

**MINUTES OF A SPECIAL MEETING
OF
THE CITY COUNCIL OF THE CITY OF FOLEY, ALABAMA**

The City Council of the City of Foley, Alabama held a special meeting at the offices of the City Council at City Hall in Foley, Alabama on September 1, 2020, at 12:00 noon.

The following were present at the meeting:

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

Absent: None

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

The Council Present stated that notice of the meeting had been given in the manner provided by law and the meeting was open with quorum present.

* * *

Thereupon, the following resolution was introduced in writing by the Council President, duly seconded, and considered by the members of the City Council present:

**A RESOLUTION APPROVING AN INDENTURE BY
THE CITY OF FOLEY, ALABAMA AND REGIONS BANK**

BE IT RESOLVED by the City Council of the City of Foley, Alabama, as governing body of Foley, Alabama (the “City”) that the City, having reviewed that certain Indenture attached hereto as Exhibit B (the “Indenture”) proposed to be delivered by the City and Regions Bank, as Paying Agent, for the purposes therein, does hereby (a) find, determine and represent (i) the City caused the Notice attached hereto as Exhibit A to be published on August 19, 2020 in the *Onlooker*, the newspaper having the largest circulation in the City, (ii) the information in such Notice is true and correct, and (iii) publication of such Notice is hereby ratified and confirmed; (b) approve, authorize and confirm the representations of fact, agreements, and obligations of the City in, and the terms and provisions of, the Indenture; (c) authorize and direct the officers of the City to (i) execute, under seal, and deliver the Indenture in form and of content as set forth on Exhibit B hereto with such changes (by addition or deletion) as will not create, extend or increase any existing obligation of the City under the Indenture and as such officers shall conclusively approve by execution and delivery thereof and (ii) take such action, and execute and deliver such certificates and documents, at such times and in such form and manner as shall be required by applicable law, legal counsel to the City, or otherwise necessary to establish the validity, or effect the purposes, of the Indenture; (d) repeal the provisions of any resolution, order or ordinance of the City to the extent any thereof are inconsistent or in conflict with the terms and purposes of this Resolution; (e) to determine the authority of the City to deliver and perform the obligations thereof under the Indenture, the validity of the means of payment thereof, and the legality of all proceedings thereof in connection therewith, authorize and direct Maynard, Cooper & Gale, PC, as bond counsel, to file a petition in the name of the City in the Circuit Court of Baldwin County, Alabama, against the taxpayers and citizens of the City pursuant to and in accordance with Chapter 17 of Chapter 6 of Title 6 of the Code of Alabama 1975 and in connection therewith to file all certificates, documents, instruments and proceedings, and to take all actions, as are necessary or desirable to effect the judicial validation of the Indenture and the obligations of the City thereunder; and (f) provide this Resolution is effective immediately.

EXHIBIT A

772 Notice

**LEGAL NOTICE OF SPECIAL PUBLIC MEETING OF THE CITY COUNCIL OF
THE CITY OF FOLEY, ALABAMA AND THE PRELIMINARY AUTHORIZATION
OF REFUNDING OF ECONOMIC DEVELOPMENT OBLIGATIONS**

Notice is hereby given that the City Council (the "Council") of the City of Foley, Alabama (the "City") will meet in special public session at 12:00 noon on Tuesday, September 1, 2020 at the City Hall in the City of Foley, Alabama for the purpose of considering the transaction of business that may properly come before the Council such business to include, but not be limited to, the authorization by the Council, pursuant to Amendment No. 772 to the Constitution of Alabama of 1901, as amended ("Amendment No. 772") and the applicable laws of the State of Alabama, of the terms, execution, delivery and validation of an Indenture to be dated the first day of the month of delivery (the "Indenture") by the City and Regions Bank, as paying agent.

Pursuant to Amendment No. 772 and the Indenture, the City may issue various series of general obligation warrants of the City (the "Warrants") to refund and redeem the existing long-term obligations (collectively, the "District Obligations") of the following public corporations of the City (collectively, the "Districts"): (i) The City of Foley Public Facilities Cooperative District, (ii) The Public Athletic and Sports Facilities Cooperative District of the City of Foley, Alabama, and (iii) The Public Cultural and Entertainment Facilities Cooperative District of the City of Foley, Alabama.

The Districts have, by the issuance of the District Obligations, financed the following public facilities in the City: (i) public meeting, entertainment, event, and recreational facilities, including without limitation facilities or facility to serve as an auditorium, music hall, art center, athletic fields and sportsplex, and related municipal buildings for community activities of every kind and nature; (ii) buildings, facilities and improvements for the accommodation of visitors and users to the facilities described in (i), including without limitation hotel and motel facilities and food service facilities; (iii) roads, streets, public ways, sidewalks, lighting, facilities for the provision of water, sewer, gas and electric power service, facilities for waste disposal, facilities for public safety and security, drainage and flood control facilities and improvements, and related infrastructure improvements; (iv) within the central business district of the City and contiguous and surrounding areas, public parks, drainage improvement facilities, public roads, streets and pedestrian access facilities, public parking facilities, and public library expansion and improvements.

The City has guaranteed the payment when due of all of the District Obligations as a full faith and credit general obligation of the City. The City pays in full the principal of and interest on all District Obligations when and as due and payable in each fiscal year.

The City expects to issue the Warrants under the Indenture from time to time as the City determines will produce financial benefits to the City by net interest costs savings, restructure of indebtedness, more favorable payment terms, or as otherwise determined by the City. The Warrants may be issued in an aggregate principal amount not exceeding \$50,000,000 and for terms not exceeding 30 years from the respective dates of issuance thereof. The Warrants will be general obligations of the City payable from all funds and revenues lawfully available therefor in each fiscal year.

The City seeks to achieve, by the issuance of Warrants pursuant to the Indenture for the direct benefit of the financial resources of the City, to promote the local economic and industrial development of the City, to increase employment in the City, and to increase the tax and revenue base of the City.

The public corporations to whom or for whose benefit the City proposes to lend its credit and grant public funds or thing of value are the Districts.

All interested persons may examine and review the Indenture, and all relevant proceedings pertaining thereto, make copies thereof at personal expense, and obtain further information about the matters addressed in this Notice, at the offices of the City Administrator at City Hall during normal business hours, before and after the meeting referenced herein.

EXHIBIT B

Indenture

INDENTURE

[Month] 1, 2020

CITY OF FOLEY, ALABAMA

and

**REGIONS BANK
as Paying Agent**

This Indenture was prepared by Heyward C. Hosch of Maynard, Cooper & Gale, P.C.

