

**CITY OF ANNISTON**  
**March 1, 2022**  
**5:30 P.M.**

- **INVOCATION**
- **PLEDGE OF ALLEGIANCE**
- **CALL TO ORDER**
- **ROLL CALL**
- **READING/APPROVAL OF MINUTES OF PREVIOUS MEETING**
  - February 15, 2022 Regular meeting
- **ADDITIONS/DELETIONS TO THE AGENDA**
- **ADOPTION OF AGENDA**

**I. PUBLIC HEARING**

**Speaking to a Public Hearing Item**

In the interest of time and to ensure the fairness of all persons who appear before the City Council to speak for or against a public hearing item, speakers will be limited to three (3) minutes each to address City Council except as described herein. One speaker for the Petitioner may address the City Council for no more than 10 minutes, unless extended by the Mayor. In an effort help the City Council and the general public to better understand the issues, the Mayor may request that a City staff member address the City Council from the podium. Speakers from the general public may only speak when recognized by the Mayor during the public hearing. Speakers will be asked to come to the podium to address the City Council for three (3) minutes and they shall state their name and resident address for the record. Speakers addressing City Council on a public hearing item should coordinate comments in order to respect City Council's time constraints. Groups should select a spokesperson to present the major points that summarize their position and opinions. Speakers are urged to be brief and non-repetitive with their comments. Comments shall specifically address the public hearing item before the City Council, and the speaker shall maintain appropriate tone and decorum when addressing the City Council. City Council may ask questions of the applicant, speakers, or staff during these proceedings only for the purpose of clarifying information. The speaker shall not direct derogatory comments to any individual, organization, or business. At the conclusion of the three (3) minute time period, the speaker will be notified that his/her time has elapsed and the next speaker will be recognized to come forward to the podium and address the City Council. Once the public hearing is closed on an item, there will be no further opportunity for formal or informal public input at a City Council meeting.

**II. UNFINISHED BUSINESS – None**

**III. RESOLUTIONS**

- (a) Resolution to amend the FY2022 budget for the General Operating Fund

**IV. ORDINANCES**

- (a) Ordinance authorizing the issuance, and making provision for the payment, of \$7,540,000 General Obligation Warrants, Series 2022

## V. ADDITIONAL OR OTHER MATTERS THAT MAY COME BEFORE COUNCIL

## VI. PUBLIC COMMENTS

### Public Comment – Speaker Protocol

The City of Anniston believes that any member of the general public should be afforded the opportunity to address the City Council provided that designated rules are followed by the speaker. Any member of the public who wishes to address the City Council and offer public comment on items within the City Council's jurisdiction, may do so during the Public Comment period of the meeting. However, no formal action will be taken on matters that are not part of the posted agenda. In order to ensure the opportunity for all those desiring to speak before the Council, there is no yielding of time to another speaker. This opportunity to address City Council may not be used to continue discussion on an agenda item that has already been held as a public hearing. Matters under negotiation, litigation, or related to personnel will not be discussed. Members of the general public who would like to address the City Council during the Public Comment portion of the meeting, may do so in accordance with the rules outlined in Ordinance 21-O-22 adopted by the City Council on November 2, 2020 as stated:

**Section 12.** Members of the public may address the Council or speak on matters of public concern during the period of the meeting agenda reserved for public comments, subject to the following procedures:

(a) No person shall be allowed to speak during public comments unless he or she submits a Request to Speak During Public Comments form to the Office of the City Manager no later than 3:00 P.M. on the Friday before the Council meeting. The request shall identify the speaker by name and residential address and shall specify the date of the meeting in which the speaker desires to offer public comments.

(b) The period for public comments shall be open to the **first ten (10) persons** who submit a timely request to speak during the meeting at hand.

(c) In advance of each meeting, the City Manager shall provide the Council a list of the persons authorized to speak during the period for public comments, not to exceed ten (10) persons, which shall identify the speakers in the order in which their requests were made. The presiding officer shall call on each person from the list. Once recognized, each person shall be provided no more than **three (3) minutes** to complete his or her public comments.

(d) Those persons who make a timely request, after the first ten (10) requests, shall be first on the list of persons authorized to speak during the period for public comments in the next meeting, unless he or she asks to be removed from the list.

**Section 13.** All comments made by members of the Council shall be restricted to the matter under consideration and shall be addressed to the presiding officer, except during the period of the meeting reserved for Council Comments. All comments made by members of the Council shall be restricted to three (3) minutes, unless the presiding officer grants exception for good cause.

**Section 14.** No comments shall be permitted by a member of the Council or by a member of the public that is of a disparaging nature or which would constitute a personal attack on the integrity of any member of the Council or the staff of the City.

Once the speaker has been recognized to speak, he/she should not attempt to engage the City Council and/or Staff in a discussion/dialogue and the speaker should not ask specific questions with the expectation that an immediate answer will be provided as part of the three (3) minute time frame since that is not the intent of the Public Comment period. If the speaker poses a question or makes a request of the City, the Mayor may refer the issue or request to the City Manager for follow up. At the conclusion of the three (3) minute time period, the speaker will be notified that his/her time has elapsed and the next speaker will be recognized to come forward to the podium and address the City Council. The Mayor may rule out of order any Speaker who uses abusive or indecorous language, if the subject matter does not pertain to the City of Anniston, or if the Speaker(s) attempts to engage the City Council Members in a discussion or dialogue on issues. City Council shall not discuss non-agenda matters because it does not give the public adequate notice. Accordingly, City Council shall be limited to asking factual and clarifying questions of staff, and when appropriate, the Council may consider placing a matter on a future agenda. In addition, it is not reasonable to expect staff to respond to any of a variety of issues on which they may or may not be prepared to respond to on a moment's notice, so the City Manager may respond, or direct staff to respond at a later time.

(a) Jim Pritchett – 2116 West “C” Street, Anniston, AL

(b) Ronald Clark – 1400 Glendale Road, Anniston, AL

## VII. COUNCIL COMMENTS

### ADJOURNMENT

# MINUTES

Anniston, Alabama

February 15, 2022

The City Council of the City of Anniston, Alabama, met in Regular Session in Room B at the Anniston City Meeting Center in the City of Anniston, Alabama, on Tuesday, February 15, 2022, at approximately 5:35 o'clock p.m.

Jack Draper, Mayor, prayed the Invocation.

