

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF FOLEY, ALABAMA**

Ordinance Authorizing the Issuance of
General Obligation Warrants, Series 2014

The City Council of the City of Foley met in regular public session, at City Hall in the City of Foley, Alabama, at 5:30 p.m. on July 21, 2014. The meeting was called to order by the Council President, and the roll was called with the following results:

Present: J. Wayne Trawick
 Vera J. Quaites
 Ralph G. Hellmich
 C. Rick Blackwell
 Charles J. Ebert III

Absent:

* * *

The Mayor, Hon. John E. Koniar, was also present.

The Council President stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

Thereupon, the following ordinance was introduced in writing by the Council President, and considered by the City Council:

ORDINANCE NO. 14-1021

CITY OF FOLEY, ALABAMA

For

**\$16,805,000
GENERAL OBLIGATION WARRANTS
SERIES 2014**

Adopted: July 21, 2014

ORDINANCE NO. 14-1021

AN ORDINANCE AUTHORIZING THE ISSUANCE AND MAKING PROVISION FOR
THE PAYMENT OF \$16,805,000 GENERAL OBLIGATION WARRANTS, SERIES 2014

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FOLEY, ALABAMA, as follows:

ARTICLE 1

Definitions and Use of Phrases

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

(a) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

(b) All references in this Ordinance to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this Ordinance as originally adopted.

(c) The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Article, Section or other subdivision.

(d) The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

Authorized Denominations means with respect to all Warrants the amount of \$5,000 and any integral multiple thereof for each maturity.

Beneficial Owner shall have the meaning set forth in Section 4.03(a).

Book-Entry System means a book-entry only system of evidence of purchase and transfer of beneficial ownership interests in the Warrants.

Business Day means a day, other than a Saturday or a Sunday, on which commercial banking institutions are open for business in the state where the principal corporate office of the Paying Agent is located and a day on which the payment system of the Federal Reserve System is operational.

City means the City of Foley, Alabama and its successors and assigns.

Code means the Internal Revenue Code of 1986, as amended, and all references to specific sections of the Code shall be deemed to include any and all respective successor provisions to such sections.

Continuing Disclosure Agreement means the Continuing Disclosure Agreement dated the date of delivery by the City in favor of the Holders.

Direct Participant or **Direct Participants** means securities brokers and dealers, banks, trust companies, clearing corporations and other financial institutions which have access to the Book-Entry System.

Enabling Law means Section 11-47-2 and Section 11-81-51 of the Code of Alabama 1975.

Federal Securities means direct general obligations of the United States of America or any securities on which the payment of the principal and interest are unconditionally guaranteed by the United States of America.

Fiscal Year means the period beginning on October 1 of one calendar year and ending on September 30 of the next succeeding calendar year or such other Fiscal Year as may hereafter be adopted by the City.

Holder when used with respect to any Warrant means the Person in whose name such Warrant is registered in the Warrant Register.

Indirect Participant or **Indirect Participants** means securities brokers and dealers, banks, trust companies, clearing corporations and other financial institutions for which the Securities Depository holds Warrants as securities depository through a Direct Participant.

Interest Payment Date shall mean December 1, 2014 and each June 1 and December 1 thereafter.

Letter of Representation means and includes (i) the Letter of Representation with respect to the Warrants among the City, the Paying Agent and the Securities Depository and (ii) any other or subsequent agreement by whatever name or identification with respect to the Warrants among said parties from time to time in effect.

Net Warrant Proceeds means the net proceeds received from the sale of the Warrants of \$17,516,488.45, being the principal amount thereof of \$16,805,000, plus net original issue premium of \$862,733.45 and less underwriting discount of \$151,245.

Official Statement shall have the meaning assigned in Article 8(a).

Ordinance means this Ordinance as originally adopted or as it may from time to time be supplemented, modified or amended.

Outstanding when used with respect to Warrants means, as of the date of determination, all Warrants theretofore authenticated and delivered under this Ordinance, except: (1) Warrants theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation; and (2) Warrants for whose payment or redemption money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the Holders thereof, provided that, if such warrants are to be redeemed, notice of such redemption has been duly given pursuant to this Ordinance or provision therefor satisfactory to the Paying Agent has been made; and (3) Warrants for the payment of which provisions have been made in accordance with Section 5.04; and (4) Warrants in exchange for or in lieu of which other warrants have been authenticated and delivered under this Ordinance.

Paying Agent means (i) Regions Bank, the bank designated by the City as the paying agent for the Warrant Fund and the paying agent and registrar for the Warrants, and (ii) any successor bank designated as such depository, paying agent and registrar pursuant to Section 10.03 hereof.

Person shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or agency or political subdivision thereof.

Principal Office of the Paying Agent means the office where the Paying Agent maintains its designated trust office for purposes of this Ordinance, or such other office as shall be designated by the Paying Agent by written notice to the City and the Holders.

Qualified Investments means:

- (a) Federal Securities or a trust or fund consisting of Federal Securities;
- (b) Obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America:
 - (1) Farmers Home Administration;
 - (2) General Services Administration;
 - (3) U.S. Maritime Administration;
 - (4) Small Business Administration;
 - (5) Government National Mortgage Association (GNMA);
 - (6) U.S. Department of Housing and Urban Development (HUD);
 - (7) Federal Housing Administration (FHA);
- (c) U.S. dollar denominated deposit accounts and certificates of deposit with banks or savings associations which are qualified public depositories under the laws of the State of Alabama; or
- (d) any investment, obligation, or security at any time permitted by the laws of the State of Alabama for the investment or security of municipal or public funds, including without limitation Section 11-81-21 of the Code of Alabama 1975.

Record Date means, for each Interest Payment Date, the fifteenth day of the month (whether or not a Business Day) next preceding any Interest Payment Date.

Securities Depository means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and the successors and assigns thereof, and any substitute securities depository therefor that maintains a Book-Entry System for the Warrants.

Securities Depository Nominee means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Warrant Register the Warrants to be delivered to such Securities Depository during a period in which the Warrants are held pursuant to the Book-Entry System.

Security Documents shall mean the resolution, trust agreement, ordinance, loan agreement, warrant, and/or any additional or supplemental document executed in connection with the Warrants.

Series 2014 Capital Improvements means and includes the following capital improvements, subject to the reserved right of the City to apply proceeds of the Warrants to the acquisition, construction or installation of any property not included within, or described as part of, the following capital improvements upon compliance by the City with the applicable requirements of this Ordinance with respect thereto:

(a) construction and improvement of certain public roadways and pedestrian infrastructure in the City, in connection with grants received therefor, including without limitation Pride Drive and Juniper Street, Fern Avenue, and County Road 20;

(b) various public infrastructure improvements to City facilities including without limitation, roads, utilities, and drainage and water control facilities, and acquisition of capital equipment and personal property;

(c) construction of recreational facilities and ball fields for use in connection with recreation programs of the City;

(d) construction of a nature interpretative center at a nature preserve owned by the City and acquisition of a building in the downtown area of the City for use by public and non-profit organizations.

Tax Certificate and Agreement means that certain Tax Certificate and Agreement delivered by the City with respect to the Warrants on the date of issuance thereof.

Taxable means that interest on the Warrants is includable in the gross income of any Holder thereof in the computation of federal income tax liability. Interest on the Warrants shall not be deemed "Taxable" because interest is includable in any calculation of income for any other type of taxation other than the regular federal tax imposed on income.

Warrant Fund means the fund established pursuant to Section 5.02 hereof.

Warrant Purchase Agreement means the Warrant Purchase Agreement dated July 10, 2014 by the City and The Frazer Lanier Company, Incorporated

Warrant Register shall have the meaning assigned in Section 4.01(a).

Warrant Registrar means the Person appointed by the City as Warrant Registrar pursuant to Section 4.01 for the purpose of registering Warrants and transfers of Warrants.

Warrants means the General Obligation Warrants, Series 2014, dated the date of delivery, authorized to be issued pursuant to the provisions of this Ordinance.