INDENTURE

[Month] 1, 2020

This Indenture is made for the purposes referenced herein by:

City: The City of Foley, Alabama

Paying Agent: Regions Bank and its successors and assigns

Recitals

The City has authorized and delivered this Indenture to provide for the issuance from time to time of general obligation warrants of the City to provide for the refunding of the within-referenced District Obligations.

Agreement

Now Therefore, in consideration of the respective agreements herein, the City, the Paying Agent, and the Owners of all Warrants that may be issued hereunder (the Owners of such Warrants evidencing their consent hereto by acceptance of such Warrants), agree as follows:

ARTICLE I

Definition of Terms

A&S District means The Public Athletic and Sports Facilities Cooperative District of the City of Foley, Alabama and its successors and assigns.

A&S District Bonds means the Athletic and Sports Facilities Revenue Bonds, Series 2015, of the A&S District.

Amendment No. 772 means Amendment No. 772 to the Constitution of Alabama of 1901, as amended.

Applicable Law means the applicable provisions of all constitutions, statutes, rules, regulations, and all binding orders, judgments, and decrees of any Governmental Authority.

Auditor means a Person (i) who is a certified public accountant regularly engaged in the auditing of financial records and who is not employed full time by the City or (ii) who is regularly employed by the Alabama Department of Examiners of Public Accounts.

Authorized City Representative means the Mayor, the City Administrator, and the Finance Director of the City.

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

Authorized Investments means:

- (1) U.S. Government Obligations or a trust or fund consisting of U.S. Government Obligations;
- (2) 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
- (3) 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 (or any successor provision of law).

Beneficial Owner means the owner of a beneficial interest in a Warrant held pursuant to a Book-Entry System.

Bond Counsel means a Person (i) licensed to practice law in the State of Alabama and (ii) having experience with respect to obligations issued by the State of Alabama, and by or on behalf of political subdivisions of the State of Alabama, as “tax-exempt obligations” within the meaning of the Code.

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 Office of the Paying Agent is located and a day on which the payment system of the Federal Reserve System is operational.

C&E District means The Public Cultural and Entertainment Facilities Cooperative District of the City of Foley, Alabama and its successors and assigns.

C&E District Bonds means the Cultural and Entertainment Facilities Revenue Bonds, Series 2015, of the C&E District.

City means the City of Foley, Alabama.

Code means the Internal Revenue Code of 1986, as amended.

Credit Facility means any of the following:

- (a) a municipal bond insurance policy, letter of credit, standby purchase agreement, surety bond; or
- (b) a pledge of any tax or license or revenues that the City may pledge to indebtedness pursuant to Section 11-81-16 or 11-81-18 of the Code of Alabama 1975.

Defeasance Fund means a separate, irrevocable account or fund established by the City pursuant to Section 9.05(b) for the benefit of any Warrant or Warrants, which account or fund may be an escrow fund held by the Paying Agent or a trust fund held by the Paying Agent, as trustee, solely for the purposes of Section 9.05.

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.

District Obligations means, collectively, the:

- (a) A&S District Bonds;
- (b) C&E District Bonds;
- (c) PF District Bonds.

Finance Director means the Finance Director or Treasurer of the City and any successor to the duties and functions thereof.

Financed Facilities means collectively:

- (a) the following capital improvements financed by the sale and investment proceeds of the A&S District Bonds and the C&E District Bonds:
 - (1) public meeting, entertainment, event, and recreational facilities, including without limitation facilities or facility to serve as an auditorium, music hall, art center, athletic fields and sportsplex, and related municipal buildings for community activities of every kind and nature;

(2) buildings, facilities and improvements for the accommodation of visitors and users to the facilities described in (a)(i), including without limitation hotel and motel facilities and food service facilities;

(3) roads, streets, public ways, sidewalks, lighting, facilities for the provision of water, sewer, gas and electric power service, facilities for waste disposal, facilities for public safety and security, drainage and flood control facilities and improvements, and related infrastructure improvements.

(b) the capital improvements to the public facilities of the City financed and refinanced by the sale and investment proceeds of the PF District Bonds within the central business district of the City and contiguous and surrounding areas, including without limitation public parks, drainage improvement facilities, public roads, streets and pedestrian access facilities, public parking facilities, and public library expansion and improvements.

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.

Fully Discharged means, for any Warrant, that: (1) such Warrant has been delivered to the Paying Agent for cancellation, or shall have been canceled by the Paying Agent under this Indenture; or (2) such Warrant shall have matured or been called for redemption, and amounts sufficient for the payment of the principal of, premium (if any) and interest on such Warrant are then held by the Paying Agent for the benefit of the Owner entitled thereto; or (3) such Warrant is alleged to have been mutilated, destroyed, lost or stolen and shall have been replaced as provided in this Indenture; or (4) a Defeasance Fund for the payment of such Warrant shall have been established.

Governing Law means, collectively:

- (1) Section 11-47-2 of the Code of Alabama 1975, with respect to the issuance of the Warrants; and
- (2) Chapter 63 of Title 11, and Section 11-99B-12, of the Code of Alabama 1975, with respect to the refunding of the District Obligations; and
- (3) The applicable provisions of the Constitution of Alabama of 1901, as amended, and the laws of the state of Alabama.

Governmental Authority means any federal, state, county, municipal, or other government, domestic or foreign, and any agency, authority, department, commission, bureau, court or other instrumentality thereof, having jurisdiction in the premises.

Governmental Purposes means, collectively, the following:

- (1) refinance of the District Obligations; and
- (2) payment of the issuance costs (as defined in Treas. Reg. Section 1.150-1) of the Warrants.

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

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.

Maximum Principal Amount means, on any date of determination, the amount of \$47,500,000 less the authorized principal amount of all Warrants issued pursuant to this Indenture prior to such date (without regard to the respective principal amounts of such Warrants outstanding on such date of determination).

Outstanding means, with respect to any Warrant on any date of determination, that such Warrant shall have been authenticated and delivered under this Indenture and shall not have been Fully Discharged.

Owner when used with respect to any Warrant means the Person in whose name such Warrant is registered in the Warrant Register, including without limitation the Securities Depository or Securities Depository Nominee with respect to any Warrant held under the Book-Entry System.

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 this Indenture.

Person means and includes any individual, corporation, general or limited partnership, limited liability company or partnership, joint venture, association, trust, unincorporated organization and any Governmental Authority.

PF District means The City of Foley Public Facilities Cooperative District and its successors and assigns.

PF District Bonds means, collectively, the following revenue bonds of the PF District:

- (a) Revenue Bonds, Series 2009; and
- (b) Revenue Bonds, Series 2016.

Principal Office of the Paying Agent means the designated office of the Paying Agent for purposes of this Indenture, or such other office as shall be designated by the Paying Agent by written notice to the City and (i) the Securities Depository if the Book-Entry System is in effect, or (ii) to the Owners of the Warrants if the Book-Entry System is not in effect.