Jack Draper, Mayor, led the Pledge of Allegiance to the Flag.

Mayor Draper called the meeting to order. On call of the roll, the following Council Members were found to be present: Council Members Jenkins, Roberts, Smith, Harris, and Draper; absent: none. A quorum was present and the meeting opened for the transaction of business.

Steven Folks, City Manager, was present.

Bruce Downey, City Attorney, was present.

Council Member Roberts made a motion to waive the reading of and approve the minutes of the February 1, 2022 regular meeting. The motion was seconded by Council Member Jenkins and on call of the roll the following vote was recorded: ayes: Council Member Jenkins, Roberts, Smith, and Harris; abstentions: Mayor Draper; nays: none. The motion carried and the February 1, 2022 regular meeting minutes were approved.

Mayor Draper made a motion to adopt the agenda. The motion was seconded by Council Member Smith and on call of the roll the following vote was recorded: ayes: Council Member Jenkins, Roberts, Smith, Harris and Draper; nays: none. The motion carried and the agenda was adopted.

Mayor Draper opened a public hearing to receive public comments regarding a 011-Lounge Retail Liquor-Class I application for Live Lounge LLC d/b/a Live Lounge located at 320 S. Quintard Avenue inside the corporate city limits. No one spoke. Mayor Draper closed the public hearing to receive public comments regarding a 011-Lounge Retail Liquor-Class I application for Live Lounge LLC d/b/a Live Lounge located at 320 S. Quintard Avenue inside the corporate city limits.

Council Member Jenkins made a motion to adopt the consent agenda:

- (a) Resolution directing installation of Fire Hydrant (22-R-11)
- (b) Resolution declaring various vehicles/equipment and personal property as surplus and authorizing the disposal of said property (22-R-12)
- (c) Resolution adopting Multi-Jurisdictional Hazard Mitigation Plan (22-R-13)
- (d) Motion to approve a 011-Lounge Retail Liquor-Class I application for Live Lounge LLC d/b/a Live Lounge located at 320 S Quintard Avenue inside the corporate city limits
- (e) Motion to approve a Retail Beer (Off Premises Only) and Retail Table Wine (Off Premises Only) application for Amoco Food Mart Inc., d/b/a Amoco Food Mart located at 1000 W 15<sup>th</sup> Street inside the corporate city limits

(f) Motion to approve the bids for removal and re-roofing of the property located at 1025 & 1029 Gurnee Avenue to GMC Blue Services Inc., in the amount of \$83,700.00

The motion was seconded by Council Member Smith and on call of the roll the following vote was recorded: ayes: Council Member Jenkins, Roberts, Smith, Harris and Draper; nays: none. The motion carried and the consent agenda was approved.

Mayor Draper introduced resolution authorizing an amendment to Program Year 2021 Annual Action Plan under the HOME Investment Partnership American Rescue Plan Program (HOME-ARP) for submission of the HOME-ARP Allocation Plan.

Mayor Draper made a motion for passage and adoption. The motion was seconded by Council Member Jenkins.

Council Member Harris stated that she has been approached by numerous individuals of the Homelessness Task Force requesting to put this resolution on hold until they receive the final results of their study.

Council Member Harris made a motion to table the resolution. The motion failed for lack of a second.

Council Member Smith stated that this is not the best way to use these funds. She stated that with the data they will receive from the point –in- time count survey, they will be able to bring forth programming that will be effective.

Council Member Jenkins stated that he does not know what the answer is. He stated that the Council has some time to expend these funds. He stated that they should empower the Homelessness Task force and they are not complete with their work just yet. He asked if these funds have to be committed as a whole or in parts.

Mary Motley, Community Development Coordinator, stated that it would easier to do things altogether. She stated that the council could vote it down and start the process over.

Mayor Draper stated that ultimately, that would be the best thing. He stated that then the recommendation could include the data from the Homelessness Task Force. He stated that the better thing to do, would be to vote it down and start all over again.

Council Member Roberts stated that for transparency, they have not given out any money. He stated that the council needs to sit back and take their time. He stated that as they get education on this issue, they need to educate the public so they can kill some of the negative talk.

Council Member Jenkins asked Mary Motley if seven years is required from a spending standpoint or if there is a requirement for a dedication of these funds?

Mary Motley, stated that these funds have to be fully spent by 2030.

Council Member Smith stated that even though there is an extended amount of time to utilize these funds, the council is being super intentional about using the funds. She stated that she does not foresee it taking 7-8 years to find a solution or a way to fix some of the issues in the community.

And on call of the roll the following vote was recorded: ayes: none; nays: Council Member Jenkins, Roberts, Smith, Harris and Draper. The motion failed for passage and adoption of the resolution.

Tammy Hall, 102 Willside Drive, addressed the city council on the bike trail at Wiggins Community Center. She thanked the council and anyone who has helped assist.

Gerald Grizzard, 1709G Hillyer Roberson Industrial Parkway South, addressed the city council on his issues with the incinerator that he has dealt with for the past 15 years.

Wayne Willis, P.O. Box 108, welcomed the new council members and stated that this is the best council the City of Anniston has had in his generation.

Council Member Harris thanked everyone for what they are doing to address the homelessness issue.

Council Member Smith thanked the council for coming together and doing what is right for the community and they find some sort of solution.

Council Member Roberts stated that this is probably the best council meeting since he has been here. He asked everyone available to come out and help Anniston Changers on February 26<sup>th</sup>.

Council Member Jenkins stated that he appreciates working in an environment where the council may not all agree but they are still able to listen to each other.

Mayor Draper stated that specifically, with the resolution that was voted down, this is a serious thing the council has to address. He stated that this is not an Anniston issue but a regional issue.

There being no further business to come before the council at that time Mayor Draper made a motion that the meeting be adjourned. The motion was seconded by Council Member Harris; and on call of the roll, the following vote was recorded: ayes: Council Members Jenkins, Roberts, Smith, Harris and Draper; nays: none. The motion carried and the meeting was adjourned at approximately 5:58 p.m. o'clock p.m.

