the downtown business district.

***The City School system merged with Oktibbeha County beginning in the 2015-2016 school year.

SOURCE: Office of the City Clerk, March, 2016.

Ad Valorem Tax Collections.

| <u>Year Ended</u> <u>September 30</u> | <u>Taxes</u> <u>Due</u> | <u>Taxes</u> <u>Collected</u> ¹ | <u>Difference</u> <u>Over (Under)</u> |
|--|----------------------------|---|--|
| 2015 | \$4,642,000 | \$4,722,698 | \$80,698 |
| 2014 | 4,544,367 | 4,408,420 | (\$135,947) |
| 2013 | 4,083,500 | 4,239,600 | 156,100 |
| 2012 | 4,087,500 | 4,265,479 | 177,979 |
| 2011 | 3,996,497 | 4,057,448 | 60,951 |

¹ Includes prior years' collections.

SOURCE: Office of the City Clerk, March, 2016.

Procedure for Tax Collections. The Governing Body is required under the Act and the Bond Resolution to levy annually a special tax upon all taxable property within the Municipality sufficient to provide for the payment of the principal of and the interest on the Bonds, taking into account any moneys otherwise available for such purpose. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of one percent per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Ad valorem taxes on personal property are payable at the same time and in the same manner as on real property. Section 27-41-15, Mississippi Code of 1972, provides that upon failure of a taxpayer to make timely payment, the tax collector of each county is authorized to sell any personal property liable for unpaid taxes at the courthouse door of such county unless the property is too cumbersome to be removed. Five days' notice of the sale in an advertisement posted in three public places in such county, one of which must be the courthouse, is required. Interest, fees, costs and expenses of sale are recoverable in addition to the taxes delinquent. If sufficient personal property cannot be found, the tax collector may make a list of debts due such taxpayer by other persons and sell such debts and is further directed to sell sufficient other properties of such taxpayer to pay the delinquent taxes. Debts sold may be redeemed within six months from the sale in the same manner as redemption of land from tax sales.

Section 27-41-55, Mississippi Code of 1972, provides that after the fifth day of August in each year, the tax collector for each county shall advertise and sell all land in such county on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes. The owner, or any person interested in the land sold for taxes, may redeem the land at any time within two years after the day of sale by paying all taxes, costs, interest and damages due to the chancery clerk. A valid tax sale will mature two years after the date of sale unless the land is redeemed and title will vest in the purchaser on such date.

At the option of the tax collector, advertisement for the sale of such county lands may be made after the fifteenth day of February in each year with the sale of such lands to be held on the first Monday of April following. All provisions which relate to the tax sale held in August of each year shall apply to the tax sale if held in April.

County and municipal taxes, assessed upon lands or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

DEBT INFORMATION

Legal Debt Limit Statement.

(as of June 1, 2016)

| | <u>15% Limit</u> | <u>20% Limit</u> |
|--|---------------------|---------------------|
| Authorized Debt Limit (Last Completed Assessment for Taxation - \$224,508,276) | \$33,676,241 | \$44,901,655 |
| Present Debt Subject to Debt Limits | <u>9,965,000</u> | <u>14,120,000</u> |
| Margin for Further Debt Under Debt Limits | 23,711,241 | 30,781,655 |
| Less: This Offering | <u>3,000,000</u> | <u>3,000,000</u> |
| Margin for Further Debt Under Debt Limits after Issuance of the Bonds | <u>\$20,711,241</u> | <u>\$27,781,655</u> |

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

In computing general obligation bonded indebtedness for purposes of this 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospital, port or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15 percent limit above), may not exceed 20 percent of the assessed value of all taxable property within such county, but bonds issued for school purposes and industrial development bonds issued under the State's Balance Agriculture with Industry Program are specifically excluded from both the 15 percent limitation and the 20 percent limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the 20 percent limitation.

Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt.

(as of June 1, 2016)

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount Outstanding</u> |
|---|----------------------|---------------------------|
| Parks and Recreation Bonds | 3/1/07 | \$3,560,000 |
| Public Improvement Bonds | 4/1/09 | 1,015,000 |
| Public Improvement Bonds | 11/1/09 | 1,330,000 |
| GO Refunding Bonds, Series 2011 | 3/22/11 | 1,455,000 |
| GO Utility Refunding Bonds, Series 2012 | 10/18/12 | 2,600,000 |
| GO Utility Refunding Bonds, Series 2013 | 5/17/13 | 1,555,000 |
| Public Improvement Bonds | 6/1/15 | <u>2,605,000</u> |
| | | <u>\$14,120,000</u> |

Certificates of Participation.

(as of June 1, 2016)

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount Outstanding</u> |
|---|----------------------|---------------------------|
| Certificates of Participation, Series 2013 ¹ | 6/5/13 | \$6,140,000 |

¹ Subject to neither the 15 percent nor the 20 percent debt limitation.

Other Debt. The City has entered into agreements with the State for Capital Improvements Revolving Loans and a Water Pollution Control Revolving Loan. Such loans are subject to neither the 15 percent nor the 20 percent debt limitation. The City has also entered into a number of capital leases which are subject to annual appropriations and therefore subject to neither the 15 percent nor the 20 percent debt limitation. See "APPENDIX C" hereto.

PERS Liability.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB-68"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (fiscal year 2015 for the District). Based on the January 21, 2016 actuarial report of Cavanaugh MacDonald Consulting, LLC to the Board of Trustees of PERS, the total unfunded actuarial accrued liability for PERS as of June 30, 2015, was \$15.458 billion, of which approximately \$_____ would be attributable to the Municipality, based on the Municipality's percentage of total employer contributions. Additional information is available on the PERS website at www.pers.ms.gov.

AUDITORS

The financial statements of the City as of September 30, 2014, have been audited by Watkins, Ward and Stafford, PLLC, Starkville, Mississippi, independent certified public accountants, as set forth in their report thereon appearing as "APPENDIX C" hereto. Watkins, Ward and Stafford, PLLC has not performed any procedures relating to this Official Statement.

FINANCIAL ADVISOR

The Municipality has retained the firm of Government Consultants, Inc., Jackson, Mississippi (the "Financial Advisor"), as independent Financial Advisor to the Municipality in connection with the issuance of the Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the Municipality with respect to the preparation of documents, the preparation for the sale of the Bonds and of the time for the sale, tax-exempt bond market conditions and other factors related to the sale of the Bonds.

Although the Financial Advisor performed an active role in preparing this Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from municipal records and from other sources which are believed to be reliable, including financial records of the Municipality and other entities which may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the Municipality. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of same and reference is made to such original sources in all respects.

BOND RATING

Moody's Investors Service, Inc. has assigned a rating of "___" to the Bonds. This rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS AND LEGAL INFORMATION

No Default on Securities. No securities of the Municipality have been in default as to principal or interest payments or in any other material respect at any time in at least the last 25 years. No principal or interest on any obligation of the Municipality is past due.

No Bond Proceeds for Current Operating Expenses. No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current fiscal year) have been used for current operating expenses at any time in at least the last ten years.

Pension Plan. The Municipality has no pension plan or retirement plan for employees. All full-time employees of the Municipality are members of and contribute to the Mississippi Public

Employees' Retirement System. For a discussion of the Municipality's participation in the system, see "APPENDIX C" hereto.

Legal Proceedings. There are no pending legal proceedings which might be expected to affect the Municipality's ability to perform its obligations to the registered owners of the Bonds.

Sovereign Immunity. In 1982, in *Pruett v. City of Rosedale*, the Mississippi Supreme Court (the "Supreme Court") abolished the judicial common law doctrine of sovereign immunity, effective July, 1984, and invited a legislative response by creation of statutory sovereign immunity. In 1984, the Legislature enacted a tort claims act (the "Tort Claims Act") that gave statutory sovereign immunity to the State and its political subdivisions, and then provided for a limited and capped waiver of that immunity.

The Tort Claims Act, as amended, provides a broad statutory sovereign immunity for acts and omissions of governmental entities, whether governmental, proprietary, discretionary or ministerial, including for breach of an implied contract, and without regard to whether a fee, charge or other consideration was paid. The Tort Claims Act waives this statutory sovereign immunity up to certain maximum limits of liability, except for specified circumstances; the maximum liability arising out of a single occurrence is \$500,000 for claims arising on or after July 1, 2001. Attorney fees and punitive damages are not allowed unless otherwise specifically authorized by law; trial of claims arising under the Tort Claims Act shall be conducted without a jury; a claimant must exhaust his administrative remedies before he files suit, and he must file within one year after the cause of action arises; governmental entities and their employees acting within the course and scope of their employment shall not be liable for any claims under specified circumstances; all political subdivisions must purchase liability insurance or set up self-insurance reserves sufficient to cover risks of claims under the Tort Claims Act; all governmental entities may purchase liability insurance in excess of the maximum liability and immunity shall be waived to the extent of the excess liability insurance; and any two or more political subdivisions may enter into agreement to pool liabilities through insurance or self-insurance reserves.

Under existing law, the defense of sovereign immunity would not be available to the Municipality against a claim for payment, when due, of principal of or interest on the Bonds.

Validation. The Bonds will be submitted to validation before the Chancery Court of the County as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972.

Approval of Legal Proceedings. All legal matters in connection with the authorization and issuance of the Bonds are subject to the final approval of the legality thereof by Jones Walker LLP, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Bonds. No representation is made to the registered owners of the Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Bonds except for the matters set forth in such opinion.

Tax Exemption. *Exclusion from Gross Income Pursuant to Section 103 of the Internal Revenue Code.* In the opinion of Bond Counsel, under existing statutes, regulations, rulings and

decisions, as presently interpreted and construed, and based on the assumptions described below, and subject to the exceptions, conditions and limitations described below, (i) the interest on the Bonds is excluded from gross income for federal income tax purposes and (ii) the Bonds are not "specified private activity bonds" and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations.

The Code includes certain restrictions, conditions and requirements, compliance with which subsequent to issuance of the Bonds is necessary in order that interest on the Bonds be (and continue to be) excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. In rendering its opinion, Bond Counsel will assume continuous compliance with all provisions of the Code, compliance with which subsequent to the date of issuance of the Bonds is necessary in order that interest on the Bonds be and continue to be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. The Municipality has covenanted to comply with each such requirement, and failure of the Municipality to comply with such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds.

Original Issue Premium. Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Series 2016A Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Series 2016A Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a holder's basis in a Series 2016A Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such holder. Holders of Series 2016A Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Original Issue Discount. To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Series Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each holder thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant rate compounded on periodic compounding (with straight-line interpolations between compounding dates). In general, the length of the interval between periodic compounding dates cannot exceed the interval between debt service payments on such Bonds and must begin or end on the date of such payments. The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption or

payment on maturity) of such Bonds. Holders of the Bonds should consult with their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds are sold to the public.

Certain Other Provisions of the Code Affecting Owners of the Bonds; Other Federal Tax Consequences of Interest on the Bonds.

Branch Profits Tax. Interest on the Bonds earned by certain foreign corporations doing business in the United States of America may be subject to the branch profits tax imposed by Section 884 of the Code.

S Corporations. Interest on the Bonds will be includable in calculating the tax on "excess net passive income" imposed by Section 1375 of the Code on certain Subchapter S corporations that have Subchapter C earnings and profits.

Social Security and Railroad Retirement Benefits. Interest on the Bonds held by persons who also receive Social Security or Railroad Retirement Benefits may have the effect of subjecting part of such benefits to federal income taxation.

Insurance Companies. Pursuant to Section 832 of the Code, deductible underwriting losses of property and casualty insurance companies will be reduced by 15 percent of the amount of interest earned on the Bonds. (If the amount of the reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income).

Financial Institutions. Section 265(b)(1) of the Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax-exempt obligations acquired after August 7, 1986 (other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code).

The Bonds are being offered as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Bond Counsel Opinion. Bond Counsel will not address or opine with respect to any federal tax consequences arising with respect to the Bonds, other than its opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, its opinion that the Bonds are "qualified tax-exempt obligations," and its opinion that the Bonds are not "specified private activity bonds." Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Future Federal Legislation. Legislation which may affect the tax consequences of owning municipal bonds is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Bonds will not adversely affect

the tax consequences of owning the Bonds, the exclusion of interest on the Bonds from gross income for federal income tax purposes or the market price of the Bonds.

Miscellaneous. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the registered owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of our knowledge, information in this Official Statement does not include any untrue statement of material fact; nor does the information omit the statement of any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Municipality has prepared this Preliminary Official Statement which it deems, for purposes of Rule 15c2-12 of the Securities and Exchange Commission, to be final and complete as of April 26, 2010, except for the omission of the offering prices, interest rates and any other terms of the Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed this Preliminary Official Statement. Upon the sale and award of the Bonds, the Municipality will publish an Official Statement in substantially the same form as this Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete this Preliminary Official Statement. The Municipality will furnish up to 40 copies of the Official Statement to the successful bidder of the Bonds without charge within seven business days after the sale and award of the bid. The successful bidder must notify the City Clerk in writing within five business days of the sale and award if the bidder requires additional copies of the Official Statement to comply with applicable regulations. The cost for such additional copies will be paid by the successful bidder requesting such copies. By submission of its bid, the successful bidder will be deemed to have agreed to supply to the Municipality all necessary pricing information and any underwriter identification determined by the Municipality to be necessary for the Official Statement within 24 hours after the sale and award of the Bonds.

A copy of this Preliminary Official Statement may be obtained from:

Lesa Hardin
City Clerk
(662) 323-2525
l.hardin@cityofstarkville.org

or

L. Keith Parsons, Esq.
kparsons@joneswalker.com
Jones Walker LLP
P. O. Box 427
Jackson, Mississippi 39205-0427

CITY OF STARKVILLE, MISSISSIPPI

BY: /s/ Parker Wiseman
Mayor

/s/ Lesa Hardin
City Clerk

FORM OF BOND COUNSEL OPINION

_____, 2016

TO WHOM IT MAY CONCERN:

We have acted as bond counsel in connection with the issuance by the City of Starkville, Mississippi (the "Municipality"), of \$3,000,000 General Obligation Public Improvement Bonds, Series 2016A, dated July 1, 2016 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation, and we express no opinion relating to the accuracy, completeness or sufficiency of any offering material relating to the Bonds.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

The Bonds are valid and binding general obligations of the Municipality.

All taxable property in the territory of the Municipality is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. The Municipality is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

3. Subject to the condition set forth in the immediately succeeding sentence, (a) the interest on the Bonds is excluded from gross income for federal income tax purposes and (b) the Bonds are not "specified private activity bonds" and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the Municipality comply with all requirements of the Code, compliance with which subsequent to the issuance of the Bonds is necessary in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Municipality has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. The Bonds are qualified tax-exempt obligations as such term is used in Section 265(b)(3) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. Under existing statutes, regulations and court decisions as presently interpreted and construed, interest on the Bonds earned by the respective owners thereof is excludable from gross income for purposes of computing income taxes imposed by the State of Mississippi.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

JONES WALKER L.L.P.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE CITY OF
STARKVILLE, MISSISSIPPI

**FORM OF
CONTINUING DISCLOSURE CERTIFICATE OF
CITY OF STARKVILLE, MISSISSIPPI**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Starkville, Mississippi (the "Municipality"), in connection with the issuance of \$3,000,000 General Obligation Public Improvement Bonds, Series 2016A, dated July 1, 2016 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Mayor and Board of Aldermen of the Municipality on _____, 2016 (the "Bond Resolution"). The Municipality covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Municipality for the benefit of the Bondholders and Beneficial Owners and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Municipality pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

"Dissemination Agent" means a banking institution or other person or entity appointed by resolution of the Municipality as the Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Municipality and which has provided the Municipality a written acceptance of such designation.

"EMMA" means MSRB's Electronic Municipal Market Access system on the MSRB Website.

"Listed Event" means any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board established under the 1933 Securities Act, as amended, or any successor thereto.

"MSRB Website" means www.emma.msrb.org.

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

"Official Statement" means the Official Statement dated _____, 2016, pertaining to the Bonds.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" means each National Repository and the State Repository.

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

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" means the State of Mississippi.

"State Repository" means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

"Submission Date" means the date on which the Annual Report is submitted to the Repositories pursuant to Section 3 of this Disclosure Certificate, which shall be a date not later than twelve months after the end of the Municipality's fiscal year (presently September 30), commencing with the report for the 2017 fiscal year.

SECTION 3. Provision of Annual Reports.

(a) The Municipality shall, or shall cause the Dissemination Agent to, not later than the Submission Date, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but no later than 30 days after the audited financial statements are completed. If the Municipality's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to the Submission Date, the Municipality shall provide the Annual Report to the Dissemination Agent (if other than the Municipality). If the Municipality is unable to provide to the Repositories an Annual Report by the Submission Date, the Municipality shall send a notice to each Repository or the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as "Exhibit A."

(c) The Dissemination Agent shall:

(1) determine each year prior to the Submission Date the name and address of each National Repository and the State Repository, if any; and

(2) if the Dissemination Agent is other than the Municipality, file a report with the Municipality certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Municipality's Annual Report shall contain or include by reference (a) financial information of the type included in the subsections of the Official Statement entitled "Assessed Valuation," "Tax Levy Per \$1,000 Valuation" and "Ad Valorem Tax Collections" and (b) the audited financial statements of the Municipality for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but no later than 30 days after the audited financial statements are completed; Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Municipality or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Municipality shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events. The Municipality shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence thereof:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of security holders, if material;

- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Municipality;
- (13) consummation of a merger, consolidation, or acquisition involving the Municipality, the sale of all or substantially all of the assets of the Municipality other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The events listed above are quoted from the Rule and some may not be applicable to the Municipality or the Bonds.

SECTION 6. Termination of Reporting Obligation. The Municipality's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Municipality shall give notice of such termination in the manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Municipality may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Municipality pursuant to this Disclosure Certificate. From the date hereof until such time (if any) that the Municipality appoints a Dissemination Agent, or if a Dissemination Agent appointed by the Municipality resigns or is discharged and the Municipality does not appoint a successor Dissemination Agent, the Municipality, acting through the City Clerk of the Municipality, shall carry out the duties of the Dissemination Agent under this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Municipality may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, only if (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the Municipality, (2) the agreement, as amended, would have complied with the Rule at the date of sale of the Bonds, taking into account any amendments or interpretations of the Rule as well as any change in circumstance,

and (3) the Municipality receives an opinion of nationally recognized bond counsel to the effect that the amendment or waiver does not materially impair the interests of the holders and beneficial owners of the Bonds. A copy of any amendment will be filed in a timely manner with each Repository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Municipality from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Municipality chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Municipality shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10 Default. In the event of a failure of the Municipality to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Municipality to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Municipality agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Municipality under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Municipality, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2016

CITY OF STARKVILLE, MISSISSIPPI

City Clerk

EXHIBIT A

**NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL REPORT**

Name of Municipality: City of Starkville, Mississippi

Name of Issue \$3,000,000 General Obligation Public Improvement Bonds,
Series 2016A

Date of Issuance: July 1, 2016

NOTICE IS HEREBY GIVEN that the Municipality has not provided an Annual Report with respect to the above-referenced Bonds as required by the Bond Resolution. The Municipality anticipates that the Annual Report will be filed by _____, 20__.

Date: _____, 20__

CITY OF STARKVILLE, MISSISSIPPI

City Clerk

9. DISCUSSION AND CONSIDERATION OF THE SERIES 2016B G O \$2,400,000 PUBLIC IMPROVEMENT BOND RESOLUTION AND PRELIMINARY OFFICIAL STATEMENT.

No protests were filed as of 5 p.m. Tuesday, June, 7, 2016, and is noted in the minutes.

Upon the motion of Alderman Perkins, duly seconded by Alderman Vaughn, to approval the Resolution directing the issuance of General Obligation Public Improvement Bonds, Series 2016 B, of the City of Starkville, Mississippi, in the principal amount of two million four hundred thousand dollars (\$2,400,000) to raise money for the purpose of acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes; prescribing the form and incidents of said bonds; providing for the levy of taxes for the payment thereof; providing for the sale of said bonds; making provision for maintaining the tax-exempt status of the bonds; authorizing a bond insurance policy; authorizing a bond rating; approving and authorizing the distribution of a preliminary official statement; authorizing the execution and distribution of an official statement; authorizing the execution of a continuing disclosure certificate; acknowledging and authorizing the execution of post issue compliance procedures; and for related purposes, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Nay |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Nay |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

CITY OF STARKVILLE, MISSISSIPPI

\$2,400,000

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS

SERIES 2016B

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RESOLUTION DIRECTING THE ISSUANCE OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016B, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000) TO RAISE MONEY FOR THE PURPOSE OF ACQUIRING, RENOVATING, EQUIPPING AND FURNISHING OF THE OLD CITY HALL BUILDING AND ASSOCIATED REAL AND PERSONAL PROPERTY, INCLUDING WITHOUT LIMITATION THE REPAIR, PATCHING, OVERLAY, AND STRIPING OF THE BUILDING'S PARKING LOT, LOCATED AT 101 EAST LAMPKIN STREET IN STARKVILLE, MISSISSIPPI, TO HOUSE AND FACILITATE THE OPERATIONS OF THE STARKVILLE POLICE DEPARTMENT; AND FOR RELATED PURPOSES; PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT THEREOF; PROVIDING FOR THE SALE OF SAID BONDS; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF THE BONDS; AUTHORIZING A BOND INSURANCE POLICY; AUTHORIZING A BOND RATING; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; ACKNOWLEDGING AND AUTHORIZING THE EXECUTION OF POST ISSUE COMPLIANCE PROCEDURES; AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality"), acting for and on behalf of the Municipality, hereby finds, determines, adjudicates, and declares as follows:

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

"Act" shall mean Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended.

"Authorized Purpose" shall mean acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the buildings parking lot, located at 101 E. Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

"Bond" or "Bonds" shall mean the General Obligation Public Improvement Bonds, Series 2016B, of the Municipality authorized and directed to be issued in this Bond Resolution.

"Bond Counsel" shall mean Jones Walker LLP, Jackson, Mississippi, or any other nationally recognized attorneys on the subject of municipal bonds.

"Bond Fund" shall mean the fund of the Municipality provided for in Section 14 hereof.

"Bond Insurance Policy" shall mean a municipal bond insurance policy issued by the Bond Insurer, if any, guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Bond Insurer" shall mean a municipal bond insurance company, if any, guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Bond Resolution" shall mean this resolution.

"Bondholder" or "Holder" shall mean the Registered Owner of any Bond issued pursuant to this Bond Resolution.

