

The Mayor and City Council (the “Governing Body”) of the City of Pascagoula, Mississippi (the “City”), acting for and on the City, took up for consideration the matter of borrowing money in anticipation of receipt of taxes. After a discussion of the subject, Council Member _____ offered and moved the adoption of the following resolution:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASCAGOULA, MISSISSIPPI (THE “CITY”), DECLARING THE INTENTION OF THE CITY TO ISSUE A TAX ANTICIPATION NOTE, SERIES 2018 IN THE MAXIMUM PRINCIPAL AMOUNT OF NOT TO EXCEED SIX MILLION FOUR HUNDRED THOUSAND DOLLARS (\$6,400,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR THE CURRENT EXPENSES OF THE CITY AND THE COSTS OF ISSUANCE FOR THE NOTE; EMPLOYING PROFESSIONS IN CONNECTION WITH THE ISSUANCE OF THE NOTE; AUTHORIZING THE NEGOTIATION FOR THE SALE OF THE NOTE; AND RELATED PURPOSES.

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

1. It is necessary and in the public interest to issue a Tax Anticipation Note, Series 2018, of the City in the principal amount not to exceed Six Million Four Hundred Thousand Dollars (\$6,400,000) (the “Note”), to raise money for the purpose of providing funds for the current expenses of the City and the costs of issuance for the Note in anticipation of the collection of ad valorem taxes and other revenues of the City (the “Project”).

2. Pursuant to the City budget adopted by the Governing Body on September 13, 2018, the anticipated amount of taxes to be collected by the City for fiscal year 2019 is \$12,971,669.40. The Note will not exceed fifty percent (50%) of the anticipated amount of taxes to be collected under the current annual tax levy for City.

3. The Governing Body has determined that such funds can be borrowed and the Note issued in compliance with the requirements of Section 21-33-325 of the Mississippi Code of 1972, as amended from time to time (the “Act”).

4. The Governing Body desires to issue the Note.

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

6. The Governing Body desires to authorize the negotiation for the sale of the Note subject to certain conditions for the sale as hereinafter set forth.

7. The Governing Body desires to approve the form of and execution of the Note.

8. In order to prepare the necessary documents it is in the best interest of the City to authorize, approve and ratify, as applicable, the actions of Butler Snow, LLP, Gulfport,

Mississippi, as Note Counsel, in the preparation and distribution of all necessary documents and in doing all things required in order to negotiate the sale and issuance of the Note.

9. The City reasonably expects that it will incur expenditures prior to the issuance of the Note, which it intends to reimburse with the proceeds of the Note upon the issuance thereof. This declaration of official intent to reimburse expenditures made prior to the issuance of the Note in anticipation of the issuance of the Note is made pursuant to Department of Treasury Regulations Section 1.150-2 (the reimbursement regulations). The Project for which such expenditures are made is the same as described hereinabove. The maximum principal amount of debt expected to be issued for the Project is the amount hereinabove set forth.

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 pursuant to the Act and other applicable laws of the State 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 approves the sale and issuance of the Note to provide funds for the Project and to negotiate the sale thereof.

SECTION 3. The Governing Body hereby approves the sale and issuance of the Note, the form of which is included in Exhibit A hereto and which in is the principal amount of not to exceed Six Million Four Hundred Thousand Dollars (\$6,400,000). Proceeds of the Note will be used to pay for the Project and shall be deposited into the General Fund of the City. The Note shall be repaid by the City on or before March 15, 2019, out of the first moneys collected by reason of the tax levy in anticipation of which such money is borrowed. The amount of the Note will not exceed 50% of the estimated tax revenues to be received by the City for fiscal year ending September 30, 2019.

SECTION 4. The Note shall be dated the date of delivery thereof and shall mature no later than March 15, 2019 and the interest rate on such Note shall not exceed that allowed by the Act.

(a) The Note shall be executed on behalf of said City by the signature of the Mayor of the City, countersigned by the City Clerk under the seal of the Governing Body of the City.

(b) The Note will be subject to redemption prior to its stated date of maturity either in whole or in part, at any time, at par plus accrued interest to the date of redemption.