## **RESOLUTIONS**

**RESOLUTION 22-R-\_\_\_\_**

**A RESOLUTION TO AMEND THE FY2022 BUDGET FOR THE GENERAL OPERATING FUND**

**WHEREAS**, the City Council of the City of Anniston adopted the FY2022 Annual Budget on September 21, 2022;

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of Anniston, Alabama assembled, do approve amendments to the following budgets:

<b>Misc:</b>	
Airport fines and penalties	<b>-\$25,000</b>
Airport updates	<b>+\$25,000</b>

<b>Capital Projects:</b>	
Mainstreet Signage	<b>-\$54,000</b>
Mainstreet Infrastructure/Repairs	<b>+\$54,000</b>

<b>Appropriated Funds:</b>	
Parks and Recreation Touch Pad	<b>+\$10,000</b>
Carver Youth Program	<b>+\$638.83</b>
South Highland	<b>+\$1767.00</b>
Appropriated Funds	<b>-\$12,405.83</b>

<b>GF Revenue (Donations)</b>	
State of Alabama (Rep Boyd)	<b>+\$3000 (income/donation)</b>
Black History Month Program (museum)	<b>+\$500</b>
Anniston Heritage Festival	<b>+\$500</b>
Good Choices	<b>+\$1500</b>
South Highland Community Center	<b>+\$500</b>

<b>Museum:</b>	
Force Factory	<b>+\$35,000</b>
Non-dept Land	<b>-\$35,000</b>

Community Foundation of NEA	<b>+\$5000</b>
Non Dept Projects	<b>-\$5000</b>

**PASSED AND ADOPTED** this the **1<sup>st</sup>** day of **March, 2022**.

**CITY COUNCIL OF THE CITY OF  
ANNISTON, ALABAMA**

BY \_\_\_\_\_  
Jack Draper, Mayor

BY \_\_\_\_\_  
Jay Jenkins, Council Member

BY \_\_\_\_\_  
Demetric Roberts, Council Member

ATTEST:

BY \_\_\_\_\_  
Ciara Smith, Council Member

\_\_\_\_\_  
Skyler Bass, City Clerk

BY \_\_\_\_\_  
Millie Harris, Council Member



## **ORDINANCES**

STATE OF ALABAMA )

CALHOUN COUNTY )

**CERTIFICATE OF CITY CLERK**

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**March 9, 2022**

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**Re:     General Obligation Warrants, Series 2022**

I, the undersigned, do hereby certify that (1) I am the duly elected, qualified and acting City Clerk of the City of Anniston, 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 attached pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a regular meeting of the City Council of the Municipality duly held on March 1, 2022, 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. 22 – O – 2 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 on the above date.

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City Clerk of the City of Anniston, Alabama

SEAL

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**ORDINANCE NO. 22 - O - 2**

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**\$7,540,000**  
**GENERAL OBLIGATION WARRANTS**  
**SERIES 2022**

**of**

**CITY OF ANNISTON, ALABAMA**

ORDINANCE NO. 22 - O - 2

AN ORDINANCE AUTHORIZING THE ISSUANCE, AND MAKING PROVISION FOR  
THE PAYMENT, OF \$7,540,000 GENERAL OBLIGATION WARRANTS, SERIES 2022

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

ARTICLE 1

Definitions; Construction of Certain Terms

Section 1.01 Definition of Terms

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:

**Act** shall have the meaning assigned in Section 13.01.

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

**Authorized City Representative** means the Councilman at Large (Mayor), Finance Director, City Manager and City Clerk of the City and any officer of the City authorized by the City to act as "Authorized City Representative" for purposes of this Ordinance and so identified by the City to the Paying Agent in writing.

**Authorized Denomination** 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).

**Authorized Purpose Costs** means, collectively:

(1) all issuance costs (within the meaning of Treas. Reg. Section 1.150-1(b)) with respect to the Warrants; and

(2) all costs of the acquisition, construction, and installation of the Series 2022 Capital Improvements, including without limitation: (a) the cost of labor, materials and supplies furnished or used in the acquisition, construction, installation or equipping, of the Series 2022 Capital Improvements, (b) acquisition, transportation and installation costs, (c) fees for architectural, engineering and supervisory services, (d) expenses incurred in the enforcement of any remedy against any contractor, subcontractor, materialmen, vendor, supplier or surety, (e) reimbursement to the City for any of the foregoing costs, fees and expenses set forth in (a) through (d) above, paid with the City's funds, and (f) payment of principal of and interest on any indebtedness incurred by the City for any of the foregoing costs, fees and expenses set forth in (a) through (d) above.

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

**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.

**City** means the City of Anniston, 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 that certain Continuing Disclosure Agreement of the City dated March 9, 2022.

**Councilman at Large (Mayor)** means (i) the Councilman at Large (Mayor) of the City and (ii) any successor to the duties and functions thereof.

**Defeasance Fund** means a separate, irrevocable account or fund established by the City pursuant to Section 8.05(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 8.05.

**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.

**Electronic Means** includes any communication by electronic mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords or authentication keys, or another method or system specified by the Paying Agent as available for use in connection with its services hereunder.

**Finance Director** means (i) the Finance Director of the City and (ii) any successor to the duties and functions thereof.

**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** shall have the meaning assigned in Section 8.05(b).

**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) Section 11-81-51 of the Code of Alabama 1975, with respect to the acquisition of the Series 2022 Capital Improvements; 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) acquisition and placement in service of the Series 2022 Capital Improvements;
- (2) payment of the expenses of issuing the Warrants.

**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.

**Net Warrant Proceeds** means the net proceeds received from the sale of the Warrants of \$8,058,690.25, being the principal amount thereof of \$7,540,000.00, plus net original issue premium of \$567,700.25 and less underwriting discount of \$49,010.00.

**Official Statement** shall have the meaning assigned in Section 12.03.

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

**Outstanding** means, with respect to any date of determination, a Warrant that shall have been authenticated and delivered under this Ordinance and that 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 (1) 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 (2) any successor bank designated as such depository, paying agent and registrar pursuant to Section 14.05 hereof.

**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.

**Principal Office of the Paying Agent** means the designated office of the Paying Agent for purposes of this Ordinance, 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.

**Proceeds Fund** means the fund created pursuant to Section 3.06 hereof.

**Purchaser** means The Frazer Lanier Company, Incorporated, and the successors and assigns thereof.

**Record Date** means the 15th 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.

**Series 2022 Capital Improvements** means and includes, various capital improvements within the corporate limits of the City, including, without limitation, a new city hall and infrastructure improvements to the Ladiga Trail, subject to the reserved right of the City to apply proceeds of the Warrants to the acquisition, construction or installation of any other property upon compliance by the City with the applicable requirements of Section 3.07 of this Ordinance with respect thereto.

