REGIONAL ECONOMIC DEVELOPMENT ACT AGREEMENT
(MENGE AVENUE AND I-10 PROJECT)

This Regional Economic Development Act Agreement is made and entered into as of _________________________, 2022, by and between Harrison County, Mississippi (the "County"), a political subdivision of the State of Mississippi, acting by and through its Board of Supervisors, and the West Harrison Water and Sewer District, Pass Christian, Mississippi (the "District"), a political subdivision of the State of Mississippi, acting by and through its Board of Commissioners.

RECITALS:

WHEREAS, the County and the District agree, find and determine as follows:

1. (a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Act" shall mean together, the REDA Act, the GO Act, the TIF Act, and the District Act.

"Agreement" shall mean this Regional Economic Development Act Agreement (Menge Avenue and I-10 Project).

"Alliance" shall mean the regional economic development alliance created by this Agreement pursuant to the REDA Act.

"Alliance Board" shall mean the Board of Supervisors of Harrison County, Mississippi.

"Bond Payments" shall mean payments of principal of, premium, if any, and interest on the Bonds, and Paying Agent charges pertaining to the Bonds and such charges or payments for reserve funds, bond insurance, a guaranty, a letter of credit and/or any other payments provided for in the Bond Resolution to secure the Bonds, and specifically including any prepayments of principal on the Bonds.

"Bond Resolution" shall mean the bond resolution or bond resolutions adopted by the County, if applicable, authorizing and directing the issuance of the Bonds pursuant to the authority under the Act.

"Bonds" shall mean any bonds, notes or other evidences of indebtedness of the County authorized by State law, including the GO Act and the TIF Act, issued from time to time in one or more series, including refunding bonds thereof, in the maximum principal amount of not to exceed $25,000,000 to finance the Costs of the Project, which includes the costs of the Improvements and associated fees and expenses of issuing such bonds and shall include any bonds issued to refinance same.

"Chancery Clerk" shall mean the Chancery Clerk of the County.

"Costs of the Project" shall mean all costs of the Project, including the Improvements and any or all of the costs of site preparation and other start-up costs; all costs of construction; costs of land and any rights or interests therein, easements, franchises, origination fees, permits, approvals, licenses and certificates and the costs of securing of such permits, approvals, licenses and certificates; and including any cost associated with the closure, post-closure maintenance or environmental corrective actions or maintenance; costs of engineering, surveying, environmental, geotechnical, architectural and legal services; financing charges and interest prior to and during construction; cost of construction, costs of the creation of a debt service reserve, and the costs of such other reserves as maybe reasonably required for the Project. Any obligation or expense incurred for any of the forgoing purposes shall be regarded as a part of the Costs of the Project and may be paid or reimbursed as such out of the proceeds of the Bonds issued under the Act or any other lawfully available revenues of the Alliance.

"County" shall mean Harrison County, Mississippi.

“Developer” shall mean Buc-ee’s Harrison, LLC, a Mississippi limited liability company, or any entities related thereto, or any successor or assigns thereof.

“Development Agreement” shall mean the development agreement to be entered into by the County and the Developer.

“District” shall mean the West Harrison Water and Sewer District, Pass Christian, Mississippi.

“District Act” shall mean House Bill 43, Extraordinary Legislative Session of 1964, as most recently amended by Chapter 992, House Bill 1340, Regular Session of 1987.

"Final Bond Payment Date" shall mean the date on which all of the Bond Payments have been made, whether before, on or after the last scheduled Principal Payment Date not to exceed thirty (30) years from the dated date of the Bond.

“GO Act” shall mean the Sections 19-9-1 through 19-9-31, Mississippi Code of 1972, as amended.

"Improvements" shall mean any or all of the costs of acquiring, installing or constructing various publicly or privately owned infrastructure improvements, including but not limited to, installation, rehabilitation, and/or relocation of utilities such as water, gas, and sanitary sewer; construction, renovation, improving, relocation or rehabilitation of drainage improvements, roadways, bridges, culverts, curbs and gutters, walkways, sidewalks, on-site parking, paving and other related parking lot improvements; installation and relocation of electrical lines, lighting, and signalization; construction, renovation, improving, or rehabilitation of buildings; landscaping of rights-of way; purchasing land for any of the forgoing purposes; and related architectural and engineering fees, and attorneys’ fees; TIF Plan preparation fees, TIF bond issuance costs, capitalized interest, and other related soft costs, all as may be authorized by the Act.

"Payment Date" shall mean any date on which interest or principal and interest on the Bonds is scheduled to be made.

"Principal Payment Date" shall mean any Payment Date on which principal is scheduled to be paid (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment).

