

ORDINANCE #3-2016

GENERAL OBLIGATION WARRANTS

CITY OF DORA, ALABAMA

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF THE MUNICIPALITY'S \$1,165,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION WARRANTS, SERIES 2016, DATED OCTOBER 27, 2016,

BE IT ORDAINED BY THE CITY COUNCIL (the "City Council") OF THE CITY OF DORA, ALABAMA (the "Municipality"), as follows:

Section 1. Definitions and Use of Phrases. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

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

Authorizing Ordinance shall mean this ordinance authorizing the issuance, sale, delivery and payment of the Warrants herein described.

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

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

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.

Eligible Certificates means (i) interest bearing certificates of deposit issued by any bank organized under the laws of the United States of America or any state thereof having a combined capital, surplus and undivided profits of not less than \$50,000,000, or (ii) interest bearing certificates of deposit issued by any bank organized under the laws of the United States of America or any state thereof that are secured by the issuing bank by depositing and pledging with a Federal Reserve Bank Government Obligations having a market value (exclusive of accrued interest) not less than the face amount of such certificates.

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

Holder or Warrantholder when used with respect to any Warrant shall mean the person in whose name such Warrant is registered on the Warrant Register.

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

Letter of Representation shall mean and include (i) the Letter of Representation with respect to the Warrants, and (ii) any other or subsequent agreement by whatever name or identification with respect to the Warrants among said parties from time to time in effect.

Municipality means the City of Dora, Alabama, a municipal corporation under the laws of the State of Alabama, and any successor to its functions.

Paying Agent means First Commercial Bank, a division of Synovus Bank, a Georgia banking corporation, the bank designated as the depository, paying agent, registrar and authenticating agent for the Warrants, and any successor bank designated by the Municipality.

Record Date means, with respect to the Warrants, that date which is 15 calendar days before any date on which interest is due and payable on the Warrants.

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.

Taxes means collectively the Municipality's special privilege license and excise taxes levied pursuant to Ordinance No. 1, 1986 adopted on January 28, 1986, which repealed and replaced Ordinance No. 1, 1966, adopted on February 1, 1966, and Ordinance No. 3, 1986 adopted on April 22, 1986, and any such taxes levied in amendment, supplement, restatement or replacement thereof.

Warrant Fund means the Warrant Fund established pursuant to Section 14 hereof.

Warrant Register shall mean the register or registers for the registration and transfer of Warrants maintained by the Municipality pursuant to Section 7 hereof.

Warrant Registrar shall mean the agent of the Municipality appointed as such pursuant to Section 7 hereof for the purpose of registering Warrants and transfers of Warrants.

Warrants means the Municipality's \$1,165,000 original principal amount General Obligation Warrants, Series 2016, dated October 27, 2016, authorized to be issued pursuant to this Authorizing Ordinance.

The definitions set forth in this section shall be deemed applicable whether the words defined are used herein in the singular or the plural. Wherever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders. "Herein," "hereby," "hereunder," "hereof" and other equivalent words refer to this Authorizing Ordinance as an entirety and not solely to the particular portion thereof in which any such word is used.

Section 2. Findings and Representations. The Municipality, by and through its City Council, has heretofore found and determined, and does hereby find, determine, represent and warrant as follows:

(a) The Municipality has hereby determined that it is necessary and in the best public interest for the Municipality to issue the Warrants for the purposes of providing funds necessary to (1) acquiring, constructing and equipping a new public facility at the municipally owned and operated Horse Creek golf course (the "Series 2016 Improvements") and (2) pay issuance expenses.

(b) The assessed valuation of the taxable property in the Municipality for the preceding fiscal year which ended September 30, 2016 (excluding motor vehicles) was not less than \$13,000,210. The total indebtedness of the Municipality chargeable against the debt limitation for the Municipality prescribed by the Constitution of Alabama of 1901, including the Warrants, is not more than twenty percent of said assessed valuation.

Section 3. Authorization and Description of Warrants. Pursuant to the applicable provisions of the laws of Alabama, including particularly Section 11-47-2 of the CODE OF ALABAMA 1975, there is hereby authorized to be issued an issue of warrants designated "General Obligation Warrants, Series 2016," in the aggregate principal amount of \$1,165,000 for the purposes set forth herein in Section 2(a). The principal of, premium (if any) and interest on the Warrants shall be payable in lawful money of the United States of America at par and without discount, exchange, deduction or charge therefor.

The Warrants shall be dated October 27, 2016, shall be in fully registered form, without coupons, shall be in the denomination of \$5,000 or any integral multiple thereof for each maturity, and shall be numbered in such manner as the Paying Agent shall determine will be most useful for the identification thereof. The Warrants shall mature, subject to prior optional and mandatory redemption as hereinafter provided, on November 1 in the years and in the respective principal amounts as follows, and

shall bear interest (computed on the basis of a 360-day year of 12 consecutive 30-day months) at the following fixed per annum rates for all Warrants maturing in the year set opposite such rates:

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>
2017	\$250,000	1.500%	2027	\$300,000	2.700%
2018	270,000	2.200	2028	345,000	3.000

The principal of and premium (if any) on the Warrants shall be payable only upon presentation and surrender of the Warrants at the designated corporate trust office of the Paying Agent. Interest on the Warrants shall be remitted by the Paying Agent to the then registered owners of the Warrants in accordance with the Book-Entry System, and if the Book-Entry System is not in effect, then at the respective addresses thereof shown on the registration books of the Paying Agent pertaining to the Warrants. Interest shall be payable on May 1 and November 1, first interest payable May 1, 2017.