**Stated Interest Payment Date** means March 1 and September 1 in each year, first payable on September 1, 2022; provided, if in any year any such date is not a Business Day, the Stated Interest Payment Date shall be the next succeeding Business Day.

**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 interest on the applicable Warrant is includible in the gross income of the Owner thereof for purposes of federal income taxation; provided, however, interest on any Warrant shall not be deemed “Taxable” if interest on such Warrant is includible in any calculation of income for purposes of an alternative minimum tax or any other type of taxation other than the regular federal tax imposed on income.

**Transaction Documents** means, collectively, the following documents:

- (a) Continuing Disclosure Agreement;
- (b) Tax Certificate and Agreement; and
- (c) Warrant Purchase Agreement.

**Treasurer** means (i) the Finance Director or Treasurer of the City and (ii) any successor to the duties and functions thereof.

**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 Ordinance and, during any period in which the Book-Entry System is in effect for the Warrants, shall mean and include the interests of the Beneficial Owners therein.

**Warrant Fund** means the fund established pursuant to Section 8.03 hereof.

**Warrant Purchase Agreement** means that certain Award Letter dated February 16, 2022 from the City to the Purchaser.

**Warrant Register** shall have the meaning assigned in Article 5.

**Warrant Registrar** means the Paying Agent appointed by the City as Warrant Registrar pursuant to Section 14.01.

## **Section 1.02 Construction of Certain Terms**

(a) 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.

(b) The terms “agree”, “shall”, and “will”, when used in this Ordinance with respect to the observance or performance of any agreement, duty or requirement to take, or forbear from taking, any action by the City, the Paying Agent, or an Owner, means that such agreement, duty or requirement is enforceable at law or in equity against the Person charged therewith.

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



## ARTICLE 2

### 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) The City has the authority under the Constitution and laws of the State of Alabama, including particularly the Governing Law, to issue the Warrants for the Governmental Purposes.

(b) (1) It is necessary and desirable and in the public interest for the City to issue the Warrants to provide for the Governmental Purposes.

(2) The expenditure of public funds for the Governmental Purposes will serve a valid and sufficient public purpose notwithstanding any incidental benefit accruing to any private entity or entities.

(c) The sale of the Warrants to the Purchaser at a price equal to the Net Warrant Proceeds is advantageous to the City.

(d) The City is not in default with respect to any indebtedness of the City and no such default is imminent.

(e) The period of usefulness of the facilities which comprise the Series 2022 Improvements is as follows:

<u>Facility</u>	<u>Estimated Economic Life</u>
Trail Infrastructure Improvements	30 years
Municipal Building Improvements	20 years
Furniture, Fixtures & Equipment	5 years

(f) The total indebtedness of the City, which will be outstanding upon the issuance of the Warrants and which will be chargeable against the limitation upon indebtedness for the City prescribed by Section 225 of the Constitution of Alabama of 1901, as amended, shall not exceed twenty percent (20%) of the assessed value of the taxable property in the City for the preceding fiscal year (ending September 30, 2021), as set forth as follows:

The constitutional debt margin of the City after the issuance of the Warrants is as follows:

Net assessed value of taxable property, including motor vehicles, after exemptions as of September 30, 2021	\$331,966,250 <sup>[1]</sup>
Debt limit (20% of net assessed value)	\$66,393,250
Total outstanding debt chargeable against limit	<u>\$35,933,109</u>
Constitutional debt margin	\$30,460,141

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[1] As reported by the Revenue Commissioner of Calhoun County and the License Commissioner of Calhoun County for the fiscal year ended September 30, 2021.

## ARTICLE 3

### Authorization and Form of Warrants; Application of Net Warrant Proceeds

#### Section 3.01 Authorization and Description of Warrants

(a) The City hereby authorizes the issuance of a series of warrants designated “General Obligation Warrants, Series 2022” in aggregate principal amount of \$7,540,000 pursuant to the Governing Law and this Ordinance to provide for the Governmental Purposes.

(b) The Warrants shall be dated, and shall accrue interest from, the date of delivery thereof.

(c) The principal of the Warrants (i) shall mature, or shall be subject to mandatory redemption as provided in Article 6, on March 1 in the years and principal amounts set forth below, and (ii) shall bear interest at the respective per annum rates of interest set forth below for the principal amount set opposite each such rate, determined on the basis of a 360-day year of 12 consecutive 30-day months and payable in arrears on each Stated Interest Payment Date and on each date fixed pursuant to this Ordinance for the payment of principal of the Warrants upon redemption thereof:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$295,000	3.000%
2026	310,000	4.000
2027	320,000	3.000
2028	330,000	4.000
2029	345,000	4.000
2030	360,000	4.000
2031	370,000	4.000
2032	390,000	4.000
2033	405,000	4.000
2034	420,000	4.000
2035	435,000	4.000
2036	455,000	4.000
2037	475,000	4.000
2038	495,000	4.000
2042 <sup>[1]</sup>	2,135,000	3.000

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<sup>[1]</sup> Subject to mandatory redemption pursuant to Section 6.03.

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

(e) (1) The Warrants shall be delivered and issued in certificated form as a single Warrant for each stated maturity thereof in integral multiples of an Authorized Denomination and numbered consecutively in order of such stated maturity.

(2) (i) The Warrants shall be initially held pursuant to a Book-Entry System administered by the Securities Depository.

(ii) On the date of delivery of the Warrants, the certificated Warrant for each stated maturity thereof shall be registered in the name of the Securities Depository Nominee and delivered to, and held in the custody of, the Securities Depository or the Paying Agent in accordance with the procedures and rules of the Securities Depository therefor.

(f) 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 by this Ordinance; provided, the City may add to the Warrants such provisions of this Ordinance respecting payment, defeasance, redemption, transfer and exchange of the Warrants as the City shall determine to be necessary or desirable or as may be required by Applicable Law and any of such provisions may appear on the front or reverse of the Warrants:

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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 Ordinance and applicable federal and state securities laws and subject to all rights and defenses of the City at law or in equity.