Record Date means the fifteenth day of a calendar month (whether or not a Business Day) next preceding any Stated 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.

Stated Interest Payment Date means each May 1 and November 1.

Supplemental Indenture means any indenture supplemental hereto which provides for the amendment of this Indenture or the issuance of any series of Warrants under this Indenture.

U.S. Government Obligations means direct general obligations of the United States of America or any obligations on which the payment of the principal thereof and interest thereon are unconditionally guaranteed by the United States of America.

Warrant means any warrant authenticated and delivered pursuant to this Indenture.

Warrant Fund means the fund established pursuant to Section 9.04 hereof.

Warrant Register shall have the meaning assigned in Section 4.03(a).

Warrant Registrar means the Paying Agent appointed by the City as Warrant Registrar pursuant to Section 12.01.

ARTICLE 2

Determinations and Representations

The City certifies, represents and warrants that:

(a) by proceedings duly had and taken pursuant to Applicable Law the City has duly authorized, executed and delivered this Indenture;

(b) the City is not in default with respect to any indebtedness or obligations of the City;

(c) no proceedings with respect to the City have ever been taken pursuant to Chapter 9 of Title 11 of the United States Code or Section 11-81-3 of the Code of Alabama 1975 or any similar federal or state law with respect to creditors' rights.

(d) the public interests of the taxpayers and citizens of the City are best served by the refinance of the District Obligations from time to time by the issuance of various series of Warrants of the City pursuant to this Indenture;

(e) the City has published on _____, 2020, in *The Onlooker*, which newspaper the City represents has the largest circulation in the City, the Notice attached hereto as Exhibit A;

(f) the expenditure of public funds of the City for the payment of the Warrants will serve a valid and sufficient public purpose notwithstanding any incidental benefit accruing to any private Person;

(g) the period of usefulness of the Financed Facilities will exceed the final maturity date of all Warrants authorized to be issued hereunder;

ARTICLE 3

Authorization of Warrants

Section 3.01 Designation and Purpose of Warrants

(a) The City may issue Warrants pursuant to this Indenture, in series, as from time to time and at any time authorized by the City for the Governmental Purposes, upon compliance with Section 3.07.

(b) The general title of all series of Warrants shall be "General Obligation Warrants"; provided, the City may incorporate in, or add to, the title of any particular series of Warrants any words, letters, or numbers to distinguish such series.

Section 3.02 Determination of Principal of Warrants

(a) The aggregate principal amount of all Warrants which may be issued under this Indenture is limited to, and shall not exceed, the Maximum Principal Amount.

(b) The principal amount of each series of the Warrants shall become due and payable in such amounts and at such times as shall be determined by the City upon sale thereof and in accordance with the following:

(1) The maximum principal amount of the Warrants of such series cannot exceed the Maximum Principal Amount;

(2) The principal of the Warrants shall mature on May 1 in each year, subject to:

(i) prior optional redemption as determined upon sale of such series of Warrants in accordance with Chapter 82 of Title 11 of the Code of Alabama 1975; and

(ii) prior mandatory redemption as determined upon sale of the Warrants;

(iii) payment in full of the aggregate principal amount of the Warrants of such series over the term thereof and not later than _____ 1, 20__.

Section 3.03 Determination and Accrual of Interest on Warrants

(a) The Warrants of each series shall bear interest at per annum rates to be established upon sale thereof and at rates which shall not exceed ____ percent (___%) per annum for any Warrant.

(b) The principal amount of each Warrant at any time outstanding shall accrue interest at the respective per annum rate of interest thereof determined on the basis of a 360-day year of 12 consecutive 30-day months for the period beginning on (and including) the date of delivery of and payment for such Warrant and continuing thereafter until (but not including) the date on which the principal of such Warrant is paid in full and retired; provided, however, that, anything in this Indenture to the contrary notwithstanding, interest on the outstanding principal amount of any Warrant will cease to accrue from and after the stated maturity date of such Warrant, or the date specified for redemption (in whole or in part) in advance of maturity of such Warrant, if and to the extent that on any such date the Paying Agent holds, in the Warrant Fund or a Defeasance Fund, in trust for the Owner of such Warrant funds in an aggregate amount sufficient to pay in full the principal of and interest on such Warrant becoming due and payable on such date.

Section 3.04 Form of Warrants

Each Warrant or series of Warrants will be issued to the Owner thereof in certificated form as set forth on Exhibit B with such changes thereto as are then required by Applicable Law, Bond Counsel, or this Indenture.

Section 3.05 Sale of Warrants

Each Warrant or series of Warrants may be sold at public or private sale:

- (i) in a “primary offering” (as defined in 17 CFR Section 240.15c2-12); or
- (ii) to a “qualified institutional buyer” (as defined in 17 CFR Section 240.144A); or
- (iii) to an “accredited investor” (as defined in 17 CFR Section 230.500).

Section 3.06 Separate Security for Warrants

The City may deliver to the Paying Agent, or provide in a Supplemental Indenture, a Credit Facility for all or any portion of one or more specified Warrants or series of Warrants issued under this Indenture, which Credit Facility will be held and applied for the sole benefit of such Warrants so specified therefor.

Section 3.07 Conditions Precedent to Issuance of Warrants

The City shall deliver to the Paying Agent on or before the proposed date of issuance of any Warrant or series of Warrants:

(a) a Supplemental Indenture duly authorized and executed by the City which sets forth: (i) the principal amount, form, interest rates, purpose, redemption provisions (if any) and other applicable terms of the Warrants to be issued; (ii) a representation that the City is not in default with respect to the payment of any indebtedness thereof; and (iii) such other terms as the City shall determine and as shall not be inconsistent or in conflict with the provisions of this Indenture;

(b) a certificate of the Finance Director demonstrating (i) the financial benefit to the City from the issuance of the proposed Warrants, and (ii) that, upon and after the issuance of the proposed Warrants, the City will be in compliance with the limitation upon indebtedness thereof under Amendment No. 772;

(c) the Credit Facility, if any, with respect to the proposed Warrants;

(d) the Warrants duly executed by the City;

(e) an Opinion of Bond Counsel addressed to the City and the Paying Agent to the effect (i) the City has complied with the provisions of this Indenture for the issuance of the proposed Warrants (which opinion may be based upon an assumption, without independent investigation, of the veracity of the representations of fact made by the City), (ii) the Indenture, as theretofore amended or supplemented and as supplemented with respect to the issuance of the proposed Warrants, is a valid and enforceable obligation of the City and the Warrants are valid and binding orders upon the Finance Director for the payment thereof (subject, to the extent appropriate, to the exercise of judicial discretion, federal and state police powers, and the application of bankruptcy and other laws providing for creditor's rights), (iii) the proposed Warrants are entitled to the equal and proportionate benefit of the Indenture as provided herein, and (iv) the issuance of the proposed Warrants complies with the registration requirements of the Securities Act of 1933, as amended, or that no such registration is required.