Section 4. Redemption of Warrants. The Warrants are subject to optional and mandatory redemption prior to maturity upon the circumstances as hereinafter set forth in the form of the Warrants.

Section 5. Form of Warrants. The form of the Warrants and the requisite certificates thereof shall be substantially as:

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF DORA
GENERAL OBLIGATION WARRANT
SERIES 2016**

No. R _____ \$ _____

MATURITY DATE: _____ INTEREST RATE: _____ CUSIP: _____

The CITY OF DORA, a municipal corporation organized and existing under and by virtue of the laws of the State of Alabama (the "Municipality"), for value received, hereby acknowledges itself indebted to CEDE & CO. or registered assigns in the principal sum of _____ DOLLARS and hereby orders and directs the City Clerk/Treasurer of the Municipality to pay to the said payee or registered assigns solely from the Fund hereinafter designated the said sum on the Maturity Date specified above, and to pay from the said Fund interest on the said sum from the date hereof at the Interest Rate per annum specified above, payable on each May 1 and November 1, first interest payable on May 1, 2017. The principal of and interest on this warrant are payable in lawful money of the United States of America, at par and without discount, exchange, deduction or charge therefor. The principal of and premium (if any) on this warrant shall be payable only upon presentation and surrender of this warrant at the designated corporate trust office of First Commercial Bank, a division of Synovus Bank, a Georgia banking corporation (the "Paying Agent"). Interest on this warrant shall be remitted by the Paying Agent in accordance with the procedures and requirements of the Book-Entry System, and if such system is not in effect, then interest on this warrant shall be payable to the then registered owner of this warrant at the address thereof shown on the registration books of the Paying Agent. Any payment due on a day which is a Saturday, a Sunday or a day on which banking institutions are required or authorized to remain closed in the city in which the designated office of the Paying Agent is located, or a day on which the payment system of the Federal Reserve Bank is not operational, shall be deemed to be timely made if made on the next succeeding day which is not such a day. All such payments shall be valid and effectual to satisfy and discharge the liability of the Municipality upon this warrant to the extent of the sum or sums so paid.

This warrant is one of a duly authorized issue of General Obligation Warrants, Series 2016, dated October 27, 2016, of the Municipality (the "Warrants") limited to an aggregate principal amount of \$1,165,000 issued pursuant to the Constitution and laws of the State of Alabama and an ordinance and proceedings of the Municipality on October 25, 2016 (the "Authorizing Ordinance"). The indebtedness evidenced by the Warrants is a general obligation of the Municipality, and the full faith and credit of the Municipality are hereby irrevocably pledged to the punctual payment of the principal thereof and interest thereon. The Warrants are additionally secured by a pledge of so much as may be necessary of the proceeds of the Municipality's special privilege license and excise taxes described in and subject to the Authorizing Ordinance and the law imposed requirement that the operating expenses of the Municipality must be first paid therefrom (the "Taxes"). Capitalized terms used herein without definition shall have the respective meanings assigned thereto in the Authorizing Ordinance. The Municipality has reserved the right in the Authorizing Ordinance to issue additional warrants payable from the Taxes on a parity of lien with the Warrants subject to certain conditions set forth therein.

The Warrants are initially issued in Authorized Denominations pursuant to a Book-Entry System to be administered by the Securities Depository and registered in the name of and held by the Securities Depository Nominee, all as more particularly provided in the Authorizing Ordinance. In the event the Book-Entry System for the Warrants is discontinued, Warrants in certificated form in Authorized Denominations will be physically distributed to the Beneficial Owners thereof, the Warrants will be registered in the names of the owners thereof on the registration books of the Paying Agent pertaining thereto, the Paying Agent shall make payments of principal of and interest on the Warrants to the registered owners thereof as provided in the Warrants and the Authorizing Ordinance, and the provisions of this warrant and of the Authorizing Ordinance with respect to registration, transfer and exchange of warrants by the registered owners thereof shall apply.

If the Book-Entry System is discontinued, this warrant shall be registered on the register to be maintained by the Municipality for that purpose at the designated corporate office of the Paying Agent and this warrant in certificated form shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the registered owner hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid and evidence satisfactory to the Municipality of the satisfaction of all transfer restrictions shall be presented by the registered owner requesting such transfer as a condition precedent to the exercise of such privilege. Upon surrender for transfer of this warrant, the Municipality shall execute, and the Paying Agent shall authenticate and deliver, in exchange for this warrant, a new warrant or warrants of like tenor hereof, registered in the name of the transferee, in an aggregate principal amount equal to the unpaid or unredeemed portion of principal of this warrant. Provision is made in the Authorizing Ordinance for the replacement of any Warrant in certificated form which shall be or become mutilated, lost, stolen or destroyed, by the issuance, authentication and registration of a new Warrant of like tenor, subject, however, to the terms, conditions and limitations contained in the Authorizing Ordinance with respect thereto. The Paying Agent shall not be required to transfer or exchange this warrant during the period between the Record Date and the then next succeeding interest payment date.