"Business Day" shall mean a day of the year on which banks located in the city in which the principal office of the Paying Agent is located are not required or authorized to remain closed.

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

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate to be executed by the Municipality and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Event of Default" shall mean an event of default as described in Section 19 of this Bond Resolution.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Improvement Fund" shall mean the Improvement Fund (Series 2016B) of the Municipality provided for in Section 15 hereof.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

"Notice" shall mean the Notice of Bond Sale set out in Section 24 hereof.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Paying Agent" shall mean any bank, trust company or other institution designated, whether herein or hereafter, by the Governing Body to make payments of the principal of and interest on the Bonds, to serve as registrar and transfer agent for the registration of

owners of the Bonds and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization or government or any agency or political subdivision thereof.

"Procedures" shall mean the Post Issuance Compliance Procedures in substantially the form set out in **Attachment A** hereto.

"Project" shall mean the acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department.

"Project Costs" shall mean (a) obligations of the Municipality incurred, or reimbursement to the Municipality, for labor and to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) all costs of engineering services, including test borings, surveys, estimates, plans and specifications and preliminary investigations, and supervising construction, equipping as well as for the performance of all other duties required by or consequent upon the proper construction of the Project; (d) all costs relating to the temporary relocation of the operations of the Municipality's police department in connection with acquiring, renovating, equipping and furnishing the Project; (e) all other costs which the Municipality shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction and installation of the Project, including contracts for construction, engineering and architectural services; (f) the costs, fees and expenses incurred by the Municipality in connection with the authorization, issuance, bond insurance (if obtained), bond rating (if obtained), sale, validation and delivery of the Bonds and (g) all other costs relating to the Project to the extent that such costs are eligible for payment under the Act.

"Purchaser" shall mean the successful bidder for the Bonds, to be hereafter designated by the Governing Body.

"Record Date" shall mean, as to interest payments, the fifteenth (15th) day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the fifteenth (15th) day of the month preceding the date on which such principal shall be due and payable, whether at maturity or upon redemption prior to maturity.

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

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the Municipality maintained by the Paying Agent.

"Representation Letter" shall mean the blanket representation letter to DTC pertaining to book-entry obligations of the Municipality.

“Responsible Party” shall mean the party specified in each section of the Procedures as being responsible for compliance.

“Series 2016A Bonds” shall mean the Municipality’s General Obligation Public Improvement Bonds, Series 2016A, in the maximum principal amount of Three Million Dollars (\$3,000,000).

"Subsection 148(f)" shall mean Subsection 148(f) of the Code.

"Subsection 148(f) Regulations" shall mean any regulations promulgated from time to time pursuant to Subsection 148(f).

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

Heretofore, on May 3, 2016, the Governing Body adopted a certain resolution entitled "RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, TO ISSUE GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF SAID MUNICIPALITY IN THE MAXIMUM PRINCIPAL AMOUNT OF TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000) TO RAISE MONEY FOR THE PURPOSE OF ACQUIRING, RENOVATING, EQUIPPING AND FURNISHING OF THE OLD CITY HALL BUILDING AND ASSOCIATED REAL AND PERSONAL PROPERTY, INCLUDING WITHOUT LIMITATION THE REPAIR, PATCHING, OVERLAY, AND STRIPING OF THE BUILDING’S PARKING LOT, LOCATED AT 101 EAST LAMPKIN STREET IN STARKVILLE, MISSISSIPPI, TO HOUSE AND FACILITATE THE OPERATIONS OF THE STARKVILLE POLICE DEPARTMENT; AND FOR RELATED PURPOSES; AND DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION," wherein the Governing Body found, determined, and adjudicated that it is necessary that bonds of the Municipality be issued in the amount, for the purpose and secured as aforesaid, declared its intention to issue said bonds, and fixed June 7, 2016 at 5:30 o’clock p.m., as the date and hour on which it proposes to authorize and direct the issuance of said bonds, on or prior to which date and hour any protest to be made against the issuance of such bonds was required to be filed.

As required by law and as directed by the aforesaid resolution, said resolution was published once a week for at least three (3) consecutive weeks in the *Starkville Daily News*, a newspaper published in and having a general circulation in the Municipality, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty-one (21) days prior to June 7, 2016, and the last publication having been made not more than seven (7) days prior to such date, said notice having been published in said newspaper on *May 17, 2016, May 24, 2016, and May 31, 2016*, as evidenced by the publisher's affidavit and on file with the Clerk.

On or prior to the aforesaid hour and date set for the receipt of protests, no written protest or other objection of any kind or character against the issuance of the bonds described in the aforesaid resolution had been filed or presented by qualified electors of the Municipality, and no such protest or objection has been filed to this date.

The Governing Body is now authorized and empowered by the provisions of the Act to issue the Bonds without an election on the question of the issuance thereof and is authorized to issue bonds registered as to principal and interest in the form and manner hereinafter provided for by Sections 31-21-1 to 31-21-7, Mississippi Code of 1972, as amended.

The assessed value of all taxable property within the Municipality, according to the last completed assessment for taxation, is Two Hundred Twenty-Four Million Five Hundred Eight Thousand Two Hundred Seventy-Six Dollars (\$224,508,276); the Municipality has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended, in the amount of Nine Million Nine Hundred Sixty-Five Thousand Dollars (\$9,965,000), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended (which amount includes the sum set forth above subject to the 15% debt limit), in the amount of Fourteen Million One Hundred Twenty Thousand Dollars (\$14,120,000); the issuance of the Bonds hereinafter proposed to be issued and the proposed issue of the Series 2016A Bonds of the Municipality, when added to the outstanding bonded indebtedness of the Municipality, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the Municipality, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the Municipality, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the Municipality.

The Code provides that noncompliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance, and provides that the tax-exempt status of interest on obligations such as the Bonds is contingent on a number of future actions by the Municipality. It is necessary to make certain covenants pertaining to the exemption of the interest on the Bonds from federal income taxes since such exemption may depend, in part, upon continuing compliance by the Municipality with certain requirements of the Code.

The Bonds are not private activity bonds as such term is defined in Section 141 of the Code. The Governing Body does not reasonably anticipate that the Municipality or any other subordinate entities thereof will issue more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations (other than private activity bonds) in this calendar year. It is necessary to designate the Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

The Municipality reasonably expects that not less than eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within a three-year period beginning on the date of issuance of the Bonds.

It is advisable and in the public interest to authorize the Mayor to arrange for bond insurance for the payment of principal and interest on the Bonds, in the event that the Municipality may realize a savings in connection with the issuance of the Bonds. The Governing Body should authorize such bond insurance to be obtained and should authorize a commitment for bond insurance to be executed on behalf of the Municipality by the

Mayor if same determines such bond insurance to be in the best interest of the Municipality.

It is advisable and in the public interest to authorize the Mayor to arrange for a bond rating for the Bonds, in the event that said officer determines that obtaining any such rating is in the best interests of the Municipality. The Governing Body should authorize the obtaining of such rating, the execution of any documents necessary or appropriate for such purpose, and the commitment to pay the rating fee and usual costs pertaining to any such rating, by the Mayor if same determines any such rating to be in the best interest of the Municipality.

It is now necessary to direct the issuance of and offer for sale the Bonds in the maximum principal amount of Two Million Four Hundred Thousand Dollars (\$2,400,000).

It has now become necessary to make provision for the preparation, execution, issuance and sale of the Bonds.

The Municipality desires to go forward with preparation for the issuance of the Bonds and in connection therewith, desires to approve the engagement of certain professionals to assist with the issuance of the Bonds.

The Preliminary Official Statement pertaining to the sale of the Bonds should be approved by the Governing Body of the Municipality, and copies thereof distributed to prospective purchasers of the Bonds in substantially the form attached hereto as **Attachment B**.

The Official Statement pertaining to the sale of the Bonds should be approved by the Governing Body and it is necessary and appropriate for the Governing Body to authorize the execution thereof.

It is necessary and appropriate for this Governing Body to approve the Continuing Disclosure Certificate attached to the Preliminary Official Statement and to authorize the execution thereof.

The Governing Body desires to approve and adopt the Post Issuance Compliance Procedures in substantially the form attached hereto as **Attachment A**.

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

Bond Resolution as Contract. In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, this Bond Resolution shall constitute a contract between the Municipality and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the Municipality shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

Engagement of Professionals. The Municipality desires to go forward with preparation for the issuance of the Bonds and in connection therewith, desires to approve

the engagement of various professionals in connection with the issuance of the Bonds, including Jones Walker LLP, Jackson, Mississippi, to serve as Bond Counsel; Christopher L. Latimer, Mitchell, McNutt & Sams, P.A., Columbus, Mississippi to serve as counsel to the Municipality; and Demery F. Grubbs, Government Consultants, Inc., Jackson, Mississippi, to serve as financial advisor.

Amount; Purpose. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of Two Million Four Hundred Thousand Dollars (\$2,400,000) to raise money for the Authorized Purpose as authorized by the Act.

Payments; Bond Details; Prior Redemption.

Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America. Interest shall be paid on the principal amount of each Bond from the date of such Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth therein.

Bond Details. The Bonds shall be registered as to both principal and interest; shall be dated July 1, 2016; shall be issued in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one (1) upward in the order of issuance; shall bear interest from the date thereof at the rate or rates specified by further order of the Governing Body, payable on July 1, 2017, and semiannually thereafter on January 1 and July 1 of each year; and shall mature and become due and payable, with option of prior payment, on July 1 in the years and in the principal amounts as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2017 | \$85,000 |
| 2018 | \$90,000 |
| 2019 | \$95,000 |
| 2020 | \$95,000 |
| 2021 | \$100,000 |
| 2022 | \$100,000 |
| 2023 | \$105,000 |
| 2024 | \$110,000 |
| 2025 | \$115,000 |
| 2026 | \$115,000 |
| 2027 | \$120,000 |
| 2028 | \$125,000 |
| 2029 | \$130,000 |
| 2030 | \$130,000 |
| 2031 | \$135,000 |
| 2032 | \$140,000 |
| 2033 | \$145,000 |
| 2034 | \$150,000 |
| 2035 | \$155,000 |
| 2036 | \$160,000 |

Prior Redemption. Bonds maturing after July 1, 2026, are subject to redemption prior to their respective maturities at the election of the Municipality on and after July 1, 2026, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds (in integral multiples of \$5,000), and for all purposes of this Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

BOND INSURANCE AND RATING AUTHORIZED; COVENANTS. i. The Mayor is hereby authorized to execute a commitment for bond insurance and to do such other things and take such other actions as may be necessary to obtain such insurance for the Bonds if such official determines that obtaining such insurance will result in the realization of greater savings in connection with the issuance of the Bonds. Such bond insurance may be obtained or not obtained within the discretion of such official.

The provisions of the Bond Insurance Policy (if any) and the municipal bond insurance commitment pertaining thereto, together with any attachments and documents referenced therein, as long as the Bond Insurance Policy remains outstanding and the Bond Insurer has not failed to comply with its payment obligations thereunder and notwithstanding anything contained in this Bond Resolution to the contrary, shall govern and are made a part of this Bond Resolution as though set forth in full herein. In addition to all notices and reporting requirements specifically set forth herein, the Bond Insurer shall be provided with such additional information as the Bond Insurer may reasonably request from time to time.

The Bonds are issued subject to certain requirements and covenants set forth in the Bond Resolution, including without limitation those requirements and covenants pertaining to bond insurance, if any, for the Bonds.

The Mayor is hereby authorized to obtain a bond rating or ratings with regard to the sale of the Bonds, and to execute such documents and to do such other things and take such other actions as may be necessary with regard thereto, if such officials determine that obtaining such rating or ratings will result in a net savings with regard to the sale of the Bonds. Such bond rating may be obtained or not obtained within the discretion of such official.

Bonds Registered as Obligations; Registration and Validation Certificate; Execution; Delivery; Bond Transcript; Legal Opinion; Items Filed with Paying Agent; Authentication; Bond Certificates.

Bonds Registered as Obligations When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the Municipality in the office of the Clerk in a book maintained for that purpose, and the Clerk shall cause to be imprinted upon or accompany each of the Bonds, over her manual or facsimile signature and manual or facsimile seal, her certificate in substantially the form set out in Section 8 hereof.

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

Delivery; Bond Transcript; Legal Opinion. The Bonds shall be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale, and validation of the Bonds, and the final, unqualified approving opinion of Bond Counsel.

Items Filed with Paying Agent. Prior to or simultaneously with the delivery by the Paying Agent of any of the Bonds, the Municipality shall file with the Paying Agent:

a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the Bonds; and

an authorization to the Paying Agent, signed by the Mayor, to authenticate and deliver the Bonds to the Purchaser.

Authentication. The Paying Agent acting through its officers, employees or agents, shall authenticate the Bonds and deliver them to the Purchaser thereof upon payment of the purchase price of the Bonds to the Municipality.

Bond Certificates. Certificates, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the Municipality to meet the reasonable transfer and reissuance needs on the Bonds, may be printed and delivered to the Paying Agent in generally-accepted format, and held by the Paying Agent until needed for transfer or reissuance, whereupon the Paying Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder. The Paying Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional certificates bearing the manual or facsimile seal of the Municipality and manual or facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

Designation of Paying Agent; Paying Agent as Transfer Agent; Fees and Expenses of Paying Agent; Change of Paying Agent; Successor Corporation or Association as Paying Agent.

Designation of Paying Agent. A Paying Agent for the Bonds, which shall serve as paying agent, registrar and transfer agent, shall be designated by further order of the Governing Body.

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

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

Change of Paying Agent. 1. A Paying Agent may at any time resign and be discharged of its duties and obligations as Paying Agent by giving at least sixty (60) days' written notice to the Municipality, and may be removed as Paying Agent at any time by resolution of the Governing Body delivered to the Paying Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Paying Agent, and shall be transmitted to the Paying Agent being removed within a reasonable time prior to the effective date thereof. Provided, however, that no resignation or removal of a Paying Agent shall become effective until a successor Paying Agent has been appointed pursuant to this Bond Resolution.

Upon receiving notice of the resignation of a Paying Agent, the Municipality shall promptly appoint a successor Paying Agent by resolution of the Governing Body. Any appointment of a successor Paying Agent shall become effective, on the effective date of the resignation or removal of the predecessor Paying Agent upon acceptance of appointment by the successor Paying Agent. If no successor Paying Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Paying Agent.

In the event of a change of Paying Agents, the predecessor Paying Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Paying Agent, and the successor Paying Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Paying Agent shall be fully paid. Every predecessor Paying Agent shall deliver to its successor Paying Agent all

records of account, registration records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Paying Agent.

Any successor Paying Agent appointed under the provisions hereof shall be a bank, trust company or national banking association having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

Every successor Paying Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Paying Agent and to the Municipality an instrument in writing accepting such appointment hereunder, and thereupon such successor Paying Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

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

The Municipality will provide any successor Paying Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the Bonds.

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

Successor Corporation or Association as Paying Agent. Any corporation or association into which a Paying Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the Municipality or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor Paying Agent shall be satisfactory to the Municipality and eligible under the provisions of this Section hereof.

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

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

OKTIBBEHA COUNTY

CITY OF STARKVILLE, MISSISSIPPI

GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND

SERIES 2016B

NO. _____ \$ _____

| | | | |
|-------------------------|----------------------|-------------------|--------------|
| <u>Rate of Interest</u> | <u>Maturity Date</u> | <u>Dated Date</u> | <u>CUSIP</u> |
| _____ % | _____, 20__ | _____, 20__ | _____ |

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Starkville, in the State of Mississippi (the "Municipality"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, on the maturity date stated above, upon the presentation and surrender of this bond, at the principal office of _____, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Public Improvement Bonds, Series 2016B, of the Municipality (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent, which will also serve as registrar and transfer agent for the Bonds, as of the fifteenth (15th) day of the calendar month preceding the maturity date hereof.

All capitalized terms not otherwise defined herein shall have the meaning set forth in the resolution authorizing and directing the issuance of the Bonds adopted _____ (the "Bond Resolution").

The Municipality further promises to pay interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above payable on _____, 20__, and semiannually thereafter on _____ 1 and _____ 1 of each year, until said principal sum is paid, to the Registered Owner hereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent as of the fifteenth (15th) day of the calendar month preceding the applicable interest payment date.

Payments of principal of and interest on this Bond shall be made by check or draft delivered directly to or mailed on the date on which interest or principal and interest shall be due and payable (or, with respect to principal, such later date on which any Bond shall

be presented and surrendered for payment as provided herein) to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the fifteenth (15th) day of the calendar month preceding the applicable principal or interest payment date.

Bonds maturing after _____, 20____, are subject to redemption prior to their respective maturities at the election of the Municipality on and after _____, 20____, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds (in integral multiples of \$5,000), and for all purposes of the Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of Two Million Four Hundred Thousand Dollars (\$2,400,000) to raise money for the purpose of acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the Municipality, including the Bond Resolution.

The Bonds are registered as to both principal and interest and are to be issued or reissued in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity.

This Bond may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Paying Agent, but only in the manner provided by and subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer or exchange, a new Bond or Bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The Municipality and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of

principal hereof and interest due hereon and for all other purposes and neither the Municipality nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Paying Agent, acting through its officers, employees or agents.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding general obligations of the Municipality, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the Municipality are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the Municipality, countersigned by the manual or facsimile signature of the Clerk of the Municipality, under the manual or facsimile seal of the Municipality, which said facsimile signatures said officials adopt as and for their own proper signatures, all as of the _____ day of _____, 20__.

City of Starkville, Mississippi

Mayor

Countersigned:

(SEAL)

City Clerk

There shall be printed or accompany the Bonds a registration and authentication certificate in substantially the following form:

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Public Improvement Bonds, Series 2016B, of the City of Starkville, Mississippi.

as Paying Agent

Authorized Signatory

Date of Registration and Authentication: _____

There shall be printed on or accompany the Bonds a registration and validation certificate and an assignment form in substantially the following form:

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI

COUNTY OF OKTIBBEHA

I, the undersigned City Clerk of the City of Starkville, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said Municipality pursuant to law in a book kept in my office for that purpose, and has been validated and confirmed by Validation Judgment of the Chancery Court of Oktibbeha County, Mississippi, rendered on the ____ day of _____, 20__.

(Seal)

City Clerk

ASSIGNMENT

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

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint _____ as
Paying Agent to transfer the said bond on the records kept for registration thereof with full
power of substitution in the premises.

Signature guaranteed:

(Bank, Trust Company or Paying Agent)

(Authorized Signatory)

NOTICE: Signature(s) must
be guaranteed by an institution
that is a participant in a
Securities Transfer Association recognized
signature guarantee program.

NOTICE: The signature to this
Assignment must correspond with
the Registered Owner as it appears
upon the face of the within Bond in
every particular, without
alteration or enlargement or any
change whatever.

Date of Assignment: _____

Insert Social Security Number or Other Tax Identification Number of Assignee: _____

[END OF BOND FORM]

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

Security for Payment. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue, to the extent other moneys are not available, there shall be and is hereby levied a direct, continuing tax upon all of the taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, and taking into account any other moneys available for such purpose, to produce sums required for the payment of the principal of and the interest on the Bonds. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the Municipality are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

Certificate of Registration and Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Paying Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Paying Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Paying Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign said certificate on all of the Bonds that may be issued hereunder at any one time.

Initial Registration; Registered Owner as Owner.

Initial Registration In the event the Purchaser shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the Municipality, one (1) Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Bonds shall be in the Purchaser until the initial Registered Owner has made timely payment and,

upon request of the Purchaser within a reasonable time of the initial delivery of the Bonds, the Paying Agent shall re-register any such Bond upon its records in the name of the Registered Owner to be designated by the Purchaser in the event timely payment has not been made by the initial Registered Owner.

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

Transfers; Paying Agent to Transfer in Accordance with Bond Resolution; Expenses of Transfer.

Transfers Each Bond shall be transferable only in the records of the Municipality, upon surrender thereof at the office of the Paying Agent, together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the Municipality, acting through its Paying Agent, shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

Paying Agent to Transfer in Accordance with Bond Resolution. In all cases in which the privilege of transferring Bonds is exercised, the Paying Agent, acting through its officers, employees or agents, shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.

Expenses of Transfer. The Municipality or the Paying Agent may require payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of Bonds. All other expenses incurred by the Municipality or the Paying Agent in connection with any transfer of Bonds shall be paid by the Municipality.

Bond Fund; Payments; Bond Fund Options.

Bond Fund. The Municipality shall maintain with a qualified depository thereof a Bond Fund in its name for the payment of the principal of and interest on the Bonds, and the payment of Paying Agents' fees in connection therewith. There shall be deposited into the Bond Fund as and when received:

The accrued interest, if any, received upon delivery of the Bonds;

The avails of any of the ad valorem taxes levied and collected pursuant to Section 10 hereof;

Any income received from investment of moneys in the Bond Fund;

and

Any other funds available to the Municipality which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Bond Fund.

Payments by Clerk. As long as any principal of and interest on the Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the Bond Fund sufficient moneys to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent prior to the date on which said interest or principal and interest shall become due, and in accordance with any statutory requirements.

Bond Fund Options. Notwithstanding anything herein to the contrary, the Municipality at its option, may maintain one (1) bond fund for all general obligation bonds of the Municipality, or as many as it shall deem to be appropriate.

Improvement Fund (Series 2016B). The principal proceeds received upon the sale of the Bonds shall be deposited with a qualified depository of the Municipality in a special improvement fund, hereby created, in the name of the Municipality and herein referred to as the "Improvement Fund (Series 2016B)". From the Improvement Fund there shall be first paid the costs, fees and expenses incurred by the Municipality in connection with the authorization, issuance, and bond insurance, if any, bond rating, if any, sale, validation and delivery of the Bonds. The balance thereof shall be held and disbursed for other Project Costs.

Payments of Principal; Payments of Interest; Method of Payment; Change of Address.

Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent as of the Record Date.

Payments of Interest. Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

Method of Payment; Change of Address. Principal of and interest on the Bonds shall be paid by check or draft delivered directly to or mailed on the date on which interest or principal and interest shall be due and payable (or, with respect to principal, such later date on which any Bond shall be presented and surrendered for payment as provided herein) or such other method as may be mutually satisfactory to the Paying Agent and Bond Holders, to the Registered Owners at the addresses appearing in the registration records of the Paying Agent. Any such address may be changed by written notice from the Registered Owner to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the fifteenth (15th) day of the calendar month preceding the applicable principal or interest payment date to be effective as of such date.

