

The Mayor and City Council (the “**Governing Body**”) of the City of Bay St. Louis, Mississippi (the “**City**”) acting for and on behalf of the City, took up for consideration the matter of approving and authorizing the City’s Equipment Lease Purchase Agreement for certain equipment to be used throughout the City (the “**Project**”), and to pay for associated transactional costs:

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BAY ST. LOUIS, MISSISSIPPI (THE “CITY”), AUTHORIZING AND APPROVING THE FORM OF AND EXECUTION OF AN EQUIPMENT LEASE PURCHASE AGREEMENT BETWEEN THE CITY AND CADENCE EQUIPMENT FINANCE, A DIVISION OF CADENCE BANK, AND RELATED MATTERS.

WHEREAS, pursuant to Section 31-7-13(b) of the Mississippi Code of 1972, as amended, the City is authorized by Sections 31-7-13(e) *et seq.* of the Mississippi Code of 1972, as amended and supplemented from time to time (the “**Act**”) to finance the lease-purchase of equipment; and

WHEREAS, the City sent requests to five banks, a copy of the Request for Financing (the “**Request for Financing**”) and the list of banks is attached hereto as **EXHIBIT A** and made a part hereof, soliciting proposals for the financing of the Project with proposals due on or before August 14, 2024; and

WHEREAS, the City received proposals from three banks on or before August 14, 2024, a copy of each proposal is attached hereto as **EXHIBIT B** and made a part hereof, and after due consideration by the Governing Body, the proposal by Cadence Equipment Finance (the “**Bank**”), was determined by the Governing Body on August 20, 2024 to contain the lowest and best interest rate and most favorable terms for the City; and

WHEREAS, there has been prepared and submitted to the City an Equipment Lease-Purchase Agreement, October 29, 2024, by and between the City and the Bank, along with Exhibit A, Special Stipulations, dated the date of closing, and Equipment Lease Schedule No. 008, to be dated the date of closing, along with any and all attachments, for the equipment contained in the Request for Financing (collectively, the “**Lease Purchase Agreement**”); and

WHEREAS, the Governing Body does now find, determine and adjudicate that the Lease Purchase Agreement regarding the financing of the Project are in the best interest of the City and finds it necessary to approve the form of and the execution of the Lease Purchase Agreement; and

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

SECTION 1. This resolution is adopted by the Governing Body of the City pursuant to the Act and all matters and things recited in the premises and preamble of this resolution are found and determined to be true and accurate.

SECTION 2. The Governing Body herein authorizes Butler Snow LLP, Gulfport, Mississippi, as City Counsel, to prepare the resolutions, documents, certificates and opinions necessary for the Project.

SECTION 3. The Governing Body hereby approves the forms of and execution of the Lease Purchase Agreement and hereby authorizes the Mayor of the City (the “**Mayor**”) and the City Clerk to execute the Lease Purchase Agreement on behalf of the Governing Body and the City. All provisions of the Lease Purchase Agreement, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be part of this resolution fully and to the same extent as if separately set out verbatim herein, which said Lease Purchase Agreements shall be

in substantially the form as provided in **EXHIBIT C**, attached hereto and made a part hereof, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

SECTION 4. The City hereby covenants that it will not make any use of the proceeds of the Lease Purchase Agreement or do or suffer any other action that would cause: (i) the Lease Purchase Agreement to be “arbitrage bonds” as such term is defined in Section 148(a) of the Code, and the regulations promulgated thereunder (the “**Regulations**”); (ii) the interest on the Lease Purchase Agreement to be included in the gross income of the Bank thereof for federal income taxation purposes; or (iii) the interest on the Lease Purchase Agreement to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 5. The City further represents and covenants as follows:

(a) The City shall timely file with the Ogden, Utah Service Center of the Internal Revenue Service, such information report or reports as may be required by Section 148(f) and 149(e) of the Code;

(b) The City shall take no action that would cause the Lease Purchase Agreement to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(c) The City shall take all necessary action to have the Lease Purchase Agreement registered within the meaning of Section 149(a) of the Code; and

(d) The City will not employ any device or abusive transaction with respect to the investment of the proceeds of the Lease Purchase Agreement.

SECTION 6. The interest on the Lease Purchase Agreement is exempt from federal income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Code. Under existing law, interest on the Lease Purchase Agreement is exempt from present taxes imposed by the State of Mississippi (the “**State**”) and any city, municipality or other political subdivision of the State, except for inheritance, estate and transfer taxes.

SECTION 7. The City reasonably expects that it will incur expenditures prior to the issuance of the Lease Purchase Agreement, which it intends to reimburse with the proceeds of the Lease Purchase Agreement upon the issuance thereof. This declaration of official intent to reimburse expenditures made prior to the issuance of the Lease Purchase Agreement in anticipation of the issuance of the Lease Purchase Agreement is made pursuant to Section 1.150-2 of the Regulations. The expenditures to be made as a result of the Project and the maximum principal amount of debt expected to be incurred for the financing thereof is \$74,160.00.

SECTION 8. The Governing Body hereby authorizes and directs any officer to approve the payment of costs incidental to the delivery of the Lease Purchase Agreement, including but not limited to the payment of legal and financial advisory fees, which may be paid from proceeds of the Lease Purchase Agreement.