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**UNITED STATES OF AMERICA  
STATE OF ALABAMA**

**CITY OF ANNISTON, ALABAMA**

**GENERAL OBLIGATION WARRANT  
SERIES 2022**

**REGISTERED OWNER: CEDE & CO.**

**CUSIP: 36015\_\_ \_\_**

<b>Warrant No.</b>	<b>Dated Date:</b>	<b>Principal Amount:</b>	<b>Interest Rate per annum:</b>	<b>Maturity Date:</b>
<b>R-__</b>	<b>March 9, 2022</b>	<b>\$_____</b>	<b>_____ %</b>	<b>March 1, 20__</b>

The **CITY OF ANNISTON**, 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 \$\_\_\_\_\_ and hereby orders and directs the Treasurer 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 Ordinance (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 on the basis of a 360-day year of 12 consecutive 30-day months, on each March 1 and September 1 and on each date fixed for redemption (in whole or in part) of this Warrant.

This Warrant is one of the General Obligation Warrants, Series 2022 (the “Warrants”) issued by the City pursuant to the Constitution and laws of the State of Alabama and an Ordinance and related proceedings of the City (the “Ordinance”). The Ordinance 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 Ordinance.

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 Ordinance, 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.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed in its name and on its behalf by the Councilman at Large (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 ANNISTON, ALABAMA**

By: \_\_\_\_\_  
Councilman at Large (Mayor)

S E A L

Attest: \_\_\_\_\_  
City Clerk

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**REGISTRATION CERTIFICATE**

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

\_\_\_\_\_  
Treasurer of the City  
of Anniston, Alabama

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**AUTHENTICATION AND REGISTRATION DATE: MARCH 9, 2022**

**CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION**

This Warrant is hereby authenticated and has been registered by the City of Anniston, Alabama on the Warrant Register thereof maintained with the undersigned Paying Agent in the name of the above registered owner on the above Authentication and Registration Date.

**REGIONS BANK**

By \_\_\_\_\_  
Its Authorized Officer

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**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).

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**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 3.02 Execution of Warrants by City**

(a) On the date of delivery of the Warrants pursuant to Section 12.02:

(1) The Councilman at Large (Mayor) and City Clerk of the City are authorized and directed to execute, seal and attest the Warrants in the name and on behalf of the City; and

(2) The Treasurer is authorized and directed to register the Warrants as a claim against the City and the Warrant Fund and to execute the Registration Certificate on the Warrants.

(b) All Warrants bearing the signature of an officer or officers of the City on the date of execution thereof shall be valid and binding obligations, notwithstanding that before the delivery and payment therefor, such officer or officers whose signatures appear thereon shall have ceased to be officers of the City.

### **Section 3.03 Authentication of Warrants by Paying Agent**

The Paying Agent shall, by authorized officer thereof, manually execute the Certificate of Authentication and Registration on each Warrant upon the delivery thereof as authorized under this Ordinance.

### **Section 3.04 Delivery of Warrants by Paying Agent**

The Paying Agent is hereby authorized and directed to authenticate and deliver the Warrants upon receipt by the Paying Agent of all of the following:

- (a) the executed Warrants;
- (b) a certified copy of this Ordinance;
- (c) the written direction of the City therefor.

### **Section 3.05 Deposit and Transfer of Net Warrant Proceeds**

The Net Warrant Proceeds shall be transferred and deposited as follows on the date of issuance of the Warrants:

(a) The amount of \$57,500.00 shall be transferred pursuant to the instructions in the Closing Statement executed and delivered by the City in connection with the issuance of the Warrants, as the costs associated with the issuance of the Warrants.

(b) The amount of \$8,001,190.25 shall be deposited in the Proceeds Fund under Section 3.06 and applied as provided therefor.

### **Section 3.06 Series 2022 Warrants Proceeds Fund**

(a) For the payment of Authorized Purpose Costs the City hereby establishes a special fund to be held by the Paying Agent designated the "Series 2022 Warrants Proceeds Fund" (the "Proceeds Fund").

(b) (1) The City shall deposit in the Proceeds Fund the amount of Net Warrant Proceeds specified therefor in Section 3.05.

(2) The City shall invest the amounts on deposit in the Proceeds Fund in Authorized Investments pending application thereof for Authorized Purpose Costs.

(c) (1) The City shall apply the amounts on deposit in the Proceeds Fund to the payment of the Authorized Purpose Costs in accordance with the provisions of the Tax Certificate and Agreement.

(2) All amounts on deposit in the Proceeds Fund after the City shall have determined that the Governmental Purposes for which the Proceeds Fund was created shall have been accomplished or completed shall be applied to the payment of the principal amount of the Warrants on the then next succeeding principal payment dates therefor.

(d) (1) The Paying Agent shall disburse the amounts on deposit in the Proceeds Fund only upon receipt thereby of a Series 2022 Warrants Proceeds Fund Requisition in form set forth in Section 3.06(e) appropriately completed and executed by an Authorized City Representative.

(2) The City agrees the Paying Agent shall have no liability for the application or use of any amounts in the Proceeds Fund if disbursed pursuant to the provisions of this Section and without actual knowledge that such disbursement constitutes an illegal or unauthorized use of public funds.

(e) The Paying Agent shall invest money in the Proceeds Fund at the written direction of the City in such Authorized Investments as shall provide that a sufficient principal amount shall mature or be redeemable at the option of the owner on or prior to the date or dates the City and the Paying Agent anticipate that money from the Proceeds 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.

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

(g) The Series 2022 Warrants Proceeds Fund Requisition is set forth as follows:

**Series 2022 Warrants Proceeds Fund Requisition**

To: Regions Bank

Re: Series 2022 Warrants Proceeds Fund under Ordinance No. \_\_\_\_\_ of the City of Anniston, Alabama

Date: \_\_\_\_\_, 20\_\_\_\_

Req. No. \_\_\_\_\_

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1. Capitalized terms used herein without definition shall have the respective meanings assigned thereto in the above Ordinance.
2. This Requisition is delivered to you for the payment from the Series 2022 Warrants Proceeds Fund of the amount(s) to the Person(s) for the Authorized Purpose Costs set forth below or attached hereto:

(a) Amount: \_\_\_\_\_

(b) Payee: \_\_\_\_\_

(c) Authorized Purpose Costs:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. The City represents that this Requisition is delivered pursuant to Section 3.06 of the above Ordinance by an Authorized City Representative for purposes for which the Net Warrant Proceeds are authorized to be expended under the Ordinance.