"Project" shall mean the Menge Avenue and I-10 Project which includes the redevelopment of approximately forty-four (44) acres of property within the County and the service area of the District that is located on the Northwest corner of the intersection of Firetower Road and U.S. Interstate 10 upon which the Developer proposes to construct or cause to be constructed a Buc-ee's Travel Center of approximately 74,000 square feet, approximately 60,000 square feet of covered canopy space, and approximately 540,000 square feet of paved parking and internal passageways, together with related out-parcel development.

"REDA Act" shall mean the Regional Economic Development Act, Sections 57-64-1 through 57-64-27, Mississippi Code of 1972, as amended.

"Revenues" shall mean any revenues pledged to the security and payment of the Bonds from time to time including (1) the incremental ad valorem taxes generated within the TIF District payable to the County and/or any incremental sales taxes payable to the County generated within the TIF District and rebated to the County, (2) the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the County, and (3) in the sole discretion of the District, the net revenues received by the District from the operation of the water and sewer system serving the Project. "Revenues" shall also include any investment income from such monies, and any other revenues obtained by the Alliance for the payment of the Bond Payments. All or a portion of the Revenues will be diverted to the payment of the Bonds under the TIF Plan in accordance with Section 11 herein.

"TIF Act" shall mean the Tax Increment Financing Act, Sections 21-45-1 through 21-45-21, Mississippi Code of 1972, as amended.

"TIF District" shall mean the property included in the TIF Plan within which the Project will be acquired and constructed.

"TIF Plan" shall mean the *Tax Increment Financing Plan, Menge Avenue and I-10 Project, Harrison County, Mississippi, August 2022*.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms.

2. Pursuant to the provisions of the REDA Act, "local government units" may make the most efficient use of their powers by cooperating and contracting with one another for mutual advantage to create an "alliance", to among other things incur indebtedness in any manner for which the local government is authorized by statute to incur debt, including general obligation bonds and tax increment financing bonds, and thereby provide services and facilities which will accord best with the geographic, economic, population, and other factors to best serve the needs and development of such local governmental units, and the "alliance" created hereby constitutes an "entity" for the purposes of the REDA Act and Section 21-45-5 of the TIF Act.

3. The County is a "local government unit" as defined by the REDA Act, and its Board of Supervisors, the governing body of the County, desires to enter into a joint effort with the

District to form an alliance pursuant to the REDA Act to make the most efficient use of their powers and enable them to promote economic development and to assist in the creation of jobs and to promote the general welfare of the County and its citizens.

4. The District is a “local government unit” as defined by the REDA Act, and its Board of Commissioners, the governing body of the District, desires to enter into a joint effort with the County to form an alliance pursuant to the REDA Act to make the most efficient use of their powers and enable them to promote economic development and to assist in the creation of jobs and to promote the general welfare of the District.

5. The Developer desires to acquire land, acquire, improve, or construct the Improvements for the Project on private or public property within or adjacent to and serving the TIF District and the surrounding vicinity within the County and within the service area of the District.

6. The County and the District desire to enter into this Agreement for the purposes of (i) financing the Costs of the Project (ii) ensuring that water and sewer services are provided to the Project site, and (iii) satisfying the requirements of the Act.

7. In order to provide the Improvements for the Project and to enable their acquisition and construction by the Developer, the County, and/or the District, it is necessary and in the public interest for the County to cooperate with the District by entering into this Agreement pursuant to the REDA Act.

8. The County desires to issue the Bonds to acquire from or reimburse the Developer for the Costs of the Project pursuant to the Act, and specifically the REDA Act and Sections 21-45-5 and 21-45-9 of the TIF Act, in order to promote regional economic development that will assist in the creation of jobs and promote the economic, social and general welfare of both the County and the District.

9. It is necessary for the County and the District to enter into this Agreement pursuant to the Act in order to enable the County to issue and sell the Bonds, and to provide for the securing of the Bonds and the payment of the Bond Payments.

10. It is agreed and understood that the County will approve the TIF Plan and establish the TIF District in order to provide for the issuance and sale of the Bonds from time to time by the County to finance the Improvements for the Project, and it is agreed and understood that the County and the District may, in its discretion, include as sources of payment for the Bonds and pledge to the extent deemed necessary and appropriate all or any portion of the Revenues.

11. The Act authorizes the County to issue the Bonds for the financing of the Costs of the Project, which includes the costs of the Improvements associated with the Project.