ARTICLE 4

Execution, Authentication, and Registration of Warrants

Section 4.01 Execution of Warrants

(a) The City authorizes and directs the Mayor and City Clerk of the City to execute, seal and attest, and the Finance Director to register as a claim against the City, the Warrants presented for issuance and delivery pursuant to this Indenture on each of the following dates:

- (1) the date of initial issuance of a Warrant;
- (2) the date of partial redemption of a Warrant pursuant to Article 7;
- (3) the date of transfer, exchange or replacement of a Warrant pursuant to Article 8.

(b) The City will treat as valid for all purposes of this Indenture each Warrant executed by the individual who on the date of such execution thereof validly holds and exercises the office of Mayor of the City without regard to whether at any time prior to, or after, the date of delivery of such Warrant such individual shall have ceased to hold and exercise such office.

Section 4.02 Authentication of Warrants

(a) The Paying Agent will, by duly authorized officer thereof, authenticate, register and deliver all executed Warrants delivered to the Paying Agent by the City for such purpose under this Indenture in accordance with (i) the written instructions of the City with respect thereto and (ii) the procedures and rules of the Securities Depository to the extent applicable thereto.

(b) The authentication of a Warrant by a duly authorized officer of the Paying Agent shall be effective for all purposes of this Indenture.

Section 4.03 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.

(b) The City will register the ownership of each of the Warrants on the Warrant Register in the name of the Person who shall have acquired such Warrant.

ARTICLE 5

Determination of Ownership of Warrants

(a) The ownership of a Warrant shall be proven by the Warrant Register for all purposes of this Indenture.

(b) The City, the Paying Agent and any agent of the City or the Paying Agent shall 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 of this Indenture, and, to the extent permitted by Applicable Law, neither the City, the Paying Agent nor any such agent shall be affected by notice to the contrary.

(c) (1) During a period in which the Warrants are held pursuant to a Book-Entry System, the City and the Paying Agent shall treat the Securities Depository or the Securities Depository Nominee as the only Owner of the Warrants for all purposes of this Indenture.

(2) In the event the Securities Depository or the Securities Depository Nominee assigns its rights to consent or vote under this Indenture to any Direct Participant or Indirect Participant, the City, the Paying Agent and the Developer shall treat such assignee or assignees as the only Owner or Owners of the Warrants for the purpose of exercising such rights so assigned.

ARTICLE 6

Operation of Indenture for Warrants Held in Book-Entry System

The City and the Paying Agent will administer and construe the provisions of this Indenture to effect full compliance with the procedures and rules of the Securities Depository with respect to all Warrants held pursuant to a Book-Entry System, including without limitation:

- (1) payment and redemption (in whole or in part) of Warrants;
- (2) transfers of beneficial interests in Warrants;
- (3) delivery of notices pursuant to this Indenture;
- (4) grant of consent or waiver with respect to any action or inaction.

ARTICLE 7

Redemption of Warrants

Section 7.01 Optional Redemption of Warrants; Conditional Redemption; Defeasance Fund

(a) (1) The City may redeem all, or less than all, of the Warrants upon written notice, designating the order, aggregate principal amount (determined on the basis of the smallest Authorized Denominations so that the principal amount of any Warrant which remains Outstanding after such redemption shall be an integral multiple of an Authorized Denomination), and stated principal payment dates, of the Warrants to be redeemed, to the Paying Agent by such date in advance of the proposed date of redemption as shall enable the Paying Agent to comply with the provisions of this Indenture with respect thereto. The Paying Agent, or the Securities Depository if applicable, shall determine by fair and appropriate method the principal amount of Warrants to be redeemed within a maturity.

(2) The Owner of any Warrant which shall have been called for partial redemption must, on the date of redemption, surrender such Warrant to the Paying Agent with endorsement for transfer thereon, or with a written instrument of transfer acceptable to the Paying Agent, executed by such Owner or the attorney thereof authorized in writing therefor, whereupon without service charge the City will execute, and the Paying Agent will authenticate, register and deliver to, or as directed in writing by, such Owner a new Warrant of like tenor and the same series, dated the date of redemption, and in a principal amount in Authorized Denominations equal to, and in exchange for, the unredeemed portion of the principal of the Warrant so surrendered.

(b) Anything in this Indenture to the contrary notwithstanding, the City may provide for the optional redemption of any Warrant (or portion thereof) contingent upon specified conditions, such as deposit of funds necessary for such redemption or the occurrence of specified events. If the conditions for such redemption are not satisfied prior to the proposed date of redemption, such Warrants shall not be subject to redemption on such date and the City shall not be required to redeem such Warrants (or portions thereof) subject to such conditional redemption. The City shall return any Warrants surrendered on the specified date of redemption to the Owners of such Warrants. The failure of the City to redeem any Warrant called for conditional redemption as provided in this Section shall not constitute a default by the City in payment of the principal of or interest on any Warrant called for conditional redemption.

(c) The City shall establish a Defeasance Fund for all Warrants (or portions thereof) called for optional redemption prior to the date specified for redemption thereof.

Section 7.02 Notice of Optional or Mandatory Redemption of Warrants

(a) The Paying Agent will give notice of redemption of Warrants to be redeemed, in the name and at the expense of the City, to the Owner 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 date of redemption by United States registered or certified mail (first class, postage prepaid) or, if the Securities Depository or Securities Depository Nominee is the Owner, at the times and in the manner as provided in the applicable rules and procedures of the Securities Depository, at the address of such Owner appearing in the Warrant Register; provided, however, any Owner may waive the requirement of notice as to the redemption of the Warrant or Warrants thereof. The Paying Agent and the City are not required to give notice of redemption to any Beneficial Owner.

(b) All notices of redemption shall state (i) the Warrants to be redeemed; (ii) the date of redemption; (iii) the redemption price; (iv) whether such redemption is mandatory or optional; (v) the principal amount of Warrants to be redeemed, and, if less than all Warrants then Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Warrants to be redeemed; (vi) that on the date of redemption 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; (vii) to the extent required for Warrants in certificated form, the place or places where the Warrants to be redeemed are to be presented and surrendered for payment of the redemption price; and (viii) if applicable, the terms upon which any optional redemption is contingent upon specified conditions.

(c) The City and the Paying Agent shall, to the extent practical under the circumstances, comply with the standards set forth in Securities and Exchange Commission's Exchange Act Release No. 23856 regarding redemption notices, provided that their failure to do so shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in this Section.

