

CITY COUNCIL MINUTES
June 18, 2019

WHEREAS, on February 23, 2019, the City was struck by a tornado and resulting flooding which caused extensive damage throughout the City (together, the "Tornado"); and

WHEREAS, the Governing Body adopted a proclamation dated February 23, 2019, of the existence of an emergency in the City and adopted a resolution requesting the Governor of the State of Mississippi (the "State") to proclaim the City to be in a state of emergency as a result of the Tornado; and

WHEREAS, the Governor of the State executed a proclamation dated February 25, 2019, declaring the City to be in a state of emergency as a result of the Tornado; and

WHEREAS, the Federal Emergency Management Agency issued a disaster declaration in connection with the Tornado on April 23, 2019; and

WHEREAS, due to the Tornado, the City has expended or will expend a significant amount of money not currently covered by its existing budget or the revenues expected to be generated by the City in the current fiscal year; and

WHEREAS, the Governing Body has determined that, in the interest of the preservation of order and the public health the City, in order to restore public property to usefulness and in order to meet mandatory expenditures required by law, it is necessary and advisable for the City to provide financing for the costs incurred or to be incurred by the City as a direct result of the Tornado, including, but not limited to, costs incurred for (a) debris removal necessitated by damaged and destroyed residential, commercial and other structures and uprooted, blown down and broken trees and other vegetative debris which are creating public hazards to the citizens of the City, including the reimbursement of overtime costs incurred by the City, (b) damage caused to streets, culverts, roadways, sidewalks, bridges and street signs, and (c) damage caused to public buildings, parks and recreational facilities, including, but not limited to, the City's Amphitheater, Sim Scott Park and the Columbus Riverwalk (the "Project"); and

WHEREAS, the Governing Body has determined that an emergency exists and that the expenditures necessary to finance the Project cannot be provided for from the City's current budget; and

WHEREAS, on May 31, 2019, the Governing Body, by unanimous vote of those acting and present adopted a resolution (the "Intent Resolution") declaring the necessity for the sale and issuance of a taxable general obligation note of the City to raise money for the purpose of providing financing for the Project, authorizing the publication of a Notice of Note Sale in connection with such note (the "Notice") and authorizing the distribution of a proposal for purchase (the "Proposal") and other materials and information convenient to the sale of such note; and

WHEREAS, the Project is in accordance with the provisions of the Act; and

WHEREAS, the Governing Body is authorized pursuant to the Act to provide financing for the Project through the issuance of a general obligation note of the City secured by a pledge of the full faith, credit and resources of the City; and

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WHEREAS, the issuance of the Note under the Act for the purpose of financing the Project will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City; and

WHEREAS, the Governing Body has determined that it is necessary and advisable to issue a general obligation note of the City in the aggregate principal amount of Not to Exceed Five Million Dollars (\$5,000,000) in order to finance the Project and to pay the costs of the sale and issuance of such note; and

WHEREAS, such general obligation note shall be designated as the \$5,000,000 City of Columbus, Mississippi Taxable General Obligation Note, Series 2019 (the "Note"); and

WHEREAS, pursuant to the direction of the Intent Resolution, the Secretary-Treasurer, Chief Financial Officer and City Clerk of the City (the "Secretary-Treasurer") and Butler Snow LLP ("Special Counsel") prepared and published the Notice in *The Columbus Packet*, Columbus, Mississippi, a newspaper having general circulation in the City and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended and supplemented from time to time, on June 6, 2019, in the form attached hereto as Exhibit A; and

WHEREAS, pursuant to the Intent Resolution, the Mayor of the City (the "Mayor"), Special Counsel and Government Consultants, Inc. (the "Municipal Advisor") prepared and distributed the Notice and the Proposal to prospective purchasers of the Note in the forms attached hereto as Exhibit B; and

WHEREAS, at or prior to the hour of 4:00 p.m., Mississippi time, on this 18th day of June, 2019, there was filed with the Governing Body _____ (____) sealed proposals on the form of the Proposal which are attached hereto as Exhibit C and made a part hereof for the purchase of the Note pursuant to the terms and provisions of the Notice, as follows:

Name of Bidder

Interest Rate

WHEREAS, said Proposals have been read at length and have been considered by the Governing Body; and

WHEREAS, the Proposal of _____ (the "Purchaser") produces the lowest interest rate for the Note; and

WHEREAS, it is the opinion of the Governing Body that the best interest of the City will be served by the acceptance of the aforesaid Proposal of the Purchaser; and

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WHEREAS, the issuance of the Note for the purpose of providing funds to finance the Project will result in a substantial public benefit to the citizens of the City; and

WHEREAS, it has now become necessary that the Governing Body proceed to make provision for the preparation, execution, issuance and delivery of the Note.