SECTION 9. The Mayor of the City is hereby authorized and directed to sign requisitions and perform such other acts as may be necessary to authorize the payment of the costs associated with the Lease Purchase Agreement.

SECTION 10. The Mayor and the City Clerk are hereby further authorized and directed to execute and deliver any additional documents, agreements, instruments, requisitions and

certificates, which are required in connection with the Lease Purchase Agreement. If the date of the issuance and delivery of the Lease Purchase Agreement and/or the execution and delivery of any of the documents attached hereto and adopted hereby occurs after December 2024, then the Mayor and the City Clerk are hereby fully authorized to approve all applicable and necessary changes to the documents attached hereto or otherwise and related to such change to provide for the dating of the documents for the appropriate month in 2024, the execution of said documents being conclusive evidence of such approval, and no further action shall be required of the Governing Body of the City to approve such date changes.

SECTION 11. Except as otherwise expressly provided herein, nothing in this resolution, express or implied, is intended or shall be construed to confer upon any such person or form or corporation other than the Bank and the City, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any of the provisions hereof.

SECTION 12. In case any one or more of the provisions of this resolution or the Lease Purchase Agreement, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this resolution, but this resolution or any of the other documents, as applicable, shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained therein. The terms and conditions set forth in the Lease Purchase Agreement, the pledge of the moneys and property under the Lease Purchase Agreement, the receipt of payments made on the Lease Purchase Agreement, the provisions relating to the proceeds derived from the Lease Purchase Agreement, and receipts are all commitments and agreements on the part of the City and the validity or the invalidity of the Lease Purchase Agreement shall not affect the commitments on the part of the City to handle such proceeds and such moneys and property, and receipts for the purposes, in the manner and according to the terms and conditions fixed in the Lease Purchase Agreement, it being the intention hereof that such commitments on the part of the City are binding as if contained in this resolution separate and apart from the Lease Purchase Agreement.

SECTION 13. No stipulation, obligation or agreement herein contained or contained in the Lease Purchase Agreement or other documents necessary to conclude the closing shall be deemed to be a stipulation, obligation or agreement of any officer, director, agent or employee of the City in such person's individual capacity, and no such officer, director, agent or employee shall be personally liable on the Lease Purchase Agreement or be subject to personal liability or accountability by reason of the closing thereof.

SECTION 14. When the Lease Purchase Agreement is finalized and the transaction is closed, the City Clerk is hereby authorized and directed to prepare and furnish to the Bank certified copies of all the proceedings and records of the City, relating to the Lease Purchase Agreement and such other affidavits and certificates as may be required to show the facts relating to the legality of the Lease Purchase Agreement as such facts appear from the books and records of the City Clerk; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the trust of all statements contained therein.

SECTION 15. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, directors, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things to and execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all further actions and execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the Lease Purchase Agreement or other documents necessary to conclude the closing and to document the City's compliance with the Act.

SECTION 16. The Mayor and/or City Clerk are hereby authorized to sign and file or cause to be filed completed (a) one or more I.R.S. Form 8038-GC "Information Return for Government Obligations" as required by Section 149(e) of the Internal Revenue Code of 1986, as amended (the "**Code**") in connection with the Lease Purchase Agreement and (b) any other I.R.S. forms and/or certificates required to be filed in connection with the closing of the Lease Purchase Agreement.

SECTION 17. The City hereby designates the Lease Purchase Agreement as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the City hereby represents that:

(a) The City reasonably anticipates that the amount of tax-exempt obligations to be issued by it during the period from January 1, 2024, to December 31, 2024, and the amount of obligations designated as "qualified tax-exempt obligations" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Lease Purchase Agreement; and

(b) For purposes of this Section 17, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the County: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

SECTION 18. The Mayor and/or City Clerk are hereby authorized to execute a non-arbitrage certification or agreement in order to comply with Section 148 of the Code and the applicable regulations thereunder.

SECTION 19. All acts and doings of the officers of the City that are in conformity with the purposes and intents of this resolution and in furtherance of the closing of the Lease Purchase Agreement, from time to time, and the execution, delivery and performance of each of the documents to which the City is a party, shall be, and the same hereby are, in all respects approved and confirmed.

SECTION 20. This resolution shall become effective immediately and all resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, repealed.

SECTION 21. All orders, resolutions or proceedings of the Governing Body in conflict with the provisions of this resolution shall be and are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

Motion was made by Council Member Seal and seconded by Council Member Hoffman, for the adoption of the above and foregoing Resolution, and the question being put to a roll call vote, the result was as follows:

Council Member Doug Seal
Council Member Eugene "Gene" J. Hoffman
Council Member Jeffrey Reed
Council Member Kyle Lewis
Council Member Linda Kay Davis
Council Member Josh DeSalvo
Council Member Gary Knoblock

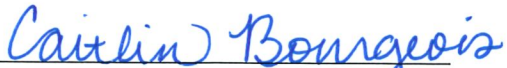
voted: YEA
voted: YEA
voted: YEA
voted: YEA
voted: YEA
voted: YEA
voted: YEA

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 22nd day of October 2024.

CERTIFICATION

I, Caitlin Bourgeois, Clerk of Council for the City of Bay Saint Louis, Mississippi, do hereby certify that the foregoing Resolution was approved and adopted in the public meeting of the City Council held on October 22, 2024 a quorum being present, in the City Council Conference Chambers and to be recorded in the Minute Books, said Council being the duly elected, qualified, and acting governing body of Bay St. Louis.