Section 7.03 Payment of Redemption Price of Warrants

In the manner and as provided in this Indenture for the payment of the Warrants:

(1) the City shall pay the redemption price of all Warrants (or portions thereof) called for optional redemption solely from the Defeasance Fund established therefor on the date specified for redemption thereof; and

(2) the City shall pay the redemption price of all Warrants called for mandatory redemption solely from the Warrant Fund on the date specified for redemption thereof.

ARTICLE 8

Transfer, Exchange and Replacement of Warrants

Section 8.01 Transfer and Exchange of Warrants

(a) The Owner of any Warrant may transfer such Warrant upon the Warrant Register by surrender of such Warrant to the Paying Agent with endorsement for transfer thereon, or with a written instrument of transfer acceptable to the Paying Agent, executed by such Owner or the attorney thereof authorized in writing therefor and by payment in advance in immediately available funds of all expenses and governmental charges to be incurred by the City and the Paying Agent in connection with such transfer, whereupon the City will execute, and the Paying Agent will authenticate, register and deliver to such transferee as is directed in writing by such Owner a new Warrant of like tenor and the same series, dated the date of transfer, and in a principal amount in Authorized Denominations equal to the outstanding principal amount of the Warrant so surrendered.

(b) The Owner of any Warrant in a principal amount in excess of the smallest Authorized Denomination may surrender the same in exchange for more than one Warrant, each in a 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 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 is not required to transfer or exchange any Warrant during the period beginning on a Record Date and ending on the then next succeeding Stated Interest Payment Date, and in the event that any Warrant (or any part thereof) is duly called for optional redemption (in whole or in part), the Paying Agent is not required to register or transfer any such Warrant during the period of forty-five (45) days next preceding the date fixed for such redemption.

(d) All Warrants issued upon any transfer or exchange of Warrants are the valid obligations of the City and entitled to the same security and benefits under this Indenture as the Warrants surrendered upon such transfer or exchange.

Section 8.02 Transfer of Warrants Subject to Defenses and Rights of City

Each Person who acquires a Warrant, or a beneficial interest therein, will be subject to all defenses and rights of the City at law or in equity and to all payments of principal thereof and interest thereon made by the City.

Section 8.03 Replacement of Warrants

(a) If (i) 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 (ii) 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, and payment of any governmental charges and expenses of the City in connection therewith, then, in the absence of actual notice to the City and 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 like tenor and the same series, dated the date of replacement, and in a principal amount in Authorized Denominations equal to the outstanding principal amount of the Warrant so replaced.

(b) Every Warrant issued in lieu of any destroyed, lost or stolen Warrant will 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 any Person.

(c) 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.

ARTICLE 9

Source of, and Provisions for, Payment of Warrants

Section 9.01 General Obligation

(a) The City covenants and agrees the indebtedness evidenced and ordered paid by the Warrants is a general obligation of the City for the punctual payment of the principal of, premium (if any) and interest on which the full faith and credit of the City are hereby sacredly and irrevocably pledged.

(b) The Warrants are solely an obligation of the City and shall never constitute a direct, indirect, or contingent obligation, indebtedness, pecuniary liability, or charge against the general credit, revenues, or taxing power of the State of Alabama, or any other political subdivision thereof, or any other Person.

Section 9.02 Payment of Warrants

(a) The City orders and directs the Finance Director and the Paying Agent to pay, solely from the Warrant Fund or a Defeasance Fund, as applicable, to the Owners, in lawful money of the United States of America immediately available and without deduction for exchange, fees or expenses, (i) interest on the Warrants due on any Stated Interest Payment Date to the Owners in whose names the Warrants are registered in the Warrant Register at the close of business on the Record Date for such Stated Interest Payment Date, and (ii) interest on the Warrants due upon redemption on any date other than an Stated Interest Payment Date, and (iii) principal of the Warrants when due on any stated maturity date or redemption date therefor, only upon surrender thereof at the Principal Office of the Paying Agent; provided, upon the written request of the Owner of any Warrant in a principal amount of not less than \$1,000,000, the Paying Agent will make payment of the principal of, premium (if any) and interest on such Warrant by wire transfer to an account of such Owner maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Paying Agent, if such written request contains adequate instructions for the method of payment and final payment of principal is made upon such surrender of the Warrant or Warrants as provided hereinabove.

(b) If any payment is due pursuant to Section 9.02(a) on a day which is not a Business Day, such payment shall be made, in the same amount, on the first succeeding day which is a Business Day, with the same effect as if made on the date on which such payment was due.

(c) All payments to the Owners 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 discharge, satisfy and terminate the liability of the City and the Paying Agent to the extent of the amounts so paid.

Section 9.03 Funds for Payment of Unsurrendered Warrants to be Held in Separate Trust; Repayment of Unclaimed Money

If an Owner fails to present or surrender the Warrant or Warrants thereof on any date fixed or scheduled for payment of principal thereof, the Paying Agent shall transfer amounts held in the Warrant Fund, or in a Defeasance Fund, as applicable, sufficient for the payment of principal of, premium (if any) and interest on such Warrant or Warrants to a separate trust fund created by the Paying Agent for such purpose and hold such amounts in trust for the sole benefit of the Persons entitled thereto, which amounts shall not be invested and shall not constitute part of the Trust Estate. Any amounts held in trust by the Paying Agent pursuant to this Section which are unclaimed for three (3) years after the date on which payment thereof was due to have been made shall, subject to Applicable Law, be paid to the City upon written request of an Authorized City Representative and the Owner of any such Warrant or Warrants to be paid from such amounts shall thereafter, as an unsecured general creditor, have recourse only to the City for payment thereof, and all liability of the Paying Agent with respect to such trust money shall cease; provided, however, the Paying Agent may, prior to payment of such amounts to the City and at the written direction and expense of the City, publish notice once, by newspaper of general circulation within the jurisdiction of the City or by such means of electronic communication as the Paying Agent determines is appropriate, that such amounts remain unclaimed and that, after a date specified in such notice (which shall be not less than 30 days after publication of such notice), such amounts will be paid to the City.

Section 9.04 The Warrant Fund

(a) The City establishes a special fund designated the “Warrant Fund” to be held and applied by the Paying Agent under this Indenture solely for the payment of the principal of, premium (if any), and interest on the Warrants.

(b) The Finance Director is authorized and directed to deposit into the Warrant Fund the following amounts on the following dates:

(1) on or before the fifteenth day of each April and October, an amount equal to the interest becoming due on the Warrants on the next succeeding Stated Interest Payment Date;

(2) on or before the fifteenth day of each April, an amount equal to the principal maturing or subject to mandatory redemption on the next succeeding principal payment date with respect to the Warrants;

(3) such amounts, if any, at such times as shall provide funds in the Warrant Fund sufficient for the payment of the principal of and interest on the Warrants in full when due.