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

SECTION 1. This resolution is adopted pursuant to the Act and the Constitution and laws of the State and all recitations hereinabove made are found and adjudicated to be true and correct.

SECTION 2. The Proposal of the Purchaser is hereby declared to be the best responsive Proposal and the one offering to purchase the Note at such rate of interest as will produce the lowest interest rate for the City.

SECTION 3. The Proposal of the Purchaser be, and the same is hereby, accepted, subject to the conditions of the Notice and this resolution, and in accordance with said Proposal.

SECTION 4. The Mayor be, and he is hereby, authorized and directed to accept the Proposal of the Purchaser and to endorse upon the Proposal of the Purchaser, for and on behalf of the City, a suitable notation as evidence of the acceptance of the Proposal of the Purchaser and to do all other acts and things required to evidence the City's acceptance thereof.

SECTION 5. Proceeding under the authority of the Act, there shall be and there is hereby authorized and directed to be issued a General Obligation Note, Series 2019 of the City in the aggregate principal amount of not to exceed Five Million Dollars (\$5,000,000) for the purpose of providing financing for the Project and paying the costs of the sale and issuance of the Note. In consideration of the purchase and acceptance of the Note, this resolution shall constitute a contract between the City and the registered holder from time to time of the Note. Pursuant to the Act, the Note shall be a general obligation of the City, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on the Note. For the purposes of effectuating and providing for the payment of the principal of and interest on the Note, as the same shall mature and accrue, there shall be and is hereby levied a direct, continuing special ad valorem tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Note; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the City on or prior to September 1 of that year has transferred money to the Note Fund (as hereinafter defined), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Note due during the ensuing fiscal year of the City. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the

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Note as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this Section 5, such failure shall not impair the right of the registered holder of the Note in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Note, both as to principal and interest.

SECTION 6. The Note will be dated from the date of its delivery; will be delivered in a single denomination of not to exceed \$5,000,000; will be numbered R-1; will be issued in registered form; will mature on July 1, 2026 and will bear interest from the date of each advance of principal on the Note at the rate of _____ % per annum. Interest on the Note will be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

SECTION 7. 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 \$5,000,000 and each advance must be in an amount of at least \$100,000; provided, further, that the final advance may be in an amount less than \$100,000. The last advance on the Note shall be no later than December 31, 2020 unless otherwise agreed to by the City and the Purchaser.

The Purchaser will make a notation of the date and amount of each advance on the grid to be attached to the Note. Failure of the Purchaser 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.

Within ten (10) days after the final advance on the Note, the City shall provide the Purchaser with an amortization schedule for the Note providing for the payment by the City of approximately equal installments of interest, payable on July 1 of each year commencing on July 1, 2021, at the rate of interest specified above. Interest will be payable by check or draft of the City, acting as paying and transfer agent for the Note (the "Paying and Transfer Agent") made payable to the registered owner of the Note named in, and mailed to the address appearing on the registration books of the City (the "Registration Books"). Principal of the Note will be due in full at final maturity on July 1, 2026 at the office of the Paying and Transfer Agent.

SECTION 8. The Note will be subject to redemption prior to maturity, at the option of the City, in whole, on any date, or in part, on any date, at the principal amount thereof together with accrued interest to the date fixed for redemption and without premium. Notice of each such redemption shall be mailed, postage prepaid, not less than five (5) business days prior to the redemption date, to the registered owner of the Note to be redeemed at the address appearing on the Registration Books.

If the Note is redeemed in part, amounts paid in connection with such partial redemption shall be applied first to interest to the extent then accrued and the remainder shall be applied to principal. In case the Note is to be redeemed in part only, the notice of redemption for the Note shall state the part or portion thereof to be redeemed.

Notice having been given in the manner and under the conditions hereinabove provided, the Note or portions thereof so called for redemption shall, on the date designated for redemption in such notice, become and be due and payable at the redemption price provided for redemption

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of the Note or portions thereof on such date. On the date so fixed for redemption, provided moneys for payment of the redemption price shall be held in separate accounts by the Paying and Transfer Agent in trust for the holder of the Note or portions thereof to be redeemed, interest on the Note or portions thereof so called for redemption shall cease to accrue, such Note or portions thereof shall cease to be entitled to any lien, benefit or security under this resolution, and the holder of the Note or portions thereof shall have no right in respect thereof except to receive payment of the redemption price thereof.