Presented by me to the Mayor on this, the 22nd day of October 2024.


Caitlin Bourgeois, Clerk of Council

Approved/Disapproved, and signed by me on this, the 22nd day of October 2024.

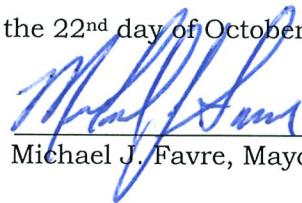

Michael J. Favre, Mayor

EXHIBIT A

REQUEST FOR FINANCING AND LIST OF BANKS

(See Attached)

From: [Dana Feuerstein](#)
To: [Jeremy Compretta](#); [Jonathan King](#); bmeyers@leasing2.com; [Jessica Sekinger](#); [Noel Grafe](#); [CJ Dunaway](#); [Yadira Y. Brown](#)
Cc: [Sissy Gonzales](#); [Mike Reso](#); [Dana Feuerstein](#); [Elizabeth Thomas](#)
Subject: LEASE FINANCING PROPOSALS - CITY OF BAY ST LOUIS
Date: Friday, August 2, 2024 3:57:23 PM
Attachments: [2020 DODGE RAM 1500 VIN 5222.pdf](#)
[2020 DODGE RAM 1500 VIN 0267.pdf](#)
[2020 DODGE RAM 1500 VIN 0123.pdf](#)
[2021 DODGE RAM 1500 VIN 3976.pdf](#)
Importance: High



We are requesting Lease Financing Proposals for the following:

(4) Dodge Ram 1500 Pickup Trucks

Total quoted price for the (4) Dodge Ram 1500 Pickup Trucks is \$74,160.00.

Requested term for lease-purchase is **4 years** with **annual** fixed payments. Any excess costs including documentation costs should be noted in the proposal along with an amortization schedule.

Please return proposals via email or in person prior to 2:00 p.m. on Wednesday, August 14, 2024; the financing is scheduled to be awarded at the August 20, 2024 City Council Meeting.

Dana Feuerstein
Deputy Municipal Clerk / Finance Administrator
688 Hwy 90
Bay St. Louis, MS 39520
Office: (228) 466-5451

EXHIBIT B

PROPOSALS RECEIVED FROM THE BANKS

(See Attached)

Lease Purchase Financing Proposals

(4) DODGE RAM 1500 PICKUP TRUCKS

\$74,160.00

(3) 2020 Dodge Ram's and (1) 2021 Dodge Ram

Conforming Bids

Bank or Lending Company:	<u>Rate</u>	<u>Term</u>	<u># Payments</u>	<u>Projected Payment Amount</u>	<u>Timing</u>
The First Bank	5.90%	4 years	1 payment annually	\$ 21,393.86	Arrears
Community Bank	5.98%	4 years	1 payment annually	\$ 21,393.00	Arrears
Cadence Equipment Finance	5.59%	4 years	1 payment annually	\$ 21,201.37	Arrears

Non-conforming or no bid

The Peoples Bank	No response
Leasing 2, Inc.	No response

Recommendation - 08.20.2024 Council Meeting:

The Comptroller recommends using Cadence Equipment Finance since it offers the lowest total cost to the tax payers of the City of Bay St. Louis.

EXHIBIT C
FORM OF LEASE PURCHASE AGREEMENT
(See Attached)

EQUIPMENT LEASE - PURCHASE AGREEMENT

LESSOR:

CADENCE EQUIPMENT FINANCE,
a division of Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

LESSEE:

City of Bay St. Louis, Mississippi
688 Highway 90
Bay St. Louis, MS 39521

TERMS AND CONDITIONS OF AGREEMENT

1. Agreement.

(a) Lessee requests Candence Equipment Finance, a division of Cadence Bank ("Lessor") to acquire the personal property (herein called "Equipment") described in the attached Lease Schedule(s). Lessee agrees to lease with an option to purchase the Equipment from Lessor and Lessor agrees to lease the Equipment to Lessee upon receipt of a duly authorized written acceptance hereof, signed by an authorized officer of Lessor at its principal office, upon the terms and conditions of this Equipment Lease - Purchase Agreement (the "Agreement"). Lessee represents, covenants and warrants, and as requested by Lessor will deliver an opinion of counsel substantially in the form attached as Exhibit B, to the effect, (i) that it is a fully constituted political subdivision or agency of the State of Mississippi (the "State") and is authorized by the Constitution and laws of the State and its own internal or administrative procedure to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and (ii) that this Agreement has been duly authorized, executed and delivered by Lessee and constitutes a legal, valid and binding agreement enforceable in accordance with its terms. Lessee agrees that it will do or cause to be done all things necessary to preserve and keep this Agreement in full force and effect. Lessee further represents, covenants and warrants that Lessee has complied with all bidding requirements where necessary and by due notification presented this Agreement for approval and adoption as a valid obligation on its part and that Lessee has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year. In addition, Lessee represents, covenants and warrants to Lessor that:

(i) The Equipment is essential to the function of Lessee or to the service Lessee provides to its citizens;

(ii) Lessee has an immediate need for, and expects to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future;