ARTICLE 2

Source of Payment of Warrants

Section 2.01 Source of Payment of Warrants

The indebtedness evidenced and ordered paid by the Warrants shall be a general obligation of the City for the punctual payment of the principal of and interest on which the full faith, credit and taxing power of the City are hereby sacredly and irrevocably pledged.

Section 2.02 Officers and Members of the Governing Body of the City Exempt from Individual Liability

By acceptance of a Warrant, the Holder or Beneficial Owner thereof shall have agreed that no recourse under or upon any covenant or agreement of this Ordinance or of any Warrant, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future officer, employee, or member of the governing body of the City, or of any successor of any thereof, and all such liability of every name and nature, either at common law or in equity or by constitution or statute, and any and all such rights and claims against every such officer, employee, or member of the governing body of the City as such, are hereby expressly waived and released as a condition of, and as a consideration for, the issuance of the Warrants.

ARTICLE 3

The Warrants

Section 3.01 Determinations and Representations Respecting the Warrants

The City, upon evidence duly presented to and considered by it, does hereby find, determine and represent as follows:

(a) It is necessary and desirable and in the public interest for the City to issue the Warrants to provide for the following purposes, as more particularly provided in Section 3.05:

- (1) to provide for the payment of the costs of the Series 2014 Capital Improvements;
- (2) to pay issuance expenses of the Warrants.

(b) The total indebtedness of the City which will be outstanding upon the issuance of the Warrants and which will be chargeable against the debt limitation for the City prescribed by Section 225 of the Constitution of Alabama of 1901 shall not exceed twenty percent of the assessed value of the taxable property in the City for the preceding fiscal year (ending September 30, 2013), as set forth as follows:

Population of City from 2010 Federal Decennial Census	14,618
<u>Net</u> assessed value of taxable property, including motor vehicles, after exemptions as of September 30, 2013	\$231,032,240.00 ^[1]
Debt limit (20% of net assessed value)	46,206,448.00
Outstanding general obligation debt	50,138,769.00 ^[2]
Outstanding general obligation debt chargeable against limit	<u>26,093,769.00^{[3][4]}</u>
Constitutional debt margin	<u>\$20,112,679.00</u>

[1] As reported by the Revenue Commissioner of Baldwin County, Alabama (real and personal property) and the Judge of Probate of Baldwin County, Alabama (motor vehicles) for the fiscal year ending September 30, 2013.

[2] The total outstanding debt of the City includes: (a) the aggregate principal amount of the General Obligation Warrants of the City of \$25,460,000, (b) the aggregate principal amount of the Special Lease Obligations of the City of \$22,845,000, (c) the accrued compensated absences of the City of \$633,769 for the fiscal year ending September 30, 2013, as set forth in the audited financial statements of the City for such fiscal year; and (d) the economic development obligations of the City of \$1,200,000.

[3] The total outstanding debt of the City which is chargeable against the constitutional debt limit of the City under Section 225 of the Constitution of Alabama of 1901, as amended, includes: (a) the aggregate principal amount of the General Obligation Warrants of the City of \$25,460,000 and (b) the accrued compensated absences of the City of \$633,769 for the fiscal year ending September 30, 2013, as set forth in the audited financial statements of the City for such fiscal year.

[4] The annual appropriation obligations of the City under the various lease agreements are not chargeable against the constitutional debt limit of the City under Section 225 of the Constitution of Alabama of 1901, as amended. The economic development obligations of the City are incurred and issued under Amendment No. 772 of the Constitution of Alabama of 1901, as amended, and are, by the terms of Amendment No. 772, not chargeable against the general constitutional debt limit of the City under Section 225 of the Constitution of 1901, as amended.

Section 3.02 Authorization and Description of Warrants

(a) (1) Pursuant to the Constitution and laws of the State of Alabama, including particularly the Enabling Law, there is hereby authorized to be issued a series of warrants in the aggregate principal amount of \$16,805,000 for the purposes set forth in Section 3.01.

(2) The Warrants shall be issued pursuant to a Book Entry System.

(b) The Warrants shall be designated “General Obligation Warrants, Series 2014,” shall be in fully registered form, without coupons, shall be in Authorized Denominations, shall be numbered for identification as determined by the Paying Agent, and shall be dated the date of delivery thereof and payment therefor.

(c) The Warrants shall mature, or be subject to mandatory redemption, on June 1 in the following years and in the following principal amounts and shall bear interest at the following per annum rates:

<u>Year of Maturity</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>
2015	\$990,000	2.000%	2028	\$640,000	3.100%
2016	925,000	2.000%	2029	665,000	3.250%
2017	940,000	2.000%	2030	685,000	3.500%
2018	960,000	2.000%	2031	710,000	3.500%
2019	980,000	2.000%	2032	735,000	3.625%
2020	1,000,000	5.000%	2033	760,000	3.700%
2021	1,050,000	5.000%	2034	785,000	3.750%
2022	490,000	5.000%	2035	305,000 ^[1]	4.000%
2023	515,000	5.000%	2036	320,000 ^[1]	4.000%
2024	535,000	5.000%	2037	330,000 ^[1]	4.000%
2025	565,000	5.000%	2038	345,000 ^[1]	4.000%
2026	595,000	5.000%	2039	355,000	4.000%
2027	625,000	3.000%			

^[1] Term Warrants having stated maturity on June 1, 2039

(d) Interest on the Warrants shall be payable on each Interest Payment Date on the basis of a 360-day year of 12 consecutive 30-day months.

(e) The principal of, premium (if any) and interest on the Warrants shall be payable in lawful money of the United States of America, without deduction for exchange, fees or expenses, as provided in this Ordinance and as set forth in the Warrants.

(f) The Warrants are subject to redemption prior to maturity upon the circumstances, in the manner, on the dates, in the amounts and order, at the redemption prices and upon the notice as provided in this Ordinance and as set forth in the Warrants.

(g) The form of the Warrants and the authentication and registration certificates and the assignments appertaining thereto shall be substantially as follows, with appropriate changes, variations and insertions as provided herein; provided that for the purpose of printing the Warrants the face of the Warrants need not include the entire text so long as the paragraphs not appearing on the face of the printed Warrant appear on the reverse side thereof:

**UNITED STATES OF AMERICA
STATE OF ALABAMA**

**CITY OF FOLEY, ALABAMA
GENERAL OBLIGATION WARRANTS
SERIES 2014**

No. R-1

DATED DATE:	MATURITY DATE:	INTEREST RATE:	CUSIP:
July 23, 2014	June 1, 20__	____%	344230__

The **CITY OF FOLEY**, a municipal corporation organized and existing under and by virtue of the laws of the State of Alabama (the "City"), for value received, hereby acknowledges itself indebted to

CEDE & Co.

or registered assigns in the principal amount of

_____ DOLLARS
(\$ _____)

and hereby orders and directs the City Administrator (or any successor to the duties and functions thereof) of the City to pay to said payee or registered assigns, solely from the Warrant Fund hereinafter designated, said principal amount on the Maturity Date specified above, and to pay to said payee or registered assigns from said Warrant Fund interest on said principal amount from the date hereof at the Interest Rate per annum specified above, computed on the basis of a 360-day year of 12 consecutive 30-day months, payable on December 1, 2014 and on June 1 and December 1 in each year thereafter.

Authority for Issuance; Source of Payment and Security; Reference to Ordinance

This warrant is one of a duly authorized issue of \$16,805,000 General Obligation Warrants, Series 2014 (the "Warrants"), issued pursuant to the authority of the Constitution and laws of the state of Alabama and an ordinance and proceedings of the City duly held, passed and conducted (the "Ordinance").

In the Ordinance the City has appointed Regions Bank as the Paying Agent and Warrant Registrar for the Warrants (the "Paying Agent").

Capitalized terms used herein without definition shall have the respective meanings assigned thereto in the Ordinance.

The indebtedness evidenced by the Warrants is a general obligation of the City and the full faith and credit of the City are hereby sacredly and irrevocably pledged to the punctual payment of the principal thereof and interest thereon.

