

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 February 12, 2025; and

**WHEREAS**, the City received proposals from four banks on or before February 12, 2025, 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 February 18, 2025 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 25, 2025, by and between the City and the Bank, along with Exhibit A, Special Stipulations, dated the date of closing, and Equipment Lease Schedule No. 009, 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 \$327,248.08.

**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 March 2025, 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 2025, 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-G "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, 2025, to December 31, 2025, 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 Reed, 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	voted: <u>Aye</u>
Council Member Eugene "Gene" J. Hoffman	voted: <u>Aye</u>
Council Member Jeffrey Reed	voted: <u>Aye</u>
Council Member Kyle Lewis	voted: <u>Aye</u>
Council Member Linda Kay Davis	voted: <u>Aye</u>
Council Member Josh DeSalvo	voted: <u>Aye</u>
Council Member Gary Knoblock	voted: <u>Aye</u>

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 18<sup>th</sup> day of March 2025.

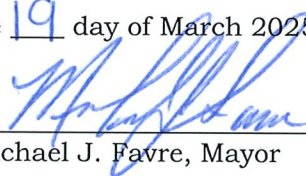
### CERTIFICATION

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 March 18, 2025 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 19 day of March 2025.

  
Caitlin Bourgeois, Clerk of Council

Approved/Disapproved, and signed by me on this, the 19 day of March 2025.

  
Michael J. Favre, Mayor