

December 7, 2021

Mayor and City Council
City of Pascagoula, Mississippi
603 Watts Avenue
Pascagoula, Mississippi 39567

Re: Tax Increment Financing Bonds (Ice and Freezer House Project) of the City of Pascagoula, Mississippi (the “City”) (the “Bond” or Bonds”)

Dear Mayor and Council:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as Bond Counsel to the City in connection with the issuance of the above-referenced Bonds in connection with the development of the Project, defined below, by Pascagoula TIF Bond, LLC, its successors and assigns. We understand that the Bonds will be issued for the purpose of providing funds for various infrastructure improvements related to The Ice and Freezer House Project (the “Project”) pursuant to Sections 21-45-1 *et seq.*, Mississippi Code of 1972, as amended and/or supplemented from time to time (the “TIF Act”), and Sections 57-64-1 *et seq.*, Mississippi Code of 1972, as amended and/or supplemented from time to time (the “REDA Act”), and may be secured by the City’s pledge of all or a portion of the incremental increase in real and personal property ad valorem taxes and sales taxes and Jackson County’s (the “County”) pledge of all or a portion of the incremental increase in real and personal property ad valorem taxes within the tax increment financing district as authorized by and provided in the TIF Act and the REDA Act.

SCOPE OF ENGAGEMENT

In connection with this engagement, we expect to perform the following duties:

1. Subject to the completion of proceedings to our satisfaction, render our legal opinion (the “Bond Opinion”) regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the potential excludability of interest on the Bonds from gross income for federal and State of Mississippi (the “State”) income tax purposes;
2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Bond, including the City’s tax increment financing plan, the County’s tax increment financing plan, the bond resolution, the development agreement (the “Development Agreement”), the inter-local/regional economic development alliance agreement (the “Interlocal Agreement”) between the City and the County, the guaranty agreement, if

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necessary, or other agreements pursuant to which the Bonds will be issued, and coordinate the authorization and execution of such documents;

3. Assist the City in seeking from any other governmental authorities such approvals, permissions, and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Bonds, except that we will not be responsible for any required Blue Sky filings;

4. Review legal issues relating to the structure of the Bond issue;

5. Pursue validation proceedings under State law;

6. If applicable, assist the City in preparing the official statement (the “**Official Statement**”) and subject to satisfactory completion of our review, provide to the Issuer written advice that in the course of our participation, no information has come to our attention that leads us to believe that the Official Statement, as of its date (except for financial statements, other statistical data, feasibility reports and statements of trends and forecasts and book-entry language contained in the Official Statement and its appendices, as to which we will express no opinion), contains any untrue statement of material fact or omits to state any material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading. Provided, however, if the Official Statement is required then there will be an additional charge of \$5,000 in addition to the fees quoted below;

7. If necessary, assist the City in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds;

8. If applicable, prepare and review the notice of sale pertaining to the competitive sale of the Bonds; and

9. If applicable, draft the continuing disclosure agreement of the City.

Our Bond Opinion will be addressed to the City and will be delivered by us on the date of delivery of the Bonds. The Bond Opinion will be based on facts and laws existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the City with applicable laws relating to the Bonds. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and its security. We understand that you will direct members of your staff and other employees of the City to cooperate with us in this regard. In rendering our Bond Opinion, we will expressly rely upon other counsel as to due authorization, execution and delivery of Bond documents executed by the City.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties under this engagement, without a separate engagement as may hereafter be agreed between the parties, do not include:

(a) Except as described in paragraph 6 above, assisting in the preparation or review of the Official Statement or any other disclosure document, if applicable, with respect to the Bonds, or

performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the Official Statement or other disclosure document, if applicable, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(b) Preparing request for tax rulings from the Internal Revenue Service (“IRS”) or no action letters from the Securities and Exchange Commission (“SEC”);

(c) Preparing Blue Sky or investment surveys with respect to the Bond;

(d) Drafting State constitutional or legislative amendments;

(e) Pursuing test cases or other litigation, such as contested validation proceedings;

