

September 3, 2024

Mayor and City Council
City of Bay St. Louis, Mississippi
688 Highway 90
Bay St. Louis, Mississippi 39520

Re: City of Bay St. Louis, Mississippi Taxable Grant Anticipation Note (the "Note")

Ladies and Gentlemen:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as note counsel to the City of Bay St. Louis, Mississippi (the "City") in connection with the issuance of the above-referenced Note. We understand that: (1) the Note is being issued pursuant to Section 21-33-326, Mississippi Code of 1972, as amended and/or supplement from time to time (the "Act") for the purpose of providing interim financing in anticipation of a grant or grants to (i) pay the costs incurred and to be incurred by the City as a result of Hurricane Zeta, including, but not limited to, the cost of (a) debris removal necessitated by damaged and destroyed residential, commercial and other structures and uprooted, blown down and broken trees and other vegetative debris which are creating public hazards to the citizens of the City, (b) damage caused to culverts, roadways and bridges, and (c) damage caused to public buildings; and (ii) pay the costs incident to the issuance and sale of the Note. We further understand that the Note is proposed to be sold at a private sale at such subsequent date as determined by the Mayor and City Council of the City.

SCOPE OF ENGAGEMENT

In connection with this engagement, we expect to perform the following duties:

1. Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Special Counsel Opinion") regarding the validity and binding effect of the Note, the source of payment and security for the Note, and the excludability of interest on the Note from gross income for federal and State of Mississippi (the "State") income tax purposes;
2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Note and coordinate the authorization and execution of such documents;
3. Assist the City in seeking from any other governmental authorities such approvals, permissions, and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Note, except that we will not be responsible for any

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required Blue Sky filings;

4. Review legal issues relating to the structure of the Note issue;
5. Assist with pursuing validation proceedings under State law;
6. Assist the City in presenting information to Note rating organizations, if necessary, and providers of credit enhancement relating to legal issues affecting the issuance of the Note;
7. Review the request for financing pertaining to the placement of the Note.

Our Special Counsel Opinion will be addressed to the City and will be delivered by us on the date of delivery of the Note. The Special Counsel Opinion will be based on facts and laws existing as of its date. In rendering our Special Counsel Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the City with applicable laws relating to the Note. During the course of this engagement we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Note and its security. We understand that you will direct members of your staff and other employees of the City to cooperate with us in this regard. In rendering our Special Counsel Opinion, we will expressly rely upon other counsel as to due authorization, execution and delivery of Note documents executed by the City.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties under this engagement, without a separate engagement as may hereafter be agreed between the parties, do not include:

1. Assisting in the preparation or review of the Official Statement or Private Placement Memorandum or any other disclosure document with respect to the Note, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the Official Statement or Private Placement Memorandum or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;
2. Preparing request for tax rulings from the Internal Revenue Service ("IRS") or no action letters from the Securities and Exchange Commission ("SEC");
3. If applicable, preparing Blue Sky or investment surveys with respect to the Note;
4. Drafting State constitutional or legislative amendments;
5. Pursuing test cases or other litigation, such as contested validation proceedings;
6. Making an investigation or expressing any view as to the creditworthiness of the City or the Note;
7. Representing the City in IRS examinations or inquiries, or SEC investigations;

8. After closing, providing continuing advice to the City or any other party concerning any actions necessary to assure that interest paid on the Note will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Note). Although our present engagement does not include rebate analysis and post-issuance advice relating to the Note, we would like to discuss with you a separate engagement involving rebate and other post-issuance compliance matters for the Note and other Note issues that you may have issued on various occasions. This includes the drafting of a formal debt management policy and post-issuance tax compliance policy;

9. Except as described in paragraph 8 above, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Note or, after closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking;

10. Giving and/or providing any financial advice or financially-related recommendations concerning the issuance of the Note as mandated by SEC and/or MSRB rules; or

11. Addressing any other matters not specifically set forth above that is not required to render our Special Counsel Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between us. We understand that counsel to the City has been engaged by the City to assist with the issuance of the Note, particularly as to the authorization, execution and delivery of Note documents. We assume that all other parties will retain such counsel, as they deem necessary and appropriate to represent their interest in this transaction. We further assume that all other parties understand that in this transaction we represent only the City, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as Note counsel are limited to those contracted for in this letter, and the City's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the City will not affect, however, our responsibility to render an objective Special Counsel Opinion.

