

ORDINANCE NO. 2023-13

**AN ORDINANCE TO AUTHORIZE THE ISSUANCE
OF ONE \$3,880,000 GENERAL OBLIGATION WARRANT
SERIES 2023-CWSRF-DL**

BE IT ORDAINED by the City Council of the City of Cullman, Alabama, a municipal corporation under the laws of the State of Alabama (the "City"), as follows:

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions. 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:

"**ADEM**" means the Alabama Department of Environmental Management, an agency of the State of Alabama created pursuant to Chapter 22A of Title 22 of the Code of Alabama 1975, as amended.

"**Allowable Costs**" shall have the meaning given to such term in the Special Loan Conditions Agreement.

"**Authority**" means the Alabama Water Pollution Control Authority, a public corporation under the laws of the State of Alabama.

"**Authority Loan**" means the loan in the initial amount of \$3,880,000 made to the City by the Authority, the repayment of which is evidenced by the Series 2023-CWSRF-DL Warrant.

"**Authority Trustee**" means The Bank of New York Mellon Trust Company, N.A., as successor trustee to J.P. Morgan Trust Company, N.A., under the Master Authority Trust Indenture.

"**Authority Trustee Prime Rate**" means the rate of interest established (whether or not charged) from time to time by the Authority Trustee as its general reference rate of interest, after taking into account such factors as the Authority Trustee may from time to time deem appropriate in its sole discretion (it being understood, however, that the Authority Trustee may from time to time make various loans at rates of interest having no relationship to such general reference rate of interest).

"**City**" means the City of Cullman, Alabama, a municipal corporation under the laws of the State of Alabama.

"**City Sewer System**" means the entire sanitary sewer system owned by the City and all additions thereto and replacements thereof, and all properties, rights easements and franchises appurtenant thereto, whether any of the said properties are now owned by the City or may be hereafter acquired by it.

"**Council**" means the governing body of the City as from time to time constituted.

"**Davis-Bacon Act**" means the Davis-Bacon Act of 1931, P.L. No. 403.

"**Holder**" means the person in whose name the Series 2023-CWSRF-DL Warrant is registered.

"**Interest Payment Date**" means each February 15 and August 15, commencing February 15, 2023, and continuing until and including the maturity of the Series 2023-CWSRF-DL Warrant.

"**Loan Amount**" means the sum of \$3,880,000.

"**Master Authority Trust Indenture**" means the Master Direct Loan Trust Indenture from the Authority to the Authority Trustee, dated as of January 1, 2004.

"**Project**" means the improvements to the City Sewer System to be constructed with proceeds of the Authority Loan in accordance with the provisions of the Special Loan Conditions Agreement.

"**Project Fund**" means the Project Fund created in the Master Authority Trust Indenture wherein proceeds of the Authority Loan will be deposited and held pending disbursement to or on behalf of the City for Allowable Costs respecting the Project.

"**Project Funds**" means the amount from the Authority Loan deposited into the Project Fund.

"**Redemption Date**" means the date fixed for redemption of any principal installments of the Series 2023-CWSRF-DL Warrant in a Resolution adopted pursuant to the provisions of Section 3.1(e) hereof.

"**Redemption Price**" means the price at which the Series 2023-CWSRF-DL Warrant or principal installments thereof called for redemption and prepayment may be redeemed on the Redemption Date.

"**Resolution**" or "**Ordinance**" means a resolution or ordinance adopted by the Council.

"**Series 2023-CWSRF-DL Warrant**" without other qualifying words, means the \$3,880,000 General Obligation Warrant, Series 2023-CWSRF-DL, herein authorized evidencing the obligation of the City to repay the Authority Loan.

"**Special Loan Conditions Agreement**" means the Special Authority Loan Conditions Agreement (CWSRF) among the City, the Authority and ADEM, dated as of December 15, 2022.