The Warrants shall never constitute an indebtedness, pecuniary liability, or charge against the general credit or taxing power, of the State of Alabama or any political subdivision thereof except the City.

Reference is hereby made to the Ordinance, copies of which are on file at the Principal Office of the Paying Agent, for a description of the nature and extent of the security afforded by the Ordinance, the rights and duties of the City and the Paying Agent with respect thereto, and the terms and conditions upon which the purchase, transfer and exchange of the Warrants are to be made, to and by all of which terms, conditions and provisions of the Ordinance the owner of this Warrant, or of any beneficial interest in this Warrant, by the acquisition hereof, hereby assents and agrees to be bound.

Payment; Warrant Fund

The principal of and interest on the Warrants shall be payable in lawful money of the United States of America, without deduction for exchange, fees or expenses, by the City through the Paying Agent.

During a period in which the Book-Entry System is not in effect for the Warrants: (1) payment of interest on the Warrants shall be made by check or draft mailed by the Paying Agent to the Holders in whose names the Warrants are registered in the Warrant Register maintained by the Paying Agent at close of business on the Record Date (such payments to be deemed timely made if so mailed on the Interest Payment Date or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date); (2) payment of the principal of (and premium, if any, on) the Warrants shall be made to the Holders only upon surrender of the Warrants at the Principal Office of the Paying Agent; and (3) all such payments of principal of, premium (if any) and interest on the Warrants on behalf of the City or the Paying Agent shall be valid and effectual to satisfy and discharge the liability of the City and the Paying Agent to the extent of the amounts so paid.

During a period in which the Book-Entry System is in effect for the Warrants: (1) payments of principal, interest, and redemption premium, if any, with respect to the Warrants will be paid by the Paying Agent directly to the Securities Depository, or the Securities Depository Nominee, as Holder; provided, that payment of the principal of (and premium, if any, on) such Warrants due at final maturity or upon redemption in whole of any of such Warrants shall be made only upon surrender thereof at the Principal Office of the Paying Agent; (2) the Securities Depository and the Direct Participants and the Indirect Participants shall be responsible for the disbursement of such payments to the Beneficial Owners; and (3) all such payments to the Securities Depository or the Securities Depository Nominee, as Holder, of principal of, premium (if any) and interest on such Warrants on behalf of the City or the Paying Agent shall be valid and effectual to satisfy and discharge the liability of the City and the Paying Agent to the extent of the amounts so paid, and the City and the Paying Agent shall not be responsible or liable for payment to any Beneficial Owner by the Securities Depository or by any Direct Participant or by any Indirect Participant, or for sending transaction statements or for maintaining, supervising or reviewing records maintained by the Securities Depository or Direct Participants or Indirect Direct Participants.

If any payment on the Warrants is due on a day which is not a Business Day, such payment shall be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

The City, the Paying Agent and any agent of the City or the Paying Agent may treat the person in whose name any Warrant is registered as the owner of such Warrant for the purpose of receiving payment of principal of, premium (if any) and interest on such Warrant and for all other purposes whatsoever whether or not such Warrant be overdue, and, to the extent permitted by law, neither the City, the Paying Agent nor any such agent shall be affected by notice to the contrary.

The City has established in the Ordinance a special fund designated "Warrant Fund" for the payment of the principal of and interest on the Warrants and has obligated itself to pay or cause to be paid into the Warrant Fund, from the revenues or funds of the City, sums sufficient to provide for the payment of the principal of and interest on the Warrants as the same shall become due and payable.

Redemption

Optional Redemption

The Warrants will be subject to prior redemption at the option and direction, of the City, as a whole or in part in integral multiples of an Authorized Denomination, on June 1, 2024 or on any date thereafter, in such principal amounts as the City may determine and by lot within a maturity, at a redemption price for each Warrant redeemed equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date, without premium or penalty.

Mandatory Redemption

The Warrants having a stated maturity on June 1, 2039 (the "2039 Term Warrants") are subject to scheduled mandatory redemption, by lot, on June 1 in the year and in the aggregate principal amount set forth below (subject to a credit for the principal amount of the 2039 Term Warrants then cancelled or redeemed and not previously claimed as a credit), at a redemption price for each 2039 Term Warrant to be redeemed equal to the principal amount thereof, plus accrued interest thereon to the redemption date, without premium or penalty:

<u>Year</u>	<u>Principal Amount to Be Mandatorily Redeemed</u>
2035	\$305,000
2036	320,000
2037	330,000
2038	345,000

\$355,000 principal amount of the 2039 Term Warrants is scheduled to be retired at maturity (June 1, 2039).

Selection for, and Notice of, Redemption

Warrants to be redeemed shall be selected by the Securities Depository or Paying Agent as provided in the Ordinance, and redemption thereof shall be effected in the manner, upon the notice, and on the terms and conditions provided in the Ordinance.

Notice meeting the requirements of the Ordinance of the intended redemption of any Warrants shall be given by the Paying Agent to the Holder of each Warrant, all or a portion of the principal of which is to be redeemed, not less than 30 days prior to the proposed redemption date, by United States registered or certified mail (first class, postage prepaid), or, if the Securities Depository or Securities Depository Nominee is the Holder, at the times and in the manner as provided in the Letter of Representation, at the address of such Holder appearing in the Warrant Register; provided, however, any Holder may waive the requirement of notice as to the redemption (in whole or in part) of the Warrant or Warrants thereof.

Interest Ceases to Accrue Upon Redemption

Warrants (or portions thereof) for the redemption and payment of which provision has been made and notice thereof given all in accordance with the Ordinance shall thereupon cease to be entitled to the benefits of the Ordinance and shall cease to bear interest from and after the date fixed for redemption unless default shall be made in the payment of the redemption price.

Warrants Payable on Redemption Date; Interest to Cease to Accrue after Redemption Date

Notice of redemption having been given as aforesaid, the Warrants to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Warrants will cease to bear interest. Installments of interest due prior to the redemption date will be paid to the registered holders of the Warrants on the relevant record dates.

Registration, Transfer, Exchange; Book Entry System

The Warrants are initially issued in Authorized Denominations pursuant to the Book-Entry System to be administered by the Securities Depository and registered in the name of and held by the Securities Depository Nominee. During the period in which the Securities Depository Nominee is the registered owner of the Warrants, purchases and transfers of ownership of beneficial interests in the Warrants will be evidenced by book-entry only, as more particularly provided in the Ordinance.

The Securities Depository may determine to discontinue the Book-Entry System with respect to the Warrants at any time upon notice to the City and the Paying Agent and upon discharge of its responsibilities with respect thereto under applicable law. Upon such notice and compliance with law the Book-Entry System for the Warrants will be discontinued unless a successor securities depository is appointed by the City.

In the event the Book-Entry System for the Warrants is discontinued, Warrants in certificated form in Authorized Denominations will be physically distributed to the owners of beneficial interests in the Warrants, the Warrants will be registered in the names of the owners thereof on the registration books of the Paying Agent pertaining thereto, and the following provisions with respect to registration, transfer and exchange of the Warrants by the registered owners thereof shall apply, subject to the further conditions set forth in the Series 2013 Warrants Ordinance with respect thereto:

(a) The Warrants may be transferred by the registered owner in person or by authorized attorney, only on the Warrant Register maintained by the Paying Agent and only upon surrender of the Warrant to the Paying Agent for cancellation with a written instrument of transfer acceptable to the Paying Agent executed by the registered owner or his duly authorized attorney, and upon any such transfer, a new Warrant of like tenor shall be issued to the transferee in exchange therefor.

(b) The registered owner of any Warrant in a face amount of more than the smallest Authorized Denomination may surrender the same in exchange for more than one Warrant, each in the principal amount which is an integral multiple of an Authorized Denomination, having the same year of maturity as the Warrant so surrendered and the same aggregate principal amount. The registered owner of two or more Warrants having the same principal maturity may surrender the same in exchange for a single Warrant in the aggregate principal amount of the Warrants so surrendered.