The Municipality has established in the Authorizing Ordinance a special fund designated the "Warrant Fund" for the payment of the principal of and interest on the Warrants and has obligated itself to pay or cause to be paid into the said Fund from the said Taxes or the other taxes, revenues or funds of the Municipality sums sufficient to provide for the payment of the principal of and interest on the Warrants as the same matures and comes due and payable. The Municipality has the right to issue additional Parity Warrants on a parity of lien with the Warrants pursuant to and upon the satisfaction of certain terms and conditions set forth in the Authorizing Ordinance.

The Warrants with stated maturities on November 1, 2026 and thereafter shall be subject to optional redemption, in whole or in \$5,000 multiples, prior to their stated maturities at the option of the Municipality on any date on or after November 1, 2021 at the price equal to the principal amount to be redeemed plus accrued interest to the date of redemption, without premium or penalty.

The Warrants with a stated maturity on November 1, 2021 (the "2021 Term Warrants") are required to be redeemed on November 1 in the following years and principal amounts at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without any premium or penalty:

<u>Year</u>	<u>Principal Amount to Be Mandatorily Redeemed</u>
2017	\$50,000
2018	50,000
2019	50,000
2020	50,000

The remainder of the 2021 Term Warrants in principal amount of \$50,000 will mature on November 1, 2021.

The Warrants with a stated maturity on November 1, 2026 (the "2026 Term Warrants") are required to be redeemed on November 1 in the following years and principal amounts at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without any premium or penalty:

<u>Year</u>	<u>Principal Amount to Be Mandatorily Redeemed</u>
2022	\$50,000
2023	55,000

2024	55,000
2025	55,000

The remainder of the 2026 Term Warrants in principal amount of \$55,000 will mature on November 1, 2026.

The Warrants with a stated maturity on November 1, 2031 (the "2031 Term Warrants") are required to be redeemed on November 1 in the following years and principal amounts at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without any premium or penalty:

<u>Year</u>	<u>Principal Amount to Be Mandatorily Redeemed</u>
2027	\$55,000
2028	60,000
2029	60,000
2030	60,000

The remainder of the 2031 Term Warrants in principal amount of \$65,000 will mature on November 1, 2031.

The Warrants with a stated maturity on November 1, 2036 (the "2036 Term Warrants") are required to be redeemed on November 1 in the following years and principal amounts at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without any premium or penalty:

<u>Year</u>	<u>Principal Amount to Be Mandatorily Redeemed</u>
2032	\$65,000
2033	65,000
2034	70,000
2035	70,000

The remainder of the 2036 Term Warrants in principal amount of \$75,000 will mature on November 1, 2036.

The Warrants are initially issued in Authorized Denominations pursuant to a Book-Entry System to be administered by the Securities Depository and registered in the name of and held by the Securities Depository Nominee, all as more particularly provided in the Authorizing Ordinance. Reference is hereby made to the Authorizing Ordinance for the terms and conditions upon which the purchase, transfer and exchange of beneficial ownership interest in the Warrants are to be made by means of the Book-Entry System administered by the Securities Depository, to and by all of which terms, conditions and provisions of the Authorizing Ordinance the owner of any beneficial interest in the Warrant, by the acquisition hereof, hereby assents and agrees to be bound. In the event the Book-Entry System for the Warrants is discontinued, Warrants in certificated form in Authorized Denominations will be physically distributed to the Beneficial Owners thereof, the hereinafter described Warrants will be registered in the names of the owners thereof on the registration books of the Paying Agent pertaining thereto, the Paying Agent shall make payments of principal of and interest on the Warrants to the registered owners thereof as provided in the Warrants and the Authorizing Ordinance, and the provisions of this warrant and of the Authorizing Ordinance with respect to registration, transfer and exchange of warrants by the registered owners thereof shall apply.

If the Book-Entry System is in effect, then redemption shall be made in accordance with the provisions of the Letter of Representation. If less than all of the Warrants are to be optionally redeemed during a period in which the Book-Entry System is in effect for the Warrants, the Municipality shall designate the order and amount of maturities of the Warrants (or portions thereof) to be redeemed not less than 45 nor more than 60 days prior to the redemption date and, in accordance with the Letter of Representation, the Securities Depository may determine the amount of the interest of each Direct Participant in those of such Warrants to be redeemed, on the basis of the smallest Authorized Denomination of such Warrants, by lot or by such other method as the Securities Depository shall deem fair and appropriate. If less than all of the Warrants at the time outstanding are optionally redeemed at the time the Book-Entry System is not in effect, then any redemption shall be in such amount and order of maturities as the Municipality shall determine in its sole discretion. In the event that less than all of the principal of the Warrants of a maturity is to be redeemed, the Paying Agent shall assign a number to each \$5,000 principal portion of all of the Warrants of such maturity and shall, by process of random selection based upon such numbers, select the principal portion of Warrants of such maturity to be

redeemed. Notice of any intended redemption shall be given by United States registered or certified mail not less than 30 days prior to the proposed redemption date to the registered owner of each Warrant, all or a portion of the principal of which is to be redeemed, at the address thereof as it last appears on the registration books of the Paying Agent pertaining to the Warrants. Notice having been so given and payment of the redemption price duly made or provided, Warrants (or portions thereof) so called for redemption shall cease to bear interest from and after the redemption date unless default is made in the payment of the redemption price.

The Municipality, the Paying Agent, and any Warrant Registrar may deem and treat the person in whose name this warrant is registered as the absolute owner hereof for all purposes and neither the Municipality, any Paying Agent, nor any Warrant Registrar shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for money payable on this warrant.

