

**RESOLUTION NO. R-2021-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS (“CITY”), APPROVING (I) THE RESOLUTION OF THE BOARD OF DIRECTORS OF BAY CITY COMMUNITY DEVELOPMENT CORPORATION (“CORPORATION”) REGARDING A LOAN IN THE AMOUNT OF \$3,190,660.65; (II) A SALES TAX REMITTANCE AGREEMENT BETWEEN THE CITY AND THE CORPORATION; (III) RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE LOAN; AND (IV) THE AUTHORITY OF THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A GENERAL CERTIFICATE OF THE CITY AND THE SALES TAX REMITTANCE AGREEMENT.**

**WHEREAS**, the Bay City Economic Development Corporation (the “*Corporation*”) has been duly created and organized pursuant to the provisions of Chapter 505, Local Government Code, as amended (formerly Section 4B of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended) (the “*Act*”) by the City of Bay City, Texas (the “*City*”); and

**WHEREAS**, pursuant to the Act, the Corporation is empowered to borrow money for the purpose of financing the cost of any “*project*” defined as such by the Act; and

**WHEREAS**, the Board of Directors of the Corporation has found and determined that refinancing (a) that certain promissory note in the original principal amount of \$1,947,759.63 dated as of May 31, 2016 executed by the Corporation and payable to Government Capital Corporation (the “*Series 2016 Note*”) and (b) that certain promissory note in the original principal amount of \$2,033,620.51 dated as of April 25, 2016 executed by the Corporation and payable to Government Capital Corporation (the “*Series 2016A Note*” and together with the Series 2016 Note the “*Refunded Obligations*”) is authorized under the Act and loan proceeds may be used for such financing pursuant to that certain Loan Agreement, dated as of April 23, 2021, (as amended, restated, supplemented and/or otherwise modified, the “*Loan Agreement*”) in the original principal amount of \$3,190,660.65 (the “*Loan*”) between the Corporation and Government Capital Corporation (the “*Lender*”); and

**WHEREAS**, the Corporation proposes to enter into a Sales Tax Remittance Agreement, dated as of April 23, 2021, (as amended, restated, supplemented and/or otherwise modified, the “*Sales Tax Remittance Agreement*”) with the City; pursuant to, which among other things, the Corporation will pledge its sales tax revenues to the Lender to secure repayment of the Loan;

**WHEREAS**, the Act requires the City Council of the City approve the resolution of the Corporation providing for the execution and delivery of the Loan Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS:**

**Section 1.** The Resolution approving the Loan Agreement and authorizing the issuance of the Series 2021 Note (as defined in the Loan Agreement) authorized by the Corporation (the “Corporation Resolution”) on March 15, 2021, and submitted to the City Council this day, is hereby approved in all respects. The Series 2021 Note is being issued to refinance the Refunded Obligations and to pay the Costs of Issuance (as defined in the Loan Agreement).

**Section 2.** The approvals herein given are in accordance with the Act, and the Series 2021 Note shall never be construed an indebtedness or pledge of the City, or the State of Texas (the “State”), within the meaning of any constitutional or statutory provision, and the owner of the Note shall never be paid in whole or in part out of any funds raised or to be raised by taxation (other than sales tax proceeds as authorized pursuant to Chapter 505 of the Act) or any other revenues of the Corporation, the City, or the State, except those revenues assigned and pledged by the Loan Agreement and the Sales Tax Remittance Agreement.

**Section 3.** The City hereby agrees to promptly collect and remit to the Corporation the Economic Development Sales and Use Tax (defined in the Loan Agreement) to provide for the prompt payment of the Series 2021 Note, and to assist and cooperate with the Corporation in the enforcement and collection of sales and use taxes imposed on behalf of the Corporation.

**Section 4.** The Sales Tax Remittance Agreement attached hereto as Exhibit A is incorporated by reference as a part of this Resolution for all purposes, with respect to the obligations of the City and Corporation during the time the Series 2021 Note is outstanding, is hereby reapproved as to form and substance. Furthermore, the Mayor and the City Secretary and the other officers of the City are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution.

**Section 5.** It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by V.T.C.A. Government Code, Chapter 551, as amended.

**Section 7.** This Resolution shall be in force and effect from and after its passage on the date shown below.

*[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]*

**PASSED AND ADOPTED**, this \_\_\_\_ day of \_\_\_\_\_, 2021.

**CITY OF BAY CITY, TEXAS**

\_\_\_\_\_  
Robert K. Nelson, Mayor

**ATTEST:**

\_\_\_\_\_  
Jeanna Thompson, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Anne Marie Odefey, City Attorney

**EXHIBIT A**

**Sales Tax Remittance Agreement**