(c) The Paying Agent shall not be required to transfer or exchange any Warrant during the period from the Record Date and the then next succeeding Interest Payment Date; and in the event that any Warrant (or any part thereof) is duly called for redemption, the Paying Agent shall not be required to register or transfer any such Warrant during the period of forty-five (45) days next preceding the date fixed for such redemption.

No charge shall be made for the privilege of transfer or exchange, but the registered owner of any Warrant requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. The registered owner of any Warrant will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant.

The Ordinance provides that each registered owner of the Warrants, by receiving or accepting the Warrant, consents and agrees and is estopped to deny that, insofar as the City and the Paying Agent are concerned, the Warrant may be transferred only in accordance with the provisions of the Ordinance.

General

The Ordinance provides that, as a condition of, and a consideration of, the issuance of the Warrants, each Holder or Beneficial Owner thereof, by acceptance of a Warrant shall have agreed that no covenant or agreement contained in this warrant or in the Ordinance shall be deemed to be a covenant or agreement of any officer, agent, employee, or member of the governing body of the City or of the Paying Agent in its individual capacity and none of such parties or persons nor any officer executing this warrant shall be liable personally on this warrant or be subject to any personal liability or accountability by reason of the issuance of this warrant.

This warrant shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration inscribed hereon shall have been executed by the Paying Agent by the manual signature of one of its authorized officers.

It is hereby recited, certified and declared that the indebtedness evidenced and ordered paid by this warrant is lawfully due without condition, abatement or offset of any description, that this warrant has been registered in the manner provided by law, that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the authorization, execution, registration and issuance of this warrant and the adoption of the Ordinance, have happened, do exist and have been performed in due time, form and manner as so required by law and that the principal amount of this warrant, together with all other indebtedness of the City, are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the City, acting by and through the City Council of the City as the governing body thereof, has caused this warrant to be executed in its name and on its behalf by the Mayor of the City, has caused its corporate seal to be affixed hereto and the same attested by the City Administrator of the City, and has caused this warrant to be dated the date and year specified above.

CITY OF FOLEY, ALABAMA

By: _____
Mayor

SEAL

Attest: _____
City Clerk

REGISTRATION CERTIFICATE

The undersigned hereby certifies that this Warrant has been duly registered as a claim against the City of Foley, in the State of Alabama, and the Warrant Fund referred to herein.

Finance Manager/ Treasurer of the City
of Foley, Alabama

AUTHENTICATION AND REGISTRATION DATE: JULY 23, 2014

**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This warrant is hereby authenticated and has been registered by the City of Foley, Alabama on the registration books maintained with the Paying Agent in the name of the above registered owner on the Authentication and Registration Date noted above.

REGIONS BANK

By _____
Its Authorized Officer

ASSIGNMENT

For value received _____ hereby sell(s), assign(s), and transfer(s) unto _____ the within Warrant and hereby irrevocably constitute(s) and appoint(s) _____, attorney, with full power of substitution in the premises, to transfer this Warrant on the books of the within mentioned Paying Agent.

Dated this ____ day of _____, ____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

Signature Guaranteed:*

(Bank, Trust Company or Firm)

By _____
(Authorized Officer)

* Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

Notice By Securities Depository

Unless the within Warrant is presented by an authorized representative of the Securities Depository (as defined in the Ordinance referenced in the within Warrant), to the City or its agent for registration of transfer, exchange, or payment, and any Warrant issued is registered in the name of the Securities Depository or the Securities Depository Nominee (as defined in the Ordinance referenced in the within Warrant), as the case may be, or in such other name as is requested by an authorized representative of the Securities Depository (and any payment is made to the Securities Depository or the Securities Depository Nominee or to such other entity as is requested by an authorized representative of the Securities Depository), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, the Securities Depository or Securities Depository Nominee, as the case may be, has an interest herein.

Section 3.03 Execution, Authentication and Delivery of Warrants

(a) The Warrants shall be executed in the name of and on behalf of the City by signature of the Mayor, shall be sealed with the seal of the City imprinted thereon, and said seal and said Warrants shall be attested by the City Clerk of the City. The Warrants shall be registered by the Finance Manager/ Treasurer of the City as a claim against the City and the Warrant Fund. The Mayor and the City Clerk and the Finance Manager/ Treasurer of the City are hereby authorized and directed to so execute, attest and register the Warrants as provided above. All Warrants bearing the signature of officers in office on the date of signing thereof shall be valid and binding obligations, notwithstanding that before the delivery and payment therefor, such officers whose signatures appear thereon shall have ceased to be officers of the City.

(b) The Paying Agent is hereby directed to execute the Authentication and Registration Certificate appearing on each Warrant.

(c) No Warrant issued hereunder shall be the valid and binding obligation of the City unless said Authentication and Registration Certificate shall have been executed as provided herein.

Section 3.04 Sale and Delivery of Warrants; Closing Papers

(a) The Warrants are hereby sold to The Frazer Lanier Company, Incorporated, upon the payment to the City of the purchase price of the Net Warrant Proceeds. The City has determined that the sale of the Warrants to such purchaser on such terms is most advantageous to the City.

(b) The Warrants shall be delivered to such purchaser through The Depository Trust Company, New York, New York, upon the payment to the City of the aforesaid purchase price. The Mayor and the City Administrator, or either of them, are hereby authorized and directed to effect such delivery and in connection therewith to deliver such closing papers containing such representations as are required to demonstrate the legality and validity of the Warrants; the exclusion of the interest on the Warrants from the gross income of the Holders thereof for federal income taxation; the exemption of interest on the Warrants from State of Alabama income taxation; and the absence of pending or threatened litigation with respect to any of such matters. The City Administrator shall give a receipt to the purchaser for the purchase price paid, and such receipt shall be full acquittal to the purchaser and said purchaser shall not be required to see to, or be responsible for, the application of the proceeds of the Warrants. Nevertheless, the proceeds of the Warrants shall be held in trust and applied solely for the purposes specified in this Ordinance.

Section 3.05 Application of Proceeds of Warrants

The Net Warrant Proceeds shall be applied as follows on the date of issuance of the Warrants:

(a) the amount of \$83,000.00 shall be held by the City and applied to the payment of issuance expenses, and any balance remaining shall be applied to the payment of the costs of the Series 2014 Capital Improvements as the City shall determine; and

(b) the amount of \$17,433,488.45 shall be held by the City and applied to the payment of costs of the Series 2014 Capital Improvements, as follows:

Section 3.06 Amendment of Series 2014 Capital Improvements

The City may apply any portion of the Net Warrant Proceeds for the acquisition, construction or installation of any property not included within, or described as part of, the Series 2014 Capital Improvements, if prior thereto: (a) the governing body of the City adopts an ordinance in which the City describes the property to be so acquired, constructed or installed and authorizes the use of Net Warrant Proceeds for such purpose, and (b) the City delivers to the Paying Agent an opinion of counsel from an attorney or firm of attorneys with experience in the matters to be covered by such opinion to the effect the use of Net Warrant Proceeds to acquire, construct, or install such property is authorized by law and will not cause the interest on the Warrants to be includible in gross income for federal income tax purposes

ARTICLE 4

Registration of Warrants

Section 4.01 Registration of Warrants

(a) The City shall cause to be kept at the Principal Office of the Paying Agent a register (the “Warrant Register”) in which, subject to such reasonable regulations as it may prescribe, the City shall provide for the registration of Warrants and registration of transfers of Warrants entitled to be registered or transferred as herein provided.

(b) The Paying Agent is hereby appointed “Warrant Registrar” for the purpose of registering Warrants and transfers of Warrants as herein provided.

Section 4.02 Registration, Transfer, and Exchange of Warrants; Replacement of Mutilated, Lost, Destroyed or Stolen Warrants

(a) The Warrants will be registered in the names of the Holders thereof on the Warrant Register. The City, the Paying Agent and any agent of the City or the Paying Agent may treat the person in whose name any Warrant is registered as the owner of such Warrant for the purpose of receiving payment of principal of and interest on such Warrant and for all other purposes whatsoever whether or not such Warrant be overdue, and, to the extent permitted by law, neither the City, the Paying Agent nor any such agent shall be affected by notice to the contrary.