Our representation of the City and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Note. Nevertheless, subsequent to Closing, we will mail to the IRS the appropriate IRS Form 8038-G, if applicable, and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Note.

PROSPECTIVE CONSENT

As you are aware, Butler Snow represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the City, one or more of our present or future clients will have transactions with the City. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Note. We do not believe that such representation, if it occurs, will adversely affect our ability

to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Note so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Note. Execution of this letter will signify the City's consent to our representation of others consistent with the circumstances described in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Note; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we will assume in connection therewith, our fee will be \$25,000 plus expenses such as travel costs, deliveries, copies, transcripts, telephone charges, filing fees, computer-assisted research and other expenses.

If the financing is not consummated, we understand and agree that we will not be paid for our time expended on your behalf but will be paid for client charges made or incurred on your behalf.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other material retain by us after the termination of this engagement.

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

BUTLER SNOW LLP



Sue H. Fairbank

Accepted and Approved:

CITY OF BAY ST. LOUIS, MISSISSIPPI

By: _____
Michael J. Favre, Mayor

Dated: _____

Authorized by Resolution of the Mayor and City Council of the City of Bay St. Louis, Mississippi, dated September 3, 2024.

BUTLER SNOW LLP
STANDARD BILLING TERMS AND CHARGES FOR EXPENSES
As of January 1, 2024

Butler Snow LLP (the "*Firm*") will bill clients on a monthly basis for legal services, unless another arrangement is agreed to and approved in writing by the Firm and you. The Firm typically sends bills for legal services and expenses via the U.S. Postal Service or by e-mail. Electronic billing services may also be used by specific agreement.

It is our goal that our bills are easy to understand, simple, and reflect appropriate charges for the value our services provide. As such, we do not charge for many incidental costs or routine services. We are continually working to ensure that our bills are clear and understandable. Should you have questions about any aspect of your bill, please contact the Firm as soon as possible so that your concerns may be quickly resolved. The chart below spells out the complete details of our expense charges. Our payment terms are payment within 15 days of receipt of the bill, unless other arrangements are agreed to in advance.

Any overpayments or duplicate payments the Firm receives that cannot be posted to an outstanding bill ("unapplied payments") will be deposited into the Firm's operating account upon receipt and posted as unapplied cash to the client's account. These unapplied payments will either be applied to a future bill or refunded to the client, whichever is appropriate.

Document Reproduction	No charge for routine reproduction (under 50 pages per day)
Normal sized documents (up to 11 x 17)	For reproduction in excess of 50 pages per day – Black & White: \$0.10/page Color: \$0.25/page
	Bates Labeling – Electronic: \$0.05/page Manual: \$0.15/page
Oversize documents (size in excess of 11 x 17)	Charge for each page – no exclusion Black & white: \$6.00/page Color: \$30.00/page
Electronic Data Manipulation	\$75/hour
Document Scanning	No charge for routine scanning (except evidentiary materials) Bulk scanning of evidentiary documents: \$0.06/page <i>(additional charge for document coding)</i>
Oversize documents (size in excess of 11 x 17)	\$10.00/page
Wire Transfers	Outgoing: International: \$45/wire Domestic: \$20/wire
Audio/Visual Duplication & Reproduction	\$12.00 each
Large Electronic Data Storage	Priced per matter
Computerized Legal Research	No charge for basic research. \$25/search for public records, Mealey's treatises, and Lexis briefs, motions and expert directory databases. Specialized research at actual cost with prior client approval
Electronic retrieval of Court documents	\$0.40 / document
Fax and Long Distance Phone	No charge for calls within the United States. Non-domestic and conference calls charged at actual cost.
Travel (personal vehicle)	Current Standard Mileage Rate as allowed by the IRS
Messenger Delivery and Service of Subpoenas or Summons	Deliveries under 10 miles one way - No charge Deliveries 10 - 25 miles one-way - \$25.00 Deliveries over 25 miles one-way - \$10.00/ hour plus mileage Service of Subpoenas/Summons - \$35.00 plus delivery
Overnight Delivery (Federal Express)	Charged at actual cost per package
Postage	No charge for routine postage (under \$25 per day) Bulk mailing postage: at actual cost