(b) Lessee acknowledges that Lessor has agreed to enter into this Agreement on the condition that the interest portions of the Payments as defined in Section 5 hereof shall be deductible from gross income pursuant to Section 103 of the Internal Revenue Code of 1986 and the Regulations thereunder (the "Code") is available. Said exception is subject to certain conditions relating to Lessee's use of the Equipment and to Lessee's issuance of tax-exempt obligations. In that regard, Lessee represents, covenants and warrants that:

(i) The Equipment will not be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code), except for such use as a member of the general public;

(ii) No portion of the Payments as defined in Section 5 hereof: (A) will be secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit (within the meaning of Section 141 of the Code), except for such use as a member of the general public, or by payments in respect of such property; or (B) will be derived from payments, whether or not to Lessee, in respect of property or borrowed money used

or to be used for a trade or business carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code); and

(iii) No portion of the gross proceeds of this Agreement will be used (directly or indirectly) to make or finance loans to persons other than governmental units.

(c) Lessee acknowledges and agrees that the Payments have been calculated by Lessor assuming that the interest portion of each Payment is exempt from federal income taxation. Lessee represents, covenants and warrants that it will do or refrain from doing all things necessary or appropriate to insure that the interest portions of the Payments are exempt from federal income taxation, including, but not limited to, executing and filing all information statements required by Section 149(e) of the Code and timely paying, to the extent of available funds, amounts required to be rebated to the United States pursuant to Section 148(f) of the Code.

(d) In the event that it is determined that any of the interest components of Payments may not be excluded from gross income for purposes of federal income taxation, Lessee agrees to pay to Lessor promptly after any such determination and on each Date of Payment thereafter an additional amount determined by Lessor to compensate Lessor for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive absent manifest error.

(e) Lessee acknowledges that the representations, covenants and warranties set forth in Sections 1(b) and 1(c) shall survive the expiration of this Agreement and that Lessor may pursue any applicable remedies for the breach of such representations, covenants and warranties at any time.

2. Equipment Delivery and Acceptance. At the request of Lessee, Lessor agrees to order the Equipment which Lessee has described in the Lease Schedule(s) from the supplier of such Equipment but shall not be liable for specific performance of this order. Lessee shall accept such Equipment when and if delivered and placed in good repair and working order and hereby authorizes Lessor to add to this Agreement the serial number of each item of Equipment so delivered. Any delay in such delivery shall not affect the validity of this Agreement. Lessee shall have thirty (30) days from the date of delivery to accept such Equipment and deliver an executed Equipment Acceptance Certificate in the form attached hereto as Exhibit D. Notice of any defects must be given to Lessor within thirty (30) days of delivery. In the event the Equipment is not accepted by Lessee within thirty (30) days from the date of delivery and such acceptance is unreasonably withheld by Lessee, Lessor, at Lessor's option, shall have the right to cancel this Agreement.

3. Warranties. Lessor hereby assigns to Lessee for and during the term of this Agreement all manufacturer warranties and guarantees express or implied, issued on or applicable to the Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. LESSOR IS NOT A MANUFACTURER OR SUPPLIER OF THE EQUIPMENT, AND MAKES NO WARRANTIES WITH RESPECT TO THE EQUIPMENT, EITHER EXPRESS OR IMPLIED,

INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. Lessor authorizes Lessee to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenance and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, shall be made against supplier. Lessor, at its option, may provide in its purchase order that supplier agrees that any of such claims may be made by Lessee directly against suppliers. The obligation of Lessee to pay the Payments as defined in Section 5 below, shall not be abated, impaired or reduced by reason of any claims of Lessee with respect to Equipment condition, quality, workmanship, delivery, shipment, installation, defects or otherwise.

4. Agreement Term. This Agreement shall become effective upon the execution hereof by Lessor. The initial term of this Agreement shall commence on the date the Equipment is accepted pursuant to Section 2 above, and shall end on the last day of Lessee's current fiscal year. The term of this Agreement may be continued, solely at the option of Lessee, for additional successive one-year renewal terms up to the expiration of the number of periods indicated in Schedule A of the Lease Schedule(s) (hereinafter the "Agreement Term"). At the end of the initial term and at the end of each renewal term until the expiration of the Agreement Term, this Agreement shall be automatically renewed on a year-to-year basis, except as provided for in Section 5 and Section 14 below.

5. Payments.

(a) Lessee agrees to pay to Lessor or its assignee total Payments ("Payments") set forth in Section A of the Lease Schedule(s), including the interest portions thereof, equal to the amount specified therein. Said Payments shall be payable without notice or demand at the office of Lessor (or such other place as Lessor may from time to time designate in writing). Any notice, invoicing, purchase orders, quotations or other forms or procedures required by Lessee of Lessor as a condition precedent to payment shall be fully explained and provided to Lessor prior to execution of this Agreement. Except as specifically provided in paragraph (c) of this Section, Payments shall be absolute and unconditional in all events and shall not be subject to any set-off, defense or counterclaim.

(b) Lessee reasonably believes that funds can be obtained sufficient to make all Payments during the Agreement Term and hereby covenants that it will do all things lawfully within its power to obtain, maintain, and properly request and pursue funds from which the Payments may be made, including making provisions for such payments to the extent necessary in each biannual or annual budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. It is Lessee's present intent to make Payments for the full Agreement Term if funds are legally available therefor, and in that regard, Lessee represents that the use of the Equipment is essential to its proper efficient and economic operation and that the functions performed by the Equipment could not and will not be transferred to other equipment now available or which may be subsequently acquired for use by Lessee during the Agreement Term.

