

The Mayor and City Council (the "Governing Body") of the City of Bay St. Louis, Mississippi (the "City"), took up for consideration the matter of approving a Taxable Grant Anticipation Note (Non-Revolving Line of Credit), Series 2024, of said City. After a discussion of the subject, Council Member **HOFFMAN** offered and moved for the adoption of the following resolution:

RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BAY ST. LOUIS, MISSISSIPPI (THE "CITY"), TO APPROVE A TAXABLE GRANT ANTICIPATION NOTE (NON-REVOLVING LINE OF CREDIT), SERIES 2024, OF THE CITY IN THE MAXIMUM PRINCIPAL AMOUNT OF \$3,252,299 (THE "NOTE") TO PROVIDE FINANCING TO DEFRAY A PORTION OF THE COST OF THE ITS MUNICIPAL HARBOR AND PIERS PROJECT AND OTHER COSTS WITHIN THE CITY DESCRIBED IN THE FEDERAL EMERGENCY MANAGEMENT AGENCY PROJECT WORKSHEET NO. 00497(1) DATED OCTOBER 22, 2024, AND A COMMITMENT FROM THE MISSISSIPPI EMERGENCY MANAGEMENT AGENCY, DATED MARCH 24, 2021, AND THE PAYMENT OF EXPENSES INCIDENTAL TO THE ISSUANCE OF THE NOTE; APPROVING CADENCE BANK, GULFPORT, MISSISSIPPI, AS THE LENDER OF THE NOTE; AND FOR OTHER RELATED MATTERS.

WHEREAS, the Governing Body of the City, acting for and on behalf of the City, hereby finds, determines, adjudicates and declares as follows:

1. On October 28, 2020, the City was struck by Hurricane Zeta and resulting flooding and wind damage caused extensive damage throughout the City (together, the "Hurricane");
2. The Governor of the State of Mississippi (the "State") executed a proclamation dated October 28, 2020, and a proclamation dated November 25, 2020, declaring certain areas in the State, including the City, to be in a state of emergency as a result of the Hurricane;
3. On December 31, 2020, the President of the United States signed a major disaster declaration in connection with the Hurricane (the "Major Disaster Declaration"), which included the City;
4. As of October 22, 2024, the City has received a confirmed grant commitment from Federal Emergency Management Agency ("FEMA"), Project Worksheet No. 00497(1), dated October 22, 2024, in the amount of \$3,044,268 (the "FEMA Grant"), and a commitment from the Mississippi Emergency Management Agency ("MEMA") in the amount of \$169,126, dated March 24, 2021 (the "MEMA Grant," and together with the FEMA Grant, the "Grant"), evidence of said commitments attached hereto as **EXHIBIT B** and **EXHIBIT C**, respectively, and made a part hereof, for the purpose of financing a portion of the costs incurred and to be incurred by the City as a result of the Hurricane, including, but not limited to, costs for the Bay St. Louis Harbor and Piers project described in the Grant (the "Hurricane Expenses").

5. The City is authorized by Section 21-33-326, Mississippi Code of 1972, as amended and/or supplemented from time to time (the "Act") to borrow money in anticipation of receipt of funds from a confirmed grant, such as the Grant, from the United States of America, the State of Mississippi, or agencies thereof, such as FEMA and MEMA, and may assign and pledge as security for such financing the proceeds of any such grant or loan.

6. The City desires to authorize the issuance, execution and delivery of a Taxable Grant Anticipation Note (Non-Revolving Line of Credit), Series 2024 in the principal amount of not to exceed \$3,252,399 (the "Note") to provide interim financing in anticipation of the Grant for the purpose of funding a portion of the Hurricane Expenses.

7. The Grant does not require the bidding for financial services nor does the Act require the City to advertise and solicit bids for the financing and issuance of a grant anticipation note, and as such, the City has determined that it is in the best interest of the City not to advertise and solicit bids in order to save the City expenses and time.