Validation. The Bonds shall be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, as amended, and to that end the Clerk is hereby

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

Validation of Certain Amendments, Revisions or Supplements. It is specifically provided, notwithstanding the dates set out in this Bond Resolution for the date of the Bonds and the payment dates for principal and interest, that in the event the delivery of the Bonds is delayed by a contest of the validation of the Bonds or otherwise and the initial Purchaser shall decline to take delivery of the Bonds, then the Bonds may be reoffered for sale. In such event, all principal maturities may be adjusted so that such maturities will fall due in the same amounts and intervals as herein provided, but beginning one (1) year from the actual date of the Bonds as provided by the subsequent resolution directing the offer for sale thereof, and continuing through the twentieth (20th) year from such actual date of the Bonds. The interest payments may also be adjusted accordingly, with interest payments due semiannually, commencing twelve (12) months from such actual date of the Bonds. After the validation of the Bonds, no amendment, revision or supplement contemplated by this Section shall be cause for the re-submission of the proceedings for the issuance of the Bonds, as amended, revised or supplemented, to any further validation proceedings, it being the intent of this Bond Resolution that any such amendments, revisions or supplements be covered by the initial validation proceeding.

Events of Default; Remedies. An "Event of Default" as used in this Resolution shall mean any of the following: ii. failure to pay the principal of, premium, if any, or interest on any of the Bonds when such payments shall become due, iii. failure to comply with any other of the covenants of the Municipality set out in this Bond Resolution and the continuation thereof for thirty (30) days after written notice specifying such failure shall have been given to the Municipality by any Bondholder or iv. filing by the Municipality of a petition under federal bankruptcy laws or a petition seeking composition of indebtedness under any other applicable federal or state laws. Notwithstanding the foregoing, the Municipality's noncompliance with its obligations under Section 22 hereof and the Continuing Disclosure Certificate shall not constitute an Event of Default within the meaning of this Section.

The Holders of not less than twenty-five percent (25%) of the aggregate principal amount of the outstanding Bonds may, upon an Event of Default, by suit, action, mandamus or other proceedings at law or in equity take action to enforce and compel performance by the appropriate official or officials of the Municipality of any or all of the acts or duties to be performed by the Municipality under the provisions of the Act and this Bond Resolution. The Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then outstanding may appoint a trustee for the Holders of all outstanding Bonds issued under this Bond Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders under this Bond Resolution.

Nothing in this Bond Resolution contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Municipality to pay the principal of and interest on each of the Bonds issued hereunder to the respective Bondholders thereof at the time and place and in the manner in said Bonds expressed.

Preliminary Official Statement. The Governing Body hereby approves the Preliminary Official Statement pertaining to the sale of the Bonds, and the distribution of said Preliminary Official Statement is hereby authorized in substantially the form attached hereto, as **Attachment B**.

Official Statement. v. The Governing Body hereby approves and adopts the Official Statement pertaining to the sale of the Bonds in substantially the form of the Preliminary Official Statement with such completions, changes, insertions, and modifications as shall be approved by the officers of the Municipality executing and delivering the same, the execution thereof by such officers to be conclusive evidence of such approval.

The Governing Body hereby approves the execution by the Mayor and the Clerk of the Official Statement for and on behalf of this Governing Body, and the distribution of such Official Statement pertaining to the sale of the Bonds is hereby approved.

Continuing Disclosure Certificate. The Governing Body hereby approves and adopts the Continuing Disclosure Certificate attached to the Preliminary Official Statement, and approves and authorizes the execution of said Continuing Disclosure Certificate by the Clerk of the Municipality for and on behalf of the Municipality in substantially the form attached to the Preliminary Official Statement, with such completions, changes, insertions, and modifications as shall be approved by the officer of the Municipality executing and delivering the same, the execution thereof to be conclusive evidence of such approval.

Offer for Sale as Provided in Notice; Interest Rate Limit; Requirements of Act.

Offer for Sale as Provided in Notice The Bonds shall be offered for sale on sealed bids at a meeting of the Governing Body to be held at the place, and on the date and at the hour specified and upon the terms and conditions set out in the Notice in Section 24 hereof. On or before said date and hour, such sealed bids must be filed with the Clerk at the place specified in the Notice. The Governing Body reserves the right to reject any and all bids submitted, and if all bids are rejected, to sell the Bonds at a private sale at any time within sixty (60) days after the date advertised for the receipt of bids, at a price not less than the highest bid which shall have been received at the advertised sale.

Interest Rate Limit; Requirements of Act. In no event shall the Bonds be issued at a rate of interest in excess of that allowed in the Notice and the Bonds shall in all other respects comply with the requirements of the Act.

Notice: Publication and Form. As required by Section 31-19-25, Mississippi Code of 1972, as amended, the Clerk is hereby authorized and directed to give the Notice by publishing an advertisement at least two (2) times in *The Starkville Daily News*, a newspaper published in and of general circulation in Oktibbeha County, Mississippi, the first publication thereof to be made at least ten (10) days preceding the date fixed herein for the receipt of bids. The Notice shall be in substantially the following form:

NOTICE OF BOND SALE

\$2,400,000

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016B
OF THE
CITY OF STARKVILLE, MISSISSIPPI

NOTICE IS HEREBY GIVEN that the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality") will receive sealed bids for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of Two Million Four Hundred Thousand Dollars (\$2,400,000) General Obligation Public Improvement Bonds, Series 2016B, of the Municipality (the "Bonds") on July 7, 2016, until the hour of 4:30 o'clock pm, and such bids should be delivered to the City Clerk at her office in the City Hall of the Municipality. The City Clerk will act on behalf of the Governing Body to receive bids at the aforesaid date, time and place. Immediately following said time on said date, said bids will be publicly opened and read in the City Hall.

THE BONDS: The Bonds will be dated and bear interest from July 1, 2016; will be delivered in definitive form as registered bonds; will be in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity; will be numbered from one (1) upward in the order of issuance; will be payable as to principal at a bank or trust company to be named by the Governing Body in the manner hereinafter provided; and will bear interest from the date thereof, payable on July 1, 2017, and semiannually thereafter on January 1 and July 1 of each year, at the rate or rates offered by the successful bidder in its bid in accordance with this Notice of Bond Sale.

MATURITIES: The Bonds will mature serially, with option of prior payment, on July 1 in each of the years and amounts as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2017 | \$85,000 |
| 2018 | \$90,000 |
| 2019 | \$95,000 |
| 2020 | \$95,000 |
| 2021 | \$100,000 |
| 2022 | \$100,000 |
| 2023 | \$105,000 |
| 2024 | \$110,000 |
| 2025 | \$115,000 |
| 2026 | \$115,000 |
| 2027 | \$120,000 |
| 2028 | \$125,000 |
| 2029 | \$130,000 |
| 2030 | \$130,000 |
| 2031 | \$135,000 |
| 2032 | \$140,000 |
| 2033 | \$145,000 |

| | |
|------|-----------|
| 2034 | \$150,000 |
| 2035 | \$155,000 |
| 2036 | \$160,000 |

REDEMPTION: Bonds maturing after July 1, 2026, are subject to redemption prior to their respective maturities at the election of the Municipality on and after July 1, 2026, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds, in integral multiples of Five Thousand Dollars (\$5,000), and for all purposes of the Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

AUTHORITY AND SECURITY: The Bonds will be issued pursuant to the provisions of Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, amended (the "Act"), and shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

PURPOSE: The Bonds are being issued to provide funds for acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

FORM OF BIDS: Bids should be addressed to the Mayor and Board of Aldermen and should be plainly marked "Bid for General Obligation Public Improvement Bonds, Series 2016B, of the City of Starkville, Mississippi," and should be filed with the City Clerk of the Municipality on or prior to the date and hour hereinabove named. All bids should be submitted substantially in the form prepared by the Municipality. A copy of the Preliminary Official Statement and the bid form may be obtained from Brad C. Davis at Jones Walker LLP, Jackson, Mississippi (601-949-4623; bdavis@joneswalker.com).

INTEREST RATE AND BID RESTRICTIONS: The Bonds shall not bear a greater overall maximum interest rate to maturity than eleven percent (11%) per annum, nor shall the interest rate for any one maturity exceed eleven percent (11%) per annum. No Bond shall bear more than one (1) rate of interest; each Bond shall bear interest from its

date to its stated maturity date at the interest rate specified in the bid; all Bonds of the same maturity shall bear the same rate of interest from date to maturity; and the lowest interest rate specified shall not be less than seventy percent (70%) of the highest interest rate specified. Each interest rate specified in any bid must be a multiple of one-eighth of one percent ($1/8^{\text{th}}$ of 1%) or one-tenth of one percent ($1/10^{\text{th}}$ of 1%), and a zero percent (0%) rate of interest cannot be named.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a cashier's check, certified check, or exchange, issued or certified by a bank located in the State of Mississippi, payable to the Mayor and Board of Aldermen of the City of Starkville, Mississippi, in the amount of Sixty Thousand Dollars (\$60,000) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the Municipality as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit.

DTC BOOK-ENTRY-ONLY: The Bonds are being initially offered as registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-Entry-Only system of registration. Purchasers of interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry-only. As long as Cede & Co. is the Registered Owner of the Bonds as nominee of DTC, payments of principal and interest will be made directly to such Registered Owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

AWARD OF BONDS: The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Bonds at the lowest net interest cost to the Municipality, which shall be determined by computing the aggregate interest on the Bonds over the life of the issue at the rate or rates of interest specified by the bidder, less premium offered, if any. It is requested that each bid be accompanied by a statement of the net interest cost (computed to six (6) decimal places), but such statement will not be considered a part of the bid. All bids shall remain firm for four (4) hours after the time specified for the opening of bids, and an award of the Bonds, or rejection of bids, will be made by the Governing Body within said period of time.

RIGHT OF REJECTION, CANCELLATION: The Governing Body reserves the right to reject any or all bids submitted, as well as to waive any irregularity or informality in any bid. The successful bidder shall have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the Governing Body shall return to said bidder its good faith deposit. The Governing Body shall have the right, at its option, to cancel its agreement to sell the Bonds if within five (5) days after the tender of the Bonds for delivery the successful bidder shall not have accepted delivery of and paid for the Bonds, and in such event the Governing Body shall retain the successful bidder's good faith deposit as liquidated damages as hereinabove provided.

PAYING AGENT, TRANSFER AGENT, AND REGISTRAR: The successful bidder may designate a bank or trust company located within the State of Mississippi to

serve as paying agent (the "Paying Agent") for the Bonds within forty-eight (48) hours of the date of sale of the Bonds, subject to the approval of the Governing Body. The Governing Body's approval of the Paying Agent shall be contingent on a determination as to the willingness and ability of the Paying Agent to perform the duties of registrar and transfer agent and on the satisfactory negotiation of service fees. The Paying Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Bonds are issued. Both principal of and interest on the Bonds will be payable by check or draft mailed to Registered Owners of the Bonds as of the fifteenth (15th) day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the Municipality maintained by the Paying Agent. The Bonds will be transferable only upon the books of the Paying Agent, and payment of principal at maturity shall be conditioned on the proper presentation and surrender of the Bonds to the Paying Agent.

DELIVERY: The successful bidder must designate within thirty (30) days of the date of sale, or at such other later date as may be designated by the Governing Body, the names and addresses of the Registered Owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit such information within the required time, one Bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder. The Bonds will be delivered at a place to be designated by the purchaser and without cost to the purchaser, and payment therefor shall be made in immediately available funds.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds unless specifically declined by the purchaser, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the Municipality; the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

LEGAL OPINION; CLOSING DOCUMENTS: The Bonds are offered subject to the unqualified approval of the legality thereof by Jones Walker LLP, Jackson, Mississippi, Bond Counsel. In the opinion of Jones Walker LLP, Jackson, Mississippi, interest on the Bonds is exempt from federal and Mississippi income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be described in the Official Statement for the Bonds. A copy of the opinion of Bond Counsel, together with the usual closing papers, including a non-litigation certificate dated the date of delivery of the Bonds, evidencing that no litigation is pending in any way affecting the legality of the Bonds or the taxes to be levied for the payment of the principal thereof and interest thereon, and a transcript of the proceedings relating to the Bonds will be delivered to the successful bidder without charge. The Municipality will pay for all legal fees and will pay for the printing and validation of the Bonds.

BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS: The Municipality has designated the Bonds as qualified tax-exempt obligations within the meaning and for purposes of Section 265(b)(3) of the Code.

INFORMATION FROM PURCHASER: The purchaser must certify to the Municipality the initial offering price to the public (excluding bond houses, brokers and

other intermediaries) of each maturity of the Bonds at which a substantial amount of Bonds of that maturity were sold, to enable the Municipality to compute the yield on the Bonds for federal arbitrage law purposes.

FURTHER INFORMATION: The Municipality has prepared a Preliminary Official Statement which it deems, for purposes of SEC Rule 15c2-12, to be final and complete as of this date except for the omission of the offering prices, interest rates, and any other terms of the Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Upon the award of the Bonds, the Municipality will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Municipality will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Failure of the Municipality to deliver the Continuing Disclosure Certificate at the time of issuance and delivery of the Bonds shall relieve the successful bidder from its obligation to purchase the Bonds.

By order of the Mayor and Board of Aldermen of the City of Starkville, Mississippi, this the 7th day of June, 2016.

/s/ Lesa Hardin
City Clerk

Publication Dates:
Starkville Daily News _____, 20__ and _____, 20__

[END OF NOTICE]

Proof of Publication. The Clerk shall obtain from the publisher of the aforesaid newspaper the customary publisher's affidavit proving publication of the Notice for the time and in the manner required by law, and such proof of publication shall be filed in the Clerk's office and exhibited before the Governing Body at the hour and date aforesaid.

Continuing Disclosure. The Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Bond Resolution, failure of the Municipality to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default pursuant to Section 19 hereof; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Section.

Book-Entry Only System. Notwithstanding anything herein to the contrary, the Bonds shall be initially issued in the form of a separate, single and fully registered Bond for each of the maturities thereof. In such case, upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 28 hereof, all of the outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Municipality and the Paying Agent shall have no responsibility or obligation to any participant for whom DTC is a security depository nominee ("DTC participants") or to any Person on behalf of whom such a DTC participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Municipality and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC participant or any other Person, other than a Registered Owner, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any DTC participant or any other Person, other than a Registered Owner, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. Notwithstanding any other provision of this Bond Resolution to the contrary, the Municipality and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent, shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Bond Register as provided in this Bond Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Municipality's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Bond Register, shall receive a Bond certificate evidencing the obligation of the Municipality to make payments of principal, premium, if any, and interest pursuant to this Bond Resolution. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this

Bond Resolution with respect to interest checks or drafts being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Bond Resolution shall refer to such new nominees of DTC.

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

Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any of the Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Non-arbitrage Bond Covenants; Non-arbitrage and Federal Tax Certificate. vi. The Municipality covenants and certifies to and for the benefit of the owners of the Bonds that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Bonds, including amounts treated as proceeds, if any, which will cause the Bonds to be classified as arbitrage bonds within the meaning of Section 148 of the Code, and any regulations thereunder as such may be applicable to the Bonds, at the time of such action, investment or use.

1. The Municipality shall take all actions necessary in order to comply with the requirements of paragraphs (2) and (3) of Subsection 148(f) in order that none of the Bonds shall be treated as an arbitrage bond pursuant to paragraph (1) of Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States of America in accordance with and within the time limits prescribed in Subsection 148(f) and the Subsection 148(f) Regulations, the making of any and all calculations, computations and filings required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations.

In order to effectuate the foregoing covenants, the Municipality hereby covenants and certifies that: (A) prior to delivery of the Bonds, it shall have received written instructions from nationally-recognized bond counsel with respect to specific actions which will, under Subsection 148(f) and such regulations as may have been promulgated prior to delivery of the Bonds, assure compliance with such covenants; and (B) the Municipality shall comply with such instructions until the Municipality shall

have received from nationally-recognized bond counsel written advice that continued compliance with such instructions is not necessary in order to avoid adversely affecting the tax-exempt status of the Bonds or alternative written instructions with respect to certain actions which will assure compliance with the covenants set forth above, in which event the Municipality shall thereafter comply with all such alternative instructions.

The Municipality shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Bonds to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder.

The Municipality shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Bonds in a manner or for a price which would cause any of the Bonds to be or become an arbitrage bond, within the meaning of Section 148 of the Code and all regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "market price" or "fair market value".

The Mayor and/or Clerk are hereby authorized to execute a "non-arbitrage and federal tax certificate" in connection with the sale and delivery of the Bonds, setting forth the reasonable expectations of the Municipality with respect to the investment and use of proceeds of the Bonds and also setting forth certain covenants, stipulations and certifications with respect to the investment and expenditures of the proceeds of the Bonds, and the Municipality shall comply with all certifications, stipulations and covenants set forth in such certificate. In addition, such officials are authorized to make such elections on behalf of the Municipality as are necessary or appropriate under the Code or the Subsection 148(f) Regulations.

Private Activity Bond Covenants; Tax Covenants. vii. The Municipality shall take such actions as may be necessary in order to assure that the Bonds are not private activity bonds within the meaning of Section 141 of the Code.

No more than ten percent (10%) of the Bond proceeds will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit.

No more than ten percent (10%) of any property with respect to which all or any part of the Bond proceeds will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit.

None of the Bond proceeds will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to the governmental use (within the meaning of Section 141 of the Code) of such Bond proceeds.

The amount of Bond proceeds used with respect to any private business use which is related to a governmental use of such Bond proceeds will not exceed the amount

of Bond proceeds which are used for the governmental use to which such private business use relates.

None of the proceeds of the Bonds will be used to make or finance loans for persons other than governmental units.

In no event will the payment of the principal of or the interest on more than ten percent (10%) of the proceeds of the Bonds be (under the terms of the Bond or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the Municipality) in respect of property or borrowed money used or to be used for a private business use.

Other than the \$3,000,000 General Obligation Public Improvement Bonds, Series 2016A, the Municipality covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States of America, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Municipality, which (1) were or are to be sold at substantially the same time as the Bonds, (2) were or are to be sold pursuant to the same plan of financing as the financing plan for the Bonds, and (3) are payable directly or indirectly by the Municipality or from the source from which the Bonds are payable. The Municipality covenants and certifies that there are no additional facts or circumstances which may further evidence that the Bonds are part of any other issue of obligations.

The Municipality covenants and certifies that no payment of principal of or interest on the Bonds is or will be guaranteed (in whole or in part, directly or indirectly) by the United States of America, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States of America. The Municipality represents, warrants and covenants that none of the bond proceeds will be: 1. used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States; or 2. invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation other than: a. the investment of the bond proceeds for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Bonds are being issued; b. investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); c. investments of a reserve which meets the requirements of Subsection 148(d) of the Code; d. investments in bonds issued by the United States Treasury; or e. other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

The Municipality covenants and certifies that, notwithstanding any provision of this Bond Resolution or the rights of the Municipality hereunder, the Municipality will not take or permit to be taken on its behalf any action which would impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and it will take such reasonable action as may be necessary to continue such exclusion, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exclusion.

When Computations, Deposits or Rebate Payments Are Not Required. In the event it is determined the Bonds do not meet the requirements of paragraph (4) of Subsection 148(f), but in the event the Municipality receives an opinion of nationally recognized bond counsel to the effect that any of the computations, deposits or payments referenced in Sections 30 and 31 herein are not required to be made in order to maintain the tax-exempt status of interest on the Bonds, the Municipality need not make such computations, deposits or payments.

Bonds as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as a portion of the Ten Million Dollars (\$10,000,000) of qualified tax-exempt obligations for calendar year 2016 within the meaning and for the purposes of Section 265(b)(3) of the Code.

Covenant Regarding Hedge Bonds. The Municipality reasonably expects that not less than eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within a three-year period beginning on the date of issuance of the Bonds. No more than fifty percent (50%) of the proceeds of the Bonds will be invested in non-purpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more.

Modification or Amendment. (a) No material modification or amendment of this Bond Resolution or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Holders of two-thirds (2/3) or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of the Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the Municipality to levy taxes in an amount sufficient to pay the interest and principal on the Bonds, as the same mature and become due, or reduce such percentage of Holders of the Bonds required above for such modification or amendment without the consent of the Holders of all of the Bonds.

(b)The foregoing shall not be construed to prohibit supplemental amendments of this Bond Resolution without the consent of Bondholders for the following purposes:

(1) to add to the covenants and agreements of the Municipality herein contained other covenants and agreements thereafter to be observed and performed by the Municipality, provided that such other covenants and agreements shall not either expressly or implicitly limit or restrict any of the obligations of the Municipality contained in this Bond Resolution;

(2) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained in this Bond Resolution or in any supplemental resolution or to make any provisions with respect to matters arising under this Bond Resolution or any supplemental resolution for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of this Bond Resolution or any supplemental resolution and do not adversely affect the interests of the Holders of the Bonds; or

(3) to subject to the pledge herein contained additional revenues or receipts.

(c)Notwithstanding any provision herein to the contrary, this Bond Resolution may be amended by resolution of the Municipality prior to the delivery of any of the Bonds with the consent of the Purchaser.

Payments Due on Days Other Than Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds, or the date on which any funds are required to be deposited into a fund pursuant hereto, shall be in the city in which the principal office of the Paying Agent is located a day other than a Business Day, then payment of interest or principal, and premium, if any, or deposit into the funds pursuant hereto, need not be made on such date but shall be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, or the date fixed for deposit into a fund, and no interest shall accrue for the period after such date.

Post Issuance Compliance Procedures. The Municipality hereby approved and adopts the Post Issuance Compliance Procedures in substantially the form set out in **Attachment A** hereto.

Severability; Ministerial Changes. viii. If any section, paragraph, clause or provision of this Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provision hereof.

In the event the Bonds are delivered in a year other than is shown as the year identifying the series of the Bonds, then the year identifying the series of the Bonds shall be changed to the year of delivery thereof.

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

Alderman _____ moved and Alderman _____ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

| | |
|----------------------------|--------------|
| Alderman Ben Carver | voted: _____ |
| Alderman David Little | voted: _____ |
| Alderman Scott Maynard | voted: _____ |
| Alderman Roy A'. Perkins | voted: _____ |
| Alderman Henry Vaughn, Sr. | voted: _____ |
| Alderman Jason Walker | voted: _____ |
| Alderman Lisa Wynn | voted: _____ |

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this, the _____ day of _____, 2016.