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

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

The Paying Agent shall not be required to transfer or exchange this warrant during the period of fifteen (15) days next preceding any interest payment date hereon; and, in the event that this warrant (or any portion hereof) is duly called for redemption, the Paying Agent shall not be required to register or transfer this warrant during the period of forty-five (45) days next preceding the date fixed for such redemption. No charge shall be made for the privilege of transfer, but the registered owner of any Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

Provision is made in the Authorizing Ordinance for the replacement of any Warrant which shall be or become mutilated, lost, stolen or destroyed by the issuance, authentication and registration of a new Warrant of like tenor, subject, however, to the terms, conditions and limitations contained in the Authorizing Ordinance with respect thereto.

During a period in which the Book-Entry System is in effect for the Warrants, the provision of the Authorizing Ordinance and such Warrant, shall be construed in accordance with the Letter of Representation in order to give full effect to such Book-Entry System and the requirements and procedures thereof.

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

IN WITNESS WHEREOF, the Municipality has caused this Warrant to be manually executed in its name and on its behalf by its Mayor, and manually attested by its City Clerk/Treasurer, who has manually signed this warrant, and its municipal seal to be manually affixed hereto, and has caused this warrant to be dated October 27, 2016.

CITY OF DORA, ALABAMA

CITY SEAL

By _____
Its Mayor

Attest: _____
City Clerk/Treasurer

AUTHENTICATION AND REGISTRATION DATE:

CERTIFICATE OF AUTHENTICATION AND REGISTRATION OF OWNERSHIP

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

FIRST COMMERCIAL BANK

By _____
Its Authorized Officer

REGISTRATION CERTIFICATE

I hereby certify that this warrant has been duly registered by me as a claim against the City of Dora, Alabama, the Taxes described in the Authorizing Ordinance and the 2016 General Obligation Warrant Fund referred to herein.

City Clerk/Treasurer

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)

Medallion Number: _____

* Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a 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).

Section 6. Execution, Authentication, and Delivery of Warrants

(a) The Warrants shall be manually executed for and on behalf of the Municipality by the Mayor and manually attested by the manual signature of the City Clerk/Treasurer, and the municipal seal of the Municipality shall be manually affixed to each Warrant by the City Clerk/Treasurer. The Warrants shall be manually registered by the City Clerk/Treasurer of the Municipality as a claim against the Municipality and the Taxes and the Warrant Fund established herein with respect to such series of Warrants, which registrations shall be made simultaneously as to all the Warrants. The Registration Certificate shall be executed by the manual signature of the City Clerk/Treasurer of the Municipality. The Mayor of the Municipality and the City Clerk/Treasurer are hereby authorized and directed to so execute, attest, seal, register and deliver the Warrants as provided above. In the event that any officer whose signature appears on any of the Warrants or who shall have sealed any of the Warrants shall cease

to be such officer before the authentication, registration, and delivery of such Warrants, or in the event that the seal manually imprinted on the Warrants shall cease to be an accurate representation of the seal of the Municipality, such Warrants may, upon the request of the Municipality, be authenticated, registered, and delivered, as herein provided, as though the person who signed such Warrants had not ceased to be such officer of the Municipality or as though the Municipality had not altered its corporate seal prior to the delivery of such Warrants.

(b) At any time and from time to time after the execution and delivery of this Authorizing Ordinance the Municipality may deliver Warrants executed by the Municipality to the Paying Agent for authentication and the Paying Agent shall authenticate and deliver such Warrants as provided in this Authorizing Ordinance and as provided in the Letter of Representation if the Book-Entry System is in effect.

(c) No Warrant shall be valid or obligatory for any purpose unless there appears on such Warrant a certificate of authentication and registration substantially in the form provided for herein, executed by the Paying Agent by manual signature, and such certificate upon any Warrant shall be conclusive evidence, and the only evidence, that such Warrant has been duly authenticated, registered, and delivered hereunder.

Section 7. Registration of Warrants

The Municipality shall cause to be kept at the designated corporate office of the Paying Agent a register (the "Warrant Register") in which, subject to such reasonable regulations as it may prescribe, the Municipality shall provide for the registration of Warrants and registration of transfers of Warrants entitled to be registered or transferred as herein provided. The Paying Agent is hereby appointed "Warrant Registrar" for the purpose of registering Warrants and transfers of Warrants as herein provided.

Section 8. Book-Entry System

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

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

(c) Transfers of ownership interests in the Warrants by the Beneficial Owners thereof, and conveyance of notices and other communications by the Securities Depository to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to

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

(d) In the event that the Securities Depository ceases to act as the Securities Depository for the Warrants, the Municipality may discontinue the Book-Entry System for such Warrants. If the Municipality fails to appoint another qualified Securities Depository to replace the then acting Securities Depository, the Municipality will cause the Paying Agent to authenticate and deliver fully registered certificated Warrants to each Beneficial Owner in evidence of the ownership interests thereof. If the Book-Entry System is discontinued for the Warrants, payments to, and transfers of Warrants by, the Beneficial Owners shall be governed by the provisions set forth in this Authorizing Ordinance with respect thereto.

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

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

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

Section 9. Discontinuation of Book-Entry System; Registration, Transfer, and Exchange of Warrants; Replacement of Mutilated, Lost, Destroyed or Stolen Warrants

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

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

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

(2) If and to the extent so provided with respect to the Warrants, at the option of the Holder, Warrants of such series may be exchanged for other Warrants of the same series, of any Authorized Denominations and of a like aggregate principal amount, upon surrender of the Warrants to be exchanged at the designated corporate office of the Warrant Registrar. Whenever any Warrants are so surrendered for exchange, the Municipality shall execute, and the Paying Agent shall authenticate, register and deliver, the Warrants which the Holder making the exchange is entitled to receive.