8. Municipal Advisors of Mississippi, Inc., Gulfport, Mississippi, as financial advisor to the City (the "Financial Advisor"), has solicited requests for proposals from banks, and the City, upon the recommendation of the Financial Advisor, has determined that it is in its best interest to negotiate with Cadence Bank, Gulfport, Mississippi (the "Lender"), to obtain the best interest rate on the Note.

9. It is necessary and in the public interest to approve the Note to provide interim financing to (1) repay the Hurricane Expenses and (2) pay the costs incident to the issuance and sale of the Note (the "Project").

10. The Note will not exceed any constitutional or statutory limitation upon indebtedness that may be incurred by the City.

11. The Governing Body does now find, determine and adjudicate that the issuance of the Note is in the best interest of the City.

12. The City desires to authorize the law firm of Butler Snow LLP, Ridgeland, Mississippi, as Special Counsel and counsel to the City (the "Special Counsel"), and the Financial Advisor to prepare and distribute such resolutions, certifications, and documents necessary to facilitate the issuance of the Note.

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

SECTION 1. This Resolution is adopted by the Governing Body 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 hereby declares its intention to approve the Note in the total principal amount of not to exceed \$3,252,399 for the purpose of financing the Project.

SECTION 3. The terms and conditions for the non-revolving line of credit secured by the Note and the form of the Note shall be in substantially the same form attached hereto as **EXHIBIT**

A, and subject to the following terms:

(a) The Note will be delivered in a single denomination of not to exceed \$3,252,399, will be numbered R-1 and will be issued in registered form;

(b) The Note will be dated the date of its delivery; will have a final maturity of not to exceed two (2) years from the date of issuance of the Note, but, however, prior to its maturity date, the City and the Lender may agree to extend the term of the Note for an additional one (1) year period as provided in the Note; the Note will bear interest from the date of each advance of principal on the Note, at the rate of interest specified in the Note, subject to the limitation that the Note shall not bear a greater overall maximum interest rate to maturity than six and eighteen hundredths percent (6.18%) per annum as allowed by Section 75-17-107, Mississippi Code of 1972, as amended and supplemented; and interest on the Note will be computed on the basis of actual days elapsed and a 360-day year;

(c) At the option of the City, all or a portion of the principal amount of the Note may be advanced periodically, from time to time; provided, however, that the total aggregate principal amount of all advances shall not exceed the principal amount of the Note. The Lender shall have no obligation to make any further advances under the Note in the event that an event of default shall have occurred and be continuing;

(d) The Lender shall make a notation of the date and amount of each advance on the grid attached to the Note, but the failure of the Lender to make such a notation on the Note shall not affect the obligation of the City to repay such principal advance pursuant to the terms and provisions of the Note;

(e) Payments on the Note will be made from time to time as follows: (a) for principal and interest, upon receipt by the City of the proceeds of the Grant, (b) for any accrued and unpaid interest, on each one (1) year anniversary date of the Note, and (c) for all unpaid principal and interest still due and owing, on the final maturity date of the Note. Payments received by the Lender shall first be applied to accrued interest and then to principal;

(f) Principal and interest on the Note will be payable by check or draft of the City by the Clerk of the City (the "City Clerk"), acting as paying and transfer agent for the Note (the "Paying and Transfer Agent"), payable to the Lender at its office in Gulfport, Mississippi, in lawful money of the United States of America, in funds immediately available to the Lender as the Lender may from time to time direct; and

(g) The Note will be subject to redemption prior to maturity, at the option of the City, in whole or in part, on any date, at the principal amount thereof to be redeemed together with accrued interest to the date fixed for redemption and without premium.

SECTION 4. The Governing Body hereby ratifies the actions of the Financial Advisor in seeking requests for proposals from banks and approves Cadence Bank, Gulfport, Mississippi, as the Lender, subject to the terms and conditions set forth herein, and further authorizes and approves the issuance of the Note to the Lender.