(c) In accordance with Miss. Code Ann. §§ 31-7-10 and 31-7-13, the following language is hereby added to this Agreement: The continuation of this Agreement is contingent in whole or in part upon the appropriation of funds by Lessee's governing body to make the Payments required hereunder. If Lessee's governing body fails to appropriate sufficient funds to provide for the continuation of the Payments under this Agreement, then the obligations of Lessee to make such Payments and the corresponding provisions of this Agreement shall terminate on the last day of the fiscal year for which appropriations were made.

(d) In the event no funds or insufficient funds are appropriated for Payments and other sums due in any fiscal year under this Agreement, Lessee shall immediately notify Lessor or its assignee of such occurrence and this Agreement shall create no further obligation of Lessee as to such fiscal year and shall be null and void, except as to funds which have been previously appropriated. In such event, this Agreement shall terminate without penalty to Lessee on the last day of the fiscal year for which funds were appropriated. Subsequent to such termination of this Agreement, Lessee shall have no continuing obligation to make Payments under this Agreement. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor shall have all legal and equitable rights and remedies to take possession of the Equipment.

6. Location. The Equipment shall be delivered and thereafter based at the location specified in the Lease Schedule(s) and shall not be removed therefrom without Lessor's prior written consent.

7. Use; Repairs. Lessee shall use the Equipment in a careful manner and shall comply with all laws, ordinances and regulations relating to, and shall pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee, at its expense, shall keep the Equipment in good repair and furnish all parts, mechanisms and devices required therefor.

8. Alterations. Lessee shall not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be removed without damage to the Equipment.

9. Loss and Damage. Lessee shall bear the entire risk of loss or damage to all Equipment from any cause whatsoever, and no such loss or damage of the Equipment nor defect therein or unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Payments or any other obligation under this Agreement. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee at the option of Lessor shall:

(a) Replace the same at Lessee's expense with like equipment in good repair; or

(b) Pay Lessor in cash all of the following: (i) all amounts then owed by Lessee to Lessor under the applicable Lease Schedule, and (ii) an amount equal to the Concluding Payment set forth in Schedule A to such Lease Schedule. Upon Lessor's receipt of such payment, Lessee shall be entitled to whatever interest Lessor may have in said item, in its then condition and location, without warranty expressed or implied.

10. Insurance. Lessee shall, during the Agreement Term, purchase and maintain insurance, or with Lessor's prior written consent may self-insure, covering specifically all Equipment of every description under this Agreement against casualty occurrences, including the perils of FIRE, LIGHTNING, WINDSTORM, HAIL, EXPLOSION, AIRCRAFT, VEHICLES, SMOKE, RIOT, CIVIL COMMOTION, STRIKERS, LOCKED OUT WORKMEN OR THEFT, BURGLARY AND WATER DAMAGE, in an amount equal to the cost of replacement of all Equipment and with a company approved by Lessor and shall carry public liability and property damage insurance sufficient to protect Lessor from liability in all events. The proceeds under this insurance shall be payable to Lessee and Lessor or its assignee as loss payee, to the extent allowed by law as their interest may appear under the terms and conditions of the Agreement. Such proceeds shall be available to Lessee for the satisfaction of Lessee's obligations under Section 9 hereof. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee shall deliver to Lessor or its assignee a duly authenticated certificate evidencing such insurance. In the event of any loss, damage, injury or accident involving the Equipment, Lessee shall promptly provide any loss, damage, injury or accident involving the Equipment, Lessee shall promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

11. Liens and Taxes. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding, however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. In any event, Lessee shall pay Lessor the amount thereof upon demand whether or not Lessor shall have advanced the funds for Lessee.

12. Indemnity. To the extent permitted by the laws of the State, Lessee shall indemnify Lessor against and hold Lessor harmless from any and all claims, actions, proceedings, expenses, damages or liabilities, arising in connection with the Equipment, including, without limitation, its manufacture, selection, purchase, delivery, possession, use, operation or return and the recovery of claims under insurance policies thereon.

13. Assignment.

(a) Without Lessor's prior consent, Lessee shall not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Agreement or the Equipment or any interest in this Agreement or said Equipment, or (ii) lease or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may, without the consent of Lessee, assign, in whole or in part, its rights, title and interest in and to this Agreement, and all attachments hereto including Lease Schedule(s), to various assignee/investors or their agents or trustees, and/or grant or assign a security interest in this

Agreement or the Equipment, in whole or in part, and its assignee may reassign this Agreement. Lessee agrees that this Agreement may become part of a pool of contract obligations at Lessor's option, and Lessor or its assignees may assign or further assign either the entire pool or a fractionalized interest therein. Each such assignee shall have all of the rights of Lessor under this Agreement. Lessee shall recognize and acknowledge each such assignment and/or security interest. Subject to the foregoing, this Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assignees of the parties hereto.