City of Starkville, Mississippi

Parker Wiseman, Mayor

ATTEST:

Lesa Hardin, City Clerk

ATTACHMENT A

POST ISSUANCE COMPLIANCE PROCEDURES

**POST ISSUANCE COMPLIANCE PROCEDURES
CITY OF STARKVILLE, MISSISSIPPI**

\$2,400,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS

SERIES 2016B

CITY OF STARKVILLE, MISSISSIPPI

DATED DATE _____, 2016

CLOSING DATE _____, 2016

All words and phrases defined in the Bond Resolution shall have the same meanings herein. In addition, as used herein, the following words and phrases shall have the following meanings:

"Act" will mean Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended.

"Authorized Purpose" will mean acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

"Bond" or "Bonds" will mean the \$2,400,000 General Obligation Public Improvement Bonds, Series 2016B, of the Municipality authorized and directed to be issued in the Bond Resolution.

"Bond Counsel" will mean Jones Walker LLP, Jackson, Mississippi, or any other nationally-recognized attorneys on the subject of municipal bonds.

"Bond Documents" shall mean the Bond Resolution, the Federal Tax Certificate and all other documents, certificates, writings and representations delivered in connection with the issuance of the Bonds.

"Bond Fund" will mean the fund of the Municipality provided for in the Bond Resolution.

"Bond Resolution" shall mean the resolution authorizing and directing the issuance of the Bonds of the Municipality adopted on _____, 2016.

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

"Code" will mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Federal Tax Certificate" shall mean that certain Federal Tax Certificate, dated as of _____, 2016, executed by the Municipality in connection with the issuance of the Bonds.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

"Paying Agent" shall mean _____, _____, Mississippi, which shall act as paying agent, registrar and transfer agent for the Bonds.

"Procedures" shall mean these Post Issuance Compliance Procedures.

"Project" shall mean the acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department.

"Project Costs" shall mean (a) obligations of the Municipality incurred, or reimbursement to the Municipality, for labor and to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) all costs of engineering services, including test borings, surveys, estimates, plans and specifications and preliminary investigations, and supervising construction, equipping as well as for the performance of all other duties required by or consequent upon the proper construction of the Project; (d) all costs relating to the temporary relocation of the operations of the Municipality's police department in connection with acquiring, renovating, equipping and furnishing the Project; (e) all other costs which the Municipality shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction and installation of the Project, including contracts for construction, engineering and architectural services; (f) the costs, fees and expenses incurred by the Municipality in connection with the authorization, issuance, bond insurance (if obtained), bond rating (if obtained), sale, validation and delivery of the Bonds and (g) all other costs relating to the Project to the extent that such costs are eligible for payment under the Act. "Regulations" shall mean the regulations issued pursuant to the Code.

"Responsible Party" shall mean the party specified in each section of these Procedures as being responsible for compliance with these procedures.

"Purchaser" shall mean _____, _____, _____, the purchaser of the Bonds.

General

These Post Issuance Compliance Procedures are intended to complement, but not to be a substitute for, the requirements set forth in the Federal Tax Certificate and the Bond Documents.

Information Regarding the Bonds:

The Bonds were publicly offered and the initial offering price to the public (excluding bond houses and brokers) at which price a substantial ("substantial" being generally defined as at least ten percent (10%) of each maturity) amount of the Bonds was sold at the initial offering price or less, plus accrued interest from the date of the Bonds to the date of delivery.

As certified by the Purchaser, the yield on the Bonds is not less than _____% per annum.

Use of Proceeds

All of the proceeds of the Bonds must be spent for Project Costs. The Bond Documents provide that any proceeds of the Bonds remaining in the Improvement Fund after completion of the Project shall be transferred to the Bond Fund. If the amount remaining exceeds two percent (2%) of the proceeds of the Bonds, then Bond Counsel should be contacted to insure compliance with the Code and the Regulations.

Temporary Periods

Requirements:

Generally, sale and investment proceeds of this issue has a 3-year temporary period wherein the Municipality may invest at unrestricted yields. In order to qualify for the temporary period, the Municipality has certified that it expects to satisfy the following requirements:

Time Test:

The Municipality has certified that it reasonably expects to enter into, within six (6) months of the date of issuance (_____, 20__), substantial binding commitments to expend at least five percent (5%) of the net sale proceeds on capital projects.

3-Year Temporary Period:

At least eighty-five percent (85%) of the net sales proceeds should be expended by the end of the 3-year period following the date of issuance, or _____.

Timing: If the Municipality is not on schedule to comply by the stated deadlines, the Responsible Party should contact Bond Counsel.

Responsible Party: _____
Initials of City Clerk

Bond Fund – Avoidance of Arbitrage Rebate

Requirements:

The moneys in the Bond Fund may be invested without restriction as long as the fund is used primarily to achieve a proper matching of tax revenues with principal and interest payments. If (1) the amount therein following the principal and interest payment on _____ 1 of each year exceeds approximately \$_____, and (2) any investments in the Bond Fund exceed _____%, then Bond Counsel should be contacted.

Timing: Immediately following the principal and interest payment on _____ 1 of each year.

Responsible Party: _____
Initials of City Clerk

Private Use of Bond-Financed Facilities

Requirements:

The restrictions on private use of property are set forth in the Federal Tax Certificate.

Private use may result from the sale or lease of bond-financed property or the granting of special legal entitlements to a private business or the Federal government. Private business use can also result from contracts that permit private business activities to be conducted using bond-financed property or from research performed in a bond-financed facility for private parties or the Federal government. In addition, private use may result if private non-profit entities have regular and extended use of bond-financed property.

Timing:

Any material agreement that permits a private business or the Federal Government or any private non-profit entity to use bond-financed property should be reviewed prior to execution. Annually, a general review of the use of bond-financed facilities should be conducted. Bond-financed property should not be sold or leased without first consulting with Bond Counsel.

Responsible Party: _____
Initials of City Clerk

Bonds as “Bank Qualified” Obligations with Favorable Tax Treatment

Requirements:

In order for the Bonds to be “bank qualified” the Municipality determined that it reasonably expected to issue no more than Ten Million Dollars (\$10,000,000) in calendar year 2016 (other than “deemed designated” bonds).

Prior to the issuance of any other debt in calendar year 2016, including bonds, loans, certificates or lease purchase obligations, Bond Counsel should be contacted to insure compliance with this requirement.

Timing: Calendar year 2016.

Responsible Party: _____
Initials of City Clerk

Remedial Action Upon Change in Use

Requirements:

A deliberate action that changes the use of the bond-financed property and results in private business use in excess of permitted amounts can be remedied if remedial action is taken under Treasury Regulation §1.141-12.

Remedial action generally consists of redemption or defeasance of a portion of the outstanding bonds.

Timing: The remedial action generally must be implemented within 90 days of the deliberate action.

Responsible Party: _____
Initials of City Clerk

Record Retention

Requirements:

Records relating to the bond issue should be maintained until three years after all of the Bonds have been retired.

Records include the bond transcript, documentation of expenditures, and documentation of the government and private use of the bond-financed property.

Timing: Ongoing.

Responsible Party: _____
Initials of City Clerk

Reporting to the Internal Revenue Service

Requirements:

IRS Form 8038-G for the Bonds will be filed promptly after the Closing but in any event on or before the 15th day of the second (2nd) calendar month after the close of the calendar quarter in which the Bonds were issued.

Timing: IRS Form 8038-G should be filed promptly after closing and no more than the date described above.

Responsible Party: Bond Counsel

Dated _____, 2016.

CITY OF STARKVILLE, MISSISSIPPI

Lesa Hardin, City Clerk

SUBMITTED TO AND APPROVED BY:

Parker Wiseman, Mayor

ATTACHMENT B

PRELIMINARY OFFICIAL STATEMENT

BOND TRANSCRIPT CERTIFICATE

**STATE OF MISSISSIPPI
OKTIBBEHA COUNTY**

I, Lesa Hardin, the duly qualified and acting City Clerk of the City of Starkville, Mississippi (the "Municipality"), hereby certify that the following persons have constituted the duly qualified and acting members of the Board of Aldermen of the Municipality at all times relative to the proceedings pertaining to the issuance of the General Obligation Public Improvement Bonds, Series 2016B, of the Municipality in the principal amount of Two Million Four Hundred Thousand Dollars (\$2,400,000), dated _____, 2016 (the "Bonds"), to wit: Ben Carver, David Little, Scott Maynard, Roy A'. Perkins, Henry Vaughn, Sr., Jason Walker and Lisa Wynn.

I further certify that Parker Wiseman was the duly qualified and acting Mayor of the Municipality at all times relative to the proceedings pertaining to the issuance of the Bonds.

I further certify that the time set for holding regular meetings of the Mayor and Board of Aldermen (the "Governing Body") as set by its order is on the first Tuesday of each month at 5:30 o'clock p.m., unless otherwise specified by the Governing Body.

I hereby certify that the attached and foregoing pages included in this bond transcript constitute a full, true and complete transcript of all of the proceedings of the Governing Body which relate to and/or affect the issuance of negotiable interest-bearing Bonds.

I further certify that this transcript includes all legal papers pertaining to the issuance of the Bonds, including excerpts of minutes of meetings of the Governing Body, resolutions and proofs of publication, all of which are on file in my office in the City Hall.

I further certify that none of these proceedings or resolutions of the Governing Body in the matter of the issuance and sale of the Bonds have been amended, modified, vacated or rescinded in any manner, except as may be indicated; that all resolutions contained herein have been submitted to and approved by the Mayor of the Municipality; and that no appeal has been taken from any of the actions of the Governing Body in connection with said matter.

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

WITNESS MY SIGNATURE AND THE OFFICIAL SEAL OF THE CITY OF STARKVILLE, MISSISSIPPI, this the ____ day of _____, 2016.

CITY OF STARKVILLE, MISSISSIPPI

Lesa Hardin, City Clerk

SUBMITTED TO AND APPROVED BY:

(SEAL)

Parker Wiseman, Mayor

In the opinion of Bond Counsel, assuming continuing compliance with all covenants set forth in the Series 2016B Bond Resolution, and subject to the conditions set forth herein, under existing statutes, regulations, rulings and decisions, as presently interpreted and construed, interest on the Bonds earned by the respective owners thereof is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code, except as described in "TAX EXEMPTION" herein. Bond Counsel is of the opinion that under existing law, interest on the Bonds earned by the respective owners thereof is exempt from State of Mississippi income taxes.

BOOK-ENTRY ONLY

**RATING: Moody's: _____
See "Bond Rating" herein**

\$2,400,000*

**GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016B
OF THE CITY OF STARKVILLE, MISSISSIPPI**

DATED: July 1, 2016

DUE: July 1 as shown below

Interest payable on July 1, 2017, and semiannually thereafter on January 1 and July 1 of each year. The Bonds, in registered form and in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity, will mature on July 1, with option of prior payment, in the years and principal amounts as follows:

Maturity Schedule

| <u>Year of Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>Year of Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Yield</u> |
|-------------------------|-------------------------|----------------------|--------------|-------------------------|-------------------------|----------------------|--------------|
| 2017 | \$85,000 | | | 2027 | \$120,000 | | |
| 2018 | \$90,000 | | | 2028 | \$125,000 | | |
| 2019 | \$95,000 | | | 2029 | \$130,000 | | |
| 2020 | \$95,000 | | | 2030 | \$130,000 | | |
| 2021 | \$100,000 | | | 2031 | \$135,000 | | |
| 2022 | \$100,000 | | | 2032 | \$140,000 | | |
| 2023 | \$105,000 | | | 2033 | \$145,000 | | |
| 2024 | \$110,000 | | | 2034 | \$150,000 | | |
| 2025 | \$115,000 | | | 2035 | \$155,000 | | |
| 2026 | \$115,000 | | | 2036 | \$160,000 | | |

The Bonds are being offered for sale in accordance with the official Notice of Bond Sale dated _____, 2016.

Sealed bids for the Bonds will be received until the hour of _____ o'clock [a.m./p.m.] on _____, 2016, by the City Clerk at her office in the City Hall of the Municipality. The City Clerk will act on behalf of the Governing Body to receive bids at the aforesaid date, time and place.

The Bonds are being offered as "qualified tax-exempt bonds" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

The Bonds are offered subject to the final approval of the legality thereof by Jones Walker LLP, Jackson, Mississippi, Bond Counsel.

*Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized to make any representations with respect to the Bonds other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon. This Official Statement, which includes the cover page and Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion contained herein are subject to change without notice, and while all information has been secured from sources which are believed to be reliable, all parties preparing and distributing this Official Statement make no guaranty or warranty relating thereto. All opinions, estimates or assumptions, whether or not expressly identified, are intended as such and not as representations of fact. Neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Municipality since the date hereof.

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CITY OF STARKVILLE, MISSISSIPPI

Parker Wiseman
MAYOR

BOARD OF ALDERMEN

| | |
|---------------|----------------------|
| Ben Carver | Roy A'. Perkins |
| Scott Maynard | Henry N. Vaughn, Sr. |
| David Little | Jason Walker |
| Lisa Wynn | |

Lesa Hardin
CITY CLERK

Christopher J. Latimer, Esq.
Columbus, Mississippi
ATTORNEY FOR THE CITY

Watkins, Ward and Stafford, PLLC
Starkville, Mississippi
CERTIFIED PUBLIC ACCOUNTANTS
FOR THE CITY

Government Consultants, Inc.
Jackson, Mississippi
FINANCIAL CONSULTANTS-ADVISORS

Jones Walker LLP
Jackson, Mississippi
BOND COUNSEL

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OFFICIAL STATEMENT

\$2,400,000*

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016B

OF THE

CITY OF STARKVILLE, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the General Obligation Public Improvement Bonds, Series 2016B, dated July 1, 2016 (the "Bonds"), of the City of Starkville, Mississippi (the "Municipality").

Reference is made to the Act as hereinafter defined, the Bond Resolution as hereinafter defined and any and all modifications and amendments thereof for a description of the nature and extent of the security for the Bonds, the pledge of tax revenues for the payment of the principal of and interest on the Bonds, the nature and extent of said pledge and the terms and conditions under which the Bonds are issued.

DEFINITIONS

"Act" shall mean Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended.

"Authorized Purpose" shall mean acquiring, renovating, equipping and furnishing of the old city hall building and associated real and personal property, including without limitation the repair, patching, overlay, and striping of the building's parking lot, located at 101 East Lampkin Street in Starkville, Mississippi, to house and facilitate the operations of the Starkville Police Department; and for related purposes.

"Bond" or "Bonds" shall mean the General Obligation Public Improvement Bonds, Series 2016B, of the Municipality.

"Bond Counsel" shall mean Jones Walker L.L.P., Jackson, Mississippi, or any other nationally recognized attorneys on the subject of municipal bonds.

"Bond Fund" shall mean the Bond Fund (Series 2016B) of the Municipality provided for in the Bond Resolution.

"Bond Resolution" shall mean the resolution adopted by the Governing Body on _____, 2016, pursuant to which the Bonds are being issued as the same from time to time may be amended.

*Preliminary, subject to change.

"Bondholder" or "Holder" shall mean the Registered Owner of any Bond issued pursuant to the Bond Resolution.

"Business Day" shall mean a day of the year on which banks located in the city in which the principal office of the Paying Agent is located are not required or authorized to remain closed.

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

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate to be executed by the Municipality and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Event of Default" shall mean an event of default as described in the Bond Resolution.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Improvement Fund" shall mean the Improvement Fund (Series 2016B) of the Municipality provided for in the Bond Resolution.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

"Notice" shall mean the Notice of Bond Sale set out in APPENDIX A hereto.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Paying Agent" shall mean any bank, trust company or other institution designated, whether herein or hereafter, by the Governing Body to make payments of the principal of and interest on the Bonds, to serve as registrar and transfer agent for the registration of owners of the Bonds and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization or government or any agency or political subdivision thereof.

"Purchaser" shall mean the successful bidder for the Bonds, to be hereafter designated by the Governing Body.

"Record Date" shall mean, as to interest payments, the fifteenth (15th) day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the

fifteenth (15th) day of the month preceding the date on which such principal shall be due and payable, whether at maturity or upon redemption prior to maturity.

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

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the Municipality maintained by the Paying Agent.

THE BONDS

Purpose and Authorization. The Bonds are being issued to provide funds for the Authorized Purpose.

The Bonds will be issued pursuant to the provisions of Section 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended (the "Act"), and a Bond Resolution adopted by the Mayor and Board of Aldermen (the "Governing Body") on _____, 2016 (the "Bond Resolution").

In order to issue the Bonds, the Governing Body adopted a resolution declaring its intention to issue the Bonds and gave notice of such intention by publication of said resolution in a newspaper published and of general circulation in the Municipality. If twenty percent (20%) or 1,500, whichever had been less, of the qualified electors of the Municipality had filed a written protest against the issuance of the Bonds on or before the date specified in said resolution, an election on the question of the issuance of the Bonds would have been held. June 7, 2016, was set by the Governing Body as the date on or before which written protest was required to have been filed. No written protest having been received on or before said date, the Governing Body is now authorized and empowered by the Act to issue the Bonds without the necessity of calling and holding an election on the question of the issuance thereof.

Security. The Bonds will be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the Municipality. The Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

Redemption. Bonds maturing after July 1, 2026, are subject to redemption prior to their respective maturities at the election of the Municipality on and after July 1, 2026, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection

in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds (in integral multiples of \$5,000), and for all purposes of this Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

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

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

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

CONTINUING DISCLOSURE

The Municipality has entered into a Continuing Disclosure Agreement for the benefit of holders of the Bonds wherein the Municipality has agreed to provide annually certain financial information and operating data relating to the Municipality (the "Annual Reports"), and to provide notices through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board (the "MSRB") (or such other system as may be subsequently authorized by the MSRB). The Annual Reports and notices of material events will be filed by the Municipality through the EMMA system (or such other system as may be subsequently authorized by the MSRB). The specific nature of the information to be contained in the Annual Reports or the notices of material events and the other provisions of the Continuing Disclosure Agreement are set forth in "APPENDIX E" hereto. A failure by the Municipality to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission of the United States of America and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently,

such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Municipality's intention is to file the information required under the continuing disclosure undertaking for the Bonds in a complete and timely manner and the Municipality has hired an independent agent to monitor compliance within sixty (60) days of closing and throughout the term of the Series 2016B Bonds. The Municipality has also signed up for the EMMA tickler system reminders.

The Municipality is obligated to make continuing disclosure filings under agreements entered into with respect to the Series 2007 Bonds, the Series 2009 Bonds dated April 1, 2009, the Series 2009 Bonds dated November 1, 2009, the Series 2013 Bonds dated May 17, 2013, the Series 2013 Bonds dated June 13, 2013, and the Series 2015 Bonds, each of which require annual operating information and financial statements to be filed annually, and the Series 2011 Bonds, which requires annual operating information, financial statements and a budget to be filed annually. The Annual Reports for the fiscal years ended September 30, 2015, 2014, 2013, 2012, and 2011 were timely filed. The Audited Reports for the fiscal years ended September 30, 2014, 2013, 2012, 2011, and 2010 were timely filed. The Audited Report for the fiscal year ended September 30, 2015 has not yet been filed, but the deadline has not yet occurred. The Budget Report for the fiscal years ended September 30, 2016, 2015, 2014, 2013 and 2012 were timely filed. The Municipality was further obligated to make continuing disclosure filings under agreements entered into with respect to the Electric System Revenue Bonds Series 2004 and Electric System Revenue Bonds Series 2006, both of which were redeemed in 2013 and required annual operating information and audited financial to be filed annually. The Annual Reports and Audited Reports for the fiscal years ended 2012 and 2010 were timely filed, but the Municipality filed late the Annual Report and Audited Report for the fiscal year ended 2011.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered Series 2016B Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's Participants deposit with DTC. DTC also facilitates the post-trade settlement among DTC Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between DTC Participants' accounts. This eliminates the need for physical movement of securities certificates. DTC Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust

companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through DTC Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016B Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016B Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Municipality as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those DTC Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Municipality or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016B Bond certificates are required to be printed and delivered.

The Municipality may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2016B Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Municipality believes to be reliable, but the Municipality takes no responsibility for the accuracy thereof. So long as Cede & Co. is the registered holder of the Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Bonds mean Cede & Co. and not the Beneficial Owners of the Bonds.

THE MUNICIPALITY AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS; (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT

THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC. NEITHER THE MUNICIPALITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General Description. The City, the county seat of Oktibbeha County, Mississippi (the "County"), is located in the northeastern section of the County. The City, originally named "Boardtown," was renamed "Starkville" in 1834 in honor of General John Stark, a hero of the American Revolution. The City is located 125 miles northeast of Jackson, the capital city of the State, 130 miles southwest of Birmingham, Alabama, 165 miles southeast of Memphis, Tennessee, and 286 miles northeast of New Orleans, Louisiana.

Mississippi State University of Agriculture and Applied Science (the "University") is located primarily immediately adjacent to the City, with only a small portion on the western edge of the University within the boundaries of the City. The University is an important factor in the City's growth and development. The University was established by the Legislature in 1878 as a Land Grant Institution and is comprised of ten colleges and schools that offer 120 majors.

The County, located in the northeastern prairie soil area of the State, was named for the Indian word meaning "bloody water," and has a land area of 459 square miles. Twenty-six of the existing eighty-two counties in the State were in existence before the County was formally organized on December 23, 1833, from a portion of the Choctaw Territory ceded by the Treaty of Dancing Rabbit Creek in 1830.

Population. The population of the City and the County have been recorded as follows:

| | <u>2010</u> | <u>2000</u> | <u>1990</u> | <u>1980</u> |
|------------|-------------|-------------|-------------|-------------|
| The City | 23,888 | 21,869 | 18,474 | 16,139 |
| The County | 47,671 | 42,902 | 38,404 | 36,060 |

SOURCE: United States Department of Commerce, Census data at www.census.gov.

Government. The City operates under a Code Charter approved in May, 1837, and is governed by the Mayor and Board of Aldermen consisting of seven aldermen who are elected from separate precincts or wards. The Mayor is elected at large. The Mayor and members of the Board of Aldermen are elected for four year terms which run concurrently.

The current Mayor and members of the Board of Aldermen are:

| <u>Name</u> | <u>Occupation</u> | <u>Position Held Since</u> |
|----------------------|--|----------------------------|
| Parker Wiseman | Mayor | 2009 |
| David Little | Insurance Claims Adjuster | 2013 |
| Scott Maynard | Director of Mississippi State University Career Center | 2013 |
| Roy A'. Perkins | Attorney | 1993 |
| Henry N. Vaughn, Sr. | Shipping/Receiving Supervisor | 2009 |
| Ben Carver | Center for Governmental Technology Extension Associate | 2009 |
| Jason Walker | Professor at Mississippi State University | 2013 |
| Lisa Wynn | Retired School Teacher | 2013 |

Transportation. Access to the City is available by several means. U. S. Highway 82 and State Highways 12, 25, 182 and 389 serve the immediate area. A number of county highways provide access to many outlying areas in the County.