"**United States Securities**" means any securities that are direct obligations of the United States of America and any securities with respect to which payment of the principal thereof and the interest thereon is unconditionally guaranteed by the United States of America.

"Warrant Fund" shall have the meaning given to such term in Section 3.3(a) hereof.

Section 1.2 Use of Words and Phrases. The following words and phrases, where used in this Resolution, shall be given the following and respective interpretations:

"Herein," "hereby," "hereunder," "hereof" and other equivalent words refer to this Resolution as an entirety and not solely to the particular portion hereof in which any such word is used.

The definitions set forth in Section 1.1 hereof shall be deemed applicable whether the words defined are herein used in the singular or plural.

Any pronoun or pronouns used herein in any fashion shall be deemed to include both singular and plural and to cover all genders.

ARTICLE II

FINDINGS

Section 2.1 Findings. The Council does hereby find and declare that the following facts are true and correct:

(a) It is necessary, desirable and in the public interest that the City make certain capital improvements to the City Sewer System (the "Project"), the estimated costs of the said improvements being approximately \$3,880,000. The City has heretofore filed an application with ADEM for the purpose of obtaining a loan from the Authority (the "Authority Loan") to provide funds to pay a portion of the costs of the Project, to pay capitalized interest, and to pay a portion of the costs of obtaining said loan.

(b) The award of the loan to the City will be of substantial economic benefit to the City and the public by reducing the amount of interest that would be payable by the City if the funds were provided from sources other than from the Authority Loan.

(c) The current capitalization grant agreement between the Authority and the United States Environmental Protection Agency requires, among other things, that all projects funded in whole or part with Authority funds, including the Project, be constructed in accordance with certain provisions of the Davis-Bacon Act and with certain requirements pertaining to use of United States-produced iron and steel.

(d) The Council deems it necessary, desirable and in the public interest that the City obtain the Authority Loan for the purpose of providing funds to finance the costs of the Project, to pay capitalized interest, and paying a portion of the costs of obtaining the Authority Loan. In order to accept the Authority Loan and to evidence the obligation of the City to repay the Authority Loan, the City deems it necessary, desirable and in the public interest that the Series 2023-CWSRF-DL Warrant hereinafter authorized be issued.

(e) The City is not in default under any Resolution or Ordinance authorizing any outstanding indebtedness of the City, and no such default is imminent.

ARTICLE III

**ACCEPTANCE OF AUTHORITY LOAN AND
ISSUANCE OF SERIES 2023-CWSRF-DL WARRANT**

Section 3.1 (a) Authority Loan Made and Accepted. In consideration of the mutual promises and agreements made in the Special Loan Conditions Agreement, in this Ordinance and in the Series 2023-CWSRF-DL Warrant, and subject to the terms and conditions of each, the City, by the delivery of the Series 2023-CWSRF-DL Warrant, accepts the Authority Loan that the Authority has, upon delivery to it of the Series 2023-CWSRF-DL Warrant, made available to the City in the Loan Amount in the manner and to the extent specified in the Special Loan Conditions Agreement.

(b) Authorization and Description of the Series 2023-CWSRF-DL Warrant. Pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Section 11-47-2 and Section 11-81-4 of the Code of Alabama 1975, as amended, and for the purpose of evidencing the obligation of the City to repay the Authority Loan, there is hereby authorized to be issued by the City one fully registered General Obligation Warrant, Series 2023-CWSRF-DL, in the aggregate principal amount of \$3,880,000. The Series 2023-CWSRF-DL Warrant shall be issued as one fully registered warrant without coupons, shall be dated December 15, 2022, and shall mature and become payable on August 15 in the following principal installments in the following years:

Year	Principal Amount Maturing
2023	\$160,000
2024	165,000
2025	165,000
2027	170,000
2027	175,000
2028	175,000
2029	180,000
2030	185,000
2031	185,000
2032	190,000
2033	195,000
2034	200,000
2035	200,000
2036	205,000
2037	210,000
2038	215,000
2039	220,000

2040	225,000
2041	230,000
2042	230,000

The Series 2023-CWSRF-DL Warrant shall be initially issued and registered in the name of the Authority.