(3) All Warrants surrendered upon any exchange or transfer provided for in this Authorizing Ordinance shall be cancelled.

(4) All Warrants issued upon any transfer or exchange of Warrants shall be the valid obligations of the Municipality and be entitled to the same security and benefits under this Authorizing Ordinance as the Warrants surrendered upon such transfer or exchange.

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

(6) No charge shall be made to the Holder for any transfer or exchange of Warrants, but the Municipality may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Warrants.

(7) The Paying Agent shall not be required to transfer or exchange any Warrant during the period of fifteen (15) days next preceding any interest payment date; and in the event that any Warrant (or any part thereof) is duly called for redemption or prepayment, 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 or prepayment. No charge shall be made for the privilege of transfer, but the registered owner of any Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto. The registered owner of any Warrant will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant. The Paying Agent is designated in the Authorizing Ordinance as Paying Agent and as registrar for and in respect to the Warrants.

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

(9) Upon the issuance of any new Warrant under this Section, the Municipality may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

(10) Every new Warrant issued pursuant to this Section in lieu of any destroyed, lost or stolen Warrant shall constitute an original additional contractual obligation of the Municipality, whether or not the destroyed, lost or stolen Warrant shall be at any time enforceable by anyone.

(11) 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 10. Warrants Are General Obligations; Additional Security. The indebtedness evidenced and ordered paid by the Warrants shall be a general obligation of the Municipality for the punctual payment of the principal of and interest on which the full faith, credit and taxing power of the Municipality are hereby irrevocably pledged. The Warrants are additionally secured by a pledge of so much as may be necessary of the proceeds of the Taxes, subject however to the requirement that the operating expenses of the Municipality must be paid first therefrom. The Municipality represents that ad valorem taxes have been levied and hereby covenants and agrees that such taxes will be levied and collected, insofar as such taxes may be permitted by the present or any future provisions of the Constitution of Alabama, on all taxable property in the Municipality, and applied to the maximum extent permitted by law to the payment of the principal of and interest on the Warrants as such principal matures and such interest comes due, in amounts sufficient for such purposes.

Section 11. Pledge of Taxes. There is hereby appropriated and ordered segregated and the Municipality hereby irrevocably pledges to the punctual payment of the principal of and interest on the Warrants, as such principal and interest matures and comes due, so much as may be necessary of the Taxes. The Municipality hereby covenants and agrees, so long as any of the Warrants are outstanding,

as a part of the contract whereunder the money is borrowed and the Warrants issued, to continue to levy and collect the Taxes, to pay into the Warrant Fund, and to apply to the payment of the principal of and interest on the Warrants, the proceeds of the Taxes so pledged. The Municipality hereby covenants and agrees that the proceeds of the Taxes shall not hereafter be pledged to the payment of any other obligation or obligations of the Municipality (except Parity Warrants) unless such pledge is made subject to and subordinate in all respects to the pledge herein made to the payment of the principal of and interest on the Warrants.

Section 12. Parity Warrants. So long as the Municipality is not in default hereunder, other warrants ("Parity Warrants") without limit as to aggregate principal amount, payable from and secured by a pledge of the Taxes equally and ratably with the Warrants, may at any time and from time to time be issued, sold and delivered by the Municipality for any lawful purpose, upon satisfaction of the following conditions:

(a) The governing body of the Municipality shall have adopted an ordinance or ordinances reciting that the Municipality is not at the time in default hereunder and that no such default is imminent, authorizing the issuance, execution, sale and delivery of such warrants, and setting forth the date thereof, the date or dates of maturity, the rate or rates of interest (if any), the dates of payment thereof, the maximum aggregate principal amount of the series, the redemption provisions (if any), the text of the form of the Parity Warrants of each series, the person or persons to whom the same have been sold and shall be issued, the sales price thereof, and a brief description of the facilities (if any) that will be constructed or acquired with the proceeds thereof or that have been financed by other obligations of, or assumed by, the Municipality being refunded by the Parity Warrants proposed to be issued. Any such ordinance or ordinances may contain any other or additional statements, materials, provisions, covenants and agreements which the governing body of the Municipality shall elect to include therein.

(b) The City Clerk/Treasurer of the Municipality shall have certified that the proceeds of the Taxes received by the Municipality for the twelve consecutive calendar months next preceding the month in which the Parity Warrants are to be issued are not less than 150% of the maximum amount payable in any fiscal year of the Municipality thereafter as principal of and interest on the Warrants, any other Parity Warrants then outstanding, and the Parity Warrants then proposed to be issued.

(c) There shall have been deposited with the Municipality the opinion of nationally recognized bond counsel that the warrants proposed to be issued, when issued, will be secured by a valid pledge of the Taxes on a parity of lien with the pledge of the Taxes herein made for the benefit of the Warrants.