**CITY OF ANNISTON, ALABAMA**

By \_\_\_\_\_

Its \_\_\_\_\_

### **Section 3.07    Amendment of Series 2022 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 2022 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 Treasurer 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 the Governing Law and will not cause the interest on the Warrants to be Taxable.

## **ARTICLE 4**

### **Source of Payment of Warrants**

#### **Section 4.01    General Obligation; Pledge of Faith, Credit and Taxing Power, of City**

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, credit and taxing power of the City are hereby sacredly and irrevocably pledged.

#### **Section 4.02    No Obligation of State or Other Person**

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.

## ARTICLE 5

### 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 as herein provided.

(b) Each of the Warrants will be registered in the names of the owner thereof in the Warrant Register.

## ARTICLE 6

### Redemption of Warrants

#### Section 6.01 General; Authority for Conditional Redemption

(a) The Warrants shall be subject to redemption as provided herein.

(b) (1) Anything in this Ordinance 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.

(2) 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 under this Ordinance or with respect to the Warrants.

#### Section 6.02 Optional Redemption of Warrants

The Warrants with stated maturities on March 1, 2033 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 March 1, 2032 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.

### **Section 6.03     Scheduled Mandatory Redemption of Warrants**

The Warrants having a stated maturity on March 1, 2042 (the “2042 Term Warrants”) are subject to scheduled mandatory redemption, without consent of or direction by the City, by lot, on March 1 in each of the years and in the principal amounts set forth below (subject to a credit thereon for the principal amount of each of the 2042 Term Warrants then cancelled or redeemed and not previously claimed as a credit) for a redemption price for each 2042 Term Warrant to be redeemed equal to the principal thereof plus interest accrued thereon to the date of redemption, without premium or penalty:

<u>Year</u>	<u>Principal Amount</u>
2039	\$510,000
2040	525,000
2041	540,000

\$560,000 principal amount of the 2042 Term Warrants is scheduled to be paid at maturity on March 1, 2042.

### **Section 6.04     Selection of Warrants for Redemption**

(a) The City may redeem less than all of the Warrants then Outstanding upon written notice thereof to the Paying Agent, by such date in advance of the proposed date of redemption as shall enable the Paying Agent, and the Securities Depository (if applicable) to comply with this Ordinance with respect thereto, which notice shall designate the order, and the aggregate principal amount of maturities of Warrants (determined on the basis of the smallest Authorized Denomination so that the principal amount of each Warrant which remains Outstanding after such redemption shall be an integral multiple of an Authorized Denomination) of Warrants to be redeemed; provided:

(b) During a period in which the Warrants are held pursuant to a Book-Entry System, the Securities Depository shall select, by such method as the Securities Depository shall determine fair and appropriate, the principal amount of the beneficial interests in the Warrants to be redeemed within a maturity; and

(c) During a period in which the Warrants are not held pursuant to a Book-Entry System, the Paying Agent shall select, by such method as the Paying Agent shall determine fair and appropriate, the principal amount of Warrants to be redeemed within a maturity.

### **Section 6.05     Notice of Redemption**

(a) The Paying Agent shall 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 (1) the Warrants to be redeemed; (2) the date of redemption; (3) the redemption price; (4) whether such redemption is mandatory, optional or extraordinary; (5) 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; (6) 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; (7) 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 (8) if applicable, the terms upon which such 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 6.06 Payment of Redemption Price**

(a) On or before any date of redemption, 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.

(b) Notice of redemption having been given as provided in the Authorizing Ordinance, the Warrants so to be redeemed shall, on the date of redemption, become due and payable at the redemption price therein specified.

(c) The City shall pay the redemption price of each Warrant called for redemption upon presentation of such Warrant to the Paying Agent. Installments of interest payable on a date of redemption shall be payable to the Owners of the Warrants registered as such on the applicable Record Date according to the terms of such Warrants and the provisions of the Authorizing Ordinance.

#### **Section 6.07 Warrants Redeemed in Part**

(a) The recordation and evidence of any reduction in the aggregate principal amount of beneficial ownership interests in Warrants held under the Book-Entry System, as a result of redemption in part thereof, shall be effected in accordance with the applicable procedures and rules of the Securities Depository.

(b) Any Warrant which is not held under the Book-Entry System and which is to be redeemed only in part shall be presented and surrendered at the Principal Office of the Paying Agent with due endorsement by, or a written instrument of assignment or transfer satisfactory to the City and the Paying Agent duly executed by, the Owner thereof or his attorney duly authorized in writing, and the City shall execute and the Paying Agent shall authenticate and deliver to the Owner of such Warrant, without service charge, a new Warrant or Warrants of the same series in Authorized Denominations as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Warrant so surrendered.



#### **Section 6.08 Interest after Date of Redemption**

All Warrants (or portions thereof) for which the requirements of the Authorizing Ordinance for the redemption thereof shall have been fully performed shall, from and after the redemption date thereof, cease to be entitled to the benefits of the Authorizing Ordinance and shall cease to bear interest unless and to the extent default shall be made in payment of the redemption price thereof, whereupon interest shall continue to accrue thereon at the per annum rate prescribed therefor until such Warrant is Fully Discharged.

#### **Section 6.09 Establishment of Defeasance Trust Fund for Warrants to be Redeemed**

The City shall establish, on or before a proposed date of redemption, a defeasance trust fund under Section 8.05 for each Warrant (or portion thereof) to be redeemed on such date.

### **ARTICLE 7**

#### **Transfer, Exchange and Replacement of Warrants**

##### **Section 7.01 Provisions for Transfer of Warrants Held by Book-Entry System**

The registration, transfer and exchange of the Warrants of any series which are held pursuant to a Book-Entry System shall be made in accordance with the procedures and rules of the Book-Entry System.

##### **Section 7.02 Provisions for Transfer of Warrants Held in Certificated Form**

The registration, transfer and exchange of any Warrants which are held in certificated form shall be made in accordance with the following:

(a) The Warrants may be transferred by the Owner in person or by authorized attorney, only on the Warrant Register 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 Owner or his duly authorized attorney, and upon payment of any governmental charges and expenses of the City in connection therewith, whereupon the officers of the City are authorized and directed to, and shall without further action, approval or consent by the City, execute and deliver a new Warrant of like tenor, and in a principal amount equal to the unpaid or unredeemed portion of the principal of the Warrant so presented, to the transferee in exchange for such Warrant.