(c) **Interest Rate and Method of Payment of Principal and Interest.** The principal installments of the Series 2023-CWSRF-DL Warrant shall bear interest from December 15, 2022 until their respective due dates at the per annum rate of interest of 1.99%, computed on the basis of a 360 day year consisting of 12 consecutive 30 day months, all as reflected in the amortization schedule set forth in Appendix C to the Special Loan Conditions Agreement. Interest shall be payable semiannually on each February 15 and August 15, commencing February 15, 2023, until and at the final maturity of the Series 2023-CWSRF-DL Warrant. Interest accruing on the Series 2023-CWSRF-DL Warrant from December 15, 2022 through and including February 28, 2023, is included in the principal amount of the Series 2023-CWSRF-DL Warrant as the "Capitalized Interest Amount" (as such term is defined in the Special Loan Conditions Agreement) and shall be remitted to the Holder by the City out of funds from the Authority Loan held by the Holder for such purpose). Payment of the principal of and interest on the Series 2023-CWSRF-DL Warrant shall be payable in lawful money of the United States of America by check or draft mailed by the City to the lawful holder of the Series 2023-CWSRF-DL Warrant at the address shown on the registry books of the Authority Trustee pertaining to the Series 2023-CWSRF-DL Warrant; provided, that so long as the Authority is the registered Holder of the Series 2023-CWSRF-DL Warrant, payment of the principal of and the interest on the Series 2023-CWSRF-DL Warrant shall be made by the City in accordance with instructions given by the Authority.

(d) **Interest Rate and Loan Amount after Maturity.** Each installment of principal of and interest on the Series 2023-CWSRF-DL Warrant shall bear interest after its due date until paid at a per annum rate of interest equal to 2% above the Authority Trustee Prime Rate.

(e) **Redemption Provisions.** Those of the principal installments of the Series 2023-CWSRF-DL Warrant having stated maturities on August 15, 2033, and thereafter, may be redeemed and paid prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in the inverse order of installments of principal), on August 15, 2032, and on any date thereafter, at and for a redemption price with respect to each principal installment of the Series 2023-CWSRF-DL Warrant redeemed equal to the principal prepaid plus accrued interest thereon to the Redemption Date. Any such redemption or prepayment of the Series 2023-CWSRF-DL Warrant shall be effected in the following manner:

(1) **Call.** The City shall by Resolution or Ordinance call for redemption and prepayment of the Series 2023-CWSRF-DL Warrant (or principal portions thereof) on the stated date when it is by its terms subject to redemption, and shall recite in said Resolution that the City is not in default with respect to payment of the principal of or interest on the Series 2023-CWSRF-DL Warrant.

(2) **Notice.** The Authority Trustee shall forward by United States Registered Mail or United States Certified Mail to the Holder of the Series 2023-

CWSRF-DL Warrant a notice stating the following: (I) that the Series 2023-CWSRF-DL Warrant (or principal installments thereof) has been called for redemption and will become due and payable at the Redemption Price, on a specified Redemption Date, and (II) that all interest on the Series 2023-CWSRF-DL Warrant will cease after the Redemption Date. Such notice shall be so mailed not less than forty-five (45) days nor more than ninety (90) days prior to the Redemption Date. The Holder of the Series 2023-CWSRF-DL Warrant may waive the requirements of this subsection.

(3) **Payment of Redemption Price.** Not later than forty-five (45) days prior to the Redemption Date, the City shall make available at the Authority Trustee the total Redemption Price of the Series 2023-CWSRF-DL Warrant or principal installments thereof so called for redemption and shall further provide to the Authority a certified copy of the Resolution required in subsection (a) of this section.