(b) Upon surrender for transfer of any Warrant at the Principal Office of the Paying Agent, the City shall execute, and the Paying Agent shall authenticate, register and deliver, in the name of the designated transferee or transferees, one or more new Warrants of the same series, of any Authorized Denominations and in a principal amount equal to the unpaid or unredeemed portion of the principal of the Warrant so presented.

(c) If and to the extent so provided with respect to the Warrants, at the option of the Holder, Warrants may be exchanged for other Warrants of any Authorized Denomination and of a like aggregate principal amount, upon surrender of the Warrants to be exchanged at the Principal Office of the Paying Agent. Whenever any Warrants are so surrendered for exchange, the City shall execute, and the Paying

Agent shall authenticate, register and deliver, the Warrants which the Holder making the exchange is entitled to receive.

(d) Every Warrant presented or surrendered for transfer or exchange shall (if so required by the City or the Warrant Registrar) be duly endorsed or be accompanied by a written instrument of transfer in form satisfactory to the City and the Warrant Registrar duly executed by the Holder thereof or his attorney duly authorized in writing.

(e) The Paying Agent shall not be required to transfer or exchange any Warrant during the period between the Record Date and the then next succeeding Interest Payment Date; and, in the event that any Warrant (or any part thereof) is duly called for redemption, the Paying Agent shall not be required to transfer or exchange any such Warrant during the period of forty-five (45) days next preceding the date fixed for such redemption.

(f) All Warrants surrendered upon any exchange or transfer provided for in this Resolution and Order shall be cancelled as provided in Section 4.04.

(g) If (1) any mutilated Warrant is surrendered to the Paying Agent, or the City and the Paying Agent receive evidence to their satisfaction of the destruction, loss or theft of any Warrant, and (2) there is delivered to the City and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Warrant has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate, register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Warrant, a new Warrant of the same series and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(h) No charge shall be made for the privilege of transfer or exchange, but the registered owner of any Warrant requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. The registered owner of any Warrant will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant.

(i) All Warrants issued upon any transfer or exchange of Warrants shall be the valid obligations of the City and be entitled to the same security and benefits under this Resolution and Order as the Warrants surrendered upon such transfer or exchange, and every new Warrant issued pursuant to this Section in lieu of any destroyed, lost or stolen Warrant shall constitute an original additional contractual obligation of the City, whether or not the destroyed, lost or stolen Warrant shall be at any time enforceable by anyone.

(j) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Warrants.

Section 4.03 Book-Entry System

(a) The Warrants shall be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of any Warrant to any Person. One Warrant for each maturity will be issued, registered in the name of the Securities Depository Nominee, and immobilized in the custody of the Securities Depository. Beneficial ownership interests in Warrants held by the Securities Depository may be purchased by or through Direct Participants. The holders of these beneficial ownership interests in such Warrants are referred to as the “Beneficial Owners”. The Beneficial Owners will not receive certificated warrants representing their beneficial ownership interests. Ownership of the interests in Warrants in Authorized Denominations will be evidenced on the records of the Securities Depository and the Direct Participants and Indirect Participants pursuant to rules and procedures established by the Securities Depository. During a period in which the Book-Entry System is in effect for the Warrants the City and the Paying Agent shall treat the Securities Depository or the Securities Depository Nominee as the only registered owner of such Warrants for all purposes under this Ordinance, including, without limitation, receipt of all principal of, premium (if any) and interest on the Warrants, receipt of notices, voting, and requesting or directing the Paying Agent or City to take or not to take, or consenting to, certain actions under this Ordinance. In the event the Securities Depository or the Securities Depository Nominee assigns its rights to consent or vote under this Ordinance to any Direct Participant or Indirect Participant, the City and the Paying Agent shall treat such assignee or assignees as the only registered owner or owners of the Warrants for the purpose of exercising such rights so assigned.

(b) During a period in which the Book-Entry System is in effect for the Warrants, payments of principal, interest, and redemption premium, if any, with respect to such Warrants will be paid by the Paying Agent directly to the Securities Depository, or the Securities Depository Nominee, as Holder, and as provided in the Letter of Representation; provided, that payment of the principal of (and premium, if any, on) such Warrants due at final maturity or upon redemption in whole of any of such Warrants shall be made only upon surrender thereof at the Principal Office of the Paying Agent. The Securities Depository and the Direct Participants and the Indirect Participants shall be responsible for the disbursement of such payments to the Beneficial Owners. All such payments to the Securities Depository or the Securities Depository Nominee, as Holder, of principal of, premium (if any) and interest on such Warrants on behalf of the City or the Paying Agent shall be valid and effectual to satisfy and discharge the liability of the City and the Paying Agent to the extent of the amounts so paid, and the City and the Paying Agent shall not be responsible or liable for payment to any Beneficial Owner by the Securities Depository or by any Direct Participant or by any Indirect Participant, or for sending transaction statements or for maintaining, supervising or reviewing records maintained by the Securities Depository or Direct Participants or Indirect Direct Participants.

(c) Transfers of ownership interests in the Warrants by the Beneficial Owners thereof, and conveyance of notices and other communications by the Securities Depository to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners of the Warrants, will be governed by arrangements among the Securities Depository, Direct Participants, Indirect Participants and the Beneficial Owners, subject to any statutory and regulatory requirements as may be in effect from time to time. For every transfer and exchange of beneficial ownership in such Warrants, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

(d) Redemption notices respecting Warrants held by the Securities Depository shall be sent to the Securities Depository Nominee by the Paying Agent and redemption of Warrants shall be effected as provided in Article 6.

(e) The City may enter into a custody agreement with any bank or trust company serving as custodian (which may be the Paying Agent serving in the capacity of custodian) to provide for a Book-Entry System or similar method for the registration and transfer of the Warrants.

(f) During a period in which the Book-Entry System is in effect for the Warrants in accordance herewith, the provisions of this Ordinance and such Warrants shall be construed in accordance with the Letter of Representation and to give full effect to such Book-Entry System.

(g) The Beneficial Owners of all the Warrants, by their acquisition of any beneficial interest in a Warrant or Warrants, and the Securities Depository, the Securities Depository Nominee, and all Direct Participants and all Indirect Participants, severally agree that the City and the Paying Agent shall not have any responsibility or obligation to any Direct Participant or any Indirect Participant or any Beneficial Owner with respect to (1) the accuracy of any records maintained by the Securities Depository or any Direct Participant or any Indirect Participant; (2) the payment by the Securities Depository or any Direct Participant or any Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of, premium (if any) and interest on the Warrants; (3) the delivery or timeliness of delivery by the Securities Depository or any Direct Participant or any Indirect Participant of any notice due to any Beneficial Owner which is required or permitted under the terms of this Ordinance to be given to Beneficial Owners; or (4) any consent given or other action taken by the Securities Depository, or the Securities Depository Nominee, as owner.

(h) The Securities Depository may determine to discontinue the Book-Entry System with respect to the Warrants at any time upon notice to the City and the Paying Agent and upon discharge of its responsibilities with respect thereto under applicable law. Upon such notice and compliance with law the Book-Entry System for the Warrants will be discontinued unless a successor securities depository is appointed by the City.

(i) In the event the Book-Entry System for the Warrants is discontinued, Warrants in certificated form in Authorized Denominations will be physically distributed to the Beneficial Owners thereof and such Warrants will be registered in the names of the owners thereof on the Warrant Register, the Paying Agent will make payments of principal of, premium (if any) and interest on such Warrants to the registered owners thereof as provided in the Warrants and this Ordinance, and the following provisions with respect to registration, transfer and exchange of such Warrants by the registered owners thereof shall apply.

Section 4.04 Cancellation of Surrendered Warrants

All Warrants surrendered for payment, redemption, transfer or exchange, shall be promptly cancelled by the Paying Agent. No Warrant shall be authenticated in lieu of or in exchange for any Warrant cancelled as provided in this Section, except as expressly provided by this Ordinance. All cancelled Warrants held by the Paying Agent shall be destroyed and certificates thereof furnished upon request to the City.