(c) The City authorizes and directs the Paying Agent to deposit in the Warrant Fund any funds received by the Paying Agent with written directions from an Authorized City Representative to deposit such funds in the Warrant Fund.

(d) (1) The Paying Agent shall invest the amounts at any time on deposit in, or credited to, the Warrant Fund (the "Warrant Fund Amount") as directed in writing by the City and subject to the following provisions therefor:

(i) the Warrant Fund Amount shall be invested only in Authorized Investments which mature or are subject to redemption by the Paying Agent at times and in amounts sufficient for the purposes of the Warrant Fund;

(ii) the Warrant Fund Amount shall be increased by all income and profits, and decreased by all losses, resulting from the investment thereof;

(iii) all income and profits from investment of the Warrant Fund Amount shall remain in the Warrant Fund and be credited against the next succeeding deposits required therein;

(iv) the Paying Agent will not be liable for any loss resulting from investment of the Warrant Fund Amount except to the extent such loss resulted from the gross negligence or willful misconduct of the Paying Agent.

(2) The Paying Agent will cause the Warrant Fund Amount to be secured as provided by Applicable Law for public funds.

(e) The Paying Agent shall transfer to the City all amounts in the Warrant Fund remaining after the Warrants shall have been Fully Discharged and after all fees and expenses of the Paying Agent shall have been paid.

Section 9.05 Discharge and Defeasance of Warrants

(a) From and after the date on which a Warrant shall be Fully Discharged, the obligations of the City for the payment of any amount of principal of, premium (if any) or interest on such Warrant from the general funds and revenues of the City lawfully available therefor are fully discharged, satisfied and terminated.

(b) The City may provide for the payment of any of the Warrants by establishing a Defeasance Fund for such purpose with the Paying Agent, for the exclusive and sole benefit of the Owners of the Warrants to be paid therefrom, and depositing therein cash or U.S. Government Obligations which (assuming the due and punctual payment of the principal of and interest on such U.S. Government Obligations) will provide funds sufficient to pay in full the principal of, premium (if any) and interest on such Warrants as the same becomes due and payable until the maturity or redemption of such Warrants; provided, however, that:

(1) such U.S. Government Obligations must not be subject to redemption prior to their respective maturities at the option of the issuer thereof;

(2) if any of such Warrants are to be redeemed in advance of stated maturity, either (i) the Paying Agent shall receive evidence that notice of such redemption has been given in accordance with the provisions of this Indenture and such Warrants or (ii) the City will confer on the Paying Agent irrevocable authority for the giving of such notice on behalf of the City; and

(3) the Paying Agent will have received a certificate of an Auditor to the effect that the cash and U.S. Government Obligations on deposit in such Defeasance Fund, and the income therefrom without reinvestment, will be sufficient to pay in full when due the principal of, premium if any and interest on such Warrants.

(c) The Paying Agent may invest any investment proceeds received by the Paying Agent in a Defeasance Fund in U.S. Government Obligations.

(d) The Paying Agent will apply all amounts in a Defeasance Fund solely for the payment of the principal of, premium (if any) and interest on the Warrants with respect to which such fund was established.

Section 9.06 Cancellation of Surrendered Warrants

All Warrants surrendered for payment, redemption, transfer, exchange or replacement shall be promptly cancelled and destroyed by the Paying Agent.

ARTICLE 10

Amendments and Supplements to Indenture

(a) The City and the Paying Agent may, without notice to, or consent of, any of the Owners, deliver from time to time a Supplemental Indenture for any of the following purposes:

- (1) to provide for the issuance of a series of Warrants pursuant to Section 3.07; and
- (2) to amend or correct any provision of this Indenture which may be ambiguous or inconsistent with any other provision, or which may clarify a question arising hereunder; provided such amendment will not have material adverse effect upon the Owners; and
- (3) to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended; and
- (4) to evidence the succession of another Person as Paying Agent; and
- (5) to obtain or maintain a credit rating from a Person with a national reputation for credit or securities ratings of public debt; and
- (6) to make provision for the operation of the Book-Entry System; and
- (7) to add a covenant or covenants on the part of the City for the equal benefit of the Owners of the Warrants.

(b) Except as provided in Article 10(a) the City and the Paying Agent may amend or supplement this Indenture only upon receipt of the written consent of the Owners.

ARTICLE II

Special Agreements by Owners and Beneficial Owners of Warrants

As a condition of, and as a consideration for, the issuance of the Warrants, each Owner and Beneficial Owner agrees, by acquisition of a Warrant or a beneficial interest therein:

(a) Exempt Persons. No covenant or agreement contained in the Warrants or in this Indenture shall operate or be construed as 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 Persons nor any officer executing the Warrants shall be liable personally on the Warrants or be subject to any personal liability or accountability by reason of the issuance of the Warrants and any liability of every name and nature, either at common law or in equity or by constitution or statute, and all such rights and claims against every such officer, employee, or member of the governing body of the City are irrevocably waived and released.

(b) Operation of Book-Entry System. The City and the Paying Agent have not undertaken, directly or indirectly, to provide, and therefore shall have no liability, obligation, or responsibility to any Person (including without limitation Beneficial Owners, Direct Participants, and Indirect Participants) for (i) the accuracy of any records maintained by the Securities Depository or any Direct Participant or Indirect Participant, or (ii) the payment by the Securities Depository or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of, interest on or premium (if any) on, any of the Warrants, or (iii) the delivery, or timeliness of delivery by the Securities Depository or any Direct Participant or Indirect Participant of any notice due to any Beneficial Owner which is required or permitted under this Indenture to be given to such Beneficial Owner, or (iv) any act (including without limitation any consent to, or waiver of, any action or inaction) of whatever nature or type by the Securities Depository or Securities Depository Nominee, as Owner.

(c) Transfer of Warrants. The Warrants may be transferred, exchanged and replaced only in accordance with the provisions of this Indenture.

(d) Indenture is Contract. The Owner or Beneficial Owner thereof is legally bound by the terms and provisions of this Indenture as a contractual agreement under the laws of the State of Alabama by the City and each Owner and Beneficial Owner.

ARTICLE 12

The Paying Agent

Section 12.01 Designation of Paying Agent

The City designates and appoints 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 12.02 Payments at Par

(a) The Paying Agent agrees with the Owners 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.

(b) The City covenants and agrees with the 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.

Section 12.03 Rights of Paying Agent

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

(b) The Paying Agent:

(1) 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) 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) need not recognize a Owner of a Warrant as such without the satisfactory establishment of his title to such warrant;

(4) 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) shall be entitled to reasonable compensation for its services hereunder, including extra compensation for unusual or extraordinary services;

(6) may be the Owner of Warrants as if not Paying Agent hereunder;

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

(8) shall not unreasonably withhold or delay any consent or approval required of it under the provisions of this Indenture;

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

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

(11) shall have no obligation to file financing statements or continuation statements.