(c) In its discretion, the City may receive the principal amount of the Note in multiple advances, as needed by the City and interest shall begin to accrue on the principal amount of each advance only from the date of each such advance. The amount of each advance will be recorded by the City Clerk of the City, along with the date of such advance as set forth in the Note. Interest on the outstanding balance of the Note shall be payable on the maturity date, and the Note shall mature and be payable on the maturity date as set forth in the Note.

SECTION 5. That for the purpose of providing for the payment of the principal and interest of said Note as the same shall mature and accrue, there shall be pledged that said Note will be paid out of the first money collected from taxes for the year in which said Note is issued, in sums sufficient for said purpose, and the full faith, credit and resources of said City shall be and are hereby irrevocably pledged to the payment of said Note, both as to principal and interest, and said Note shall be paid out of the first taxes collected for the year in which it is issued.

SECTION 6. The Note shall be sold to a purchaser without a view for distributing said Note. The Purchaser of said Note shall be required to execute a certification at closing to the effect that the Note is being purchased for the account of the Purchaser without the intent to distribute. Based on the foregoing, the Note will be exempt from the continuing disclosure requirements of Securities Exchange Act Rule 15c2-12.

SECTION 7. The interest on the Note is exempt from Federal income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Internal Revenue Code of 1986, as amended. Under existing law, interest on the Note 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 8. The City reasonably expects that it will incur expenditures prior to the issuance of the Note, which it intends to reimburse with the proceeds of the Note upon the issuance thereof. This declaration of official intent to reimburse expenditures made prior to the issuance of the Note in anticipation of the issuance of the Note is made pursuant to Department of Treasury Regulations Section 1.150-2 (the reimbursement regulations). The Project for which such expenditures are made is the same as described hereinabove. The maximum principal amount of debt expected to be issued for the Project is the amount hereinabove set forth.

SECTION 9. The President, the Clerk and the other officers of the City are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents as may be necessary to effectuate the purposes of this resolution.

SECTION 10. If any one or more of the provisions of this resolution shall 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 shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

SECTION 11. The Governing Body herein employs the law firm of Butler Snow LLP, Ridgeland, Mississippi, as Note Counsel, and with respect to the issuance of the Note, authorizes them to prepare and distribute all necessary documents and to do all things required in order to negotiate the sale of the Note and to effectuate the issuance of such Note subject to the approval of the Governing Body of the City at a subsequent date.

SECTION 12. The terms of employment for Note Counsel are set forth in the engagement letter (the "**Engagement Letter**") attached hereto as **EXHIBIT B**. All provisions of the Engagement Letter, when executed as hereinafter authorized, 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. The form of the Engagement Letter and the execution thereof by the Mayor and City Manager are hereby approved and authorized.

SECTION 13. If any one or more of the provisions of this resolution shall 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 shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

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

Mayor Dane Maxwell	voted: _____
Council Person Rev. Dr. Willie C. Jones	voted: _____
Council Person George Wolverton, Sr.	voted: _____
Council Person Stephen Burrow	voted: _____
Council Person Matt Parker	voted: _____
Council Person Scott Tipton	voted: _____
Council Person Jennifer Colmer	voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor and President declared the motion carried and the resolution adopted this the 6th day of November, 2018.

MAYOR AND PRESIDENT, CITY COUNCIL

ATTEST:

CLERK, CITY COUNCIL

(SEAL)

EXHIBIT A

FORM OF NOTE

**UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
CITY OF PASCAGOULA, MISSISSIPPI
TAX ANTICIPATION NOTE**

NO. R-1 \$ _____

<u>Rate of Interest</u>	<u>Date of Original Issue</u>	<u>Date of Maturity</u>
_____ % 2019	November __, 2018	March 15,

Registered Owner: _____

Principal Amount: _____

The City of Pascagoula, Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi (the "State"), acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America (the "United States") to the Registered Owner identified above, the sum of

_____ **DOLLARS**

with interest thereon from the date hereof at the rate of _____ and _____ Percent (____%) per annum; provided, however, the City in its discretion may receive the principal amount of this Note in multiple advances, as needed by the City. Interest shall begin to accrue on the principal amount of each advance only from the date of each such advance. The amount of each advance will be recorded by the Clerk of the City in the place provided therefore on the reverse hereof, along with the date of such advance in the place provided therefor. Interest on the outstanding balance of the Note shall be payable on the maturity date (the "Interest Payment Date"), and the Note shall mature and be payable on the maturity date set forth herein.