ARTICLE 5

Payment and Defeasance of Warrants

Section 5.01 Payment of Warrants; Payment Dates; Persons Deemed Owners

(a) The principal of, premium (if any) and interest on the Warrants shall be payable at the Principal Office of the Paying Agent and as provided in this Ordinance and in the Warrants; provided, the final principal payment on such Warrants shall be payable only upon presentation thereof at the Principal Office of the Paying Agent.

(b) If any payment on the Warrants is due on a day which is not a Business Day, such payment shall be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

(c) The City, the Paying Agent and any agent of the City or the Paying Agent may treat the Person in whose name any Warrant is registered as the owner of such Warrant for the purpose of receiving payment of principal of, premium (if any) and interest on such Warrant and for all other purposes whatsoever whether or not such Warrant be overdue, and, to the extent permitted by law, neither the City, the Paying Agent nor any such agent shall be affected by notice to the contrary.

Section 5.02 The Warrant Fund

(a) (1) There is hereby established a special fund which shall be designated the "Warrant Fund".

(2) The Paying Agent shall be the depository, custodian and disbursing agent for the Warrant Fund.

(3) The money in the Warrant Fund shall be used only to pay principal of and interest on the Warrants as the same shall become due and payable.

(b) The City shall deposit in the Warrant Fund the following amounts on the following dates:

(1) On or before the twentieth day of each May and November in each year, an amount equal to the interest coming due on the Warrants on the next ensuing Interest Payment Date.

(2) On or before the twentieth day of each May in each year, an amount equal to the principal maturing or subject to mandatory redemption on the next ensuing principal payment date with respect to the Warrants.

(3) Any money required to be deposited in the Warrant Fund pursuant to this Ordinance or received by the Paying Agent when accompanied by directions that such money is to be deposited in the Warrant Fund.

(c) The City shall collect the revenues, income, taxes, assets and resources of the City and the City shall promptly deposit into the Warrant Fund from the aforesaid sources all amounts required to be deposited in the Warrant Fund at the times therefor.

(d) (1) The City acknowledges that deposits and transfers to the Warrant Fund required by this Section have been calculated to provide amounts which will be sufficient to pay the principal of and interest on the Warrants as the same shall become due and payable.

(2) If on any principal or interest payment date the amount on deposit in the Warrant Fund is insufficient to pay the principal of and interest on the Warrants due and payable on such date, the City will forthwith pay any such deficiency into the Warrant Fund.

(e) The City hereby authorizes and directs the Paying Agent to withdraw sufficient money from the Warrant Fund to pay the principal of and interest on the Warrants as the same shall become due and payable, whether at maturity or otherwise.

(f) The City and Paying Agent covenant and agree that (i) all money transferred to or deposited in the Warrant Fund shall be applied to the payment of principal of and interest on the Warrants within 13 months from the date of such transfer or deposit and (ii) all income and profits received from investment of money in the Warrant Fund shall be applied to the payment of principal of and interest on the Warrants within 12 months from the date of receipt of such income or profits.

Section 5.03 Investment of and Security For Warrant Fund

(a) The Paying Agent shall invest money in the Warrant Fund at the written direction of the City in Qualified Investments. Investments shall be made so that a sufficient principal amount shall mature or be redeemable at the option of the holder on or prior to the date or dates the City and the Paying Agent anticipate that money from the Warrant Fund will be required hereunder. The Paying Agent shall not be liable or responsible for any loss resulting from any such investment if made in compliance herewith.

(b) All income derived from the investment of money on deposit in the Warrant Fund shall remain therein and be credited against the next ensuing deposit specified therefor, and all losses resulting from liquidation of investments in the Warrant Fund shall be charged thereto and added to the next ensuing deposit specified therefor.

(c) The moneys at any time on deposit in the Warrant Fund shall be and at all times remain public funds impressed with a trust for the purpose for which the Warrant Fund was created. The Paying Agent shall at all times keep the moneys on deposit in the Warrant Fund continuously secured for the benefit of the City and the registered owners of the Warrants, either (1) by holding on deposit as collateral security Federal Securities or other marketable securities eligible as security for the deposit of public trust funds under regulations of the Comptroller of the Currency, United States Treasury, having a market value at any date of calculation (exclusive of accrued interest) not less than the amount of moneys on deposit in the fund being secured, or (2) if the furnishing of security in the manner provided in (1) above is not permitted by the then applicable law and regulations, then in such other manner as may be required or permitted by the then applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of public trust funds; provided, however, that it shall not be necessary for the Paying Agent to secure any portion of the moneys on deposit in any such fund that may be insured by the Federal Deposit

Insurance Corporation or by any agency of the United States of America that may succeed to its functions, or to secure any portion of the moneys that are invested as herein provided.

Section 5.04 Defeasance of Warrants

(a) Warrants for the payment or redemption of which moneys shall have been set aside and held by the Paying Agent on the maturity or redemption date thereof shall be deemed to have been paid and no longer Outstanding under this Ordinance.

(b) Warrants shall, prior to the maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding under this Ordinance if (1) in case any of said Warrants are to be redeemed on any date prior to their maturity, the City shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give and publish notice of redemption thereof on such date, (2) there shall have been deposited with the Paying Agent either moneys in an amount which shall be sufficient, or Federal Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same time and available for such purpose, shall be sufficient, to pay when due the principal of, premium (if any) and interest due and to become due on said Warrants on and prior to the redemption date or maturity date thereof, as the case may be, and (3) in the event said Warrants are not by their terms subject to redemption or payment within the next succeeding 90 days, the City shall have given the Paying Agent in form satisfactory to it irrevocable instructions to mail a notice to the Holders thereof that the deposit required by clause (2) of this subsection has been made with the Paying Agent and that said Warrants are deemed to have been paid in accordance with this Section and no longer Outstanding under this Ordinance and stating such maturity or redemption date or dates upon which moneys are to be available for the payment of the principal of and premium (if any) on said Warrants.

(c) Neither Federal Securities nor moneys deposited with the Paying Agent pursuant to this Section nor principal nor interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Warrants; provided that any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested, at the written direction of the City, in Federal Securities maturing at times and in amounts sufficient to pay when due the principal, premium (if any) and interest to become due on said Warrants on and prior to such redemption date or maturity date thereof, as the case may be.

(d) Any amounts remaining in the Warrant Fund after payment in full of the Warrants (or provision having been made therefor in accordance with this Article), and payment of the fees, charges and expenses of the Paying Agent and all other amounts required to be paid hereunder, shall be paid to the City.

Section 5.05 Expenses of Collection

The City hereby covenants and agrees that, if the principal of and interest on the Warrants are not paid promptly as such principal and interest matures and comes due, it will pay to the Holders of the Warrants all expenses incident to the collection of any unpaid portion thereof, including reasonable attorneys' fees.

ARTICLE 6

Redemption of Warrants

Section 6.01 General Applicability of Article

The Warrants shall be subject to redemption in accordance with their terms and in accordance with this Article.

Section 6.02 Election to Redeem; Notice to Paying Agent

The election of the City to exercise any right of optional redemption shall be given by written notice to the Paying Agent not less than 45 days prior to the proposed redemption date. In case of any redemption at the option of the City of less than all of the principal amount of the Outstanding Warrants, the City shall, at least 60 days prior to the date fixed by the City for redemption of Warrants (unless a shorter notice shall be satisfactory to the Paying Agent) notify the Paying Agent of such redemption date and of the principal amount of Warrants to be redeemed.

Section 6.03 Selection of Warrants to be Redeemed

(a) If less than all of the Outstanding Warrants are to be redeemed during a period in which the Book-Entry System is in effect for the Warrants, the City shall designate the order and amount of maturities of the Warrants (or portions thereof) to be redeemed not less than 45 nor more than 60 days prior to the redemption date from the Outstanding Warrants which have not previously been called for redemption, and, in accordance with the Letter of Representation, the Securities Depository may determine the amount of the interest of each Direct Participant in those Warrants to be redeemed, on the basis of the smallest Authorized Denomination of such Warrants, by lot or by such other method as the Securities Depository shall deem fair and appropriate.