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

(d) 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.

(e) 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 Indenture. 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.

(f) The Paying Agent's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture 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 Indenture, and final payment of the Warrants.

(g) The Paying Agent shall have the right to accept and act upon directions or instructions given by an Authorized City Representative pursuant to this Indenture or any other document reasonably relating to Warrants issued hereunder and delivered using Electronic Means (defined below). If the City elects to give the Paying Agent directions or instructions using Electronic Means and the Paying Agent in its discretion elects to act upon such directions or instructions, the Paying Agent's understanding of such directions or instructions shall be deemed controlling. The City understands and agrees that the Paying Agent cannot determine the identity of the actual sender of such directions or instructions and that the Paying Agent shall conclusively presume that directions or instructions that purport to have been sent by an Authorized City Representative listed on the incumbency certificate provided to the Paying Agent have been sent by such Authorized City Representative. The City shall be responsible for ensuring that only Authorized City Representatives transmit such directions or instructions to the Paying Agent and that all Authorized City Representatives treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Paying Agent and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Paying Agent immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Paying Agent as available for use in connection with its services hereunder.

Section 12.04 Resignation and Removal; Appointment of Successor

(a) The City may remove and discharge the Paying Agent from all duties imposed upon it as Paying Agent, Warrant Registrar and transfer agent by giving written notice of such removal and discharge by certified or registered mail to the Paying Agent not less than 30 days prior to the date when such removal shall take effect.

(b) 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 not less than 30 days prior to the date when such resignation shall take effect.

Section 12.05 Qualification of and Acceptance of Appointment by Successor

(a) If at any time the Paying Agent shall be removed, 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 shall promptly appoint a successor Paying Agent.

(b) 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 \$100,000,000.

(c) 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 12.06 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 13

Provisions of Indenture a Contract

Section 13.01 Provisions of Indenture a Contract

The terms and provisions of this Indenture constitute a contractual agreement under the laws of the State of Alabama by the City and the Owners.

Section 13.02 Construction

(a) All references in this Indenture to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this Indenture as originally adopted.

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

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

Section 13.03 Governing Law

This Indenture is made pursuant to, and is construed in accordance with and governed by, the laws of the State of Alabama.

Section 13.04 Entitlement of Authenticated Warrants to Benefit of Indenture

The executed Certificate of Authentication and Registration on a Warrant shall, without more, conclusively establish the authentication and delivery of such Warrant under this Indenture and the entitlement of such Warrant to the equal and proportionate benefit of this Indenture as provided herein.

Section 13.05 Enforceability and Severability

The provisions of this Indenture are severable. In the event that any one or more of such provisions of this Indenture 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 Indenture or of the Warrants, and this Indenture and the Warrants will be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 13.06 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 Owners of the Warrants all expenses incident to the collection of any unpaid portion thereof, including reasonable attorneys' fees.

Section 13.07 Remedies

The City covenants and agrees:

(a) the Owners shall have all rights and remedies for the enforcement of the Warrants and this Indenture as may be provided by the Governing Law; and

(b) the Finance Director of the City is subject to mandamus in the event such officer has money available for payment of principal of, premium (if any) and interest on the Warrants and does not, as required by this Indenture, deposit such money in the Warrant Fund, when and as required by this Indenture in each Fiscal Year, and apply such money (and investment earnings thereon), when and as required by the Warrants and this Indenture, to the payment of the principal of, premium (if any) and interest on the Warrants when due and payable in each Fiscal Year in amounts sufficient for such purposes.

IN WITNESS WHEREOF, the City and the Paying Agent have each caused this Indenture to be executed, under seal, and attested, in the name and on behalf thereof by officers thereof duly authorized thereunto as of the date and year first above written.

CITY OF FOLEY, ALABAMA

By: _____
Mayor

SEAL

Attest: _____
City Clerk

REGIONS BANK

By: _____
Its: _____

SEAL

Attest: _____
Its _____

EXHIBIT A
Legal Notice

**LEGAL NOTICE OF SPECIAL PUBLIC MEETING OF THE CITY COUNCIL OF
THE CITY OF FOLEY, ALABAMA AND THE PRELIMINARY AUTHORIZATION
OF REFUNDING OF ECONOMIC DEVELOPMENT OBLIGATIONS**

Notice is hereby given that the City Council (the "Council") of the City of Foley, Alabama (the "City") will meet in special public session at 12:00 noon on Tuesday, September 1, 2020 at the City Hall in the City of Foley, Alabama for the purpose of considering the transaction of business that may properly come before the Council such business to include, but not be limited to, the authorization by the Council, pursuant to Amendment No. 772 to the Constitution of Alabama of 1901, as amended ("Amendment No. 772") and the applicable laws of the State of Alabama, of the terms, execution, delivery and validation of an Indenture to be dated the first day of the month of delivery (the "Indenture") by the City and Regions Bank, as paying agent.

Pursuant to Amendment No. 772 and the Indenture, the City may issue various series of general obligation warrants of the City (the "Warrants") to refund and redeem the existing long-term obligations (collectively, the "District Obligations") of the following public corporations of the City (collectively, the "Districts"): (i) The City of Foley Public Facilities Cooperative District, (ii) The Public Athletic and Sports Facilities Cooperative District of the City of Foley, Alabama, and (iii) The Public Cultural and Entertainment Facilities Cooperative District of the City of Foley, Alabama.

The Districts have, by the issuance of the District Obligations, financed the following public facilities in the City: (i) public meeting, entertainment, event, and recreational facilities, including without limitation facilities or facility to serve as an auditorium, music hall, art center, athletic fields and sportsplex, and related municipal buildings for community activities of every kind and nature; (ii) buildings, facilities and improvements for the accommodation of visitors and users to the facilities described in (i), including without limitation hotel and motel facilities and food service facilities; (iii) roads, streets, public ways, sidewalks, lighting, facilities for the provision of water, sewer, gas and electric power service, facilities for waste disposal, facilities for public safety and security, drainage and flood control facilities and improvements, and related infrastructure improvements; (iv) within the central business district of the City and contiguous and surrounding areas, public parks, drainage improvement facilities, public roads, streets and pedestrian access facilities, public parking facilities, and public library expansion and improvements.

The City has guaranteed the payment when due of all of the District Obligations as a full faith and credit general obligation of the City. The City pays in full the principal of and interest on all District Obligations when and as due and payable in each fiscal year.