SECTION 9. Pursuant to the authority granted by the Act and the Registered Bond Act, being Sections 31-21-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "Registered Bond Act"), the Note shall be executed by the manual signature of the Mayor and the official seal of the City shall be affixed or otherwise reproduced thereon, attested by the Secretary-Treasurer, and the Note shall be authenticated by the Secretary-Treasurer on behalf of the City, as Paying and Transfer Agent. The Paying and Transfer Agent shall authenticate the Note by executing the Certificate of Registration and Authentication thereon and the Note shall not be valid or become obligatory for any purpose until such certificate shall have been duly executed by the Paying and Transfer Agent. Such certificate, when duly executed on behalf of the City, shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered. The validation and registration certificate, for which provision is hereinafter made, to appear on the Note, shall be executed by the Secretary-Treasurer, and the said certificate may be executed by the manual or facsimile signature of the Secretary-Treasurer. The Note shall be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award and this resolution. Prior to or simultaneously with the delivery by the Paying and Transfer Agent of the Note, the City shall file with the Paying and Transfer Agent: (a) a copy, certified by the Secretary-Treasurer, of the transcript of proceedings of the Governing Body in connection with the authorization, sale, issuance and validation of the Note; and (b) an authorization to the Paying and Transfer Agent, signed by the Mayor, to authenticate and deliver the Note to the Purchaser. At delivery, the Paying and Transfer Agent shall authenticate the Note and deliver it to the Purchaser upon payment of the purchase price of the Note to the City in accordance with this resolution. When the Note shall have been executed as herein provided, it shall be registered as an obligation of the City in a book maintained for that purpose, and the Secretary-Treasurer shall cause to be imprinted upon the Note, over her signature and seal, her certificate in substantially the form set out in Section 10 hereof.

SECTION 10. The form of the Note, the certificates to appear on the Note and the Certificate of Registration and Authentication shall be in substantially the following forms and the Mayor and the Secretary-Treasurer be, and are hereby, authorized and directed to make such changes, insertions and omissions therein as may in their opinions be required:

[FORM OF NOTE]

THE SALE, ASSIGNMENT, REPLACEMENT OR TRANSFER
OF THIS NOTE IS SUBJECT TO THE RESTRICTIONS IMPOSED
THEREON BY THE WITHIN MENTIONED RESOLUTION

INTEREST ON THIS NOTE SHOULD BE TREATED AS INCLUDABLE
IN GROSS INCOME OF THE HOLDER HEREOF FOR
FEDERAL INCOME TAX PURPOSES

Registered

No. R-1

\$5,000,000

UNITED STATES OF AMERICA
CITY OF COLUMBUS, MISSISSIPPI
TAXABLE GENERAL OBLIGATION NOTE,
SERIES 2019

The City of Columbus, Mississippi (the "City") for value received, hereby promises to pay to _____ as registered holder hereof, or its legal representatives or registered assigns as hereinafter provided (the "Registered Holder") at the times and in the amount set forth below, the principal sum drawn hereunder but not to exceed

FIVE MILLION DOLLARS

in any coin or currency of the United States of America which, on the date of payment thereof is legal tender for the payment of public and private debts, and to pay in like coin or currency, interest thereon from and including the date of each advance hereon at the rate of _____% per annum payable on July 1 of each year, commencing on July 1, 2021. Interest will be payable by check or draft of the City of Columbus, Mississippi (the "Paying and Transfer Agent") made payable to the Registered Holder of this Note as of the close of business on the date which shall be the fifteenth (15th) day (whether or not a business day) preceding such interest payment date and named in and mailed to the address appearing on the registration books of the City held and maintained by the Paying and Transfer Agent. Interest on this Note will be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months. Principal of the Note will be payable at the office of the Paying and Transfer Agent in full at final maturity on July 1, 2026.

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 \$5,000,000 and each advance must be in an amount of at least \$100,000; provided, further, that the final advance may be in an amount less than \$100,000. Interest shall begin to accrue on the principal amount of each advance only from the date of each such advance. Each such advance will be recorded by the Registered Holder hereto in the place provided therefor on this Note, along with the date of such advance. The last advance on this Note shall be no later than December 31, 2020 unless otherwise agreed to by the City and the

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Registered Holder hereof. Within ten (10) days after the final advance on this Note, the City shall provide the Registered Holder hereof with an amortization schedule for this Note providing for the payment by the City of approximately equal installments of interest, payable on July 1 of the years 2021 through and including 2026. Such amortization schedule shall be attached hereto as Exhibit A.