(b) This Agreement and any interest herein may be transferred only through a book entry system as prescribed by Section 149(a) of the Code, as the same may be amended from time to time. During the term of this Agreement, Lessee shall keep a complete and accurate record of all assignments and other transfers in form and substance necessary to comply with Section 149(a) of the Code. Upon assignment of Lessor's interest herein, Lessor will cause written notice of such assignment to be sent to Lessee and, upon receipt of such notice of assignment, Lessee shall: (i) acknowledge the same in writing to Lessor; and (ii) record the assignment in Lessee's "book entry system" as that term is defined in Section 149(a) of the Code. No further action will be required by Lessor or by Lessee to evidence the assignment. **LESSEE AGREES THAT, UPON NOTICE OF ASSIGNMENT, IF SO INSTRUCTED IT SHALL PAY DIRECTLY TO THE ASSIGNEE, WITHOUT ABATEMENT, DEDUCTION OR SETOFF, ALL AMOUNTS THAT BECOME DUE HEREUNDER.**

14. Purchase Option. At the written request of Lessee, delivered thirty (30) days prior to a Date of Payment as shown on Schedule A to a Lease Schedule, and if Lessee is not on such Date of Payment in default pursuant to any provision of this Agreement, Lessor shall convey all of Lessor's right, title and interest in and to the Equipment described in that Lease Schedule to Lessee upon payment by Lessee of the applicable Concluding Payment and the Base Payment due on such date of Payment. Upon satisfaction by Lessee of such purchase conditions, Lessor shall deliver to Lessee a full release of any right, title or interest of Lessor in and to such Equipment.

15. Taxes on and Title to Equipment. In addition to other payments to be made pursuant to this Agreement, Lessee shall indemnify and hold Lessor harmless, to the extent allowed by law, from and against, and shall pay Lessor, as additional payment, on demand, an amount equal to, all license, assessments, sales, use, real or personal property, gross receipts or other assessments, taxes, levies, imports, duties and charges, if any, together with any penalties, fines or interest thereon imposed against or on Lessor, Lessee or the Equipment by any governmental authority upon or with respect to the Equipment or the purchase, ownership, possession, operation, return or sale of, or receipt of payments for, the Equipment, except any Federal or state income taxes, if any, payable by Lessor. Lessee may contest any such taxes prior to payment provided such contest does not involve and risk of sale, forfeiture or loss of the Equipment or any interest therein.

This Agreement is intended for security. For purposes of laws governing taxation and conditional sales, title to the Equipment shall be deemed to be transferred hereby to Lessee, subject to immediate and automatic reversion to Lessor upon any default by Lessee or upon failure to appropriate sufficient funds in order to make payments required hereunder, unless Lessor otherwise elects in writing.

16. Personal Property. The Equipment is, and shall at all times during the Agreement Term be and remain, personal property.

17. Security Interest. To secure all of its obligations hereunder, Lessee grants to Lessor a first and prior security interest in any and all right and interest of Lessee in the Equipment, this Agreement and Payments due under this Agreement. Lessee agrees that this Agreement may be filed as a financing statement evidencing such security interest, and agrees that Lessor may file financing statements and other instruments necessary or appropriate to evidence such security interest. Lessee further agrees that the Uniform Commercial Code of the State shall apply as between the parties hereto and assignees of Lessor.

18. Events of Default. Lessee shall be in default under this Agreement upon the occurrence of any of the following events:

(a) Except as provided in Paragraph 5C- Nonpayment when due or within six (6) days thereafter of any Payment of rent or other sum owing hereunder;

(b) Breach of any other covenant or agreement in this Agreement and the continuance of such breach for a period of 10 consecutive days following Lessee's receipt of written notice thereof from Lessor;

(c) If any representation or warranty made by Lessee or by any agent or representative of Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto proves to be incorrect at any time in any material respect;

(d) If Lessee shall dissolve or become insolvent or bankrupt, commit any act of bankruptcy, make any assignment for the benefit of, or enter into an arrangement or composition with creditors, suspend or terminate the transaction of its usual business or consent to the appointment of a trustee or receiver or if a trustee or receiver shall be appointed for Lessee or for a substantial part of its property, or if bankruptcy, reorganization arrangements or similar proceedings shall be instituted by or against Lessee;

(e) If any order, judgment or decree shall be entered against Lessee by a court of competent jurisdiction and such order, judgment or decree shall continue unpaid or unsatisfied for any period in excess of 60 consecutive days without a stay of execution, or if a writ or order of attachment, execution or other legal process shall be issued in connection with any action or proceeding against Lessee or its property whereby any of the Equipment or any substantial part of Lessee's property may be taken or restrained;

(f) If Lessee shall default in the performance of any obligation or in payment of any sum due to Lessor under any other lease, contract, agreement, arrangement or understanding;

(g) If any indebtedness of Lessee for borrowed money shall become due and payable by acceleration of the maturity date thereof; or

(h) If Lessor, in the exercise of reasonable judgment, shall determine that Lessee is generally not paying its debts as such debts become due. In addition, Lessee shall give Lessor 5 days' written notice prior to the filing of any voluntary petition of bankruptcy, written notice upon commencement of an involuntary bankruptcy proceeding, or written notice prior to taking any action with respect to all or any items of the Equipment in bankruptcy proceedings, and shall include in said written notice the venue of the anticipated proceedings and a copy of any relevant pleadings with respect thereto. Failure to give said written notice within the time as specified shall constitute an event of default hereunder and shall cause an immediate termination of this Agreement as to all items of Equipment. Said default and termination, however, shall not constitute an election of remedies and Lessor shall retain its rights to such other remedies as may be set forth in this Agreement.