(b) If less than all of the Outstanding Warrants are to be redeemed during a period in which the Book-Entry System is not in effect for the Warrants, the City shall designate the order and amount of maturities of the Warrants (or portions thereof) to be redeemed not less than 45 nor more than 60 days prior to the redemption date from the Outstanding Warrants which have not previously been called for redemption, on the basis of the smallest Authorized Denomination of such Warrants, and the Paying Agent shall select, by lot or by such method as the Paying Agent shall deem fair and appropriate, the order and amount of Warrants to be redeemed within a maturity.

(c) For all purposes of this Ordinance, unless the context otherwise requires, all provisions relating to the redemption of Warrants shall relate, in the case of any Warrant redeemed or to be redeemed only in part, to the portion of the principal of such Warrant which has been or is to be redeemed.

Section 6.04 Notice of Redemption

(a) Notice of any intended redemption shall be given by the Paying Agent to the Holder of each Warrant, all or a portion of the principal of which is to be redeemed, not less than 30 days prior to the proposed redemption date, by United States registered or certified mail (first class, postage prepaid), or, if the Securities Depository or Securities Depository Nominee is the Holder, at the times and in the manner as provided in the Letter of Representation, at the address of such Holder appearing in the Warrant Register; provided, however, any Holder may waive the requirement of notice as to the redemption (in whole or in

part) of the Warrant or Warrants thereof. During a period in which the Book-Entry System is in effect, notice of any intended redemption may also be given to each Beneficial Owner, all or portion of the interest of which in such Warrants is to be redeemed, by the Direct Participants and, where appropriate, by the Indirect Participants, pursuant to arrangements among said parties, subject to statutory and regulatory requirements in effect from time to time; provided, however, any Beneficial Owner may waive the requirement of notice as to the redemption of the interest thereof in the Warrants.

(b) All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) the principal amount of Warrants to be redeemed, and, if less than all Outstanding Warrants are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Warrants to be redeemed,

(4) that on the redemption date the redemption price of each of the Warrants to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date, and

(5) the place or places where the Warrants to be redeemed are to be surrendered for payment of the redemption price.

Section 6.05 Payment of Redemption Price

Prior to any redemption date, the City shall deposit or cause to be deposited with the Paying Agent an amount of money sufficient to pay the redemption price of all the Warrants which are to be redeemed on that date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price.

Section 6.06 Warrants Payable on Redemption Date

(a) Notice of redemption having been given as aforesaid, the Warrants so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Warrants shall cease to bear interest. Upon presentation of any such Warrant for redemption, or compliance with the requirements of the Securities Depository with respect to redemption in part, in accordance with said notice such Warrant shall be paid by the City at the redemption price. Installments of interest due on or prior to the redemption date shall be payable to the Holders of the Warrants according to the terms of such Warrants and the provisions of this Ordinance.

(b) If any Warrant called for redemption shall not be so paid upon surrender thereof for redemption, the principal of the Warrant to be so redeemed shall, until paid, continue to bear interest from the redemption date at the rate prescribed in such Warrant.

Section 6.07 Warrants Redeemed in Part

(a) During a period in which the Book-Entry System is in effect for the Warrants, the recordation and evidence of any reduction in the aggregate principal amount of the Warrants as a result of

the redemption of a portion thereof shall be made in accordance with the Letter of Representation and the rules and procedures of the Securities Depository with respect thereto from time to time in effect.

(b) During a period in which the Book-Entry System is not in effect for the Warrants, unless otherwise provided herein, any Warrant which is to be redeemed only in part shall be surrendered at the principal corporate trust office of the Paying Agent (with, if the City or the Paying Agent requires, due endorsement by, or a written instrument of assignment or transfer in form satisfactory to the City and the Paying Agent duly executed by the Holder thereof or his attorney duly authorized in writing) and the City shall execute and the Paying Agent shall authenticate and deliver to the Holder of such Warrant, without service charge, a new Warrant or Warrants of any Authorized Denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Warrant so surrendered.

ARTICLE 7

Special Covenants of the City Respecting Federal Tax Matters

(a) The City covenants and agrees to duly and punctually observe and perform all agreements and covenants thereof under the Tax Certificate and Agreement.

(b) The City covenants and agrees that it will not take any action, or fail to take any action, if such action or failure to act would cause the interest on the Warrants to be Taxable.

ARTICLE 8

Approval of Official Statement for the Warrants

(a) The Official Statement (the “Official Statement”) with respect to the Warrants in substantially the form and of substantially the content as the Official Statement presented to and considered by the City, is hereby authorized, approved and adopted.

(b) The City does hereby find and determine that the Official Statement is true and correct and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(c) The Mayor of the City is hereby authorized to date the Official Statement the date of delivery thereof and to execute and deliver the Official Statement for and on behalf of and in the name of the City, with such changes or additions thereto or deletions therefrom as the Mayor may deem necessary or desirable in order to state fully and correctly the pertinent facts concerning the City and the Warrants.

(d) The Mayor of the City is authorized and directed to cause distribution of the Official Statement to be made to prospective purchasers of the Warrants.

ARTICLE 9

Approval of Agreements

Section 9.01 Continuing Disclosure Agreement

(a) The Continuing Disclosure Agreement, in substantially the form and of substantially the content as the form of Continuing Disclosure Agreement presented to and considered by the City Council of the City, is hereby authorized, approved and adopted.

(b) The Mayor of the City is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement for and on behalf of and in the name of the City, with such changes or additions thereto or deletions therefrom as he may deem necessary or desirable and shall approve, which approval shall be conclusively evidenced by his executing the Continuing Disclosure Agreement as herein provided, and the City Administrator is hereby authorized and directed to affix to the Continuing Disclosure Agreement the seal of the City and to attest the same.

Section 9.02 Warrant Purchase Agreement

(a) The Warrant Purchase Agreement, in substantially the form and of substantially the content as the form of Warrant Purchase Agreement presented to and considered by the City, is hereby authorized, approved and adopted.

(b) The Mayor of the City is hereby authorized and directed to execute and deliver the Warrant Purchase Agreement for and on behalf of and in the name of the City, with such changes or additions thereto or deletions therefrom as the Mayor may deem necessary or desirable and shall approve, which approval shall be conclusively evidenced by execution by the Mayor of the City of the Warrant Purchase Agreement as herein provided, and the City Administrator is hereby authorized and directed to affix to the Warrant Purchase Agreement the seal of the City and to attest the same.

(c) Any prior execution of the Warrant Purchase Agreement by the Mayor and City Administrator is hereby ratified and approved.

ARTICLE 10

The Paying Agent

Section 10.01 Designation of Paying Agent

The City does hereby designate and appoint Regions Bank as the depository for the Warrant Fund and as Paying Agent, Warrant Registrar and authenticating agent for and with respect to the Warrants.

Section 10.02 Duties of Paying Agent; Payments at Par

(a) The Paying Agent, by acceptance of its duties hereunder, shall have agreed thereby with the registered owners from time to time of the Warrants that it will make all remittances of principal of, premium (if any), and interest on the Warrants from money supplied by the City for such purpose in bankable funds at

par and without discount or deduction for exchange, fees or expenses. The City hereby covenants and agrees with the registered owners of the Warrants and with the Paying Agent that it will pay all charges for exchange, fees or expenses which may be incurred by the Paying Agent in the making of remittances in bankable funds at par.

(b) The Paying Agent shall not be liable hereunder except for its noncompliance with the provisions hereof, its willful misconduct or its gross negligence.

(1) It may execute any of the powers conferred on it hereunder or perform any duty hereunder either directly or through agents and attorneys in fact who are not regularly in its employ and who are selected by it with reasonable care, but it shall be responsible for the observance by such agents and attorneys in fact of the terms and conditions hereof.