(b) The 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 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) Except as may be provided for Warrants of any series, 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.

(d) 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 Ordinance as the Warrants surrendered upon such transfer or exchange.

#### **Section 7.03 Provisions for 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 or a Responsible Officer of 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 principal amount, bearing a number not contemporaneously outstanding.

(b) Every Warrant issued 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 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.

#### **Section 7.04 Consent of Owners**

Each Owner, by receiving or accepting a Warrant, consents and agrees and is estopped to deny that, insofar as the City and the Paying Agent are concerned, such Warrant may be transferred only in accordance with the provisions of this Ordinance.

#### **Section 7.05 Transfer of Warrants Subject to Defenses and Rights of City**

Each Person who acquires a Warrant, or a beneficial interest therein, shall 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.

## ARTICLE 8

### Payment, Defeasance and Cancellation of Warrants

#### Section 8.01 Payment of Warrants

(a) The City hereby orders and directs the Treasurer to pay the principal of, premium (if any) and interest on the Warrants to the Owners solely from the Warrant Fund when and as the same becomes due and payable in lawful money of the United States of America, and in immediately available funds, without deduction for exchange, fees or expenses, through the Paying Agent as provided in this Ordinance.

(b) The Paying Agent shall pay (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) principal of (and premium, if any, on) the Warrants, and accrued interest on the Warrants due upon redemption on any date other than an Stated Interest Payment Date, only upon surrender thereof at the Principal Office of the Paying Agent or at the office of any other Paying Agent therefor; 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, provided that 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.

(c) If any payment on the Warrants is due 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.

(d) 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 8.02 Funds for Payment of Unsurrendered Warrants to be Held in Separate Trust; Repayment of Unclaimed Money**

(a) 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, 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 benefit of the Persons entitled thereto, which amounts shall not be invested and shall not constitute part of the Trust Estate.

(b) Any amounts held in trust by the Paying Agent pursuant to Section 8.02(a) 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 8.03     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, premium (if any) and interest on the Warrants as the same shall become due and payable.

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

(1)     On or before February 25<sup>th</sup> and August 25<sup>th</sup> of each year, an amount equal to the interest coming due on the Warrants on the next succeeding Stated Interest Payment Date.

(2)     On or before February 25<sup>th</sup> of each year, 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)     Any money required to be deposited in the Warrant Fund pursuant to this Ordinance or received by the Paying Agent when accompanied by directions in writing from an Authorized City Representative that such money is to be deposited in the Warrant Fund.

(c)     The Paying Agent shall invest the amounts on deposit in the Warrant Fund as provided in Section 8.04.

(d)     If on any principal payment date or Stated Interest Payment Date the amount on deposit in the Warrant Fund is insufficient to pay the principal of, premium (if any) 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 pay from funds in the Warrant Fund the principal of, premium (if any) and interest on the Warrants as the same shall become due and payable.

(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, premium (if any) 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, premium (if any) and interest on the Warrants within 12 months from the date of receipt of such income or profits.

(g)     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 8.04 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 such Authorized Investments as shall provide that a sufficient principal amount shall mature or be redeemable at the option of the owner 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 Owners of the Warrants, either (1) by holding on deposit as collateral security U.S. Government Obligations 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 Applicable Law, then in such other manner as may be required or permitted by the then Applicable Law 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 8.05 Discharge and Defeasance of Warrants**

(a) From and after the date on which a Warrant shall be Fully Discharged, the obligations of the City with respect to such Warrant under this Ordinance and under such Warrant shall be fully discharged, satisfied and terminated, such Warrant shall be cancelled as provided in Section 8.06, and such Warrant shall not be entitled to any benefits under this Ordinance.

(b) A Warrant shall be deemed "Fully Discharged" if:

(1) such Warrant has been delivered to the Paying Agent for cancellation, or shall have been canceled by the Paying Agent under Section 8.06; 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 Article 7; or

(4) a trust for the payment of such Warrant shall have been established in accordance with Section 8.05(c).

(c) The City may provide for the payment of any of the Warrants by establishing a separate, irrevocable trust fund (herein a "defeasance trust 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 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 prior to their respective maturities, either (i) the Paying Agent shall receive evidence that notice of such redemption has been given in accordance with the provisions of this Ordinance and such Warrants or (ii) the City shall confer on the Paying Agent irrevocable authority for the giving of such notice on behalf of the City; and

(3) The Paying Agent shall have received (i) an Opinion of Bond Counsel to the effect that establishment of such defeasance trust fund will not cause interest on any of such Warrants to be or become Taxable, and (ii) in circumstances where funds are deposited into the defeasance trust fund more than 90 days in advance of the redemption of the Warrants, a certificate of an Auditor to the effect that the funds on deposit in such defeasance trust fund and the income therefrom without reinvestment will be sufficient to pay when due the principal of, premium if any and interest on such Warrants.

(d) The Paying Agent may invest any investment proceeds received by the Paying Agent in a defeasance trust fund in U.S. Government Obligations.

(e) The Paying Agent shall apply all amounts in a defeasance trust 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 8.06 Cancellation of Surrendered Warrants**

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

**Section 8.07 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.



## ARTICLE 9

### **Principles of Construction; Requirement for Authentication of Warrants; Determination of Ownership of Warrants**

#### **Section 9.01 Requirement for Authentication of Warrants**

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

#### **Section 9.02 Determination of Ownership of Warrants; Securities Depository as Owner under Book-Entry System**

(a) The ownership of the Warrants shall be proven by the Warrant Register.

(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, premium (if any) and interest on such Warrant and for all other purposes whatsoever whether or not such Warrant is overdue, 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) 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 registered owner of the Warrants for all purposes 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, the Paying Agent and the Developer 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.

## **ARTICLE 10**

### **Provision of Ordinance a Contract; Enforceability and Severability; Remedies**

#### **Section 10.01 Provisions of Ordinance a Contract**

The terms, provisions and conditions set forth in this Ordinance constitute a contract between the City and the Owners and shall remain in effect until the Warrants shall be Fully Discharged.

#### **Section 10.02 Enforceability and Severability**

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.