Section 13. Provision for Payment of Warrants; Termination of Pledge of Taxes

The Warrants shall be deemed fully paid if the Municipality shall have filed with the Paying Agent a fully executed copy of an irrevocable trust agreement between the Municipality and a banking institution with a designated office in the State of Alabama making provision for the retirement of the applicable Warrants then outstanding, which trust agreement shall create a trust fund which shall consist of: (a) Government Obligations which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of all outstanding Warrants; (b) both cash and Government Obligations which together will produce funds sufficient for such purpose; or (c) cash sufficient for such purpose. At such time when the Warrants have been paid in full or the amount held in trust, together with the investment income therefrom, is sufficient as aforesaid, the pledge of the Taxes to the payment of the Warrants shall be terminated and released.

Section 14. Warrant Fund. There is hereby established a special fund designated the "Warrant Fund" which shall be held by the Paying Agent for payment of the Warrants. Money in the Warrant Fund shall be used solely for the payment of the principal of, premium (if any) and interest on the Warrants. The Municipality shall pay or cause to be paid into the Warrant Fund the following amounts on or before the following dates:

(1) On or before the last Business Day of each calendar month, beginning November, 2016 and ending October, 2036, an amount equal to one-sixth (1/6th) of the interest coming due on the Warrants on the next ensuing interest payment date with respect to the Warrants, the first such interest payment date being May 1, 2017; and

(2) On or before the last Business Day of each calendar month, beginning November, 2016 and ending October, 2036, an amount equal to one-twelfth (1/12th) of the principal of the Warrants maturing or subject to mandatory redemption on the next ensuing principal payment or mandatory date with respect to the Warrants, the first such mandatory redemption date being November 1, 2017.

(3) All other money required to be deposited in the Warrant Fund pursuant to this ordinance and all money received by the Paying Agent when accompanied by directions that such money is to be deposited in the Warrant Fund.

(4) If on any interest payment date on the Warrants the balance in the Warrant Fund is insufficient to pay the respective amounts due and payable on such date, the Municipality shall forthwith pay any such deficiency into the Warrant Fund. Accrued interest and income and profits received from any investment of money in the Warrant Fund shall be credited against the deposit next required to be made into the Warrant Fund.

(5) The Municipality and the Paying Agent shall cause all money deposited in the Warrant Fund to be applied to the payment of principal of or interest on the Warrants within thirteen months from the date of such deposit and shall cause all income and profits received from the investment of money in the Warrant Fund to be applied to the payment of principal of or interest on the Warrants within twelve months from the date of receipt of such income or profits.

Section 15. Security for Warrant Fund. The money at any time on deposit in the Warrant Fund shall be and at all times remain public funds impressed with a trust for the purposes for which the Warrant Fund is created. Such money shall be continuously secured for the benefit of the Municipality and the registered owners of the Warrants either

(a) by holding on deposit as collateral security Government Obligations having a market value (exclusive of accrued interest) not less than the amount of such money, or

(b) if the furnishing of security in the manner provided in the foregoing clause (a) is not permitted by the then applicable laws and regulations, then in such manner as may be required or permitted by the applicable State of Alabama and federal laws and regulations respecting the security for or granting a preference in the case of the deposit of public trust funds;

provided however, that it shall not be necessary for the Paying Agent so to secure (i) any portion of such money 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 (ii) any portion of such money that may be invested as provided in Section 16 of this Authorizing Ordinance.

Section 16. Investment of and Security for Warrant Fund

(a) Money in the Warrant Fund shall be invested by the Paying Agent at the written direction of the Municipality in Government Obligations, Eligible Certificates or in money market funds rated "AAM" or "AAM-G" or better by Standard & Poor's Rating Group. Investments shall be made so that a sufficient principal amount shall mature or be redeemable at the option of the holder on or prior to the date or dates the Municipality and the Paying Agent anticipate that money from the fund invested 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 in such fund 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 to such fund 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 each of said funds 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 Municipality and the registered owners of the Warrants as provided in Section 15 hereof.

(d) The Paying Agent may conclusively rely upon the Municipality's written instructions as to both the suitability and legality of the directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Paying Agent shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Paying Agent may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. In the absence of written investment instructions from the Municipality, the Paying Agent shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in investments. The Paying Agent shall not be liable for any losses from any investments directed by the Municipality hereunder. Confirmations of investments are not required to be issued by the Paying Agent for each month in which a monthly statement is rendered.

Section 17. Paying Agent for the Warrant Fund.

The Municipality does hereby designate and appoint First Commercial Bank, a division of Synovus Bank, a Georgia banking corporation, as the Paying Agent for the Warrant Fund and as Warrant Registrar and authenticating agent for and with respect to the Warrants.

Section 18. Duties of Paying Agent; Payments at Par

(a) The Paying Agent, by acceptance of its duties hereunder, shall have undertaken to perform only such duties as are specifically set forth in this Authorizing Ordinance and no implied covenants or obligations shall be read in this Authorizing Ordinance against the Paying Agent. The Paying Agent is not required to risk or expend its own funds in the performance of its duties hereunder.

(b) The Paying Agent, by acceptance of its duties hereunder, shall be construed to have agreed thereby with the registered owners from time to time of the Warrants that it will make all remittances of principal of and interest on the Warrants from money supplied by the Municipality for such purpose in bankable funds at par and without discount or deduction for exchange, fees or expenses. The Municipality hereby covenants and agrees with the registered owners of the Warrants and with the Paying Agent that it will pay all charges for exchange, fees or expenses which may be incurred by the Paying Agent in the making of remittances in bankable funds at par.

Section 19. Resignation; Appointment of Successor

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

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

Section 20. Qualification and Acceptance of Appointment by Successor

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

(b) Every successor Paying Agent appointed hereunder shall execute, acknowledge and deliver to the Municipality 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 21. 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.

