

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



0000046000109AY001SECAGRM
10/29/2024 Purchase Agreement

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: Julie Crabtree
Title: Bank Officer
Date: 10/29/2024

LESSEE:

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

By: [Signature]
Title: Mayor
Date: October 29, 2024

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: Mayor

Date: October 25, 2025

*Police vehicles to be used in everyday use of Police Department.

**Vehicles will be used over entire city and will not have a specified location where they will remain during the day.

--NONE--

EXHIBIT A

Exhibit B to Lease Purchase Agreement

March 25, 2025

Cadence Equipment Finance
Fort Smith, Arkansas

City of Bay St. Louis, Mississippi
Bay St. Louis, Mississippi

RE: Equipment Lease-Purchase Agreement, dated October 29, 2024 (the "**Master Lease**") by and between the Cadence Equipment Finance, (the "**Lessor**") and the City of Bay St. Louis, Mississippi (the "**City**") as supplemented by that certain Equipment Lease Schedule No. 009, dated March 25, 2025 (the "**Schedule**") and together with the Master Lease, the "**Lease**")

Ladies and Gentlemen:

As City Attorney to the City of Bay St. Louis, Mississippi, we have reviewed the following: (a) Section 31-7-13 of the Mississippi Code of 1972, as amended from time to time (the "**Act**"); (b) an electronic copy of an executed counterpart of the Master Lease; (b) an electronic copy of an executed counterpart of the Schedule; (c) a certified copy of the resolution and minutes adopted by the City Council of Lessee, the governing body of Lessee, on February 18, 2025 and March 18, 2025 (collectively, the "**Resolution**"), which, among other things, authorizes Lessee to execute the Lease; (d) a copy of the executed Internal Revenue Service Form 8038-G, dated March 25, 2025, of Lessee (the "**8038-GC**") and together with the Lease and the Resolution, the "**City Documents**") with respect to the Lease; and (e) such other documents and matters of law and records as we have deemed relevant and necessary in connection with this letter. All capitalized terms used herein, but not otherwise defined herein, shall have the same meanings as ascribed thereto in the Lease.

For the purposes of this opinion letter, we have assumed and relied upon, with your permission and without any independent verification, the following: the authenticity of all documents submitted to us as originals; the conformity to originals of all documents submitted to us as certified, conformed, photocopy, facsimile or electronic copies, and the authenticity of the originals of such documents; the genuineness of all signatures (other than the signatures on behalf of the City as Lessee); the legal capacity of natural persons; the compliance by each party (other than Lessee) to the City Documents with respect to its agreements and covenants in such City Documents; as to matters of fact, upon the accuracy, truth and completeness of the representations and warranties of the parties contained in the City Documents and representations and certifications of officers and representatives of the parties (including, without limitation, Lessee) and of public officials, including, without limitation, representations and covenants as to the Equipment, the ownership and use thereof, and the use and investment of the proceeds of the Lease, in each case without undertaking to verify the same by any independent investigation; continuous compliance by Lessee with its representations and covenants contained in the City Documents; and that all parties executing the City Documents, other than Lessee, have been duly and validly authorized, have executed and delivered the City Documents and that the Lease is a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, that no approval, consent, authorization or other action by or filing with any governmental authority is required in connection with the execution, delivery or performance of the City Documents by each party (other than Lessee) to the City Documents or the transactions contemplated thereby, and that the execution, delivery and performance by each party (other than Lessee) to the City Documents of its obligations under such City Documents does not and will not violate, conflict with, or constitute a breach of, or default under, any existing law, statute, administrative regulation or rule, court order, injunction, decree, ordinance, resolution, note, indenture, agreement, contract or other instrument to which such part is a party or may otherwise be subject. We have not made any

independent investigation whatsoever of factual matters except my review of the documents listed hereinabove.

Lessee has covenanted in the Lease, among other covenants, to the effect that the Equipment financed by the Lease will be owned for federal income tax purposes continuously by Lessee in its governmental capacity, and will be used solely by Lessee and solely for the Lessee's governmental purposes.