19. Remedies of Default. Upon the occurrence of any event of default and at any time thereafter, Lessor, acting alone and/or through its agents, may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect:

(a) Declare the unpaid principal balance plus accrued interest to date through the end of the then current fiscal year under this Agreement to be immediately due and payable without notice or demand;

(b) Terminate this Agreement as to any or all items of Equipment;

(c) Without notice, demand, liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the leased Equipment may be, or is believed to be by Lessor, and repossess all or any item thereof, disconnecting and separating all or so much thereof as may be required to disconnect or separate same from any other property, Lessee hereby expressly waiving all further rights to possession of the Equipment and all claims for injuries suffered through or loss caused by such repossession;

(d) Cause Lessee, at Lessee's expense, to the extent allowed by law, promptly to return the Equipment to Lessor, at such place as Lessor may designate, in the condition set forth above;

(e) Use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof on the premises of Lessee or at any other location without affecting the obligations of Lessee as provided in this Agreement;

(f) Sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee, and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than 10 days prior to the date thereof shall constitute reasonable notice thereof;

(g) Proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Agreement or to recover damages for the breach thereof; or

(h) Exercise any and all rights accruing to Lessor under any applicable law upon a default by Lessee. In addition, Lessor shall be entitled to recover immediately, to the extent allowed by law, as liquidated damages for the loss of a bargain and not as a penalty, a sum equal to the aggregate of the following:

(i) All unpaid Payments or other sums which are due and payable through the end of the then current fiscal year;

(ii) Any expense paid or incurred by Lessor in connection with the collection of such unpaid Payments and with the repossession, holding, repair and subsequent sale, lease or other disposition of the Equipment, including attorney's fees and legal expenses, and

(iii) The purchase option price, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise. Additionally, the measure of liquidated damages as set forth hereinabove shall be applicable to fix the damages accruing for the unexpired portion of this Agreement Term if this Agreement is not assumed by the Lessee in a bankruptcy proceeding. Should Lessor, however, estimate its actual damages to exceed the foregoing, Lessor may, at its option, recover its actual damages in lieu of or in addition thereto.

None of the remedies of Lessor under this Agreement are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or in equity. Lessee agrees to pay Lessor all attorneys' fees and all costs and expenses incurred by Lessor in connection with the enforcement of the terms of this Agreement or any right or remedy hereunder. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar any action for a deficiency as herein provided and the bringing of an action or the entry of a judgment against Lessee shall not bar Lessor's right to repossess any or all items of Equipment. Lessee waives any and all rights to notice and to a judicial hearing with respect to the repossession of the Equipment by Lessor in the event of a default hereunder by Lessee.

20. Amendments and Addendums. This Agreement may be amended or any of its terms modified only by written consent of Lessee and Lessor or its assignee.

In the event Lessee desires to buy other equipment, the parties may execute an addendum to this Agreement with respect to such other equipment by (i) executing a Lease Schedule for such equipment; (ii) executing an acceptance certificate of the equipment; and (iii) obtaining new opinions and other supporting documentation as required or permitted by this Agreement. For purposes of construing subsequent transactions concerning other equipment as an integrated contract, the following shall be considered a single transaction or legal and binding agreement:

(a) This Agreement, which provides basic terms and conditions;

(b) An executed Lease Schedule and acceptance certificate; and

(c) Schedules, exhibits, and other attachments to such documents that pertain to the equipment described in the delivery order, and supporting documentation such as, e.g., opinions of counsel and insurance certificates.

21. Notices. All notices to be given under this Agreement shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five (5) days subsequent to mailing.

22. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provisions of this Agreement.

23. Governing Law. This Agreement shall be governed by the provisions hereof and by the laws of the State of Mississippi.

24. Delivery of Related Documents. Lessee will execute or provide as required by Lessor, the following documents and information in form and substance satisfactory to Lessor:

- (a) Equipment Acceptance Certificate;
- (b) Legal opinion of counsel as described in Section 1 above;
- (c) Statement of Lessee describing the essential functions and uses of the Equipment;
- (d) Documents evidencing title and delivery;
- (e) Maintenance contract regarding Equipment, if any;
- (f) Uniform Commercial Code Financing Statements;
- (g) Certificates of liability and casualty insurance naming Lessor and its assigns as loss payee;
- (h) Invoicing instructions; and
- (i) Other documents as reasonably requested by Lessor.

25. Entire Agreement; Waiver. This Agreement, together with the Lease Schedule(s) and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the Equipment. Any provisions of this Agreement found to be prohibited by law shall be ineffective

to the extent of such prohibition without invalidating the remainder of this Agreement. The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

26. Execution in Counterparts; Electronic Transaction. This Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument. In addition; the parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

27. Role of Lessor. Lessor has not acted and will not act as a fiduciary for Lessee or as Lessee's agent or municipal advisor. Lessor has not and will not provide financial, legal, tax, accounting or other advice to Lessee or to any financial advisor or placement agent engaged by Lessee with respect to this Agreement. Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Agreement from its own advisors (including as it relates to structure, timing, terms and similar matters).

[Signature page follows.]