Section 22. Compensation of Paying Agent. The Paying Agent shall be entitled to reasonable compensation for its services hereunder as mutually agreed with the Municipality and to the prompt reimbursement of its expenses reasonably and necessarily incurred in connection with its duties hereunder (including reasonable legal fees, costs and expenses). If the Paying Agent is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Paying Agent's negligence or willful misconduct), the Paying Agent shall notify the Municipality of the same in writing and the Municipality shall promptly pay the Paying Agent for such extraordinary fees, costs and expenses reasonably and necessarily incurred in connection therewith.

Section 23. Expenses of Collection; Interest After Maturity. The Municipality 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 and payable, it will pay to the registered owners of the Warrants all expenses incident to the collection of any unpaid portion thereof, including a reasonable attorneys' fee. The Warrants shall bear interest at the rate of 2% per annum or the maximum rate of interest allowed by law, whichever is less, from and after the respective maturity dates, if not then paid.

Section 24. Sale and Delivery of Warrants; Closing Papers. The Warrants are hereby sold and awarded to Joe Jolly & Co., Inc., at the price of \$1,126,683.95 (representing the par amount of the Warrants of \$1,165,000 less an original issue discount of \$12,977.30 and less an underwriting discount of \$25,338.75). The City Council has determined that such sale of the Warrants to such purchaser is most advantageous to the Municipality. The Warrants shall be delivered to such purchaser at such place as the purchaser shall request if acceptable to the Mayor of the Municipality, upon the payment to the Municipality of the purchase price therefor. The Mayor, the City Clerk/Treasurer, or any of them, are hereby authorized and directed to effect such delivery and in connection therewith to execute and deliver on behalf of the Municipality such closing papers and other documents as are necessary with respect to the sale and delivery of the Warrants, including without limitation, those containing such representations as are required to demonstrate: the legality and validity of the Warrants; the exclusion of interest on the Warrants from the gross income of the registered owners thereof for federal income taxation; the exemption of interest on the Warrants from State of Alabama income taxation; and the absence of pending or threatened litigation with respect to any of such matters. The City Clerk/Treasurer shall give a receipt to the purchaser for the purchase price paid, and such receipt shall be full acquittal to the purchaser and the purchaser shall not be required to see to, or be responsible for, the application of the proceeds of the Warrants. Nevertheless, the proceeds of the Warrants shall be held in trust and applied solely for the purposes specified in this Authorizing Ordinance, including payment of the expenses of the issuance thereof.

Section 25. Applications of Proceeds. The proceeds from the sale of the Warrants shall be disbursed by or on behalf of the City Clerk/Treasurer of the Municipality on the date of delivery of the Warrants for the following purposes and in the following order:

- (a) \$1,100,000 shall be applied to the Series 2016 Improvements.
- (b) \$26,683.95 shall be applied to the payment of approved issuance expenses set forth on Exhibit A attached hereto and incorporated herein by reference, with any principal proceeds remaining therein after the payment of all issuance expenses to be applied to the Series 2016 Improvements.

Section 26. Covenants With Respect to Federal Tax Exclusion for Interest. The Municipality recognizes that the Warrants are being sold on the basis that the interest payable on the Warrants is excludable from gross income of the registered owners thereof for federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The Municipality hereby covenants and agrees with the registered owners from time to time of the Warrants that:

- (a) the proceeds of the Warrants will be used solely for the governmental purposes for which the Warrants were issued;
- (b) none of the proceeds of the Warrants will be applied for any "private business use" nor will any part of the proceeds of the Warrants be used (directly or indirectly) to make or finance loans to persons other than a governmental unit;
- (c) the payment of the principal of or interest on the Warrants will not be (under the terms of the Warrants or any underlying arrangements) directly or indirectly (i) secured in any way by any interest in property used or to be used for a "private business use" or by payments in respect of such property or (ii) derived from payments (whether or not to the Municipality) in respect of property, or borrowed money, used or to be used for a "private business use";
- (d) the proceeds of the Warrants shall not be used or applied by it, and the taxes or other revenues of the Municipality shall not be accumulated in the Warrant Fund in such a manner, and no investment thereof shall be made, as to cause any of the Warrants to be or become "arbitrage bonds," as that term is defined in Section 148 of the Code;
- (e) the Municipality will comply with the requirements of Section 148(f) of the Code with respect to any required rebate to the United States;
- (f) the Municipality will make no use of the proceeds of the Warrants that would cause the Warrants to be "federally guaranteed" under Section 149(b) of the Code and the payment of the principal of and interest on the Warrants shall not be (directly or indirectly) "federally guaranteed" (in whole or in part) as described in said Section, except as otherwise permitted in said Section;

(g) to the extent permitted by law, the Municipality will not take any action, or omit to take any action, with respect to the Warrants that would cause the interest on the Warrants not to be and remain excludable from gross income pursuant to the provisions of Section 103 of the Code; and

(h) the Municipality has not or will not hereafter issue any tax-exempt obligations during the remainder of the current calendar year that, when added to the principal amount of the Warrants will equal or exceed \$10,000,000. The Municipality understands that "tax-exempt obligations" may include leases for equipment, vehicles, computers and information technology.