Based on the foregoing, and subject to the assumptions, qualifications and limitations set forth in this letter, we are of the opinion, as of the date hereof, that:

1. The City has been duly created and is validly existing as a political subdivision of the State of Mississippi (the "**State**"), and is in good standing under the Constitution and laws of the State with all requisite power and authority to control, manage, and operate its properties and to carry on the business as now being conducted and as contemplated by the City Documents, and to consummate the transactions contemplated thereby.

2. The City Documents have been duly authorized and approved and have been duly executed and delivered by and on behalf of Lessee and constitute the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms.

3. The authorization, approval, execution and delivery of the City Documents and all other proceedings of the Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meetings laws, public bidding laws and all other applicable State or federal laws, including but not limited to the Act.

4. There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending or threatened against or affecting the Lessee, nor to my knowledge is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the City Documents or any agreement or instrument to which the Lessee is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the City Documents.

5. No approval, authorization, filing qualification, registration or withholding of objection on the part of any governmental authority, not obtained prior to the date hereof, is required to be obtained by the Lessee in connection with the execution or delivery of or compliance by the Lessee with the provisions of the City Documents, and the consummation of the transactions in the manner and under the terms and provisions of the City Documents will comply with the provisions of any and all applicable federal, State or local laws and any rules and regulations promulgated thereunder by any governmental authority.

6. No event has occurred and no condition exists which would constitute an event of default under the City Documents or with the lapse of time or with the giving of notice or both would become an event of default under the City Documents; and the Lessee is not in default in any respect under any agreement or other instrument to which it is a party or by which it may be bound, or under any license, order, law, constitutional provision, statute, ordinance or governmental rule or regulation applicable to the Lessee, which would affect the validity of the City Documents.

7. The Equipment to be leased pursuant to the Lease constitutes personal property and when subject to use by the Lessee will not be or become a fixture under applicable law.

8. The authorization, execution, delivery and performance of the City Documents by the Lessee do not require submission to, approval of, or other action by any governmental authority or agency which action has not been taken and is final and non-appealable.

The legality, validity, binding nature and enforceability of the City Documents may be limited or otherwise affected by the following: (i) bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, equity of redemption, fraudulent conveyance or other similar laws now or hereafter in effect governing the rights and remedies of debtors and creditors generally; (ii) with respect to enforcement by specific performance of the City Documents, State law may affect the enforcement by specific performance of terms of the City Documents; (iii) applicable laws or judicial decisions of the State may render certain of the rights, remedies, waivers, appointments as attorney-in-fact, and indemnities contained in the City Documents unenforceable or ineffective, but the inclusion thereof do not render such City Documents invalid as a whole or preclude Lessor from exercising adequate remedies; and (iv) general principles of equity, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing opinions and without limiting the generality of the foregoing exceptions, we express no opinion with respect to (1) the availability of the remedies of specific performance or injunctive relief, or (2) the legality, validity, binding effect, or an event of default predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to Lessee or any provisions determined to constitute an unreasonable restraint on the alienation or contrary to public policy.

Contractual indemnification and hold harmless provisions may not be enforceable to the extent the contract does not specify that the indemnity or exculpation does not cover claims, losses, expenses or other liabilities arising or alleged to arise, in whole or in part, from the negligence, strict liability or other acts or omissions of the party to be or seeking to be indemnified. Further, indemnification or exculpation as against certain claims, losses, expenses, or other liabilities arising as the result of the indemnified party's violation of federal or state laws, or the indemnified party's own tort liability or other acts or omissions may be considered contrary to public policy and therefore invalid and/or unenforceable.

We express no opinion on the enforceability of any provision in the Lease that excludes, waives or limits the liability of any party (a) for its own gross fault or intentional fault or for causing physical injury to the other party, or (b) for the release or indemnified party's negligence or strict liability, where the release or indemnity does not expressly exclude liability arising out of such negligence or strict liability, or (c) for matters relating to the maintenance and preservation of collateral and the exercise of remedies against collateral to the extent proscribed by applicable law.

Provisions of the Lease that require additional payments or impose higher rates of interest or impose interest on interest upon default or an event of taxability or an event of non-appropriation may not be enforceable to the extent that the same exceed or that required to adequately compensate for any losses occasioned by the default, event of taxability or event of non-appropriation.