#### **Section 10.03 Remedies**

The City covenants and agrees:

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

(b) the Treasurer 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 Ordinance, deposit such money in the Warrant Fund, when and as required by this Ordinance in each Fiscal Year, and apply such money (and investment earnings thereon), when and as required by the Warrants and this Ordinance, to the payment of the principal of, premium (if any) and interest on the Warrants when and as the same becomes due and payable in each Fiscal Year in amounts sufficient for such purposes.

## **ARTICLE 11**

### **Operation of Ordinance for Warrants Held Pursuant to Book-Entry System**

The City and the Paying Agent shall administer and construe the provisions of this Ordinance to effect full compliance with the applicable procedures and rules of the Securities Depository with respect to any Warrant then held pursuant to a Book-Entry System.

## **ARTICLE 12**

### **Approval of Transaction Documents; Delivery of Warrants and Transaction Documents; Approval of Official Statement; Federal Tax Covenants; General Authorization; Ratification**

#### **Section 12.01 Approval and Authorization of Transaction Documents**

(a) The City does hereby approve and authorize the Transaction Documents in substantially the form and of substantially the content as presented to the City.

(b) The officers of the City are hereby authorized and directed to execute, seal, attest and acknowledge the Transaction Documents, to the extent required by the respective forms thereof or Applicable Law, in the name and on behalf of the City with such changes thereto as such officers shall approve and which shall not increase or extend the liability of the City thereunder, which approval shall be conclusively evidenced by execution thereof by such officers as so provided.

#### **Section 12.02 Delivery of Warrants and Transaction Documents**

(a) The Councilman at Large (Mayor), Treasurer and the City Clerk are authorized and directed to effect delivery of the Warrants to the Purchaser on such date as shall be determined by the Councilman at Large (Mayor) and the Purchaser upon payment of the Net Warrant Proceeds by the Purchaser to the City pursuant to the Warrant Purchase Agreement.

(b) The Councilman at Large (Mayor), Treasurer, City Manager and City Clerk of the City are hereby authorized and directed to deliver, on the date of delivery of and payment for the Warrants under Section 12.02(a), certified copies of this Ordinance, all proceedings of the City related thereto, and the Transaction Documents to Bond Counsel for the City, the Paying Agent, the Purchaser, and to each other Person who shall be a party signatory to any of the Transaction Documents.

### **Section 12.03 Approval of Official Statement for the Warrants; Ratification of Preliminary Official Statement**

(a) (1) 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.

(2) 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.

(3) The Councilman at Large (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 Councilman at Large (Mayor) may deem necessary or desirable in order to state fully and correctly the pertinent facts concerning the City and the Warrants.

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

(c) The City does hereby ratify and confirm the terms and distribution of the Preliminary Official Statement dated February 11, 2022 with respect to the Warrants.

### **Section 12.04 Covenants of City Regarding 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.

### **Section 12.05 General Authorization**

The Councilman at Large (Mayor), Treasurer, City Manager and the City Clerk of the City are hereby authorized and directed to take all actions, and to execute, deliver, file, perform and, to the extent required, record, all certificates containing such representations of fact and all documents, instruments and notices, as may be necessary, desirable, or required by Applicable Law to effect the purposes of this Ordinance and the issuance of the Warrants.

### **Section 12.06 Ratification**

The City does hereby ratify and confirm any prior action taken by any officer of the City, and all agreements, documents, or proceedings certified or executed on behalf of the City, in connection with the agreements and transactions approved, authorized and directed by this Ordinance.

## **ARTICLE 13**

### **Acts of Owners; Special Agreements by Owners and Beneficial Owners of Warrants**

#### **Section 13.01 Acts of Owners; Binding Effect of Acts**

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Ordinance to be given, made or taken by Owners may be embodied in and evidenced by one or more substantially concurrent instruments of substantially similar tenor signed by such Owners in person or by an attorney or legal representative duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Paying Agent, and, where it is hereby expressly required, to the City. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Owners signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such legal representative, or of the holding by any Person of Warrants, shall be sufficient for any purpose of this Ordinance and conclusive in favor of the City and in favor of the Paying Agent, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officers authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Whenever such execution is by an officer of a corporation or a member of a partnership, or limited liability company or partnership, on behalf of any thereof, such certificate or affidavit shall also constitute sufficient proof of the authority thereof.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Owner of any Warrant shall bind every future Owner of the same Warrant and the Owner of every Warrant issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Paying Agent or the City in reliance thereon, whether or not notation of such action is made upon such Warrant.

#### **Section 13.02 Officers and Members of the Governing Body of the City Exempt from Personal Liability**

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, that no covenant or agreement contained in the Warrants or in this Ordinance 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.

### **Section 13.03 Agreements of Beneficial Owners**

The Beneficial Owners, by acquisition of a beneficial interest in a Warrant or Warrants, severally agree that 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 Ordinance to be given to such Beneficial Owner, or (iv) any Act (including without limitation any consent to, or waiver of, any action or inaction) by the Securities Depository or Securities Depository Nominee, as Owner.

### **Section 13.04 Contractual Agreements of Owners and Beneficial Owners**

By acquisition of a Warrant or any beneficial interest therein the Owner or Beneficial Owner thereof consents to, and agrees to be bound by, the terms and provisions of this Ordinance as a contractual agreement under the laws of the State of Alabama by the City and each Owner and Beneficial Owner.

## **ARTICLE 14**

### **The Paying Agent**

#### **Section 14.01 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 14.02 Payments at Par**

The Paying Agent, by acceptance of its duties hereunder, shall have agreed thereby 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. The City hereby 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 14.03 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 Ordinance;

(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 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.

(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 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.



(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 Ordinance 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.

#### **Section 14.04 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 14.05 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 14.06 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 15**

**Provisions of General Application**

**Section 15.01 Governing Law**

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

**Section 15.02 Repeal of Conflicting Provisions**

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

**Section 15.03 Immediate Effect**

This Ordinance shall take effect immediately upon adoption.

**PASSED and ADOPTED this 1<sup>st</sup> day of March, 2022.**

CITY COUNCIL OF THE CITY OF  
ANNISTON, ALABAMA

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Jack Draper, Mayor

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Jay Jenkins, Council Member

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Demetric Roberts, Council Member

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Ciara Smith, Council Member

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Millie Harris, Council Member

ATTEST:

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Skyler Bass, City Clerk