(2) It may consult with counsel on any matters connected herewith and shall not be answerable for any action taken or failure to take any action in good faith on the advice of counsel, provided that its action or inaction is not contrary to an express provision hereof.

(3) It need not recognize a Holder of a Warrant as such without the satisfactory establishment of his title to such warrant.

(4) It shall not be answerable for any action taken in good faith on any notice, request, consent, certificate or other paper or document which it believes to be genuine and signed or acknowledged by the proper party.

(5) It shall be entitled to reasonable compensation for its services hereunder, including extra compensation for unusual or extraordinary services.

(6) Any action taken by the Paying Agent at the request of and with the consent of the Holder of a Warrant will bind all subsequent Holders of the same Warrant and any warrants issued hereunder in lieu thereof.

(7) It may treat the Holder of Warrants as if not Paying Agent hereunder.

(8) It shall not be liable for proper application of any moneys other than those that may be paid to or deposited with it.

(9) It shall not unreasonably withhold or delay any consent or approval required of it under the provisions of this Ordinance.

(10) All moneys received by the Paying Agent to be held by it hereunder shall be held as trust funds until disbursed in the manner herein provided therefor. The Paying Agent shall not be liable to pay or allow interest thereon or otherwise to invest any such moneys except as specifically required herein.

(11) It may make any investments permitted hereby through its own investment department or affiliated entity, and any Qualified Investments issued or held by it hereunder shall be deemed investments and not deposits.

(12) It shall, upon reasonable request, advise the City of the amount at the time on deposit in any of the special funds herein created.

(13) The recitals of fact herein and in the Warrants are statements by the City and not by the Paying Agent, and the Paying Agent is in no way responsible for the validity or security of the Warrants, or the validity or enforceability of the Ordinance. The Paying Agent does, however, assume responsibility for its eligibility to accept and administer the duties created hereby, and it agrees and represents that it is duly authorized to accept and administer such duties and that the acceptance and administration by it of such duties do not violate or contravene, and are not void or voidable under, any applicable state or federal law now existing.

(14) The Paying Agent shall have no obligation to file financing statements or continuation statements.

(15) The Paying Agent's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Ordinance shall extend to the Paying Agent's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Paying Agent's right to compensation, shall survive the Paying Agent's resignation or removal, the discharge of this Ordinance, and final payment of the Warrants.

Section 10.03 Resignation and Removal; Appointment of Successor

(a) The Paying Agent may resign and be discharged of all duties imposed upon it as Paying Agent, Warrant Registrar and transfer agent by giving written notice of such resignation by certified or registered mail to the City at least 30 days prior to the date when such resignation shall take effect.

(b) If at any time the Paying Agent shall resign or be or become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Paying Agent or of its property shall be appointed or any public officer shall take charge or control of the Paying Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the City may remove the Paying Agent and the City shall promptly appoint a successor Paying Agent.

Section 10.04 Qualification of and Acceptance of Appointment by Successor

(a) Any successor Paying Agent shall be a bank or trust company authorized to act as Paying Agent and Warrant Registrar and having, at the time of its acceptance of such appointment, combined capital and surplus of at least \$50,000,000.

(b) Every successor Paying Agent appointed hereunder shall execute, acknowledge and deliver to the City and to the retiring Paying Agent an instrument accepting such appointment and thereupon the resignation or removal of the retiring Paying Agent shall become effective and such successor Paying Agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, and duties of the retiring Paying Agent.

Section 10.05 Merger or Consolidation

Any corporation into which the Paying Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Paying Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Paying Agent, shall be the successor of the Paying Agent hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Warrants shall have been authenticated, but not delivered, by the Paying Agent then in office, any successor by merger or consolidation to such authenticating Paying Agent may adopt such authentication and deliver the Warrants so authenticated with the same effect as if such successor Paying Agent had itself authenticated such Warrants.

ARTICLE 11

Provisions of General Application

Section 11.01 Effect of Headings and Table of Contents

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 11.02 Binding Effect Upon Successors and Assigns

All the covenants, stipulations, promises and agreements in this Ordinance contained by or on behalf of the City shall inure to the benefit of and bind its successors and assigns.

Section 11.03 Governing Law

This Ordinance shall be construed in accordance with and governed by the laws of the State of Alabama.

Section 11.04 Repeal of Conflicting Provisions

All ordinances, resolutions and orders or parts thereof in conflict with this Ordinance are, to the extent of such conflict, hereby repealed.

ARTICLE 12

Provision of Ordinance a Contract; Enforceability and Severability; Remedies

(a) The terms, provisions and conditions set forth in this Ordinance constitute a contract between the City and the registered owners of the Warrants and shall remain in effect until the principal of and interest on the Warrants shall have been paid in full as provided in Section 5.04.

(b) The provisions of this Ordinance are severable. In the event that any one or more of such provisions or the provisions of the Warrants shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this Ordinance or of the Warrants, and this Ordinance and the Warrants shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

(c) The City agrees (i) the registered owners of the Warrants shall have all rights and remedies for the enforcement of the Warrants and this Ordinance as may be provided by the laws of the State of Alabama, including particularly the Enabling Law, and (ii) the City Administrator (or any successor to the duties and functions thereof) of the City is subject to mandamus in the event such officer has money available for payment of principal of and interest on the Warrants and does not, as required by this Ordinance, deposit such money in the Warrant Fund, when and as required by Section 5.02 of this Ordinance in each Fiscal Year, and apply such proceeds (and investment earnings thereon) to the payment of the principal of and interest on the Warrants when and as the same become due and payable in each Fiscal Year in amounts sufficient for such purposes.

DONE, ORDERED, ADOPTED and APPROVED this 21st day of July, 2014.

Council President of the City Council of Foley, Alabama

S E A L

Attest: _____
City Clerk

Transmitted to and approved by the Mayor this 21st day of July, 2014.

Mayor of the City of Foley, Alabama

It was moved by Councilmember _____ that all rules and regulations which, unless suspended, would prevent the immediate consideration and adoption of the said ordinance be suspended and that unanimous consent to the immediate consideration and adoption of the said ordinance be given. The motion was seconded by Councilmember _____ and on roll call was unanimously adopted, those answering aye being:

Ayes: J. Wayne Trawick
Vera J. Quaites
Ralph G. Hellmich
C. Rick Blackwell
Charles J. Ebert III

Nays: None

The Council President declared the motion unanimously carried.

After said ordinance had been discussed and considered in full by the Council, it was moved by Councilmember _____ that said ordinance be now placed upon its final passage and adopted. The motion was seconded by Councilmember _____. The question being put as to the adoption of said motion and the final passage and adoption of said ordinance, the roll was called with the following results:

Ayes: J. Wayne Trawick
Vera J. Quaites
Ralph G. Hellmich
C. Rick Blackwell
Charles J. Ebert III

Nays: None

The Council President thereupon declared said motion carried and the ordinance passed and adopted as introduced and read.

* * * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

Minutes approved:

Mayor

Member of the City Council

Member of the City Council

Member of the City Council

Member of the City Council

Member of the City Council

S E A L

Attest: _____
City Clerk

STATE OF ALABAMA)

BALDWIN COUNTY)

CERTIFICATE OF CITY CLERK

I, the undersigned, do hereby certify that (1) I am the duly elected, qualified and acting City Clerk of the City of Foley, Alabama (the "Municipality"); (2) as Clerk of the Municipality I have access to all original records of the Municipality and I am duly authorized to make certified copies of its records on its behalf; (3) the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a regular (adjourned) meeting of the City Council of the Municipality duly held on July 21, 2014, the original of which is on file and of record in the minute book of the City Council in my custody; and (4) Ordinance No. 14-1021 set forth in such excerpts is a complete, verbatim and compared copy of such ordinance as introduced and adopted by the City Council on such date and is in full force and effect and has not been repealed, amended or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of the Municipality and have affixed the official seal of the Municipality, this 23rd day of July, 2014.

City Clerk of the City of Foley, Alabama

SEAL