**NOTICE TO CLIENTS OF BUTLER SNOW'S
RECORD RETENTION & DESTRUCTION POLICY FOR CLIENT FILES**

Butler Snow maintains its client files electronically. Ordinarily, we do not keep separate paper files. We will scan documents you or others send to us related to your matter to our electronic file for that matter and will ordinarily retain only the electronic version while your matter is pending. **Unless you instruct us otherwise, once such documents have been scanned to our electronic file, we will destroy all paper documents provided to us.** If you send us original documents that need to be maintained as originals while the matter is pending, we ordinarily will scan those to our client file and return the originals to you for safekeeping. Alternatively, you may request that we maintain such originals while the matter is pending. If we agree to do that, we will make appropriate arrangements to maintain those original documents while the matter is pending.

At all times, records and documents in our possession relating to your representation are subject to Butler Snow's Record Retention and Destruction Policy for Client Files. Compliance with this policy is necessary to fulfill the firm's legal and ethical duties and obligations, and to ensure that information and data relating to you and the legal services we provide are maintained in strict confidence at all times during and after the engagement. All client matter files are subject to these policies and procedures.

At your request, at any time during the representation, you may access or receive copies of any records or documents in our possession relating to the legal services being provided to you, excluding certain firm business or accounting records. We reserve the right to retain originals or copies of any such records or documents as needed during the course of the representation.

Unless you instruct us otherwise, once our work on this matter is completed, we will designate your file as a closed file on our system and will apply our document retention policy then in effect to the materials in your closed files. At that time, we ordinarily will return to you any original documents we have maintained in accordance with the preceding paragraph while the matter was pending. Otherwise, we will retain the closed file materials for our benefit and subject to our own policies and procedures concerning file retention and destruction. Accordingly, if you desire copies of any documents (including correspondence, e-mails, pleadings, contracts, agreements, etc.) related to this matter or generated while it was pending, you should request such copies at the time our work on this matter is completed.

You will be notified and given the opportunity to identify and request copies of such items you would like to have sent to you or someone else designated by you. You will have 30 days from the date our notification is sent to you to advise us of any items you would like to receive. You will be billed for the expense of assimilating, copying and transmitting such records. We reserve the right to retain copies of any such items as we deem appropriate or necessary for our use. Any non-public information, records or documents retained by Butler Snow and its employees will be kept confidential in accordance with applicable rules of professional responsibility.

Any file records and documents or other items not requested within 30 days will become subject to the terms of Butler Snow's Record Retention and Destruction Policy for Client Files and will be subject to final disposition by Butler Snow at its sole discretion. Pursuant to the terms of Butler Snow's Record Retention and Destruction Policy for Client Files, all unnecessary or extraneous items, records or documents may be removed from the file and destroyed. The remainder of the file will be prepared for closing and placed in storage or archived. It will be retained for the period of time established by the policy for files related to this practice area, after which it will be completely destroyed. This includes all records and documents, regardless of format.

While we will use our best efforts to maintain confidentiality and security over all file records and documents placed in storage or archived, to the extent allowed by applicable law, Butler Snow specifically disclaims any responsibility for claimed damages or liability arising from damage or destruction to such records and documents, whether caused by accident; natural disasters such as flood, fire, or wind damage; terrorist attacks; equipment failures; breaches of Butler Snow's network security; or the negligence of third-party providers engaged by our firm to store and retrieve records.