Rail service is provided to the City by the Kansas City Southern Railroad. Several common carriers are authorized to serve the City. The nearest commercial airport is Golden Triangle Regional Airport in Lowndes County, 15 miles from the City. Bryan Field is located within the County a distance of three miles from the City. The nearest port is the Lowndes County Port, which has a channel depth of nine feet and is located 22 miles distant in Lowndes County on the Tennessee-Tombigbee Waterway.

Per Capita Income.

| <u>Year</u> | <u>County</u> | <u>Mississippi</u> | <u>United States</u> | <u>County as % of U. S.</u> |
|-------------|---------------|--------------------|----------------------|-----------------------------|
| 2014 | 29,636 | 34,431 | 46,049 | 64.40% |
| 2013 | 29,653 | 33,913 | 44,765 | 66.24% |
| 2012 | 29,105 | 33,446 | 44,200 | 65.85% |
| 2011 | 28,588 | 32,108 | 42,332 | 67.53% |
| 2010 | 27,484 | 30,834 | 40,144 | 68.46% |

SOURCE: United States Department of Commerce, Bureau of Economic Analysis
www.bea.gov.

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

| <u>Employer</u> | <u>Employees</u> | <u>Product/Service</u> |
|----------------------------------|------------------|---|
| Mississippi State University | 4,500 | Education |
| Sitel | 900 | Computer call center |
| Starkville School District | 800 | Education |
| Oktibbeha County Hospital | 652 | Health care |
| Wal-Mart Stores, Inc. | 500 | Retail |
| Flexsteel Industries, Inc. | 370 | Furniture manufacturing |
| Southwire Company | 280 | Wire and cable |
| City of Starkville | 260 | Local government |
| Weavexx | 260 | Felt |
| Oktibbeha County School District | 215 | Education |
| NE Miss. Coca-Cola Distributors | 185 | Sales and distribution |
| Gulf States Manufacturing | 175 | Commercial steel buildings |
| Oktibbeha County | 150 | Government |
| Garan Manufacturing Company | 140 | Management headquarters for children's clothing company |
| MFJ Manufacturing | 135 | HAM radio parts |
| Lowe's Home Centers, Inc. | 120 | Retail home improvement |

Retail Sales.

| <u>State Fiscal Year Ended June 30</u> | <u>Starkville</u> | <u>Oktibbeha County</u> |
|--|-------------------|-------------------------|
| 2015 | \$488,569,075 | \$719,169,505 |
| 2014 | 457,518,130 | 654,401,207 |
| 2013 | 443,596,476 | 606,567,774 |
| 2012 | 433,467,830 | 599,137,317 |
| 2011 | 420,956,244 | 579,916,984 |

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>
Annual Reports, for fiscal years indicated.

Sales Tax Rebates from State. The State of Mississippi rebates monthly 18.5% of the total State sales tax for all sales originating within the City; this rebate may be used for any lawful purpose. Sales tax rebates from the State to the City are as follows:

| <u>State Fiscal Year Ended June 30</u> | <u>Amount</u> |
|--|---------------|
| 2015 | \$6,350,826 |
| 2014 | 5,884,847 |
| 2013 | 5,666,165 |
| 2012 | 5,579,998 |
| 2011 | 5,283,053 |

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Employment Statistics of the County.

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <i>Residence Based Amounts.</i> | | | | | |
| Civilian Labor Force | 20,980 | 21,030 | 20,720 | 22,100 | 22,550 |
| Unemployed | 2,290 | 1,900 | 1,780 | 1,590 | 1,410 |
| Unemployment Rate | 10.9 | 9.0 | 8.6 | 7.2 | 6.3 |
| Employed | 18,690 | 19,130 | 18,940 | 20,510 | 21,140 |
| <i>Establishment Based Amounts.</i> | | | | | |
| Manufacturing | 1,380 | 1,420 | 1,400 | 1,500 | 1,620 |
| Nonmanufacturing | 18,940 | 19,430 | 19,690 | 20,290 | 20,410 |

SOURCE: Mississippi Department of Employment Security, website: www.mdes.ms.gov
Annual Averages, Labor Force and Establishment Based Employment.

Educational Facilities. Starkville Oktibbeha Consolidated School District (the “District”) is one of the largest school districts in the state, with a student enrollment of more than 4,300.

Students in preschool through grade 12 in the District are housed in seven school plants. Emerson Preschool is a licensed preschool that provides year-round comprehensive developmentally appropriate program for young children. Emerson is currently enrolling children ages 2 to 5.

Sudduth Elementary School and West Oktibbeha Elementary School serve kindergarten through grade two students. Henderson Ward Elementary School serves grades three through five. East Oktibbeha Elementary School serves kindergarten through grade five.

Armstrong Middle School serves grades six through eight and was constructed in 1976. An addition was completed in 1996 and additional renovations were completed in 1999.

Starkville High School serves grades nine through twelve and was constructed in 1961 with additions in 1976, 1984, 1987 and 1998. Also on the Starkville High School campus is Millsaps Vocational Center which was constructed in 1972 and renovated in 1998.

The administrative office for the District is located in the Greensboro Center which is the renovated former Starkville High School. The building was constructed in 1927-29 and was extensively renovated in 1987. The facility now also serves as a civic center for the City and surrounding area.

Related facilities of the District include a bus transportation complex, a maintenance building, an athletic complex, three gymnasiums, a baseball field, a softball field and a newly constructed football stadium with an approximate seating capacity of 6,500.

Enrollment figures for the District for the scholastic year 2015-2016 and for the four preceding years are as follows:

| <u>Scholastic Year</u> | <u>Enrollment</u> |
|------------------------|-------------------|
| 2015-16* | 5,152 |
| 2014-15 | 4,378 |
| 2013-14 | 4,281 |
| 2012-13 | 4,302 |
| 2011-12 | 4,150 |

SOURCE: Mississippi Department of Education website: www.mde.k12.ms.us

*The City School system merged with Oktibbeha County beginning in the 2015-2016 school year.

TAX INFORMATION

Assessed Valuation.

| <u>Assessment Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Public Utility Property</u> | <u>Total</u> |
|------------------------|----------------------|--------------------------|--------------------------------|---------------|
| 2015 | \$173,918,688 | \$48,709,628 | \$1,879,960 | \$224,508,276 |
| 2014 | 171,415,194 | 49,386,184 | 1,922,383 | 222,723,761 |
| 2013 | 164,020,584 | 47,043,050 | 2,794,780 | 213,858,414 |
| 2012 | 160,234,738 | 49,236,924 | 3,229,590 | 212,701,252 |
| 2011 | 158,654,488 | 47,402,669 | 4,414,930 | 210,472,087 |

NOTE: Assessed valuation of motor vehicles included in the 2015 assessed valuation of personal property above is \$22,948,888.

SOURCE: Office of the City Clerk, March, 2016.

The above assessed valuations are based upon the following assessment ratios: real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value; single-family owner-occupied residential real property, 10 percent of true value; motor vehicles and public utility property, 30 percent of true value.

Procedure For Property Assessments. Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the county tax assessor. All taxable real property situated in the Municipality is assessed each year and taxes thereon paid for the ensuing year. Assessment rolls of such property subject to taxation are prepared by the county tax assessor and are delivered to the Governing Body on the first Monday in July. Thereafter, the assessments are equalized by the Governing Body and notice is given to the taxpayers that the Governing Body will meet to hear objections to the assessments. After objections are heard, the Governing Body adjusts the rolls and submits them to the State Tax Commission, which examines them on receipt. The State Tax Commission may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls to the Governing Body to be corrected in accordance with the recommendations of the State Tax Commission. If the Governing Body has any objections to the order of the State Tax Commission, it may arrange a hearing before such commission. Otherwise, the assessment roll is finalized and submitted to the county tax collector for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the State Tax Commission. With minor exceptions the property of public utilities is assessed each year by the State Tax Commission.

Homestead Exemption. The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the state level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the type and dollar amount of property that may come within the exemption.

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

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Tax Commission. No taxing unit may be reimbursed an amount in excess of 106 percent of the total net reimbursement made to such taxing unit in the next preceding year.

Tax Levy Per \$1,000 Valuation.

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| <i>General Purposes.</i> | | | | | |
| General Revenue Purposes & General Improvements | \$21.98 | \$21.98 | \$21.98 | \$20.00 | \$20.00 |
| | <u>\$21.98</u> | <u>\$21.98</u> | <u>\$21.98</u> | <u>\$20.00</u> | <u>\$20.00</u> |
| <i>School Purposes.</i> | | | | | |
| District Maintenance | *** | \$51.46 | \$49.47 | \$49.19 | \$48.31 |
| Limited Tax Note & Int. Skg.Fd. | *** | 2.61 | <u>.12</u> | <u>.12</u> | .13 |
| Millsaps Vocational Ct. | *** | 1.00 | <u>1.50</u> | 1.75 | 2.10 |
| 1995 Bond & Int. Skg. Fd. | *** | 3.23 | 3.39 | <u>3.39</u> | 3.30 |
| 2008 Bond & Int. Fd | *** | <u>8.27</u> | <u>8.48</u> | <u>8.51</u> | <u>8.40</u> |
| | *** | <u>\$66.57</u> | <u>\$62.96</u> | <u>\$62.96</u> | <u>\$62.24</u> |
| | *** | | | | |
| | *** | <u>\$88.55</u> | <u>\$84.94</u> | <u>\$82.96</u> | <u>\$82.24</u> |

The City also levies a tax of 2 mills for the development and growth of the downtown business district.

***The City School system merged with Oktibbeha County beginning in the 2015-2016 school year.

SOURCE: Office of the City Clerk, March, 2016.

Ad Valorem Tax Collections.

| <u>Year Ended</u> <u>September 30</u> | <u>Taxes</u> <u>Due</u> | <u>Taxes</u> <u>Collected</u> ¹ | <u>Difference</u> <u>Over (Under)</u> |
|--|----------------------------|---|--|
| 2015 | \$4,642,000 | \$4,722,698 | \$80,698 |
| 2014 | 4,544,367 | 4,408,420 | (\$135,947) |
| 2013 | 4,083,500 | 4,239,600 | 156,100 |
| 2012 | 4,087,500 | 4,265,479 | 177,979 |
| 2011 | 3,996,497 | 4,057,448 | 60,951 |

¹ Includes prior years' collections.

SOURCE: Office of the City Clerk, March, 2016.

Procedure for Tax Collections. The Governing Body is required under the Act and the Bond Resolution to levy annually a special tax upon all taxable property within the Municipality sufficient to provide for the payment of the principal of and the interest on the Bonds, taking into account any moneys otherwise available for such purpose. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of one percent per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Ad valorem taxes on personal property are payable at the same time and in the same manner as on real property. Section 27-41-15, Mississippi Code of 1972, provides that upon failure of a taxpayer to make timely payment, the tax collector of each county is authorized to sell any personal property liable for unpaid taxes at the courthouse door of such county unless the property is too cumbersome to be removed. Five days' notice of the sale in an advertisement posted in three public places in such county, one of which must be the courthouse, is required. Interest, fees, costs and expenses of sale are recoverable in addition to the taxes delinquent. If sufficient personal property cannot be found, the tax collector may make a list of debts due such taxpayer by other persons and sell such debts and is further directed to sell sufficient other properties of such taxpayer to pay the delinquent taxes. Debts sold may be redeemed within six months from the sale in the same manner as redemption of land from tax sales.

Section 27-41-55, Mississippi Code of 1972, provides that after the fifth day of August in each year, the tax collector for each county shall advertise and sell all land in such county on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes. The owner, or any person interested in the land sold for taxes, may redeem the land at any time within two years after the day of sale by paying all taxes, costs, interest and damages due to the chancery clerk. A valid tax sale will mature two years after the date of sale unless the land is redeemed and title will vest in the purchaser on such date.

At the option of the tax collector, advertisement for the sale of such county lands may be made after the fifteenth day of February in each year with the sale of such lands to be held on the first Monday of April following. All provisions which relate to the tax sale held in August of each year shall apply to the tax sale if held in April.

County and municipal taxes, assessed upon lands or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

DEBT INFORMATION

Legal Debt Limit Statement.

| | (as of June 1, 2016) | |
|--|----------------------|---------------------|
| | <u>15% Limit</u> | <u>20% Limit</u> |
| Authorized Debt Limit (Last Completed Assessment for Taxation - \$224,508,276) | \$33,676,241 | \$44,901,655 |
| Present Debt Subject to Debt Limits | <u>9,965,000</u> | <u>14,120,000</u> |
| Margin for Further Debt Under Debt Limits | 23,711,241 | 30,781,655 |
| Less: This Offering | <u>2,400,000</u> | <u>2,400,000</u> |
| Margin for Further Debt Under Debt Limits after Issuance of the Bonds | <u>\$21,311,241</u> | <u>\$28,381,655</u> |

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

In computing general obligation bonded indebtedness for purposes of this 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospital, port or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15 percent limit above), may not exceed 20 percent of the assessed value of all taxable property within such county, but bonds issued for school purposes and industrial development bonds issued under the State's Balance Agriculture with Industry Program are specifically excluded from both the 15 percent limitation and the 20 percent limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the 20 percent limitation.

Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt.

(as of June 1, 2016)

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount Outstanding</u> |
|---|----------------------|---------------------------|
| Parks and Recreation Bonds | 3/1/07 | \$3,560,000 |
| Public Improvement Bonds | 4/1/09 | 1,015,000 |
| Public Improvement Bonds | 11/1/09 | 1,330,000 |
| GO Refunding Bonds, Series 2011 | 3/22/11 | 1,455,000 |
| GO Utility Refunding Bonds, Series 2012 | 10/18/12 | 2,600,000 |
| GO Utility Refunding Bonds, Series 2013 | 5/17/13 | 1,555,000 |
| Public Improvement Bonds | 6/1/15 | <u>2,605,000</u> |
| | | <u>\$14,120,000</u> |

Certificates of Participation.

(as of June 1, 2016)

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount Outstanding</u> |
|---|----------------------|---------------------------|
| Certificates of Participation, Series 2013 ¹ | 6/5/13 | \$6,140,000 |

¹ Subject to neither the 15 percent nor the 20 percent debt limitation.

Other Debt. The City has entered into agreements with the State for Capital Improvements Revolving Loans and a Water Pollution Control Revolving Loan. Such loans are subject to neither the 15 percent nor the 20 percent debt limitation. The City has also entered into a number of capital leases which are subject to annual appropriations and therefore subject to neither the 15 percent nor the 20 percent debt limitation. See "APPENDIX C" hereto.

PERS Liability.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB-68"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (fiscal year 2015 for the District). Based on the January 21, 2016 actuarial report of Cavanaugh MacDonald Consulting, LLC to the Board of Trustees of PERS, the total unfunded actuarial accrued liability for PERS as of June 30, 2015, was \$15.458 billion, of which approximately \$_____ would be attributable to the Municipality, based on the Municipality's percentage of total employer contributions. Additional information is available on the PERS website at www.pers.ms.gov.

AUDITORS

The financial statements of the City as of September 30, 2014, have been audited by Watkins, Ward and Stafford, PLLC, Starkville, Mississippi, independent certified public accountants, as set forth in their report thereon appearing as "APPENDIX C" hereto. Watkins, Ward and Stafford, PLLC has not performed any procedures relating to this Official Statement.

FINANCIAL ADVISOR

The Municipality has retained the firm of Government Consultants, Inc., Jackson, Mississippi (the "Financial Advisor"), as independent Financial Advisor to the Municipality in connection with the issuance of the Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the Municipality with respect to the preparation of documents, the preparation for the sale of the Bonds and of the time for the sale, tax-exempt bond market conditions and other factors related to the sale of the Bonds.

Although the Financial Advisor performed an active role in preparing this Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from municipal records and from other sources which are believed to be reliable, including financial records of the Municipality and other entities which may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the Municipality. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of same and reference is made to such original sources in all respects.

BOND RATING

Moody's Investors Service, Inc. has assigned a rating of "___" to the Bonds. This rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS AND LEGAL INFORMATION

No Default on Securities. No securities of the Municipality have been in default as to principal or interest payments or in any other material respect at any time in at least the last 25 years. No principal or interest on any obligation of the Municipality is past due.

No Bond Proceeds for Current Operating Expenses. No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current fiscal year) have been used for current operating expenses at any time in at least the last ten years.

Pension Plan. The Municipality has no pension plan or retirement plan for employees. All full-time employees of the Municipality are members of and contribute to the Mississippi Public

Employees' Retirement System. For a discussion of the Municipality's participation in the system, see "APPENDIX C" hereto.

Legal Proceedings. There are no pending legal proceedings which might be expected to affect the Municipality's ability to perform its obligations to the registered owners of the Bonds.

Sovereign Immunity. In 1982, in *Pruett v. City of Rosedale*, the Mississippi Supreme Court (the "Supreme Court") abolished the judicial common law doctrine of sovereign immunity, effective July, 1984, and invited a legislative response by creation of statutory sovereign immunity. In 1984, the Legislature enacted a tort claims act (the "Tort Claims Act") that gave statutory sovereign immunity to the State and its political subdivisions, and then provided for a limited and capped waiver of that immunity.

The Tort Claims Act, as amended, provides a broad statutory sovereign immunity for acts and omissions of governmental entities, whether governmental, proprietary, discretionary or ministerial, including for breach of an implied contract, and without regard to whether a fee, charge or other consideration was paid. The Tort Claims Act waives this statutory sovereign immunity up to certain maximum limits of liability, except for specified circumstances; the maximum liability arising out of a single occurrence is \$500,000 for claims arising on or after July 1, 2001. Attorney fees and punitive damages are not allowed unless otherwise specifically authorized by law; trial of claims arising under the Tort Claims Act shall be conducted without a jury; a claimant must exhaust his administrative remedies before he files suit, and he must file within one year after the cause of action arises; governmental entities and their employees acting within the course and scope of their employment shall not be liable for any claims under specified circumstances; all political subdivisions must purchase liability insurance or set up self-insurance reserves sufficient to cover risks of claims under the Tort Claims Act; all governmental entities may purchase liability insurance in excess of the maximum liability and immunity shall be waived to the extent of the excess liability insurance; and any two or more political subdivisions may enter into agreement to pool liabilities through insurance or self-insurance reserves.

Under existing law, the defense of sovereign immunity would not be available to the Municipality against a claim for payment, when due, of principal of or interest on the Bonds.

Validation. The Bonds will be submitted to validation before the Chancery Court of the County as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972.

Approval of Legal Proceedings. All legal matters in connection with the authorization and issuance of the Bonds are subject to the final approval of the legality thereof by Jones Walker LLP, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Bonds. No representation is made to the registered owners of the Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Bonds except for the matters set forth in such opinion.

Tax Exemption. *Exclusion from Gross Income Pursuant to Section 103 of the Internal Revenue Code.* In the opinion of Bond Counsel, under existing statutes, regulations, rulings and

decisions, as presently interpreted and construed, and based on the assumptions described below, and subject to the exceptions, conditions and limitations described below, (i) the interest on the Bonds is excluded from gross income for federal income tax purposes and (ii) the Bonds are not "specified private activity bonds" and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations.

The Code includes certain restrictions, conditions and requirements, compliance with which subsequent to issuance of the Bonds is necessary in order that interest on the Bonds be (and continue to be) excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. In rendering its opinion, Bond Counsel will assume continuous compliance with all provisions of the Code, compliance with which subsequent to the date of issuance of the Bonds is necessary in order that interest on the Bonds be and continue to be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. The Municipality has covenanted to comply with each such requirement, and failure of the Municipality to comply with such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds.

Original Issue Premium. Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Series 2016B Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Series 2016B Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a holder's basis in a Series 2016B Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such holder. Holders of Series 2016B Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Original Issue Discount. To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Series Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each holder thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant rate compounded on periodic compounding (with straight-line interpolations between compounding dates). In general, the length of the interval between periodic compounding dates cannot exceed the interval between debt service payments on such Bonds and must begin or end on the date of such payments. The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption or

payment on maturity) of such Bonds. Holders of the Bonds should consult with their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds are sold to the public.

Certain Other Provisions of the Code Affecting Owners of the Bonds; Other Federal Tax Consequences of Interest on the Bonds.

Branch Profits Tax. Interest on the Bonds earned by certain foreign corporations doing business in the United States of America may be subject to the branch profits tax imposed by Section 884 of the Code.

S Corporations. Interest on the Bonds will be includable in calculating the tax on "excess net passive income" imposed by Section 1375 of the Code on certain Subchapter S corporations that have Subchapter C earnings and profits.

Social Security and Railroad Retirement Benefits. Interest on the Bonds held by persons who also receive Social Security or Railroad Retirement Benefits may have the effect of subjecting part of such benefits to federal income taxation.

Insurance Companies. Pursuant to Section 832 of the Code, deductible underwriting losses of property and casualty insurance companies will be reduced by 15 percent of the amount of interest earned on the Bonds. (If the amount of the reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income).

Financial Institutions. Section 265(b)(1) of the Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax-exempt obligations acquired after August 7, 1986 (other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code).

The Bonds are being offered as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Bond Counsel Opinion. Bond Counsel will not address or opine with respect to any federal tax consequences arising with respect to the Bonds, other than its opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, its opinion that the Bonds are "qualified tax-exempt obligations," and its opinion that the Bonds are not "specified private activity bonds." Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Future Federal Legislation. Legislation which may affect the tax consequences of owning municipal bonds is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Bonds will not adversely affect

the tax consequences of owning the Bonds, the exclusion of interest on the Bonds from gross income for federal income tax purposes or the market price of the Bonds.

Miscellaneous. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the registered owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of our knowledge, information in this Official Statement does not include any untrue statement of material fact; nor does the information omit the statement of any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Municipality has prepared this Preliminary Official Statement which it deems, for purposes of Rule 15c2-12 of the Securities and Exchange Commission, to be final and complete as of April 26, 2010, except for the omission of the offering prices, interest rates and any other terms of the Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed this Preliminary Official Statement. Upon the sale and award of the Bonds, the Municipality will publish an Official Statement in substantially the same form as this Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete this Preliminary Official Statement. The Municipality will furnish up to 40 copies of the Official Statement to the successful bidder of the Bonds without charge within seven business days after the sale and award of the bid. The successful bidder must notify the City Clerk in writing within five business days of the sale and award if the bidder requires additional copies of the Official Statement to comply with applicable regulations. The cost for such additional copies will be paid by the successful bidder requesting such copies. By submission of its bid, the successful bidder will be deemed to have agreed to supply to the Municipality all necessary pricing information and any underwriter identification determined by the Municipality to be necessary for the Official Statement within 24 hours after the sale and award of the Bonds.