12. Subject to the terms of the Development Agreement, the County will issue the Bonds, in one or more series, from time to time on behalf of the County and District in an amount not to exceed $25,000,000 for the purpose of financing the Costs of the Project. The Bond Payments shall be the responsibility of the County, shall be determined as described in the Development Agreement, and payable from the Revenues. The County will secure its portion of the Revenues for the Bonds by diverting up to fifty percent (50%) of the incremental increase in

ad valorem tax revenue on real and personal property generated from within the TIF District, up to one hundred percent (100%) of the incremental increase in sales taxes generated from within the TIF District and rebated to the County, and the Bonds may also be a general obligation of the County secured by a special tax levied on all taxable property within the boundaries of County. The District agrees that it may secure its portion of the Revenues for the Bonds, in the District's sole discretion, by diverting a portion of the net revenues received from the operation of the water and sewer system serving the Project.

13. Any public infrastructure Improvements, excluding public water and sewer Improvements, constructed by the Developer will be constructed according to the plans and specifications of the County and such Improvements will be dedicated to the County; provided, however, that public water and sewer Improvements constructed by the Developer will be constructed according to the plans and specifications of the District and then dedicated by the Developer to the District upon completion.

14. It is in the best interests of the citizens of the County that the County enter into and execute this Agreement.

15. It is in the best interests of the citizens of the District that the District enter into and execute this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE ABOVE AND THE MUTUAL BENEFITS ACCRUING TO THE COUNTY AND THE DISTRICT, THE COUNTY AND THE DISTRICT HEREBY AGREE AS FOLLOWS:

SECTION 1. Duration. This Agreement shall be in force and effect until terminated in accordance with the provisions of Section 6 hereof.

SECTION 2. Purpose. The purpose of this Agreement is to define the respective responsibilities of the County and the District with regard to the Project.

SECTION 3. Organization; Statutory Authority. The Alliance is hereby created pursuant to the REDA Act and shall be governed by the Board of Supervisors of the County. The Alliance Board shall have any and all powers granted unto it under and pursuant to the REDA Act. The Alliance Board shall take action in the same manner and in accordance with the same procedures established for the Board of Supervisors of the County such that any action, approval, or other decision required to be taken or made by the Alliance Board in accordance herewith or applicable law shall be deemed to have been taken or made by the County Board of Supervisors. The County and the District are authorized by the REDA Act, the District Act, and Titles 17, 19, and 21 of the Mississippi Code of 1972, as amended, to jointly exercise and carry out the power, authority, and responsibilities to be exercised by each of them pursuant to the terms of this Agreement. Further, the Alliance formed is an "entity" pursuant to Section 21-45-5 of the TIF Act and authorized to provide financial assistance to the Project and take such other actions as authorized thereunder. The County shall submit, on behalf of the County and the District, an application to the Mississippi Development Authority for a certificate of public convenience and necessity authorizing the creation of the Alliance in connection with the Project and take such other action necessary to create the Alliance under the REDA Act.

SECTION 4. <u>Administration</u>. (a) This Agreement shall be administered by the Alliance Board. All of the staffing pertaining to the acquisition and construction of the Improvements, to the extent applicable, and the issuance of the Bonds will be provided by the County. The County and the District hereby designate and authorize the Alliance Board to exercise all powers needed to carry out and assist in the development and construction of the Improvements, including the powers to issue the Bonds from time to time to finance the costs of the Improvements and to reimburse the Developer or any contractor hired by or with the approval of the County from proceeds of the Bonds for any advances made by the Developer to acquire and construct the Improvements in anticipation of the issuance of the Bonds all pursuant to the Act and subject to the terms of the Development Agreement.

(b) The County will adopt the TIF Plan and create the TIF District. The County shall issue the Bonds from time to time for the purpose of financing the Costs of the Project, which includes the cost of the Improvements. The Bond Payments shall be the sole responsibility of the County and shall be paid from the Revenues received from the County and the District, in its sole discretion.

(c) The County will establish a budget which may be included as a part of the County's budget for the receipts and expenditures pertaining to the Improvements and to the Bond Payments. The Chancery Clerk is designated to receive, disburse, and account for the Revenues. Any obligation or expense incurred for Improvements shall be regarded as a part of the Costs of the Project and may be paid or reimbursed as such out of the proceeds of the Bonds issued under the Act or any other lawfully available revenues of the Alliance.

(d) The County will enter into the Development Agreement that provides for the dedication and conveyance to the County of any and all public infrastructure included among the Improvements constructed, excluding the water and sewer Improvements and conditioned on final inspection and approval thereof, caused to be constructed or acquired by the Developer and the County shall maintain said Improvements. Some of the Improvements may not be dedicated by the Developer to the County, but instead will be owned and maintained by the Developer.

(d) The District will enter into an agreement with the Developer that provides for the dedication and conveyance to the District of any and all public water and sewer Improvements necessary for the District to provide service to the Project and its service area, conditioned on final inspection and approval thereof, caused to be constructed or acquired by the Developer. The District will maintain said dedicated public water and sewer Improvements.