This Note is issued pursuant to the authority of and in full compliance with Section 21-35-19, Mississippi Code of 1972, as amended and supplemented from time to time (the "Act"), and resolutions duly and unanimously adopted by the Mayor and City Council of the City on May 31, 2019 and June 18, 2019 (collectively, the "Resolution"). This Note is subject to all terms and conditions of the Resolution. Terms not otherwise defined herein shall have the same meanings ascribed to them in the Resolution.

This Note is issued to provide financing for the costs incurred or to be incurred by the City as a direct result of a tornado and resulting flooding that struck the City on February 23, 2019, including, but not limited to, costs of (a) debris removal necessitated by damaged and destroyed residential, commercial and other structures and uprooted, blown down and broken trees and other vegetative debris which are creating public hazards to the citizens of the City, including the reimbursement of overtime costs incurred by the City, (b) damage caused to streets, culverts, roadways, sidewalks, bridges and street signs, (c) damage caused to public buildings, parks and recreational facilities, including, but not limited to, the City's Amphitheater, Sim Scott Park and the Columbus Riverwalk, and (d) issuance of this Note.

This Note shall be a general obligation of the City and shall be secured by a pledge of the full faith, credit and resources of the City. For the purposes of effectuating and providing for the payment of the principal of and interest on the Note, as the same shall mature and accrue, there shall be levied a direct, continuing special ad valorem tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Note; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the City on or prior to September 1 of that year has transferred money to the Note Fund established pursuant to the Resolution, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Note due during the ensuing fiscal year of the City. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to rate or amount. The avails of said tax are irrevocably pledged for the payment of the principal of and interest on the Note as the same shall respectively mature and accrue. Should there be a failure in any year to comply with these requirements, such failure shall not impair the right of the registered holder of the Note in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Note, both as to principal and interest.

This 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 together with accrued interest to the date fixed for redemption and without premium. Notice of each such redemption shall be mailed, postage prepaid, not less than five (5) business days prior to the redemption date, to the

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registered owner of the Note to be redeemed at the address appearing on the registration books of the City maintained by the Paying and Transfer Agent.

If this Note is redeemed in part, amounts paid in connection with such partial redemption shall be applied first to interest to the extent then accrued and the remainder shall be applied to principal installments due hereunder as determined by the Mayor and City Council of the City. In case this Note is to be redeemed in part only, the notice of redemption for this Note shall state the part or portion thereof to be redeemed.

Notice having been given in the manner and under the conditions hereinabove provided, this Note or portions thereof so called for redemption shall, on the date designated for redemption in such notice, become and be due and payable at the redemption price provided for redemption of this Note or portions thereof on such date. On the date so fixed for redemption, provided moneys for payment of the redemption price shall be held in separate accounts by the Paying and Transfer Agent in trust for the Registered Holder of this Note or portions thereof to be redeemed, interest on this Note or portions thereof so called for redemption shall cease to accrue, such Note or portions thereof shall cease to be entitled to any lien, benefit or security under the Resolution, and the Registered Holder of this Note or portions thereof shall have no right in respect thereof except to receive payment of the redemption price thereof.

If the date for payment of the principal of or interest on this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the normal day of payment.

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

The City and the Paying and Transfer Agent may deem and treat the Registered Holder 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 neither the City nor the Paying and Transfer Agent shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Note exist, have happened and have been performed in regular and due form and time as required by the laws and the provisions of the Constitution of the State of Mississippi applicable thereto, and that the issuance of this Note does not violate any constitutional or statutory limitation or provision.

This Note shall bind the City and its successors and assigns, and the benefits hereof shall inure to the Registered Holder hereof and its successors and assigns.

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This Note is not a "qualified tax exempt obligation" for purposes of Section 265(b)(3)(c) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the City of Columbus, Mississippi has issued this Note and has caused the same to be executed by the Mayor of the City and attested by the Secretary-Treasurer of the City and its seal to be impressed hereon, all as of the ____ day of July, 2019.

(SEAL)

CITY OF COLUMBUS, MISSISSIPPI

By _____
Mayor

ATTEST:

Secretary-Treasurer, Chief Financial Officer
and City Clerk

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This is the Note described in the within mentioned Resolution of the Mayor and City Council of the City of Columbus, Mississippi.

CITY OF COLUMBUS, MISSISSIPPI,
as Paying and Transfer Agent

By _____
Secretary-Treasurer, Chief Financial
Officer and City Clerk

Date of Registration and Authentication: _____