A copy of this Preliminary Official Statement may be obtained from:

Lesa Hardin
City Clerk
(662) 323-2525
l.hardin@cityofstarkville.org

or

L. Keith Parsons, Esq.
kparsons@joneswalker.com
Jones Walker LLP
P. O. Box 427
Jackson, Mississippi 39205-0427

CITY OF STARKVILLE, MISSISSIPPI

BY: /s/ Parker Wiseman
Mayor

/s/ Lesa Hardin
City Clerk

FORM OF BOND COUNSEL OPINION

_____, 2016

TO WHOM IT MAY CONCERN:

We have acted as bond counsel in connection with the issuance by the City of Starkville, Mississippi (the "Municipality"), of \$2,400,000 General Obligation Public Improvement Bonds, Series 2016B, dated July 1, 2016 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation, and we express no opinion relating to the accuracy, completeness or sufficiency of any offering material relating to the Bonds.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

The Bonds are valid and binding general obligations of the Municipality.

All taxable property in the territory of the Municipality is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. The Municipality is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

3. Subject to the condition set forth in the immediately succeeding sentence, (a) the interest on the Bonds is excluded from gross income for federal income tax purposes and (b) the Bonds are not "specified private activity bonds" and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the Municipality comply with all requirements of the Code, compliance with which subsequent to the issuance of the Bonds is necessary in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Municipality has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. The Bonds are qualified tax-exempt obligations as such term is used in Section 265(b)(3) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. Under existing statutes, regulations and court decisions as presently interpreted and construed, interest on the Bonds earned by the respective owners thereof is excludable from gross income for purposes of computing income taxes imposed by the State of Mississippi.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

JONES WALKER L.L.P.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE CITY OF
STARKVILLE, MISSISSIPPI
FORM OF
CONTINUING DISCLOSURE CERTIFICATE OF
CITY OF STARKVILLE, MISSISSIPPI

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Starkville, Mississippi (the "Municipality"), in connection with the issuance of \$2,400,000 General Obligation Public Improvement Bonds, Series 2016B, dated July 1, 2016 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Mayor and Board of Aldermen of the Municipality on _____, 2016 (the "Bond Resolution"). The Municipality covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Municipality for the benefit of the Bondholders and Beneficial Owners and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Municipality pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

"Dissemination Agent" means a banking institution or other person or entity appointed by resolution of the Municipality as the Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Municipality and which has provided the Municipality a written acceptance of such designation.

"EMMA" means MSRB's Electronic Municipal Market Access system on the MSRB Website.

"Listed Event" means any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board established under the 1933 Securities Act, as amended, or any successor thereto.

"MSRB Website" means www.emma.msrb.org.

“National Repository” means (a) MSRB’s EMMA, and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule.

"Official Statement" means the Official Statement dated _____, 2016, pertaining to the Bonds.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" means each National Repository and the State Repository.

“Required Electronic Format” means the electronic format then prescribed by the SEC or the MSRB pursuant to the Rule.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" means the State of Mississippi.

"State Repository" means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

"Submission Date" means the date on which the Annual Report is submitted to the Repositories pursuant to Section 3 of this Disclosure Certificate, which shall be a date not later than twelve months after the end of the Municipality's fiscal year (presently September 30), commencing with the report for the 2017 fiscal year.

SECTION 3. Provision of Annual Reports.

(a) The Municipality shall, or shall cause the Dissemination Agent to, not later than the Submission Date, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but no later than 30 days after the audited financial statements are completed. If the Municipality's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to the Submission Date, the Municipality shall provide the Annual Report to the Dissemination Agent (if other than the Municipality). If the Municipality is unable to provide to the Repositories an Annual Report by the Submission Date, the Municipality shall send a notice to each Repository or the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as "Exhibit A."

(c) The Dissemination Agent shall:

(1) determine each year prior to the Submission Date the name and address of each National Repository and the State Repository, if any; and

(2) if the Dissemination Agent is other than the Municipality, file a report with the Municipality certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Municipality's Annual Report shall contain or include by reference (a) financial information of the type included in the subsections of the Official Statement entitled "Assessed Valuation," "Tax Levy Per \$1,000 Valuation" and "Ad Valorem Tax Collections" and (b) the audited financial statements of the Municipality for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but no later than 30 days after the audited financial statements are completed; Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Municipality or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Municipality shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events. The Municipality shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence thereof:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of security holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the securities, if material;

- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Municipality;
- (13) consummation of a merger, consolidation, or acquisition involving the Municipality, the sale of all or substantially all of the assets of the Municipality other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The events listed above are quoted from the Rule and some may not be applicable to the Municipality or the Bonds.

SECTION 6. Termination of Reporting Obligation. The Municipality's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Municipality shall give notice of such termination in the manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Municipality may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Municipality pursuant to this Disclosure Certificate. From the date hereof until such time (if any) that the Municipality appoints a Dissemination Agent, or if a Dissemination Agent appointed by the Municipality resigns or is discharged and the Municipality does not appoint a successor Dissemination Agent, the Municipality, acting through the City Clerk of the Municipality, shall carry out the duties of the Dissemination Agent under this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Municipality may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, only if (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the Municipality, (2) the agreement, as amended, would have complied with the Rule at the date of sale of the Bonds, taking into account any amendments or interpretations of the Rule as well as any change in circumstance, and (3) the Municipality receives an opinion of nationally recognized bond counsel to the effect that the amendment or waiver does not materially impair the interests of the holders and beneficial owners of the Bonds. A copy of any amendment will be filed in a timely manner with each Repository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Municipality from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Municipality chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition

to that which is specifically required by this Disclosure Certificate, the Municipality shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10 Default. In the event of a failure of the Municipality to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Municipality to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Municipality agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Municipality under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Municipality, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2016

CITY OF STARKVILLE, MISSISSIPPI

City Clerk

EXHIBIT A

**NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL REPORT**

Name of Municipality: City of Starkville, Mississippi
Name of Issue \$2,400,000 General Obligation Public Improvement Bonds,
Series 2016B
Date of Issuance: July 1, 2016

NOTICE IS HEREBY GIVEN that the Municipality has not provided an Annual Report with respect to the above-referenced Bonds as required by the Bond Resolution. The Municipality anticipates that the Annual Report will be filed by _____, 20__.

Date: _____, 20__

CITY OF STARKVILLE, MISSISSIPPI

City Clerk

10. DISCUSSION OF A TEMPORARY LOCATION FOR THE POLICE DEPARTMENT PERSONNEL.

Alderman Wynn presented photos of the unfinished space in City Hall along with cost estimates of preparing the space for use by the Starkville Police Dept.

Following discussion, a motion was offered by Alderman Wynn to adopt a Resolution regarding the relocation of members of the Starkville Police Department to the second floor of the new city hall while the old city hall is being renovated for use by the Police Department. The motion was seconded by Alderman Carver and the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Nay |
| Alderman Roy A'. Perkins | Voted: Nay |
| Alderman Henry Vaughn, Sr. | Voted: Nay |

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI REGARDING THE RECOLATION OF MEMBERS OF THE STARKVILLE POLICE DEPARTMENT TO THE SECOND FLOOR OF THE NEW CITY HALL WHILE THE OLD CITY HALL IS BEING RENOVATED FOR USE BY THE POLICE DEPARTMENT

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi, (the "Board" of the "City"), acting for and on behalf of the City, hereby find, determine and adjudicate as follows:

1. The Starkville Police Department currently occupies the Old City Hall building located at 101 E. Lampkin Street, in Starkville, Mississippi.

2. The Board has approved \$5.4 million in general obligation bonds to renovate the Old City Hall to serve as the permanent and future home of the Starkville Police Department.

3. Construction is scheduled to commence in July 2016 to renovate the Old City Hall for that purpose. The construction will displace the Starkville Police Department from the Old City Hall.

4. Starkville's New City Hall, located at 110 W. Main St., contains approximately 2,300 square feet of unfinished and unused space on its second floor.

5. Starkville employee, Joyner Williams, presented to the Board during its recess meeting on May 17, 2016, a plan to finish out that space for use by certain members of the Starkville Police Department while the Old City Hall is being renovated. The plan contained a cost estimate of Twenty-Three Thousand Eight Hundred and Fifty Dollars (23,850.00).

6. The City has available funding from two budget sources to cover the \$23,850 cost: (a) technology line item; and (b) funds left over from City Hall Municipal Building Fund.

7. The architect who designed the New City Hall has reviewed, and has no objection to, the plan presented by Joyner Williams.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

SECTION 1. Twenty-Three Thousand Eight Hundred and Fifty Dollars (23,850.00) shall be re-allocated from the City's budget to finish out the approximate 2,300 square feet of space on the second floor of the New City Hall for use by Starkville police personnel while the Old City Hall is being renovated. These funds will come from the following sources in the following amounts: (a) Mayor's Miscellaneous, \$ 0 ; (b) Technology, \$ 8,000 ; (c) remaining funds from City Hall Municipal Building Fund, \$ 15,850 . The funding for this project shall not exceed \$23,850.

SECTION 2. The City shall use those funds to prepare the subject space for occupancy by certain members of the Starkville police department substantially consistent with the plans and specifications presented by Joyner Williams during the recess meeting of the Mayor and Board of Aldermen on May 17, 2016, and substantially consistent to changes presented at June 7 meeting.

SECTION 3. After the space is prepared, certain members of the Starkville Police Department, to be determined in the sole discretion of Police Chief Frank Nichols, shall occupy that space until the Old City Hall is fully cleared for re-occupancy following renovations to it.

SECTION 4. After the Old City Hall is renovated and cleared for re-occupancy, any and all members of the Starkville police department then occupying the second floor of the New City Hall shall exit that space and return to the Old City Hall.

SECTION 5. Any subsequent occupancy of the 2,300 square feet of space on the second floor of the New City Hall by any other person or entity shall be determined at a future time in the sole discretion and authority of the Board.

Alderman Wynn moved and Alderman Carver seconded the motion to adopt the foregoing resolution, and the question being put to a vote, the result was as follows:

| | |
|----------------------------|--------------|
| Alderman Ben Carver | voted: _____ |
| Alderman David Little | voted: _____ |
| Alderman Scott Maynard | voted: _____ |
| Alderman Roy A. Perkins | voted: _____ |
| Alderman Jason Walker | voted: _____ |
| Alderman Lisa Wynn | voted: _____ |
| Alderman Henry Vaughn, Sr. | voted: _____ |

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this, the 7th day of June, 2016.

City of Starkville, Mississippi

Parker Wiseman, Mayor

ATTEST:

Lesa Hardin, City Clerk

11. CONSIDERATION OF SOUTHPARK PLAZA LEASE AGREEMENT.

A motion was offered by Alderman Perkins and seconded by Alderman Walker, to approve a Lease Agreement with Southpark Plaza LLC. Following discussion, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Nay |
| Alderman Lisa Wynn | Voted: Nay |
| Alderman David Little | Voted: Nay |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Nay |

Having not received a majority affirmative vote, the Mayor declared the motion failed.

12. UPDATE ON STATUS OF SANITATION TRUCK PURCHASES AUTHORIZED 5/17/16.

Upon the motion of Alderman Perkins, duly seconded by Alderman Vaughn, that the Board's Order of May 17, 2016, authorizing the Sanitation and Environmental Services Director to purchase two (2) pickup trucks at State Contract price from Grey Daniels Ford in the amount of \$47,578 is hereby rescinded and that the City's Finance Director is hereby authorized to advertise for bids for the purchase of two (2) pickup trucks for the Sanitation and Environmental Services Department for use by the Landscape Division, the Board voted as follows to approve the motion:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Absent |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

13. DISCUSSION AND CONSIDERATION OF AN APPEAL REQUEST BY WENDIE WOODS OF CHRISTIAN CHANGES FOR THE DENIAL OF THE REZONING REQUEST RZ 16-04 BY THE PLANNING AND ZONING COMMISSION TO REZONE ONE PARCEL AT 300 YELLOW JACKET DRIVE FROM R-1 SINGLE FAMILY TO B-1 BUFFER.

Buddy Sanders and Daniel Havelin presented the appeal request. The applicants are requesting an Appeal of the decision of the Planning and Zoning Commission to deny the request to rezone 300 Yellow Jacket Drive from an R-1 Single Family to a B-1 Buffer

District. On May 10, 2016, the Planning and Zoning Commission voted 4 to 3 to deny the rezoning based on lack of Change in Condition in the area. The applicants is in the process of purchasing the property to open Christian Changes Counseling and Recovery Center, which would require a Conditional Use approval for that Use. The current zoning, R-1, does not allow for a Conditional Use for an “Institutional and Health Care Facilities”. A B-1 zoning classification would allow for the option of applying for Conditional Use. The applicant is currently planning to operate the business out of the existing residence on the property. Prior to the May 10th Planning and Zoning Commission meeting, the Planning Office had received two phone calls and four letters against the request. Five letters supporting the request were included in the Applicant’s Statement in the Staff Report. On June 1, 2016 a petition from adjacent property owners was received by City staff opposing the Appeal. Based on the petition percentages, a super majority vote will be required.

Mayor Wiseman opened the Public Hearing. Julie Brown, attorney for Wendie Woods of Christian Changes and the Josey Family noted reasons for the appeal. Adam Weeks, Jerry McBride and Jim Mills all spoke in opposition. Wendie Woods spoke of her history in the health care field and what services the facility would offer. Mayor Wiseman called for any additional comments. Kim Stevens spoke of the need of such a facility close to the school. Alvin Turner noted there are many people who need help with their problems. Pastor Buckner voiced his support. There being no other comments, the Mayor closed the Public Hearing. The complete packet of materials presented by the Planning Office, along with materials presented by Wendie Woods during the public hearing were made a part of the record.

Following Board discussion, Alderman Vaughn offered a motion to approve the Appeal of the decision of the Planning and Zoning Commission for RZ 16-04 to rezone 300 Yellow Jacket Drive from R-1 to B-1 based on a finding that the neighborhood had changed to such a degree as to justify the proposed rezoning and that there was a public need for the proposed rezoning. The motion was seconded by Alderman Carver with the Board voting as follows:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Nay |
| Alderman Scott Maynard | Voted: Nay |
| Alderman Roy A’ Perkins | Voted: Nay |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having not received a super majority affirmative vote, the Mayor declared the motion failed.

15. REQUEST AUTHORIZATION TO DECLARE THE OCE COLORWAVE 300 PLOTTER (SERIAL NUMBER: 330403010) AS SURPLUS WITH AUTHORIZATION TO ADVERTISE ON GOVDEALS AND REMOVE FROM CITY'S INVENTORY WITH PROCEEDS FROM SALE TO BE USED TO PURCHASE ANOTHER MACHINE.

Upon the motion of Alderman Walker, duly seconded by Alderman Maynard, to declare the OCE ColorWave 300 Plotter (serial number: 330403010) as surplus with authorization to advertise on GovDeals and remove from city's inventory with proceeds from sale to be used to purchase another machine, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

16. REQUEST APPROVAL OF THE LOW QUOTE FROM WELDING WORKS IN THE AMOUNT OF \$9,200.00 TO INSTALL GUARDRAILS AROUND THE OPEN DRAINAGE CHANNEL ON EDGEWOOD DRIVE TO BE PAID FROM WARD 5 DISCRETIONARY FUNDS.

Upon the motion of Alderman Carver, duly seconded by Alderman Wynn, to approve the low quote from Welding Works in the amount of \$9,200.00 to install guardrails around the open drainage channel to be paid from Ward 5 discretionary funds, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

Two quotes were received and they are as follows:

| | |
|-------------------------------|-------------|
| Welding Works | \$ 9,200.00 |
| Hester fence and construction | \$13,050.00 |

17. REQUEST APPROVE OF THE LOW QUOTE FROM WARREN INC. IN THE AMOUNT OF \$7,500.00 FOR A 9' DUMP BODY FOR A PICKUP TRUCK FOR THE STREET DEPARTMENT.

Upon the motion of Alderman Carver, duly seconded by Alderman Wynn, to approve the low quote from Warren Inc. in the amount of \$7,500.00 for a 9' dump body for a pickup truck for the street department, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

This dump body will be installed on the recently approved vehicle for the street department. We received two quotes:

| | |
|--------------|------------|
| Warren, Inc. | \$7,500.00 |
| Wren, Inc. | \$8,369.00 |

18. REQUEST APPROVE OF THE LOW QUOTE FROM STIDHAM CONSTRUCTION IN THE AMOUNT OF \$23,900.00 FOR THE TIMBERCOVE DRAINAGE IMPROVEMENT PROJECT BETWEEN BRIARWICK AND WINDOVER STREETS TO BE PAID FROM WARD 4 DISCRETIONARY FUNDS.

Upon the motion of Alderman Carver, duly seconded by Alderman Maynard to accept the low quote from Stidham Construction in the amount of \$23,900.00 for the Timbercove drainage improvement Project to be paid from Ward 4 discretionary funds, the Board voted as follows to approve the motion:

| | |
|----------------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Yea |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion carried.

We received two quotes and they are as follows:

| | |
|----------------------------|-------------|
| Groundstone Construction | \$25,719.00 |
| Terry Stidham construction | \$23,900.00 |

19. REQUEST APPROVAL OF THE ADVERTISEMENT FOR BIDS FOR THE LAFAYETTE-LAMPKIN STREET INTERSECTION ADA IMPROVEMENT PROJECT AND THE LAMPKIN STREET RESTRIPIING PROJECT.

Upon the motion of Alderman Carver, duly seconded by Alderman Wynn, to approve the advertisement for bids for the Lafayette-Lampkin Street intersection ADA improvement project and the Lampkin Street striping project, the Board voted as follows to approve the motion:

Alderman Ben Carver Voted: Yea
 Alderman Lisa Wynn Voted: Yea
 Alderman David Little Voted: Yea
 Alderman Jason Walker Voted: Yea
 Alderman Scott Maynard Voted: Yea
 Alderman Roy A'. Perkins Voted: Yea
 Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion carried.

22. REQUEST APPROVAL OF THE CITY OF STARKVILLE CLAIMS DOCKET FOR ALL DEPARTMENTS AS OF JUNE 1, 2016 FOR FISCAL YEAR ENDING 9/30/16.

Upon the motion of Alderman Carver to move approval of the City of Starkville Claims Docket for all departments as of June 1, 2016 for fiscal year ending 9/30/16, duly seconded by Alderman Wynn, the Board voted as follows:

Alderman Ben Carver Voted: Yea
 Alderman Lisa Wynn Voted: Yea
 Alderman David Little Voted: Yea
 Alderman Jason Walker Voted: Yea
 Alderman Scott Maynard Voted: Yea
 Alderman Roy A'. Perkins Voted: Nay
 Alderman Henry Vaughn, Sr. Voted: Nay

Having received a majority affirmative vote, the Mayor declared the motion passed.

| | | |
|-------------------------|-----|---------------|
| General Fund | 001 | \$ 170,691.55 |
| Restricted Police Fund | 002 | 380.00 |
| Restricted Airport | 016 | 164,666.37 |
| Airport Fund | 015 | 42,818.43 |
| Sanitation | 022 | 27,482.99 |
| Landfill | 023 | 4,251.52 |
| Federal Forfeited Funds | 150 | |

| | | |
|--------------------------------|-------|-----------------|
| Park and Rec Tourism | 375 | 70,722.76 |
| Water/Sewer | 400 | |
| Trust & Agency | 610 | 22,010.31 |
| Economic Dev, Tourism & Conv | 630 | 82,271.67 |
| Sub Total Before Stk Utilities | Sub | \$ 585,295.60 |
| Utilities Dept. | SED | 2,700,417.33 |
| Total Claims | Total | \$ 3,285,712.93 |

Alderman Maynard voluntarily disengaged the call at this time, eliminating the need for roll call voting.

23. CONSIDERATION OF THE AUTHORIZATION TO ADVERTISE TO FILL THE VACANT POSITION OF OPERATOR 1 IN THE DRINKING WATER DIVISION.

Upon the motion of Alderman Carver to advertise to fill the vacant position of Operator 1 in the Drinking Water Division, duly seconded by Alderman Wynn, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

24. REQUEST AUTHORIZATION TO ADVERTISE TO FILL THE VACANT POSITION OF SUPERINTENDENT IN THE WATER DIVISION.

Upon the motion of Alderman Carver to advertise to fill the vacant position of superintendent in the water division, duly seconded by Alderman Wynn, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

25. REQUEST AUTHORIZATION TO ADVERTISE TO FILL A VACANT POSITION OF PAYROLL/COLLECTOR CLERK IN THE UTILITIES DEPARTMENT.

Upon the motion of Alderman Carver to advertise to fill a vacant position of payroll/collector clerk in the utilities department, duly seconded by Alderman Wynn, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

26. REQUEST AUTHORIZATION TO ADVERTISE TO FILL THE VACANT POSITIONS OF FOREMEN IN THE WATER/SEWER DIVISION.

Upon the motion of Alderman Carver to advertise to fill the vacant positions of Foremen in the Water/Sewer Division., duly seconded by Alderman Wynn, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

27. REQUEST AUTHORIZATION OF THE TEMPORARY PAY INCREASE PER THE PERSONNEL POLICY FOR UTILITIES DEPARTMENT EMPLOYEES MICHAEL REESE, CALVIN YOUNG AND NATHANIEL HINTON, WHO ARE ASSIGNED TO THE TEMPORARY POSITIONS OF FOREMAN AND EQUIPMENT OPERATOR IN THE UTILITY DEPT.

Upon the motion of Alderman Carver to the temporary pay increase per Personnel Policy for Fire Department employees Michael Reese, Calvin Young and Nathaniel Hinton, who is assigned to the temporary position of Foremen, and Equipment Operator, duly seconded by Alderman Wynn, the Board voted as follows:

| | |
|-----------------------|------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |

Alderman Scott Maynard Voted: Absent
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

28. REQUEST AUTHORIZATION TO HIRE A TEMPORARY FULL-TIME EMPLOYEE TO FILL-IN AS SECRETARY IN THE SANITATION AND ENVIRONMENTAL SERVICES DEPARTMENT DURING THE MEDICAL LEAVE OF AN EXISTING EMPLOYEE.

