

TAX INTERCEPT AGREEMENT

This **TAX INTERCEPT AGREEMENT**, dated May __, 2021 (this "**Agreement**"), is by and between the **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic (the "**Bank**"), created pursuant to the provisions of Sections 31-25-1 et seq., Mississippi Code of 1972, as amended (hereinafter referred to as the "**Act**") and the **CITY OF PASCAGOULA, MISSISSIPPI** (hereinafter referred to as the "**City**"), a "local governmental unit" under the Act and accepted by U.S. Bank National Association, as Trustee (the "**Trustee**").

WITNESSETH

WHEREAS, pursuant to the Act, the Bank is authorized to loan money (as set forth in the Act) to "local governmental units" (as defined in the Act); and

WHEREAS, the Bank has duly authorized a loan between the Bank and the City (the "**Loan**") pursuant to the terms of a Loan Agreement, dated May __, 2021 (as supplemented, amended or restated from time to time, the "**Loan Agreement**"), by and between the Bank and the City secured by a Promissory Note (Pascagoula, Mississippi Capital Improvements Project), of the City, in the principal amount of _____ Dollars (\$_____) (the "**Note**") and the Bank expects to provide the funds for the Loan from the proceeds of the Bonds of the Bank as hereinafter set forth; and

WHEREAS, pursuant to the Indenture of Trust, dated May __, 2021 (as supplemented, amended or restated from time to time, the "**Indenture**"), by and between the Bank and the Trustee, the Bank has duly authorized the issuance of its bonds designated as \$_____ Mississippi Development Bank Special Obligation Bonds, Series 2021 (Pascagoula, Mississippi Capital Improvements Project), dated May __, 2021 (the "**Bonds**"), the proceeds of which will be used to provide the funds for the Loan between the Bank and the City; and

WHEREAS, any local governmental unit is authorized under Section 31-25-28(5) of the Act to agree in writing with the Bank that the Mississippi Department of Revenue (the "**Department**") or any other agency, department or commission created pursuant to law of the State of Mississippi (the "**State**") shall (a) withhold all or any part (as agreed by the local governmental unit) of any monies that such local governmental unit is entitled to receive from time to time pursuant to any law and that is in the possession of the Department, or any State agency, department or commission created pursuant to State law and (b) pay the same over to the Trustee to satisfy any delinquent payments on any loan made to such local governmental unit under provisions of the Act and any other delinquent payments due and owing the Bank by such local governmental unit, all as the same shall occur.

NOW, THEREFORE, the Bank and the City agree as follows:

1. As authorized by the Act, the City hereby covenants, agrees and authorizes the Department or any other state agency, department or commission created pursuant to State law to (a) withhold all or any part of any monies which the City is entitled to receive from time to time pursuant to any law and which is in possession of the Department or any other State agency, department or commission created pursuant to State law, including, without limitation, any local taxes from the Department (the "**Tax Monies**") and (b) pay same over to the Trustee to satisfy any delinquent payment under Sections 4.2 and/or 4.4 of the Loan Agreement (the "**Delinquent Payment**").

2. Subject to paragraph 1 above, if on the fifteenth (15th) day of April and October of each year, beginning October 15, 20__, the Trustee has not received sufficient City Revenues (as defined in the Loan Agreement) to timely make the payments under Sections 4.2 and/or 4.4 of the Loan Agreement, the Bank hereby authorizes and directs the Trustee under the provisions of this Agreement to file this Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the Department or any other State agency, department or commission, thereby directing the Department or any other State agency, department or commission to pay any Tax Monies directly to the Trustee on behalf of the Bank to satisfy any Delinquent Payment, all as permitted under the Act. In any event, if the

City fails to make timely payments under the Loan Agreement and the Note, as provided in Sections 4.2 and 4.4 of the Loan Agreement, the Trustee is hereby further directed to file this Agreement with the Department or other state agency, department or commission, and take further action to recover Tax Monies under the Indenture. This paragraph 2 includes requirements in addition to the requirements under paragraph 1 and this paragraph 2 in no way limits the rights of the Trustee or the Bank. To the extent the Act requires the Bank rather than the Trustee to file this Agreement with the Department or other state agency, department or commission, the Bank shall take all action required under the Act to recover Tax Monies for application under the Indenture to pay amounts due on the Bonds.

3. The Trustee is hereby directed under the Indenture to pay any Tax Monies into the General Account of the General Fund (as those terms are defined in the Indenture) to be applied in accordance with Section 6.05 under the Indenture, and the City hereby agrees with such direction.

4. The term Tax Monies as defined herein shall exclude any monies held by the Department or any other State agency, department or commission created pursuant to State law to the extent amounts are to be paid to the City for the benefit of a separate school district or any other political subdivision other than the City.

5. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute one and the same instrument. The Bank and City each agree that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Agreement or as otherwise required to recover Tax Monies pursuant to the Act to pay amounts due on the Bonds. This Agreement may not be amended or waived without the prior written consent of the registered owners of the majority of the principal amount of the Bonds outstanding.

6. No waiver by either the Bank or the City of any term or condition of this Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Agreement.

7. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the Bank and the City relating to the subject matter hereof and constitutes the entire Agreement between the Bank and the City in respect hereof.

[Remainder of page intentionally left blank; signatures to follow.]

IN WITNESS WHEREOF , we have hereunto set our hands as of the date first above written.

MISSISSIPPI DEVELOPMENT BANK

By _____
Executive Director

ATTEST:

Secretary

CITY OF PASCAGOULA , MISSISSIPPI

By _____
Mayor

ATTEST:

City Clerk

ACCEPTED BY:

AS TRUSTEE

By _____
Authorized Signatory