28. Special Stipulations. Any amendment to the terms of this Agreement will be set forth in Exhibit A attached hereto ("Special Stipulations").

LESSOR:

Cadence Equipment Finance,
a division of Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

By: _____

Title: _____

Date: _____

LESSEE:

City of Bay St. Louis, Mississippi
688 Highway 90
Bay St. Louis, MS39521

By: _____

Title: _____

Date: _____

SPECIAL STIPULATIONS

LESSOR: Cadence Equipment Finance,
a division of Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

By: _____

Title: _____

Date: _____

LESSEE: City of Bay St. Louis, Mississippi
688 Highway 90
Bay St. Louis, MS 39521

By: _____

Title: _____

Date: _____

*Work trucks to be used in everyday use of work needed.

**Trucks will be used over entire city and will not have a specified location where they will remain.

EXHIBIT A

LEASE SCHEDULE NO: 008Dated as of: October 29, 2024

To Agreement No: 10046

THIS LEASE SCHEDULE is issued pursuant to an Equipment Lease - Purchase Agreement dated as of October 29, 2024 (the "Agreement"), between the parties for the acquisition of the Equipment listed herein. All terms used herein have the meanings ascribed to them in the Agreement.

A. PAYMENTS, TERM, TRANSPORTATION AND DELIVERY COSTS.

The Payments required under the Agreement for the Equipment designated on this Lease Schedule are included in Schedule A. A portion of each Payment is paid as and represents payment of interest as set forth in Schedule A hereto. Payments shall be due as set forth in **Schedule A** hereto. Lessee shall pay transportation and/or delivery costs, if any, as set forth in Schedule B hereto.

B. LATE PAYMENTS.

There will be a charge of \$0 per month based on the amount of any Payments which remain unpaid for six (6) days after the due date.

C. FISCAL YEAR.

Lessee's fiscal year period is from October 1 to September 30.

D. CONCLUDING PAYMENT.

Lessee shall have the option to purchase the Equipment described herein in accordance with Section 14 of the Agreement upon payment of the Concluding Payment Amount set forth in Schedule A hereto plus the payment then due.

E. EQUIPMENT DESCRIPTION.

The Equipment as defined in the Agreement includes the following: See Schedule A-1 attached hereto and made a part hereof

EXHIBIT C

F. LOCATION.

688 Highway 90, BAY SAINT LOUIS, MS 39521.

G. ALTERNATIVE INTEREST RATES.

1. Loss of interest deductibility under the Agreement with respect to a change in designation of the Agreement as a "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, as amended, will incur a rate of not less than 5.00%.

2. Loss of tax-exempt interest under the Agreement (as described in Section 2(d) of the Agreement) will incur a rate of not less than 5.00%.

H. REPRESENTATIONS.

THE TERMS GOVERNING THIS LEASE SCHEDULE ARE CONTAINED IN THE AGREEMENT REFERENCED ABOVE AND APPLY WITH THE SAME FORCE AND EFFECT AS IF SET FORTH FULLY HEREIN.

Lessor shall not be bound by this Lease Schedule until it is executed by an authorized officer of Lessor at Lessor's principal place of business.

DATED as of the day and year first above stated on this Lease Schedule.

LESSOR:

Cadence Equipment Finance, a division of
Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

By: _____

Title: _____

LESSEE:

City of Bay St. Louis, Mississippi
688 Highway 90
Bay St. Louis, MS 39521

By: _____

Title: Mayor

EXHIBIT A

City of Bay St. Louis, Mississippi

Master Lease Number: 10046

Schedule Number: 08

One (1) 2020 Ram 1500 Classic Regular Cab Tradesman Truck (VIN: 3C6JR6DT6LG305222)

One (1) 2020 Ram 1500 Classic Regular Cab Tradesman Truck (VIN: 3C6JR6DT2LG140267)

One (1) 2020 Ram 1500 Classic Regular Cab Tradesman Truck (VIN: 3C6JR6DT5LG130123)

One (1) 2021 Ram 1500 Classic Regular Cab Tradesman Truck (VIN: 3C6JR6DT2MG573976)

City of Bay St Louis, Mississippi
10046 002-0070703-008

Draft copy

Nominal Annual Rate: 5.590%

Cash Flow Data - Leases and Lease Payments

	Event	Date	Amount	Number	Period	End Date
1	Lease	10/29/2024	74,160.00	1		
2	Lease Payment	10/29/2025	21,201.37	4	Annual	10/29/2028

TValue Amortization Schedule - Normal, 30E3/360

	Date	Lease Payment	Interest	Principal	Balance
Lease	10/29/2024				74,160.00
2024 Totals		0.00	0.00	0.00	
1	10/29/2025	21,201.37	4,145.54	17,055.83	57,104.17
2025 Totals		21,201.37	4,145.54	17,055.83	
2	10/29/2026	21,201.37	3,192.12	18,009.25	39,094.92
2026 Totals		21,201.37	3,192.12	18,009.25	
3	10/29/2027	21,201.37	2,185.41	19,015.96	20,078.96
2027 Totals		21,201.37	2,185.41	19,015.96	
4	10/29/2028	21,201.37	1,122.41	20,078.96	0.00
2028 Totals		21,201.37	1,122.41	20,078.96	
Grand Totals		84,805.48	10,645.48	74,160.00	