Upon compliance by the City with the foregoing requirements on its part contained in this subsection, and if the City is not on the Redemption Date in default with respect to the payment of the principal of or interest on the Series 2023-CWSRF-DL Warrant, the Series 2023-CWSRF-DL Warrant (or principal portions thereof) called for redemption shall become due and payable at the Redemption Price on the Redemption Date specified in such notice, anything herein or in the Series 2023-CWSRF-DL Warrant to the contrary notwithstanding, and the Holder thereof shall then and there surrender the Series 2023-CWSRF-DL Warrant for redemption; provided however, that in the event that less than all of the outstanding principal of the Series 2023-CWSRF-DL Warrant is to be redeemed, the registered Holder thereof shall surrender the Series 2023-CWSRF-DL Warrant that is to be prepaid in part to the Authority Trustee in exchange, without expense to the Holder, for a new Series 2023-CWSRF-DL Warrant of like tenor, except in a principal amount equal to the unredeemed portion of the Series 2023-CWSRF-DL Warrant. All future interest on the Series 2023-CWSRF-DL Warrant (or principal portions thereof) so called for redemption shall cease to accrue after the Redemption Date. Out of the moneys so deposited with it, the Authority Trustee shall make provision for payment of the Series 2023-CWSRF-DL Warrant (or principal portions thereof) so called for redemption at the Redemption Price and on the Redemption Date.

Section 3.2 General Obligation of City. The indebtedness evidenced and ordered paid by the Series 2023-CWSRF-DL Warrant is and shall be a general obligation of the City to which the full faith and credit of the City are hereby irrevocably pledged.

Section 3.3 Warrant Fund. (a) **Payments Therein and Use and Continuance Thereof.** There is hereby created a special fund to be designated the "City of Cullman Series 2023-CWSRF-DL Warrant Fund" (the "Warrant Fund") for the purpose of providing for payment of the principal of and interest on the Series 2023-CWSRF-DL Warrant, at the respective maturities of said principal and interest, which special fund shall be maintained until the principal of and interest on the Series 2023-CWSRF-DL Warrant has been paid in full. On or before February 15, 2023, and on or before each August 15 and February 15 thereafter until the principal of and interest on the Series 2023-CWSRF-DL Warrant shall have been paid in full, the City will pay into the Warrant Fund an amount equal to the sum of (i) the interest that will mature on the Series 2023-CWSRF-DL Warrant on such February 15 or August 15, as the case

may be, plus (ii) the principal installment that will mature on the Series 2023-CWSRF-DL Warrant on such August 15 (interest on the Series 2023-CWSRF-DL Warrant from December 15, 2022, until and including February 28, 2023, having been capitalized).

(b) **Use of Moneys in Warrant Fund.** All moneys paid into the Warrant Fund shall be used only for payment of the principal of and the interest on the Series 2023-CWSRF-DL Warrant upon or after the respective maturities of such principal and interest; provided, that if at the final maturity of the Series 2023-CWSRF-DL Warrant, however the same may mature, there shall be in the Warrant Fund moneys in excess of what shall be required to pay in full the principal of and the interest on the Series 2023-CWSRF-DL Warrant, then any such excess shall thereupon be returned to the City.

(c) **Appointment of Authority Trustee.** The City hereby appoints The Bank of New York Mellon Trust Company, N.A., as registrar and paying agent with respect to the Series 2023-CWSRF-DL Warrant. The City shall have no liability for payment of any charges or fees of the Authority Trustee in acting in such capacity, it being understood that all such charges or fees shall be the sole responsibility of the Authority.

(d) **Trust Nature of and Security for the Warrant Fund.** The Warrant Fund shall be and at all times remain public funds impressed with a trust for the purpose for which the Warrant Fund is herein created. Each depository for any part of the Warrant Fund shall at all times keep the moneys on deposit with it in the Warrant Fund continuously secured for the benefit of the City and the Holder of the Series 2023-CWSRF-DL Warrant either:

(1) by holding on deposit as collateral security United States Securities or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in the Series 2023-CWSRF-DL Warrant Fund, or

(2) if the furnishing of security in the manner provided in the foregoing clause (1) of this sentence is not permitted by the then applicable law and regulations, then in such other manner as may be required or permitted by the applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of public funds;

provided, however, that it shall not be necessary for any such depository so to secure any portion of the moneys on deposit in the Warrant 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).