The City expects to issue the Warrants under the Indenture from time to time as the City determines will produce financial benefits to the City by net interest costs savings, restructure of indebtedness, more favorable payment terms, or as otherwise determined by the City. The Warrants may be issued in an aggregate principal amount not exceeding \$50,000,000 and for terms not exceeding 30 years from the respective dates of issuance thereof. The Warrants will be general obligations of the City payable from all funds and revenues lawfully available therefor in each fiscal year.

The City seeks to achieve, by the issuance of Warrants pursuant to the Indenture for the direct benefit of the financial resources of the City, to promote the local economic and industrial development of the City, to increase employment in the City, and to increase the tax and revenue base of the City.

The public corporations to whom or for whose benefit the City proposes to lend its credit and grant public funds or thing of value are the Districts.

All interested persons may examine and review the Indenture, and all relevant proceedings pertaining thereto, make copies thereof at personal expense, and obtain further information about the matters addressed in this Notice, at the offices of the City Administrator at City Hall during normal business hours, before and after the meeting referenced herein.

EXHIBIT B
Form of Warrant

The Warrant has not been registered under the Securities Act of 1933, as amended, in reliance upon applicable exemptions. The City shall transfer this Warrant only upon presentation and surrender hereof by the registered owner of this Warrant (set forth in the Warrant Register of the City therefor) in compliance with the within-referenced Indenture and applicable federal and state securities laws and subject to all rights and defenses of the City at law or in equity.

**UNITED STATES OF AMERICA
STATE OF ALABAMA**

CITY OF FOLEY, ALABAMA

**GENERAL OBLIGATION WARRANT
SERIES _____**

Registered Owner:

CEDE & CO.

Warrant No.

R-__

| Dated Date: | Principal Amount: | Interest Rate per annum: | Stated Interest Payment Dates: | Maturity Date: | CUSIP: |
|--------------------|--------------------------|---------------------------------|---------------------------------------|-----------------------|-----------------|
| _____ | \$ _____ | _____ % | May 1 and November 1 | May 1, 20__ | 344241__ |

Authorization of Indebtedness and Payment

The City of Foley, a municipal corporation under the laws of the State of Alabama (the “City”), for value received, hereby acknowledges itself indebted to the Registered Owner, or registered assigns, in the Principal Amount of _____ Dollars and hereby orders and directs the Finance Director of the City to pay to the Registered Owner of this Warrant, through Regions Bank (and successors) as Paying Agent, solely from the Warrant Fund and as provided in the within Indenture (i) the Principal Amount on the Maturity Date, subject to redemption (in whole or in part) in advance of maturity, and (ii) the interest accrued on the Principal Amount at the Interest Rate, computed from the Dated Date as provided in the Indenture, on the Stated Interest Payment Dates and on each date fixed for redemption (in whole or in part) of this Warrant.

Indenture

This Warrant is one of the General Obligation Warrants, Series _____ (the “Warrants”) issued by the City pursuant to the Constitution and laws of the State of Alabama and an Indenture and related proceedings of the City (the “Indenture”). The Indenture is held by the Paying Agent and constitutes a contractual agreement binding upon the City and the registered owners of the Warrants under the laws of the State of Alabama for the source of payment of, and security for, the Warrants; the registration, transfer, exchange and replacement of the Warrants; the redemption in advance of maturity, of the Warrants; the payment and defeasance of the Warrants; the rights and duties of the City and the Paying Agent; and the enforcement of the Indenture.

Redemption

(a) The Warrants with stated maturities on May 1, 20__ and thereafter are subject to prior redemption, at the option of the City, in whole or in part in multiples of an Authorized Denomination, on May 1, 20__ or on any Business Day thereafter, in such principal amounts and in such order of maturities as the City shall specify and by lot within a maturity, at a redemption price for each Warrant (or principal portion thereof) redeemed equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium or penalty.

(b) The Warrants having stated maturities on May 1, 20__ are subject to scheduled mandatory redemption, without consent of or direction from the City, by the Paying Agent, by lot, on May 1 in years and aggregate principal amounts as follows (subject to a credit thereon for the principal amount of all Warrants of such maturity then cancelled and not theretofore claimed as a credit) for a redemption price of the principal amount thereof plus interest accrued thereon to the redemption date, without premium or penalty:

| <u>Year</u> | <u>Principal Amount Subject to Redemption</u> |
|-------------|---|
|-------------|---|

Estoppel

The City recites, certifies and declares 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 Indenture, have happened, do exist and have been performed in due time, form and manner as so required by law, and that the above 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.

Testimonium

IN WITNESS WHEREOF, the City 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 Clerk of the City, and has caused this Warrant to be dated the Dated Date.

CITY OF FOLEY, ALABAMA

By: _____
Mayor

SEAL

Attest: _____
City Clerk

REGISTRATION CERTIFICATE

The undersigned 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 established under the Indenture referenced herein.

Finance Director of the City of Foley, Alabama

AUTHENTICATION AND REGISTRATION DATE: _____

**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This Warrant is hereby authenticated and has been registered by the City of Foley, Alabama on the Warrant Register thereof 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 Indenture 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 Indenture 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.

The foregoing Resolution is adopted on this 1st day of September, 2020.

Council President

S E A L

Attest: _____
City Clerk

* * * * *

Transmitted to and approved by the Mayor this 1st day of September, 2020.

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 Ordinance be suspended and that unanimous consent to the immediate consideration and adoption of the Ordinance be given. The motion was seconded by Councilmember _____ and on roll call was unanimously adopted, those answering aye being:

Ayes: J. Wayne Trawick, Council President
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 the 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 the Ordinance, the roll was called with the following results:

Ayes: J. Wayne Trawick, Council President
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, the same was, on motion duly made, seconded, and unanimously carried, adjourned.

CITY OF FOLEY, ALABAMA

Each of the undersigned does hereby approve, and waive notice of, the date, time, place and purposes of the meeting of the City Council of the City of Foley, Alabama recorded in the above and foregoing minutes thereof and does hereby approve the form and content of the above and foregoing minutes and the resolutions therein.

Mayor

Member

Member

Member

Member

Member

S E A L

Attest _____
City Clerk

CERTIFICATE

_____, 2020

The undersigned duly elected, qualified and acting City Clerk of the City of Foley, Alabama (the "City") hereby certifies that: (1) the attached pages constitute a complete, verbatim and compared copy of excerpts from all those parts of the minutes of a meeting of the Foley City Council duly held on September 1, 2020, pertaining to the matters therein referred to, the original of which is on file and of record in the minute book of the Foley City Council in my custody; and (2) the resolutions set forth in such excerpts are complete, verbatim and compared copies of such resolutions as introduced and adopted by the Foley City Council on such date and have not been repealed, amended, or changed.

IN WITNESS WHEREOF, I have hereunto set my hand and have affixed the official seal of the City on the above date.

City Clerk of the City of Foley, Alabama

S E A L