(f) Making an investigation or expressing any view as to the creditworthiness of the City or the Bond;

(g) Except as described in paragraph 9 above and if applicable, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Bonds or, after closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking;

(h) Representing the City in IRS examinations or inquiries, or SEC investigations;

(i) After closing, providing continuing advice to the City or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Bonds). Although our present engagement does not include post-issuance advice relating to the Bonds, we would like to discuss with you a separate engagement involving post-issuance compliance matters for the Bonds and other bond issues or notes that you may have issued on various occasions;

(j) Giving and/or providing any financial advice or recommendations concerning the issuance of the Bonds as mandated by SEC rules; or

(k) Addressing any other matters not specifically set forth above that is not required to render our Bond Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between us. We understand that counsel to the City has been engaged by the City to assist with the issuance of the Bonds, particularly as to the authorization, execution and delivery of bond documents. We assume that all other parties will retain such counsel, as they deem necessary and appropriate to represent their interest in this transaction. We further assume that all other parties understand that in this transaction we represent only the City, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter, and the City’s execution of this engagement letter will constitute an

acknowledgment of those limitations. Our representation of the City will not affect, however, our responsibility to render an objective Bond Opinion.

Our representation of the City and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Bonds. Nevertheless, subsequent to Closing, we will mail, if required, to the IRS the appropriate IRS Form 8038-G and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

PROSPECTIVE CONSENT

As you are aware, Butler Snow represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the City, one or more of our present or future clients will have transactions with the City. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bond. We do not believe that such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bond so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bond. Execution of this letter will signify the City's consent to our representation of others consistent with the circumstances described in this paragraph.

FEES

With these types of engagements, our representation generally occurs in two phases. The first phase of the engagement sets the parameters for which the Bonds can be issued and how the developer can be reimbursed with Bond proceeds. This first phase normally includes the drafting, adoption and execution, as applicable, of the City and County TIF Plans, the Development Agreement, the Interlocal Agreement, and related documents. The second phase of the engagement includes the actual issuance of the Bonds and typically occurs after the project has been completed. There is normally a significant lapse in time as the Project is being constructed and must be opened prior to the issuance of the Bonds between the first phase and the second phase of the engagement.

Based upon our current understanding of the duties we will undertake pursuant to this engagement letter; the time we anticipate devoting to it; and the responsibilities we will assume in connection therewith, our fee for legal services rendered hereunder for the first phase will be based on our hourly rates. My current hourly rate is \$375. Parker Berry may also work with me, and his current hourly rate is \$315. We will also utilize others within firm where efficiency can be realized who will bill at their normal hourly rates. We will bill our time in 0.1/hour increments. Additionally, you will be billed for expenses, which includes our travel costs, deliveries, copies, transcripts, telephone charges, filing fees, computer-assisted research and other expenses. Our fee for the first phase of the engagement will be invoiced and due when the Development Agreement is approved by the City or when we conclude that there will be no Development Agreement for whatever reason. All of our fees and expenses can be reimbursed to the City with the Bond proceeds.

Regarding the issuance of the Bonds in the second phase, upon the issuance of a term sheet for the Bonds we will negotiate the terms of our fee with you at that time. If, for any reason, the Bonds are

not issued within eighteen (18) months of the execution of the Development Agreement or issued without the rendition of our Bond Opinion, we will expect to be compensated on an hourly basis by the developer at our normal hourly and published rates for time actually spent to issue the Bonds, plus out-of-pocket expenses. To that end, we will include a provision in the Development Agreement that will be executed between the City and the developer obligating the developer to pay our outstanding fees and/or reimburse the City for the previous payment of the same in the event such circumstances arise.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other material retained by us after the termination of this engagement.

If the foregoing terms are acceptable to you, please so indicate by returning a copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

BUTLER SNOW LLP



J. Troy Johnston

Accepted and Approved:

CITY OF PASCAGOULA, MISSISSIPPI

By: _____
Mayor

Dated: _____

The execution of the Engagement Letter by the Mayor was authorized by Resolution of the Mayor and City Council, dated December ____, 2021.