The officers of the Municipality effecting the delivery of the Warrants are authorized and directed, at that time and on behalf of the Municipality, to execute a certificate making such representations, certifications and elections as they deem necessary and desirable with respect to the federal income tax status of the Warrants and the interest thereon. The terms used in this Section in quotation marks shall have the definitions and meanings provided by the Code.

Section 27. "Bank-Qualified" Designation. The Municipality hereby designates the Warrants as "qualified tax-exempt obligations" under Section 265 of the Internal Revenue Code of 1986, as amended. The Municipality does hereby represent that neither it nor its "subordinate entities" have issued in the aggregate more than \$10,000,000 of "qualified tax-exempt obligations" during this calendar year, and the Municipality does hereby further represent that it reasonably anticipates that the amount of neither "qualified tax-exempt obligations" nor "tax-exempt obligations" which will be issued by the Municipality or its "subordinate entities" during this calendar year will exceed \$10,000,000. The Municipality hereby represents and certifies that it has no subordinate entities which have authority to issue "tax-exempt obligations" and the Municipality does not anticipate that it will create any new such subordinate entities during this calendar year.

The terms used in this Section in quotation marks shall have the respective definitions and meanings provided by the Code.

Section 28. Continuing Disclosure Undertaking.

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the Municipality agrees to provide, or cause to be provided,

(i) Audited financial information within 180 days following the close of the preceding fiscal year, or, if such information is unavailable within said time, within five Business Days of receipt by the Municipality.

(ii) within ten Business Days after the occurrence of a reportable event, notice of the occurrence of any of the following events with respect to the Warrants: (a) principal and interest payments delinquencies, (b) non-payment related defaults, (c) unscheduled draws on debt service reserves reflecting financial difficulties, (d) unscheduled draws on credit enhancements reflecting financial difficulties, (e) substitution of credit or liquidity providers or their failure to perform, (f) adverse tax opinions or events affecting the tax-exempt status of the Warrants, (g) modifications to rights of holders of the Series 2016 Warrants, (h) calls for redemption, (i) defeasances, (j) release, substitution or sale of property securing repayment of the securities, (k) rating changes, if any are then in effect, (l) bankruptcy, insolvency, receivership or similar events, (m) merger, consolidation, acquisition or sale of assets involving an obligated party, and (n) appointment of a successor or additional trustee or the change of name of a trustee.

(iii) in a timely manner, notice of any failure by the Municipality to provide the required annual financial information on or before the date specified herein.

The Municipality reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Municipality; provided that, the Municipality agrees that any such modification will be done in a manner consistent with the Rule. The Municipality reserves the right to terminate its obligation to provide the annual operating information and financial information and notices of material events, as set forth above, if and when the Municipality no longer remains an obligated person with respect to the Warrants within the meaning of the Rule. The Municipality acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the registered owners of the Warrants and shall be enforceable by the holders; provided that, the holders' rights to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Municipality's obligations hereunder and any failure by the Municipality to comply with the provisions of this undertaking shall not be an event of default with respect to the Warrants and shall not subject the Municipality to money damages in any amount, whether compensatory, penal or otherwise. The name, address and telephone number of the initial contact person at the Municipality are as follows:

Marcy Brown or successor as City Clerk/Treasurer
City of Dora
1485 Sharon Blvd.
Dora, Alabama 35062
missmarcy@tds.net
(205) 648-3211

The Municipality has not issued any public debt since 1999. Those obligations are no longer outstanding. The Municipality filed its 5 most recent audits on the EMMA website on October 14, 2016.

Section 29. Provisions of Ordinance a Contract. The terms, provisions and conditions set forth in this Authorizing Ordinance constitute a contract between the Municipality and the registered owners from time to time of the Warrants and shall remain in full force and effect until the principal of, premium (if any) and interest on the Warrants shall have been paid in full.

Section 30. Severability. The provisions of this Authorizing 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 Authorizing Ordinance or of the Warrants, and this Authorizing Ordinance and the Warrants shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 31. Repeal of Conflicting Provisions. All ordinances, resolutions and orders or parts thereof in conflict with this Authorizing Ordinance are to the extent of such conflict, hereby repealed.

Section 32. Special Covenants

So long as the Warrants are outstanding, the Municipality will not permit any private entity or person to own or operate the Horse Creek Golf Course, and will not permit any use or payment with respect to said golf course that would otherwise negatively affect the tax-exempt status of the Warrants.

Section 33. Official Statement; Warrant Purchase Agreement

(a) The Municipality hereby authorizes, adopts and approves the Preliminary Official Statement and final Official Statement. The Municipality does hereby find and determine that the Preliminary Official Statement and the final Official Statement are correct and do 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. The Mayor is hereby authorized to execute and deliver the Preliminary Official Statement and final Official Statement for and on behalf of and in the name of the Municipality, with such changes or additions thereto or deletions therefrom as he may deem necessary or desirable in order to state fully and correctly the pertinent facts concerning the Municipality and the Warrants offered thereby.

(b) The Warrant Purchase Agreement with Joe Jolly & Co., Inc., with respect to the Warrants, and its prior execution on behalf of the Municipality by the Mayor, is hereby ratified, adopted and confirmed in all respects.

Section 34. Further Ratification of Ordinances.

The Municipality hereby further ratifies Ordinance Nos. 1 and 3, 1986 and declares that such ordinances are and have been continuously in full force and effect since adoption and have not since been amended or supplemented. The Municipality will not reduce the rate of tax in said ordinances at any time while the Warrants are outstanding.