Section 3.4 Form of Series 2023-CWSRF-DL Warrant. The Series 2023-CWSRF-DL Warrant shall be in substantially the following form, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

(Form of Series 2023-CWSRF-DL Warrant)

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF CULLMAN
GENERAL OBLIGATION WARRANT
SERIES 2023-CWSRF-DL

Subject to prior payment and other provisions as herein provided

The City Treasurer (also referred to within the City as its City Clerk) of the **CITY OF CULLMAN, ALABAMA**, a municipal corporation under the laws of Alabama (the "City"), is hereby ordered and directed to pay to **ALABAMA WATER POLLUTION CONTROL AUTHORITY**, or registered assigns, the aggregate principal sum of

THREE MILLION EIGHT HUNDRED EIGHTY THOUSAND DOLLARS

in principal installments on August 15 in the following respective years and principal amounts:

Year	Principal Amount Maturing
2023	\$160,000
2024	165,000
2025	165,000
2027	170,000
2027	175,000
2028	175,000
2029	180,000
2030	185,000
2031	185,000
2032	190,000
2033	195,000
2034	200,000
2035	200,000
2036	205,000
2037	210,000
2038	215,000
2039	220,000
2040	225,000
2041	230,000
2042	230,000

with interest on the then unpaid principal balance hereof from December 15, 2022, at the per annum rate of interest of 1.99%, computed on the basis of a 360 day year consisting of 12 consecutive 30 day months, as reflected in the amortization schedule set forth in Appendix C to the Special Loan Conditions Agreement. Interest hereon shall be payable semiannually on each February 15 and August 15, commencing February 15, 2023, until and at the final maturity of this Series 2023-CWSRF-DL Warrant. Interest accruing on this Series 2023-CWSRF-DL Warrant from December 15, 2022, through and including February 28, 2023, is included in the principal amount of this Series 2023-CWSRF-DL Warrant as the "Capitalized Interest Amount" (as such term is defined in the Special Loan Conditions Agreement).

Interest on this Series 2023-CWSRF-DL Warrant is payable by check or draft mailed by The Bank of New York Mellon Trust Company, N.A. (the "Authority Trustee"), to the then registered holder hereof at the address shown on the registry books of the Authority Trustee pertaining to the Series 2023-CWSRF-DL Warrant; provided, that so long as the Alabama Water Pollution Control Authority (the "Authority") is the registered holder of this Series 2023-CWSRF-DL Warrant the payments of principal of and interest on this Series 2023-CWSRF-DL Warrant shall be made by the Authority Trustee in accordance with instructions given the Authority Trustee by the Authority. Interest on this Series 2023-CWSRF-DL Warrant shall be deemed timely made if mailed to the then registered holder on the interest payment date with respect to which such payment is made or, if such interest payment date is not a business day, then on the first business day following such interest payment date. The Ordinance described below provides that all payments by the City or the Authority Trustee to the person in whose name this Series 2023-CWSRF-DL Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this Series 2023-CWSRF-DL Warrant takes it subject to all payments of principal and interest in fact made with respect hereto.

This Series 2023-CWSRF-DL Warrant evidences a duly authorized warrant designated \$3,880,000 General Obligation Warrant, Series 2023-CWSRF-DL, dated December 15, 2022 (herein called the "Series 2023-CWSRF-DL Warrant"). This Series 2023-CWSRF-DL Warrant is issued only as a single fully registered warrant pursuant to the applicable provisions of the Constitution and laws of Alabama, including particularly Section 11-47-2 and Section 11-81-4 of the Code of Alabama 1975, as amended, and an ordinance (the "Ordinance") duly adopted by the governing body of the City on January 9, 2023.