Upon the motion of Alderman Carver to hire a Temporary full-time employee to fill-in as Secretary in the Sanitation and Environmental Services Department during the medical leave of an existing employee, duly seconded by Alderman Wynn, the Board voted as follows:

Alderman Ben Carver Voted: Yea
Alderman Lisa Wynn Voted: Yea
Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Absent
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

29. REQUEST APPROVAL TO TRANSFER A 2013 FORD EXPLORER VIN# 1FM5K8AR1DGCO6898 FROM STARKVILLE POLICE INVENTORY AND ADD TO MAYOR'S OFFICE INVENTORY AND TO TRANSFER FROM MAYOR'S OFFICE INVENTORY A 2004 FORD CROWN VICTORIA VIN# 2FAFP71W44X169601 TO STARKVILLE POLICE DEPARTMENT.

Alderman Carver offered a motion to remove a 2013 Ford Explorer (VIN# 1FM5K8AR1DGCO6898) from Starkville Police Inventory and add to City of Starkville Mayor's Office Inventory and to also remove from City of Starkville Mayor's Office Inventory a 2004 Ford Crown Victoria (VIN# 2FAFP71W44X169601) and add to Starkville Police Department. The motion was seconded by Alderman Wynn and the Board voted as follows:

Alderman Ben Carver Voted: Yea
Alderman Lisa Wynn Voted: Yea
Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Absent
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

30. REQUEST AUTHORIZATION FOR THE POLICE CHIEF AND MAYOR TO DETERMINE AND ACCEPT THE LOWEST AND BEST QUOTE RECEIVED, NOT TO EXCEED \$6,500, FROM EITHER WILLIAMS TRANSFER AND STORAGE OR MCCONNELL BROTHERS MAYFLOWER AFTER FINAL QUOTES ARE RECEIVED TO MOVE THE STARKVILLE POLICE DEPARTMENT JUNE 29 – JULY 1.

Upon the motion of Alderman Carver to
, duly seconded by Alderman Wynn, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

31. DISCUSSION AND CONSIDERATION TO ACCEPT THE QUOTE FROM JACKET MINI STORAGE FOR 1 STORAGE BUILDING AT A TOTAL COST OF \$429.45.

Upon the motion of Alderman Carver to authorize the Police Dept. to accept the quote from Jacket Mini Storage for 1 Storage Building at a total cost of \$429.45, duly seconded by Alderman Little, with the cost to be taken from the Police Dept. budget, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

32. REQUEST APPROVAL OF RELIABILITY STANDARDS MEMO OF UNDERSTANDING BETWEEN THE CITY OF STARKVILLE AND THE TENNESSEE VALLEY AUTHORITY.

Upon the motion of Alderman Carver to approve the Reliability Standards Memo of Understanding between the City of Starkville and TVA., duly seconded by Alderman Little, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

**RELIABILITY STANDARDS
MEMORANDUM OF UNDERSTANDING**

This Reliability Standards Memorandum of Understanding (MOU), dated _____, 2016, is made and entered into between City of Starkville, Mississippi (Distributor), a municipality in the Tennessee Valley, and Tennessee Valley Authority (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act) (hereinafter collectively referred to as the “Parties” and individually as a “Party”).

WITNESSETH

WHEREAS, the North American Electric Reliability Corporation (NERC) has been approved by the Federal Energy Regulatory Commission (FERC) as the Electric Reliability Organization responsible for protecting the reliability of the bulk power system pursuant to the Energy Policy Act of 2005;

WHEREAS, NERC has established a Functional Model to determine the Functions necessary to plan and operate electric power systems in a reliable manner;

WHEREAS, NERC and FERC have approved certain mandatory and enforceable reliability standards (Reliability Standards) applicable to the various Functions;

WHEREAS, pursuant to the prevailing interpretation of the NERC Registration Criteria, Distributor may be required to register for one or more Functions and comply with applicable Reliability Standards;

WHEREAS, NERC has delegated to the SERC Reliability Corporation (SERC) the responsibility for enforcement of the Reliability Standards in the southeastern United States, including the TVA service area, with oversight from NERC and FERC;

WHEREAS, since the Reliability Standards became mandatory and enforceable on June 18, 2007, TVA has served as the NERC Registered Entity for all applicable NERC Functions applicable to TVA and its distributors in the TVA service area, pursuant to an arrangement presented by TVA and approved by SERC on March 8, 2007;

WHEREAS, the Parties desire to enter into this MOU to document the policies and procedures used by the Parties to ensure full compliance with all applicable Reliability Standards, to delineate reliability-related tasks between TVA and Distributor resulting from recent changes to the reliability regulatory structure, and to establish uniform reporting and documentation protocols across the TVA service area;

NOW, THEREFORE, for and in consideration of the premises and mutual covenants set forth herein, the Parties agree as follows:

ARTICLE I

Structure of the MOU

Section 1.1: This MOU is structured as an umbrella arrangement under which TVA and Distributor will continue to work together under TVA's NERC reliability standards compliance program (TVA Program) to enable TVA to be fully compliant with all applicable Reliability Standards. This MOU consists of a base agreement and Appendices documenting certain specific arrangements between TVA and Distributor and identifying the obligations of each Party.

Section 1.2: Each Appendix will detail the data exchange requirements, compliance activities, evidentiary requirements, reporting timeframes, and reporting forms for specific Reliability Standards. Each Appendix will become effective upon execution by both Parties. Appendices may be added, deleted, or modified by the Parties without amendment of this MOU.

Section 1.3: Any capitalized terms used in this MOU that are not defined in the MOU will have the meaning established in the NERC Glossary of Terms, as published on the NERC website and as may be modified from time to time. For purposes of this MOU: (a) the term "MOU" will include this MOU and all applicable Appendices; and (b) the term "Reliability Standard" will mean a Reliability Standard approved by FERC as mandatory and enforceable by SERC and NERC.

ARTICLE II

NERC Registration

Section 2.1: TVA is currently registered with NERC for any Functions applicable to Distributor, and Distributor authorizes TVA to remain registered with NERC on its behalf. TVA will remain the sole responsible party for compliance with all Reliability Standards that would otherwise be applicable to Distributor before SERC, NERC, and FERC.

ARTICLE III

Term

Section 3.1: It is the intent of the Parties that this MOU will remain in effect until terminated for any of the following reasons:

- (a) If FERC or NERC modifies the registration criteria requiring Distributor to register with NERC in its own name, this MOU will terminate upon the effective date of Distributor's registration with NERC.
- (b) If NERC ceases to exist in its current form or is replaced by an entity with authority over a Party's facilities, this MOU will terminate upon the effective date of the new regulatory structure.
- (c) If there is any change that would materially affect TVA's obligations under this MOU, TVA may terminate this MOU upon twenty-four (24) months' prior written notice to Distributor; provided, however, that if the material change would cause an undue burden on TVA, as determined by TVA in its sole discretion, TVA may terminate this MOU upon six (6) months' prior written notice to Distributor. In the event of such termination, TVA will act in good faith to mitigate any impacts on Distributor associated with such termination.
- (d) Distributor may terminate this MOU at any time upon thirty (30) days' prior written notice to TVA.
- (e) If Distributor fails to comply with its obligations under this MOU, TVA may terminate this MOU at any time upon six (6) months' prior written notice to Distributor.
- (f) If Distributor ceases to be a wholesale power contract customer of TVA, this Agreement will terminate coincident with the date the wholesale power contract between TVA and Distributor terminates.

ARTICLE IV

General Authorizations

Section 4.1: Distributor authorizes TVA to review any necessary data, documentation, records, and reports generated by Distributor to enable TVA to fully comply with the applicable Reliability Standards as documented in the Appendices to this MOU. Distributor authorizes TVA to include any of Distributor's data, documentation, records, and reports to SERC and NERC, either individually or aggregated with other data, documentation, records, and reports to demonstrate compliance.

Section 4.2: Distributor authorizes TVA, upon reasonable notice to Distributor, to access any of its facilities as may be necessary for TVA to fully comply with the applicable Reliability Standards as documented in the Appendices to this MOU.

Section 4.3: Distributor authorizes TVA to approve any operational, maintenance, and planning activities to enable Distributor to comply with the TVA Program, as documented in the Appendices to this MOU.

Section 4.4: Distributor authorizes TVA to issue any additional reliability-related operational procedures and protocols as may be necessary to enable Distributor to comply with the TVA Program, as documented in the Appendices to this MOU.

ARTICLE V

Collaborative Process

Section 5.1. Through existing forums or through processes documented in the TVPPA - TVA NERC Coordination Memorandum of Understanding Coordination of NERC Reliability Standards and Requirements Compliance (TVPPA – TVA NERC Coordination MOU), Distributor may participate with TVA in the development and implementation of various compliance documents and decisions. This collaborative process will include Distributor, TVA, any entity that has executed a similar reliability standards memorandum of understanding authorizing TVA to be its NERC Registered Entity, and the Tennessee Valley Public Power Association (TVPPA) (as may be authorized by TVPPA’s membership).

Section 5.2. The collaborative process described in Section 5.1 will include, but is not limited to, the following compliance categories: (a) the development and interpretation of Reliability Standards, including commenting on draft Reliability Standards, changes to existing Reliability Standards, and interpretation of Reliability Standards before SERC, NERC, and FERC; (b) the implementation of the applicable Reliability Standards through the development of training, processes, procedures, guidelines, reporting forms, checklists, and the Appendices to this MOU; (c) the general criteria regarding TVA’s review and audit of Distributor’s compliance activities pursuant to Section 8.1; (d) the mitigation of violations of the applicable Reliability Standards, including the development of mitigation plans and other activities designed to prevent recurrences of violations; and (e) enforcement actions, including disputing violations, appeals, and settlement.

Section 5.3: To the extent that Distributor has any issues regarding compliance with the applicable Reliability Standards, Distributor and TVA will meet to discuss the issues, either individually or as part of the collaborative process described in Section 5.1.

Section 5.4: Distributor recognizes that as the NERC Registered Entity, TVA will have final decision-making authority regarding compliance with the applicable Reliability Standards.

ARTICLE VI

Distributor Responsibilities

Section 6.1: Distributor will promptly provide TVA with any technical, operational, and reliability information required for TVA to fully comply with the applicable Reliability Standards, as set forth in the Appendices to this MOU.

Section 6.2: Distributor will: (a) implement and comply with the TVA Program and any other reliability-related operational procedures and protocols issued by TVA; and (b) perform any assigned compliance-related tasks as may be necessary for TVA to fully comply with the applicable Reliability Standards, as set forth in the Appendices to this MOU.

Section 6.3: Distributor will promptly notify TVA of any changes in its facilities that may affect TVA's compliance with the applicable Reliability Standards, as set forth in the Appendices to this MOU.

Section 6.4: Distributor will provide TVA with any requested attestations, certifications, and documentary evidence necessary to demonstrate compliance with the TVA Program in accordance with the time frames set forth in the Appendices to this MOU.

Section 6.5: Distributor will promptly provide to TVA any information requested by SERC, NERC, and/or FERC upon notice from TVA.

ARTICLE VII TVA Responsibilities

Section 7.1: TVA will be the sole responsible party to SERC, NERC, and FERC for compliance with all Reliability Standards that would otherwise be applicable to Distributor.

Section 7.2: TVA will be the subject of any audits and enforcement actions related to compliance with any Reliability Standards that would otherwise be applicable to Distributor. TVA will file all certifications, documentation, self reports, and mitigation plans as may be required by SERC, NERC, and FERC.

Section 7.3: TVA will promptly notify Distributor of any SERC, NERC, and FERC inquiries regarding any reliability issues involving Distributor. TVA will formulate the response(s) to any such inquiries after consultation with Distributor consistent with Article V.

Section 7.4: Consistent with Article V, TVA will provide Distributor with policies, procedures, reporting forms, and timetables to assist Distributor to achieve compliance.

ARTICLE VIII
Reviews and Audits

Section 8.1: In order to demonstrate to SERC that TVA has sufficient oversight of Distributor's compliance activities and has established a culture of compliance, TVA shall perform periodic reviews of Distributor's compliance with this MOU, including informal audits of compliance-related data and documentation maintained by Distributor. TVA will give Distributor at least sixty (60) business days' notice of any review to be conducted. Any reviews will be conducted during Distributor's normal business hours and in a manner that, to the greatest extent possible, minimizes any disruption of Distributor's business and operations. Distributor will provide any requested data, records, and personnel for review. The periodic reviews will be conducted in accordance with the general criteria established through the collaborative process pursuant to Article V.

Section 8.2: If SERC or NERC conducts an audit or other inquiry involving any of Distributor's facilities, procedures, or personnel, Distributor will participate as necessary. TVA will provide timely notice to Distributor of the date, time, and location of the audit or inquiry, and the issues to be addressed. TVA will inform Distributor of the documentation, records, and personnel needed for the audit, and Distributor will provide the necessary documentation, records, and personnel.

ARTICLE IX
Violations of Reliability Standards

Section 9.1: If TVA is determined to have violated a Reliability Standard subject to this MOU, TVA will determine the appropriate mitigation activities to remedy the violation and preclude future violations (i.e., mitigation plan) with input from Distributor as described in Article V. Distributor will implement any actions required by the mitigation plan approved by SERC.

Section 9.2: TVA will determine, with input from Distributor as described in Article V, what action(s) to take, if any, with respect to any enforcement action, including disputing the violation, appealing the determination, and settlement.

Section 9.3: As of the date of this MOU, the Federal Power Act does not allow SERC, NERC, or FERC to assess monetary penalties against federal entities, including TVA, for violations of applicable Reliability Standards. If TVA is subsequently subjected to monetary penalties under this MOU, TVA will negotiate and pay the agreed-upon monetary penalties. The Parties will thereafter allocate the penalties between themselves based on fault.

ARTICLE X
Changes in Reliability Standards and Related Procedures

Section 10.1: TVA will promptly notify Distributor of any changes to applicable Reliability Standards, SERC regional standards and supplements, SERC compliance and enforcement plans, and NERC procedures that could impact Distributor's compliance with the TVA Program.

Section 10.2: From time to time, TVA shall convene meetings in accordance with the TVPPA – TVA NERC Coordination MOU to discuss various aspects of compliance with the applicable Reliability Standards, including implementation of new or modified Reliability Standards, FERC/NERC/SERC compliance-related decisions, and other reliability issues that could impact Distributor.

ARTICLE XI

Costs

Section 11.1: The rate for service under this MOU will be based on the number of delivery points Distributor has with TVA at a voltage level of 100 kV or higher (Delivery Points). The annual rate will be equal to \$200.00 multiplied by the number of Delivery Points; provided, however, that the rate will not exceed \$2,000.00 per year; and provided further that the minimum rate will be \$200.00 per year for any entity needing TVA to serve as its NERC Registered Entity. Payment of the rate for service under this MOU will be due to TVA on or before September 1 of each year.

Section 11.2: TVA may adjust the rate for services under this MOU; provided, however, that: (i) TVA will give Distributor six (6) months' prior written notice of any subject adjustment; (ii) any such adjustment will not exceed twenty (20) percent over the then-existing rate for services under this MOU; and (iii) TVA may adjust the rate only one time in any contract year.

Section 11.3: Distributor will bear the costs of its compliance and mitigation activities under this MOU.

ARTICLE XII

Confidentiality

Section 12.1: For purposes of this MOU, "Confidential Information" will mean all information and documentation of a Party related to activities under this MOU, whether disclosed to or accessed by the other Party; provided, however, that "Confidential Information" will not include any information that: (a) is independently developed by the recipient; (b) is or becomes publicly known; (c) is disclosed by the owner of such information to a third party free of any obligation of confidentiality; or (d) is already known by the recipient at the time of disclosure.

Section 12.2: All Confidential Information will be held in confidence by the recipient to the same extent and in at least the same manner as the recipient protects its own confidential information, and such Confidential Information will be used only for purposes of this MOU. Neither Party will disclose, publish, release, transfer, or otherwise make available Confidential Information of, or obtained from, the other Party in any form to, or for the use or benefit of, any person or entity without the disclosing Party's prior consent. This Article XII will not restrict any disclosure required by applicable law or to any local, state, or federal government agency or authority if such release is required to comply with applicable laws, government regulations, or orders of regulatory bodies or courts; provided, however, that the recipient will give prompt notice to the disclosing Party to enable the disclosing Party to exercise any legal rights it may have to prevent or limit disclosure.

ARTICLE XIII
Contacts

Section 13.1: Each Party will designate a primary contact and an alternate contact for communications purposes regarding matters covered by this MOU (Contacts). Each Party will provide the names, titles, addresses, phone numbers (office and cell), fax numbers, and e-mail addresses for its Contacts to the other Party. Any changes to a Party's Contact information will be promptly provided to the other Party. A Party may change its designations at any time upon written notice to the other Party. The Parties will confirm their contacts on or before September 1 of each contract year.

ARTICLE XIV
Miscellaneous

Section 14.1: Amendments. This MOU will not be varied or amended except in writing.

Section 14.2: Waivers. No waiver of any provision of this MOU will be effective unless it is signed by the Party against which it is sought to be enforced. The delay or failure by either Party to exercise or enforce any of its rights under this MOU will not constitute or be deemed a waiver of that Party's rights thereafter to enforce those rights, nor will any single or partial exercise of any such right preclude any other further exercise thereof or the exercise of any other right.

Section 14.3: Assignment. Neither Party will sell, assign, or otherwise transfer any or all of its rights under this MOU, or delegate any or all of its obligations under this MOU, without the consent of the other Party, which will not be unreasonably withheld.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives, as of the day and year first written above.

City of Starkville, Mississippi

By: _____

Print Name: _____

Title: _____

Tennessee Valley Authority

By: _____

Jacinda B. Woodward
Senior Vice President
Transmission & Power Supply

Appendix A

Core Reliability Standards Applicable to the Distributor Provider (DP) Function

Section 1. Communications - COM-001-2.1.

- A. Interpersonal Communication. Distributor will have Interpersonal Communication capability with TVA.
- B. Failure of Interpersonal Communication. If Distributor detects a failure of its Interpersonal Communication capability, Distributor will consult with TVA to determine a mutually agreeable action for the restoration of its Interpersonal Communication capability.
- C. Documentation. Distributor will maintain documentation that it has Interpersonal Communication capability with TVA which includes, but is not limited to, physical assets or dated evidence such as equipment specifications and installation documentation, test records, operator logs, voice recordings, transcripts of voice recordings, or electronic communications.
- D. Failure Documentation. Distributor will maintain documentation of any detections of failures of its Interpersonal Communication capability with TVA. Distributor will maintain documentation of any mutually agreeable actions to restore the Interpersonal Communication capability, which includes, but is not limited to, dated operator logs, voice recordings, transcripts of voice recordings, or electronic communications.
- E. Definitions. The term “Interpersonal Communication” will mean, as defined in the NERC Glossary of Terms, any medium that allows two or more individuals to interact, consult, or exchange information.

Section 2. Operating Personnel Communications Protocols - COM-002-4.

- A. Training. TVA will provide Distributor with initial training for Distributor’s operating personnel who can receive an oral two-party, person-to-person Operating Instruction from TVA. Distributor will conduct such initial training for each of its operating personnel who can receive an oral two-party, person-to-person Operating Instruction from TVA.
- B. Training Evidence. Distributor will provide evidence to TVA that it conducted initial training for its operating personnel who can receive an oral two-party, person-to-person Operating Instruction from TVA, such as attendance logs, agendas, learning objectives, or course materials.
- C. List of Operating Personnel. Distributor will maintain a current list of operating personnel who can receive an oral two-party, person-to-person Operating Instruction from TVA.
- D. Operating Instruction During Emergency. Any operating personnel of Distributor who receives an oral two-party, person-to-person Operating Instruction during an Emergency, excluding written or oral single-party to multiple-party burst Operating Instructions, will either (i) notify TVA that the operator has not been trained to receive the Operating Instructions, (ii) repeat, not necessarily verbatim,

the Operating Instruction and receive confirmation from the issuer that the response was correct, or (iii) request that the issuers reissue the Operating Instruction.

- E. Evidence of Compliance with Communication Protocols. Distributor will maintain evidence that it complied with the communication protocols set forth in Section 2.D above, including, but not limited to, dated and time-stamped voice recordings (if Distributor has such recordings), dated operator logs, an attestation from the Distributor that it complied with the communication protocols in Section 2.D above, memoranda, or transcripts.
- F. Data Retention. Distributor will retain the evidence described in Section 2.E above for the current calendar year and one previous calendar year, with the exception of voice recordings which will be retained for a minimum of ninety (90) calendar days, unless otherwise directed by TVA.

Section 3. **Event Reporting - EOP-004-2.**

- A. Operating Plan. Distributor will have a dated event reporting Operating Plan in accordance with EOP-004-2 Attachment 1 (or any later such applicable version) that includes the protocol(s) for reporting to TVA of any reportable events.
- B. Reportable Event. Upon discovery of a reportable event, Distributor will immediately notify TVA of the reportable event and provide the information required by the EOP-004-2 Attachment 2 reporting form or a DOE-OE-417 form.
- C. Reporting. TVA will make the appropriate report within 24 hours of an event threshold.

Section 4. **Reliability Responsibilities and Authorities - TOP-001-1a.**

- A. Reliability Directives. Distributor will comply with all reliability directives issued by TVA, including shedding of firm load, unless such action(s) would violate safety, equipment, regulatory, or statutory requirements. Distributor will immediately inform TVA of the inability to perform such action(s) due to safety, equipment, regulatory, or statutory requirements so that TVA can implement alternative remedial actions.
- B. Documentation. Distributor will maintain evidence such as operator logs, voice recordings or transcripts of voice recordings, electronic communications, or other equivalent evidence that shows that Distributor complied with TVA's reliability directives. If Distributor could not comply with any TVA reliability directive because it would violate safety, equipment, regulatory, or statutory requirements, Distributor will maintain such as operator logs, voice recordings or transcripts of voice recordings, electronic communications, or other equivalent evidence that shows that Distributor immediately informed TVA of its inability to perform the directive.

Executed this ____ day of _____, 2016.