SECTION 5. The Governing Body hereby authorizes and directs the Mayor (the

"Mayor") and the City Clerk to approve the payment of costs incidental to the issuance of the Note, including the payment of legal fees, if any, which may be paid from proceeds of the Note, and the City Clerk is to pay such costs pursuant to a requisition executed by the Mayor without further action of the Governing Body.

SECTION 6. [Reserved].

SECTION 7. The City shall maintain with a qualified depository thereof a special fund hereby created in the name of the City designated as the Series 2024 Grant Note Fund (the "Note Fund") for the payment of the principal of and interest on the Note. There shall be deposited into the Note Fund (a) as and when received, the proceeds of the Grant and (b) on or before fifteen (15) days prior to the anniversary date of the Note, the City shall transfer from legally available funds, to the extent there are no other funds in the Note Fund, an amount necessary to pay the accrued and unpaid interest on said anniversary date along with principal if it is the final maturity date. As long as any principal of and interest on the Note remains outstanding, the City Clerk is hereby irrevocably authorized and directed to withdraw from the Note Fund sufficient monies to make payments of principal of and interest on the Note from time to time as follows: (a) for principal and interest, upon receipt by the City of the proceeds of the Grant, (b) for any accrued and unpaid interest, on each one (1) year anniversary date of the Note, and (c) for all unpaid principal and interest still due and owing, on the final maturity date of the Note.

SECTION 8. Under existing law, interest on the Note shall be treated as includable in the gross income of the holder thereof for federal income tax purposes. Under the Act, the Note is exempt from present taxes imposed by the State and any municipality, county, or other political subdivision of the State, except for inheritance, estate, and transfer taxes.

SECTION 9. The principal amount of the Note is being issued to a single Lender who has knowledge and experience in financial and business matters making it capable of evaluating the merits and risks of the prospective investment. The Note shall be sold to the Lender without a view for distributing said Note. The Lender shall be required to execute a certification at closing to the effect that the Note is being purchased for the account of the Lender without the intent to distribute (the "Certificate"). Based on the foregoing, the Note will be exempt from the continuing disclosure requirements of SEC Rule 15c2-12. The Note may only be transferred upon compliance by the Lender with the terms and provisions of this Resolution; specifically, the Lender must obtain from the assignee or transferee thereof and deliver to the City on or before the effective date assignment or transfer, a document satisfactory to the City and Special Counsel similar in form and substance to the Certificate provided by the Lender at the initial closing of the Note.

SECTION 10. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed for and on behalf of the Governing Body to take any and all such actions as may be required by the Governing Body, to carry out and to give effect to the aforesaid note authorized pursuant to this Resolution and to execute all papers, documents and certificates that may be required to effectuate the purposes of this Resolution.

SECTION 11. 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.

SECTION 12. For cause, this Resolution shall become effective immediately upon the adoption thereof.

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Council Member **DESALVO** seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

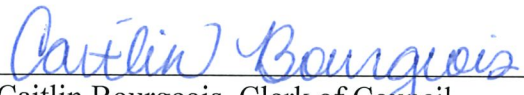
Council Member Doug Seal	voted: YEA
Council Member Eugene "Gene" J. Hoffman	voted: YEA
Council Member Jeffrey Reed	voted: YEA
Council Member Kyle Lewis	voted: YEA
Council Member Linda K. Davis	voted: YEA
Council Member Josh DeSalvo	voted: YEA
Council Member Gary Knoblock	voted: YEA

The motion having received the affirmative vote of a majority of the members of the Governing Body present, being a quorum of said Governing Body, the Mayor declared the motion carried and the resolution adopted this 3rd day of December, 2024.

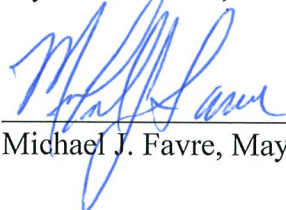
CERTIFICATION

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 December 3rd, 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 4th day of December, 2024.


Caitlin Bourgeois, Clerk of Council

Approved, and signed by me on this, the 4th day of December, 2024.


Michael J. Favre, Mayor