Those of the principal installments hereof having stated maturities on August 15, 2033, and thereafter, may be redeemed and paid prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in the inverse order of installments of principal), on August 15, 2032, and on any date thereafter, at and for a redemption price with respect to each principal installment of the Series 2023-CWSRF-DL Warrant redeemed equal to the principal prepaid plus accrued interest thereon to the Redemption Date, after not less than forty-five (45) nor more than ninety (90) days prior notice by United States Registered Mail or Certified Mail to the registered owner of this warrant, at and for a redemption price equal to the principal so prepaid plus accrued interest to the date of prepayment.

In the event less than all the outstanding principal hereof is to be redeemed, the registered Holder hereof shall surrender this Series 2023-CWSRF-DL Warrant to the Authority Trustee in exchange for a new Series 2023-CWSRF-DL Warrant of like tenor herewith except in a principal

amount equal to the unredeemed portion of this warrant. Upon the giving of notice of redemption in accordance with the provisions of the Ordinance, this warrant (or principal installments thereof) so called for redemption and prepayment shall become due and payable on the date specified in such notice, anything herein or in the Ordinance to the contrary notwithstanding, and the Holder hereof shall then and there surrender for prepayment, and all future interest on the Series 2023-CWSRF-DL Warrant (or principal installments thereof) so called for prepayment shall cease to accrue after the date specified in such notice, whether or not the Series 2023-CWSRF-DL Warrant is so presented.

The indebtedness evidenced and ordered paid by this Series 2023-CWSRF-DL Warrant is and shall be a general obligation of the City for the payment of which the full faith and credit of the City have been irrevocably pledged.

It is hereby certified and recited that the indebtedness evidenced and ordered paid by this Series 2023-CWSRF-DL Warrant is lawfully due without condition, abatement or offset of any description; that this Series 2023-CWSRF-DL Warrant has been registered in the manner provided by law; that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this Series 2023-CWSRF-DL Warrant do exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this Series 2023-CWSRF-DL Warrant, together with all other indebtedness of the City, was at the time the same was created and is now within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

This Series 2023-CWSRF-DL Warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Authority Trustee (the registrar and transfer agent of the City) and only upon surrender of this Series 2023-CWSRF-DL Warrant to the Authority Trustee for cancellation, and upon any such transfer a new Series 2023-CWSRF-DL Warrant of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Ordinance. Each holder, by receiving or accepting this Series 2023-CWSRF-DL Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Authority Trustee are concerned, this Series 2023-CWSRF-DL Warrant may be transferred only in accordance with the provisions of the Ordinance.

The Authority Trustee shall not be required to transfer or exchange this Series 2023-CWSRF-DL Warrant during the period of fifteen (15) days next preceding any February 15 or August 15; and in the event that this Series 2023-CWSRF-DL Warrant (or any principal portion hereof) is duly called for redemption and prepayment, the Authority Trustee shall not be required to register or transfer this Series 2023-CWSRF-DL Warrant during the period of forty-five (45) days next preceding the date fixed for such redemption and prepayment.

Execution by the Authority Trustee of its registration certificate hereon is essential to the validity hereof.

IN WITNESS WHEREOF, the City has caused this Series 2023-CWSRF-DL Warrant to be executed in its name and behalf by the Mayor of the City, has caused its corporate seal to be hereunto affixed, has caused this Series 2023-CWSRF-DL Warrant to be attested by the signature of the City Clerk, and has caused this Series 2023-CWSRF-DL Warrant to be dated December 15, 2022.

CITY OF CULLMAN, ALABAMA

By: _____
Mayor

[S E A L]

ATTEST:

By: _____
City Clerk

(Form of Registration Certificate)

This Series 2023-CWSRF-DL Warrant was registered in the name of the above-registered owner this 9th day of January, 2023.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

By: _____
Its Authorized Officer

(Form of Assignment)

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto the within warrant and hereby irrevocably constitute(s) and appoints _____ attorney, with full power of substitution in the premises, to transfer this warrant on the books of the within-mentioned Authority Trustee.