Payment of the principal amount of this Note shall be made to the Registered Owner hereof who shall appear in the registration records of the City upon presentation and surrender of the Note.

The City further promises to pay interest on the principal amount stated above from the date of this Note at the rate of interest per annum set forth above, on the maturity date of the Note, to the Registered Owner hereof who shall appear in the registration records of the City.

Payments of principal of and interest on this Note shall be made by check or draft mailed to the Registered Owner at his address as it appears on such registration records. The Registered

Owner hereof may change such address by written notice to the City by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the City, such notice to be received by the City not later than the 15th day preceding the maturity date of the Note.

The Note is redeemable prior to its stated date of maturity either in whole or in part, at any time, at par plus accrued interest to the date of redemption.

This Note is the Note issued in the aggregate authorized principal amount of _____ Dollars (\$_____) to raise money for the purpose of providing funds for the current expenses of the City, all pursuant to and in compliance with Section 21-33-325 of the Mississippi Code of 1972, as amended (the "Act").

This Note is issued under the authority of the Constitution and statutes of the State of Mississippi, including the Act, and by the further authority of proceedings duly had by the City Council of the City, including a resolution adopted on November 6, 2018 (the "Note Resolution").

The Note is registered as to both principal and interest.

This Note may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the City, but only in the manner, subject to the limitations in the Note Resolution, and upon surrender and cancellation of this Note. Upon such transfer or exchange, a new Note of like aggregate principal amount of the same maturity will be issued.

The City may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and the City shall be affected by any notice to the contrary.

The Note is and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the first money collected from taxes for the year in which the Note is issued, in sums sufficient for said purpose, and the full faith credit and resources of the City shall be and are hereby irrevocably pledged to the payment of the Note, both as to principal and interest, and said Note shall be paid out of the first taxes collected for the year in which the Note is issued.

This Note shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Note Resolution until the certificate of registration and authentication hereon shall have been signed by the City.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Note, in order to make the same a legal and binding general obligation of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this

Note, both principal and interest, the full faith and credit of the City are hereby irrevocably pledged.

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name by the manual signature of the President of the City Council of the City, countersigned by the manual signature of the Clerk of the City Council of the City, under the seal of the City, which said manual signatures and seal said officials adopt as and for their own proper signatures and seal, as of the ____ day of _____, 2018.

CITY OF PASCAGOULA, MISSISSIPPI

BY: _____
President, City Council

COUNTERSIGNED:

City Clerk

(SEAL)

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Note is the Note described in the within mentioned Note Resolution and is the Tax Anticipation Note of the City of Pascagoula, Mississippi.

CITY OF PASCAGOULA, MISSISSIPPI

BY: _____
City Clerk

Date of Registration and Authentication: _____

REGISTRATION CERTIFICATE

STATE OF MISSISSIPPI

CITY OF PASCAGOULA

I, the undersigned City Clerk of the City of Pascagoula, Mississippi, do hereby certify that the within Note has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose.

City Clerk

(SEAL)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint _____,
_____, Mississippi, as Transfer Agent to transfer the said Note on the records kept for
registration thereof with full power of substitution in the premises.

NOTICE: The signature to this Assignment
must correspond with the name of the
Registered Owner as it appears upon the
face of the within Note in every particular,
without any alteration whatever.

Signatures guaranteed:

(Bank, Trust Company or Transfer Agent)

(Authorized Officer)

Date of Assignment: _____

Insert Social Security Number or Other
Tax Identification Number of Assignee: _____

PROVISION FOR REGISTRATION

In accordance with a provision of this Note, this Note shall be registered in the name of the owner, the registry to be certified hereon by the Chancery Clerk of the City, after which no transfer shall be valid unless made by the registered owner in person or by his duly authorized attorney upon the records of said Chancery Clerk and the name and mailing address of the new registered owner similarly placed in the registration clause herein.

<u>DATE OF REGISTRATION</u>	<u>NAME AND MAILING ADDRESS OF REGISTERED OWNER</u>	<u>SIGNATURE CHANCERY CLERK</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

RECORD OF MULTIPLE ADVANCES BY PURCHASER

<u>AMOUNT</u>	<u>DATE</u>	<u>SIGNATURE OF CHANCERY CLERK</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT B

ENGAGEMENT LETTER OF BUTLER SNOW, LLP

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