By: _____

Print Name: _____

Title: _____

City of Starkville, Mississippi

By: _____

Jacinda B. Woodward
Senior Vice President
Transmission & Power Supply

Tennessee Valley Authority

Appendix B

Protection System Maintenance Associated with Bulk Electric System Components

Reference: NERC Reliability Standard PRC-005

1. Identification of Components. Distributor and TVA will identify all Components on Distributor's system that are part of a BES Protection System. Distributor will document each protection system Component using Attachment 4 and submit to TVA. TVA will maintain a current listing of all such Components and associated drawings (Master Listing).
2. Changes in Components. Each Party will notify the other Party regarding any changes on its system that impact a BES Protection System. Distributor will document any protection system Component either placed in service or taken out of service using Attachment 4 and submit to TVA. Upon any such change, TVA will review and verify the Master Listing.
3. Protection System Maintenance Program. Distributor has developed, and TVA has approved, a written Protection System Maintenance Program (PSMP), which is attached to this Appendix B. The PSMP provides a program to ensure compliance with NERC Reliability Standard PRC-005 for all Components. The PSMP utilizes a time-based methodology consistent with the applicable tables in NERC Reliability Standard PRC-005 for such Components. As of the date of execution of this Appendix B, Distributor will begin to implement the PSMP and will begin to maintain the Components consistent with the PSMP. TVA acknowledges and agrees that performance of the maintenance activities in accordance with the timelines established within the PSMP on and after the date of execution of this Appendix B and documentation of such maintenance activities will fully discharge Distributor's obligations to TVA under the MOU to enable TVA to ensure compliance with NERC Reliability Standard PRC-005. TVA further acknowledges and agrees that Distributor is not expected to have evidence of completion of the maintenance activities until the first occurrence of each prescribed maintenance activity in accordance with the timelines established within the PSMP and that such timelines begin as of the date of execution of this Appendix B.
4. Evidence Types. Distributor will maintain evidence that it complied with the PSMP for all Components at its offices. Evidence shall include dated maintenance records and may also include, but is not limited to, dated maintenance summaries, dated check-off lists, dated inspection records, or dated work orders. Distributor will also utilize the reporting forms included as Attachments 2 and 3 as part of its documentation and provide the reporting forms to TVA on an annual basis.
5. Evidence Retention. Distributor will retain the evidence described in Section 4 above of the two most recent performances of each distinct maintenance activity for each Component, or all performances of each distinct maintenance activity for each Component since TVA's immediately preceding compliance audit,

- whichever is longer. TVA will inform Distributor of the date of its preceding compliance audit.
6. PSMP Documentation. Distributor will retain its current dated PSMP and any superseded versions since TVA's immediately preceding compliance audit. TVA will inform Distributor of the date of its preceding compliance audit.
 7. Documentation for Audits and Other Enforcement Actions. SERC reviews compliance with NERC Reliability Standard PRC-005 by reviewing a number of randomly chosen Components. If, during an audit or other enforcement action, a Distributor-owned Component(s) is selected for review, TVA will inform Distributor and Distributor will provide the evidence described in Sections 4 and 6, as may be required.
 8. Identification of Maintenance Issue(s). If, during TVA's inspections and maintenance activities associated with its Protection Systems, TVA identifies an issue(s) on a Distributor-owned component that is a part of a BES Protection System, TVA will notify Distributor of the Unresolved Maintenance Issue(s) and the need for corrective action(s). If during Distributor's inspection and maintenance activities, Distributor identifies an issue(s) on a TVA-owned Component, Distributor will notify TVA.
 9. Correction of Unresolved Maintenance Issues. Distributor will take actions consistent with good utility practice to correct any Unresolved Maintenance Issue(s) identified by TVA.
 10. Evidence of Actions to Correct Unresolved Maintenance Issues. Distributor will maintain evidence of efforts undertaken to correct identified Unresolved Maintenance Issues, including, but not limited to, work orders, replacement component orders, invoices, project schedules, return materials authorizations, or purchase orders.
 11. Reporting Form. Upon completion of efforts to correct identified Unresolved Maintenance Issues, Distributor will complete the reporting form included as Attachment 1 and submit to TVA.
 12. Evidence Retention. Distributor will retain the evidence described in Section 10 dating from TVA's immediately preceding compliance audit. TVA will inform Distributor of the date of its preceding compliance audit.

Executed this ____ day of _____, 2016.

By: _____

Print Name: _____

Title: _____

City of Starkville, Mississippi

By: _____

Jacinda B. Woodward
Senior Vice President
Transmission & Power Supply

Tennessee Valley Authority

Appendix C

Protection System Maintenance Associated with Non-Bulk Electric System Components

Reference: NERC Reliability Standard PRC-005 R5

1. Identification of Maintenance Issue(s). If, during TVA's inspections and maintenance activities associated with its Protection Systems, TVA identifies an issue(s) on a Distributor-owned non-BES component that is a part of a TVA Protection System, TVA will notify Distributor of the Unresolved Maintenance Issue(s) and the need for corrective action(s). If during Distributor's inspection and maintenance activities, Distributor identifies an issue(s) on a TVA Protection System, Distributor will notify TVA.
2. Correction of Unresolved Maintenance Issues. Distributor will take actions consistent with good utility practice to correct any Unresolved Maintenance Issue(s) identified by TVA.
3. Evidence of Actions to Correct Unresolved Maintenance Issues. Distributor will maintain evidence of efforts undertaken to correct identified Unresolved Maintenance Issues, including, but not limited to, work orders, replacement component orders, invoices, project schedules, return materials authorizations, or purchase orders.
4. Reporting Form. Upon completion of efforts to correct identified Unresolved Maintenance Issues, Distributor will complete the reporting form included as Attachment 1 to this Appendix C and submit to TVA.
5. Evidence Retention. Distributor will retain the evidence described in Section 3 dating from TVA's immediately preceding compliance audit. TVA will inform Distributor of the date of its preceding compliance audit.

Executed this ____ day of _____, 2016.

By: _____

Print Name: _____

Title: _____

City of Starkville, Mississippi

By: _____

Jacinda B. Woodward
Senior Vice President
Transmission & Power Supply

Tennessee Valley Authority

Appendix D

Analysis and Mitigation of Transmission and Generation Protective System Misoperations

Reference: NERC Reliability Standard PRC-004

1. Reporting Responsibility. TVA will report any Protective System Misoperations to SERC/NERC and the Corrective Action Plan(s) for resolution.
2. Required Documentation. The Distributor will provide TVA with written documentation of all corrective actions taken after notification of Distributor equipment issues resulting in a reportable Misoperation. If the corrective actions are expected to require more than one quarter of a year to complete, Distributor will update TVA quarterly, and when requested by TVA, until the corrective actions are complete.
3. Completion of Corrective Action Plan. Distributor will complete any Corrective Actions for a Misoperation within two (2) years of the Misoperation. Distributor will notify TVA when each Corrective Action is complete.
4. Evidence. Distributor will maintain evidence of its completed Corrective Actions to avoid future Misoperations of a similar nature according to the SERC/NERC Criteria.
5. Data Retention. Distributor will retain data on its Misoperations and each accompanying Corrective Action Plan until the Corrective Action Plan has been executed or for twelve (12) months, whichever is later.

Executed this ____ day of _____, 2016.

By: _____

Print Name: _____

Title: _____

City of Starkville, Mississippi

By: _____

Jacinda B. Woodward
Senior Vice President
Transmission & Power Supply

Tennessee Valley Authority

Appendix E

Automatic Underfrequency Load Shedding (UFLS)

Reference: NERC Reliability Standard PRC-006

1. Data. Distributor will provide the data requested by TVA, in the format and schedule specified by TVA, to support maintenance of TVA's UFLS database required by NERC.
2. Data Retention. Distributor will retain dated evidence such as responses to data requests, spreadsheets, letters, or other dated documentation that it provided to TVA according to the format and schedule specified by TVA to support maintenance of TVA's UFLS database. Distributor will retain such dated evidence from the date of TVA's immediately preceding compliance audit. TVA will inform Distributor of the date of its preceding compliance audit.

Executed this ____ day of _____, 2016.

By: _____

Print Name: _____

Title: _____

City of Starkville, Mississippi

By: _____

Jacinda B. Woodward

Senior Vice President

Transmission & Power Supply

Tennessee Valley Authority

33. REQUEST AUTHORIZATION TO PURCHASE MOBILE311 WORK FLOW SOFTWARE AND ASSOCIATED SERVICE FROM FACILITY DUDE AT AN ANNUAL FEE OF \$15,470.00.

Upon the motion of Alderman Carver, duly seconded by Alderman Walker, to purchase Mobile311 work flow software and associated service from Facility Dude, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

Starkville Utilities Water Division and the Starkville Street Department are using an old un-supported version of Cartegraph. To upgrade to the current version providing the necessary entry points, the yearly fee would be in excess of \$24,000. We request authorization to replace the existing system with Mobile311 work flow software and associated service from Facility Dude for an annual fee of \$15,470.00

The Mobile311 system creates work items, prioritizes and assigns works, then reports and analyzes data gathered during work flow process. The system communicates work orders from office to field for more streamlined response to requests. In addition, the system is capable of tracking vehicle maintenance and providing alerts for scheduled maintenance. Initial set up and use for the remainder of the year is \$10,181.67 and will be shared by all departments sharing use of the system.

33. REQUEST APPROVAL FOR TERRY KEMP TO TRAVEL TO BILOXI, MS DURING THE MML CONFERENCE TO MEET WITH CONSULTANTS AND CONTRACTORS WITH ADVANCE TRAVEL OF APPROXIMATELY \$250.

Upon the motion of Alderman Carver, duly seconded by Alderman Little, to authorize Terry Kemp to travel to Biloxi, MS during the MML Conference to meet with consultants and contractors, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

33. REQUEST APPROVAL FOR STARKVILLE UTILITIES TO INSERT THE DRINKING WATER ANNUAL CONSUMER CONFIDENCE REPORT INTO THE JUNE UTILITY BILLS.

Upon the motion of Alderman Carver, duly seconded by Alderman Little, to authorize Starkville Utilities to insert the annual drinking water consumer confidence report into the June utility bills, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

2015 Drinking Water Quality Report

We're pleased to present to you this year's Annual Water Quality Report

This report is designed to inform you about the quality water and services we deliver to you every day. Our goal is to provide you with a safe and dependable supply of drinking water. We want you to understand the efforts we make to continually improve the water treatment process and protect our water resources. We are committed to ensuring the quality of your water. **We are proud to report that the water provided by The City of Starkville meets or exceeds established water-quality standards.**

Do I need to take special precautions?

Some people may be more vulnerable to contaminants in drinking water than the general population.

Immunocompromised persons such as those with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, senior citizens and infants can be particularly at risk from infections. These individuals should seek advice about drinking water from their health care providers. The EPA's Center for Disease Control (CDC) provides guidelines to lessen the risk of infection by Cryptosporidium and other microbial contaminants and are available from the Safe Water Drinking Hotline (800-426-4791).

Where does my water come from?

The City of Starkville is supplied by groundwater pumped from 7 wells, each about 1400 feet deep in the Gordo aquifer, into 2 treatment facilities located on the corner of Douglas L. Conner and Curry streets, an additional facility on the corner of Academy Rd. and S. Montgomery, and our treatment plant located on Bluefield Road. We also have five 500,000 gallon elevated storage tanks and 2 booster stations.

Source water assessment and its availability

Our source water assessment has been completed. Our wells ranked LOW in terms of susceptibility to contamination. For a copy of the report, please contact our office at 662-323-3505.

Why are there contaminants in my drinking water?

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline (800-426-4791).

How can I get involved?

If you have any questions about this report or your water utility, please contact Scott Thomas at 662-323-3505. We want our valued customers to be informed about their drinking water. If you wish to discuss your drinking water with the Board of Alderman, you may be placed on the meeting agenda by calling the Mayor's office at 662-324-4011, ext. 101. Regular Board meetings occur on the 1st and 3rd Tuesdays of each month in the City Hall board room at 5:30 PM. The public is welcome.

Water Conservation

The City of Starkville is committed to developing a sustainable community. We are fortunate to have a plentiful and inexpensive supply of ground water. However, we believe that we must take steps today to ensure that this precious life sustaining resource will be available to future generations.

The average U.S. household uses approximately 400 gallons of water per day or 100 gallons per person per day. There are many low-cost and no-cost ways to conserve water. Small changes can make a big difference. Some suggested measures are:

- Take short showers - a 5 minute shower uses 4 to 5 gallons of water compared to up to 50 gallons for a bath.
- Shut off water while brushing your teeth, washing your hair and shaving and save up to 500 gallons a month.
- Use a water-efficient showerhead. They're inexpensive, easy to install, and can save you up to 750 gallons a month.
- Run your clothes washer and dishwasher only when they are full. You can save up to 1,000 gallons a month.
- Water plants only when necessary.
- Fix leaky toilets and faucets. Faucet washers are inexpensive and take only a few minutes to replace. To check your toilet for a leak, place a few drops of food coloring in the tank and wait. If it seeps into the toilet bowl without flushing, you have a leak. Fixing it or replacing it with a new, more efficient model can save up to 1,000 gallons a month.
- Adjust sprinklers so only your lawn is watered. Apply water only as fast as the soil can absorb it and during the cooler parts of the day to reduce evaporation.
- Discuss water conservation with your children. Try initiating a family project to chart each month's water bill so that the results of your conservation efforts are visible.
- Visit www.epa.gov/watersense for more information.

Source Water Protection

You can help protect your community's drinking water source in several ways:

- Eliminate excess use of lawn and garden fertilizers and pesticides – they contain hazardous chemicals that can reach your drinking water source.
- Pick up after your pets.
- If you have your own septic system, properly maintain your system to reduce leaching to water sources or consider connecting to a public sewer system.
- Dispose of chemicals properly; take used motor oil to a recycling center.
- Volunteer in your community. Find a watershed or wellhead protection organization in your community and volunteer to help. If there are no active groups, consider starting one. Use EPA's "Adopt Your Watershed" service to locate groups in your community or visit the Watershed Information Network's "How to Start a Watershed Team."
- Continue the storm drain labeling project started in Starkville by a local Cub Scout pack. Labels were placed at many street drains reminding people "Dump No Waste - Drains to River" or "Protect Your Water." Produce

and distribute a flyer for households to remind residents that storm drains dump directly into your local water body.

Additional Information Regarding Lead

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The City of Starkville is responsible for providing high quality drinking water, but cannot control the variety of materials used in household plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline (800-426-4791) or at <http://www.epa.gov/safewater/lead>.

Water Quality Data Table

The table below lists all of the drinking water contaminants that we detected during the calendar year of this report. The presence of contaminants in the water does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in this table is from testing done in the calendar year of the report. The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently.

| <u>Contaminants</u> | <u>MCLG or MRDLG</u> | <u>MCL, TT, or MRDL</u> | <u>Your Water</u> | <u>Range</u> | | <u>Sample Date</u> | <u>Violation</u> | <u>Typical Source</u> |
|---|------------------------------|---------------------------------|-----------------------|--------------|-------------|------------------------|------------------|---|
| | | | | <u>Low</u> | <u>High</u> | | | |
| Disinfectants & Disinfectant By-Products | | | | | | | | |
| (There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants) | | | | | | | | |
| Chlorine (as Cl ₂) (ppm) | 4 | 4 | 0.80 | 0.4 | 1.40 | 2014 | No | Water additive used to control microbes |
| Haloacetic Acids (HAA5) (ppb) | NA | 60 | 11 | 0 | 11 | 2014 | No | By-product of drinking water chlorination |
| Total Trihalomethanes (ppb) | NA | 60 | 2.04 | 0 | 2.04 | 2014 | No | By-product of drinking water chlorination |
| Inorganic Contaminants | | | | | | | | |
| Chromium(ppm) | .1 | .1 | .003 | .0019 | .003 | 2013 | No | Discharge from steel and pulp mills; Erosion of natural deposits |
| Barium (ppm) | 2 | 2 | 0.1127 | 0.0497 | 0.1127 | 2013 | No | Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposits |
| Selenium (ppm) | .05 | .05 | 0.0043 | ND | 0.0043 | 2013 | No | Discharge from petroleum and metal refineries; Erosion of natural deposits; Discharge from mines |
| Fluoride (ppm) | 4 | 4 | .391 | .132 | .391 | 2013 | No | Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories |

| Nitrate (ppm) | 10 | 10 | 0.14 | 0.08 | 0.14 | 2015 | No | Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits |
|--|-------------|-----------|-------------------|--------------------|-------------------------------|-------------------|--|---|
| Nitrate - Nitrite(ppm) | 10 | 10 | 0.14 | 0.1 | 0.14 | 2015 | No | Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits |
| <u>Contaminants</u> | <u>MCLG</u> | <u>AL</u> | <u>Your Water</u> | <u>Sample Date</u> | <u># Samples Exceeding AL</u> | <u>Exceeds AL</u> | <u>Typical Source</u> | |
| Inorganic Contaminants | | | | | | | | |
| Lead - action level at consumer taps (ppm) | 0 | 15 | .0006 | 2013 | 0 | No | Corrosion of household plumbing systems; Erosion of natural deposits | |

In this table you will find many terms and abbreviations you might not be familiar with. To help you better understand these terms we've provided the following definitions:

Non-Detects (ND) - laboratory analysis indicates that the constituent is not present.

Parts per million (ppm) or Milligrams per liter (mg/l) - one part per million corresponds to one minute in two years or a single penny in \$10,000.

Parts per billion (ppb) or Micrograms per liter - one part per billion corresponds to one minute in 2,000 years, or a single penny in \$10,000,000.

Picocuries per liter (pCi/L) - picocuries per liter is a measure of the radioactivity in water.

Action Level - the concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

Treatment Technique (TT) - A treatment technique is a required process intended to reduce the level of a contaminant in drinking water.

Maximum Contaminant Level - The "Maximum Allowed" (MCL) is the highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

Maximum Contaminant Level Goal - The "Goal"(MCLG) is the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

To comply with the "Regulation Governing Fluoridation of Community Water Supplies", our system is required to report certain results pertaining to fluoridation of our water system. The number of months in the previous calendar year that average fluoride sample results were within the optimal range of 0.7-1.3 ppm was 9. The percentage of fluoride samples collected in the previous calendar year that was within the optimal range of 0.7-1.3 ppm was 81%.

For more information please contact:

| | | | |
|---------------|--|---------|---------------------------------|
| Contact Name: | Scott Thomas | Phone: | 662-323-3505 |
| Address: | 200 N Lafayette Street | E-Mail: | sthomas@starkvilleutilities.com |
| | Starkville, MS 39759 | Fax: | 662-338-5102 |
| | Website: http://www.starkvilleelectric.com | | |

33. REQUEST APPROVAL FOR TERRY KEMP AND RUSSELL HAMILTON TO TRAVEL TO ATLANTA, GA JUNE 15, 2016 TO MEET WITH SEDC, OUR CIS PROVIDER, AT NO COST TO THE CITY.

Upon the motion of Alderman Carver, duly seconded by Alderman Perkins, to authorize Terry Kemp and Russell Hamilton to travel to Atlanta, GA on June 15, 2016 to meet with SEDC, our CIS provider, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A'. Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Yea |

Having received a majority affirmative vote, the Mayor declared the motion passed.

34. A MOTION TO ENTER INTO A CLOSED SESSION TO DETERMINE IF THERE IS PROPER CAUSE FOR EXECUTIVE SESSION.

There came for consideration the matter of entering a closed session to determine if there is a proper cause for executive session. Upon the Motion of Alderman Little, duly seconded by Alderman Wynn, to enter into a Closed Session to determine if there is proper cause for Executive Session, the Board voted as follows:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Yea |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Absent |

Having received a majority affirmative vote, the Mayor declared the motion passed. The Board entered closed session.

35. A MOTION TO ENTER EXECUTIVE SESSION TO CONSIDER THE DISCIPLINARY ACTION OF A SANITATION EMPLOYEE, PENDING LITIGATION RELATED TO AN ETHICS COMPLAINT AND A PENDING EEOC COMPLAINT AGAINST THE CITY FILED BY A FORMER EMPLOYEE.

Alderman Walker offered a motion to enter Executive Session for the purpose of consideration of the disciplinary action of a sanitation employee, pending litigation related to an ethics complaint and a pending EEOC complaint against the city filed by a former employee on a finding that the proposed topics qualified for Executive Session. Following a second by Alderman Wynn,, the Board voted as follows to enter Executive Session:

| | |
|----------------------------|---------------|
| Alderman Ben Carver | Voted: Absent |
| Alderman Lisa Wynn | Voted: Yea |
| Alderman David Little | Voted: Yea |
| Alderman Jason Walker | Voted: Yea |
| Alderman Scott Maynard | Voted: Absent |
| Alderman Roy A' Perkins | Voted: Yea |
| Alderman Henry Vaughn, Sr. | Voted: Absent |

Having received an affirmative vote, the Mayor declared the motion passed.

The Mayor invited the public back in, and after allowing the public time to enter the room, made the announcement of the Board's decision to enter into Executive Session for the purpose of considering the disciplinary action of a sanitation employee, pending litigation related to an ethics complaint and a pending EEOC complaint against the city filed by a former employee on a finding that the proposed topics qualified for Executive Session.

At this time the Board entered Executive Session.

36. A MOTION TO RETURN TO OPEN SESSION.

Upon the motion of Alderman Little, duly seconded by Alderman Wynn, to return to Open Session, the Board voted as follows:

| | |
|---------------------|---------------|
| Alderman Ben Carver | Voted: Absent |
| Alderman Lisa Wynn | Voted: Yea |

Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Absent
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Absent

Having received a majority affirmative vote, the Mayor declared the motion passed.

The Mayor invited the public back in and then announced that the Board had taken action in Executive Session.

37. A MOTION TO RATIFY THE REQUEST OF THE SANITATION DIRECTOR OF DISCIPLINARY ACTION OF A SANITATION EMPLOYEE.

Upon the motion of Alderman Little, duly seconded by Alderman Wynn, to ratify the request of the Sanitation Director of disciplinary action of a sanitation employee, the Board voted as follows:

Alderman Ben Carver Voted: Absent
Alderman Lisa Wynn Voted: Yea
Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Absent
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Absent

Having received a majority affirmative vote, the Mayor declared the motion passed.

38. A MOTION TO RECESS UNTIL JUNE 21, 2016 @ 5:30 IN THE COURT ROOM AT CITY HALL LOCATED AT 110 WEST MAIN STREET.

Upon the motion of Alderman Little, duly seconded by Alderman Wynn, for the Board of Aldermen to recess the meeting until June 21, 2016 @ 5:30 at 110 West Main Street in the Court Room of City Hall, the Board voted as follows:

Alderman Ben Carver Voted: Absent
Alderman Lisa Wynn Voted: Yea
Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Scott Maynard Voted: Absent
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Absent

Having received a majority affirmative vote, the Mayor declared the motion passed.

SIGNED AND SEALED THIS THE _____ DAY OF _____ 2016.

Attest:

PARKER WISEMAN, MAYOR

LESA HARDIN, CITY CLERK

(SEAL)