(e) The County and the District shall have the right, at their request, to review and approve the plans and specifications for all public infrastructure among the Improvements. The County and the District shall have access to all records pertaining to the acquisition and construction of all public infrastructure among the Improvements, and no changes which materially affect the overall scope thereof will be initiated without the written consent of the County and the District.

SECTION 5. <u>Operation of Alliance and the Improvements</u>. The operation of the alliance and of the Improvements shall be as described in Section 4 of this Agreement and as may be otherwise provided herein.

SECTION 6. Termination. This Agreement will terminate upon the Final Bond Payment Date. The term of the Bonds will not exceed thirty (30) years from the dated date thereof.

SECTION 7. Amendment. This Agreement may be amended at any time by the mutual consent of the County and the District by an agreement entered into pursuant to the provisions of the Act. No such amendment shall have a material adverse effect on the ability of the County to make the Bond Payments.

SECTION 8. Administration of Issuance of Bonds. The authority to issue the Bonds issued pursuant to the Act and the administration of the Bond Payments is provided for in Section 4 hereof.

SECTION 9. Manner of Acquiring, Holding and Disposing of Property; Cooperation Concerning Property Matters. (a) The manner of acquiring, holding and disposing of real and personal property is provided for in Section 4 hereof.

(b) The County will grant to the District and the District will grant to the County any necessary construction and maintenance easements on property on which the County or the District can grant such rights to aid in the acquisition and/or construction of the Improvements.

SECTION 10. Terms and Conditions That Will Cause Alliance to Be Terminated. The Alliance will be terminated on the Final Bond Payment Date.

SECTION 11. Manner in Which the Costs of the Improvements Shall be Shared. The County will adopt the TIF Plan, create the TIF District, and the County shall issue the Bonds, whether they be general obligation bonds, revenue bonds, tax increment financing bonds or such other bonds authorized by the REDA Act, from time to time for the purpose of financing the Improvements associated with the Project. The Bond Payments shall be the responsibility of the County and shall be paid from the Revenues. It is agreed that the County and District shall contribute to the Revenues their respective incremental increase and revenues from the Project, all as described in Section 12. In the event that increased sales taxes, ad valorem taxes or revenues of the County or the District are sufficient for the Bond Payment, and surplus monies remain, then any surplus shall be returned to the parties in proportion to the amounts contributed.

SECTION 12. Security for Bond Payments & Principal Amount. It is agreed and understood that in order for the County to provide for the issuance and sale of the Bonds from time to time to finance the Costs of the Project, the County, subject to the terms of the Development Agreement, will pledge to the security of the Bonds any or all of the following: (1) up to fifty percent (50%) of the incremental increase in ad valorem tax revenue on real and personal property generated from within the TIF District, (2) up to one hundred percent (100%) of the incremental increase in sales taxes generated from within the TIF District and rebated to the County, and (3) the avails of a special tax levied on all taxable property within the boundaries of County. The District agrees that it may secure its portion of the Revenues for the Bonds, in the District's sole discretion, by diverting a portion of the net revenues received from the operation of the water and sewer system serving the Project. The total aggregate principal amount of Bonds to be issued from time to time pursuant to this Agreement shall be determined as described in the Development Agreement and shall not exceed $25,000,000. The County and the District agree to execute such documents necessary to affect their pledge as to the security for the Bonds as may be reasonably required by the issuing documents for the Bonds.

SECTION 13. <u>Effective Date; Approvals; Filing</u>. This Agreement will be effective from and after the last to occur of the following: (a) this Agreement has been executed by all parties hereto, (b) the approval of this Agreement by the Mississippi Development Authority and the Mississippi Attorney General has been obtained, and (c) this Agreement has been filed with the Chancery Clerk and the Mississippi Secretary of State. The initial term of this Agreement shall commence on the effective date hereof and extend through the Final Bond Payment Date. The County shall not schedule the term of the Bonds to be longer than thirty (30) years from the dated date of the Bonds of the final series of Bonds.

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WITNESS the signatures of the duly authorized officers of the County and the District as of the date first above written.

HARRISON COUNTY, MISSISSIPPI

By:_______________________________________
Kent Jones
President, Board of Supervisors

ATTEST:

____
John McAdams, Chancery Clerk

(SEAL)

[Signature Page of the Regional Economic Alliance Agreement between Harrison County, Mississippi and West Harrison Water and Sewer District dated as of __________________________, 20__]

WEST HARRISON WATER AND SEWER DISTRICT
PASS CHRISTIAN, MISSISSIPPI

By:______________________________________
[NAME]
President, Board of Commissioners

ATTEST:

____
Secretary

(SEAL)

[Signature Page of the Regional Economic Alliance Agreement between Harrison County, Mississippi and West Harrison Water and Sewer District dated as of ________________________, 20__]