For the purposes of this opinion letter, we have not made any independent investigation into any financial matters of Lessee, and we have not prepared or independently investigated any financial information that has been or may be furnished to Lessor. Accordingly, we express herein no opinion whatsoever as to the accuracy or completeness of any such financial information furnished in connection with the City Documents or any other statements made to Lessor or any representative thereof in connection with the City Documents.

We express herein no opinion whatsoever as to title matters, including, without limitation, no opinion as to the title to, description of, or the existence of any liens, charges or encumbrances on the Equipment.

In rendering this opinion letter, we have not considered the laws of any jurisdiction other than the laws of the State and federal law of the United States of America, and we are not rendering any opinion, by implication or otherwise, regarding the laws of any jurisdiction other than the laws of the State and federal law, provided, however, we express no opinion as to any state or federal income tax laws or any state or federal securities laws.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. My services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter and no expansion of my advice or opinions may be made by implication or otherwise. The advice and opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to my attention or for any other reason.

This opinion letter is being furnished only to the named addressees hereof and the successors and assigns of Lessor under the Lease and is solely for their benefit and use in connection with the execution and delivery of the Lease as of the date hereof. This letter may not be utilized by the foregoing parties for any other purpose whatsoever and may not be quoted or distributed by the foregoing parties without my express prior written consent in each instance, and no person or entity other than the foregoing parties may rely upon this letter without our express prior written consent. No attorney-client relationship has existed or exists between us and any party or entity other than the City as Lessee in connection with the City Documents by virtue of the delivery of this opinion letter or otherwise.

Respectfully submitted,

BUTLER SNOW LLP

LEASE SCHEDULE NO: 009

Dated as of: March 25, 2025

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 4% of the payment amount per payment period, based on the amount of any Payments which remain unpaid for fifteen (15) 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.

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

Nominal Annual Rate: 5.130%

Cash Flow Data - Leases and Lease Payments

	Event	Date	Amount	Number	Period	End Date
1	Lease	03/25/2025	327,248.08	1		
2	Lease Payment	03/25/2026	92,566.68	4	Annual	03/25/2029

TValue Amortization Schedule - Normal, 30E3/360

	Date	Lease Payment	Interest	Principal	Balance
Lease	03/25/2025				327,248.08
2025 Totals		0.00	0.00	0.00	
1	03/25/2026	92,566.68	16,787.83	75,778.85	251,469.23
2026 Totals		92,566.68	16,787.83	75,778.85	
2	03/25/2027	92,566.68	12,900.37	79,666.31	171,802.92
2027 Totals		92,566.68	12,900.37	79,666.31	
3	03/25/2028	92,566.68	8,813.49	83,753.19	88,049.73
2028 Totals		92,566.68	8,813.49	83,753.19	
4	03/25/2029	92,566.68	4,516.95	88,049.73	0.00
2029 Totals		92,566.68	4,516.95	88,049.73	
Grand Totals		370,266.72	43,018.64	327,248.08	

SCHEDULE A-1

City of Bay St. Louis, Mississippi

Master Lease Number: 10046

Delivery Order Number: 70703-009

2024 One (1) 2024 Dodge Durango PPV (VIN: TBD)

2024 One (1) 2024 Dodge Durango PPV (VIN: TBD)

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2024 One (1) 2024 Dodge Durango PPV (VIN: TBD)

EQUIPMENT ACCEPTANCE NOTICE

TO: Cadence Equipment Finance, a division of Cadence Bank

RE: Lease Schedule No. 009 dated March 25, 2025 and Equipment Lease - Purchase Agreement dated October 29, 2024 (together, the "Agreement"), by and between Cadence Equipment Finance, a division of Cadence Bank, as Lessor, and City of Bay St. Louis, Mississippi, as Lessee

This is to acknowledge that the delivery and/or installation of the Equipment, described in the above-referenced Lease Schedule has been completed in accordance with the terms of the above-referenced Equipment Lease - Purchase Agreement and that Lessee has duly delivered to and received in proper form all purchase orders, invoices or such forms or documents required by Lessee to assure commencement of Payments on March 25, 2026, in accordance with Section 2 of the Agreement.

The undersigned has inspected said Equipment. Said Equipment satisfies provisions of Section 2 of the above-referenced Agreement, and it is accepted according to the provisions contained therein.

LESSEE:
City of Bay St. Louis, Mississippi

By: _____
Title: Mayor
Date: March 25, 2025