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)

Its 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).

ARTICLE IV

EXECUTION, REGISTRATION AND TRANSFER OF SERIES 2023-CWSRF-DL WARRANT

Section 4.1 Execution of Series 2023-CWSRF-DL Warrant. The Series 2023-CWSRF-DL Warrant shall be executed by the Mayor, and the seal of the City shall be affixed thereto and attested by the City Clerk. The Series 2023-CWSRF-DL Warrant shall be registered as a claim against the City by the City Treasurer (also referred to within the City as its City Clerk). Signatures on the Series 2023-CWSRF-DL Warrant by persons who were officers of the City at the time such signatures were written or printed shall continue effective although such persons cease to be such officers prior to the delivery of the Series 2023-CWSRF-DL Warrant.

Section 4.2 Registration and Transfer. (a) **Registration Certificate on Series 2023-CWSRF-DL Warrant.** A registration certificate, in substantially the form appearing in the form of the Series 2023-CWSRF-DL Warrant set forth in Article III hereof, duly executed by the manual signature of the Authority Trustee, shall be endorsed on the Series 2023-CWSRF-DL Warrant and shall be essential to its validity.

(b) **Registration and Transfer of Series 2023-CWSRF-DL Warrant.** The Series 2023-CWSRF-DL Warrant shall be registered as to both principal and interest, and shall be transferable only on the registry books of the Authority Trustee. The Authority Trustee shall be the registrar and transfer agent of the City and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Series 2023-CWSRF-DL Warrant presented for such purpose, all in the manner and to the extent hereinafter specified.

No transfer of the Series 2023-CWSRF-DL Warrant shall be valid hereunder except upon presentation and surrender of such Series 2023-CWSRF-DL Warrant at the office of the Authority Trustee with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Authority Trustee, whereupon the City shall execute, and the Authority Trustee shall register and deliver to the transferee, a new Series 2023-CWSRF-DL Warrant, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name the Series 2023-CWSRF-DL Warrant is registered on the books of the Authority Trustee shall be the sole person to whom or on whose order payments on account of the principal thereof and of the interest (and premium, if any) thereon may be made. Each Holder of the Series 2023-CWSRF-DL Warrant, by receiving or accepting such Series 2023-CWSRF-DL Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Authority Trustee are concerned, the Series 2023-CWSRF-DL Warrant may be

transferred only in accordance with the provisions of this Ordinance.

The Authority Trustee shall not be required to register or transfer any Series 2023-CWSRF-DL Warrant during the period of fifteen (15) days next preceding any Interest Payment Date with respect thereto; and if any Series 2023-CWSRF-DL Warrant is duly called for redemption (in whole or in part), the Authority Trustee shall not be required to register or transfer such Series 2023-CWSRF-DL Warrant during the period of forty-five (45) days next preceding any Redemption Date.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES OF WARRANTHOLDER

Section 5.1 Events of Default Defined. Any of the following shall constitute default hereunder by the City:

(a) Failure by the City to pay any installment of the principal of or the interest on the Series 2023-CWSRF-DL Warrant when any such principal or interest shall respectively become due and payable, whether by maturity or otherwise;

(b) A default by the City under the Special Loan Conditions Agreement; or

(c) A determination by a court having jurisdiction that the City is insolvent or bankrupt, or appointment by a court having jurisdiction of a receiver for the City or for all or a substantial part of the assets of the City, or the approval by a court of competent jurisdiction of any petition for reorganization of the City or rearrangement or readjustment of its obligations under any provisions of the bankruptcy laws of the United States.

Section 5.2 Remedies on Default. Upon any default by the City in any one of the ways defined in Section 5.1 hereof, the Holder of the Series 2023-CWSRF-DL Warrant shall have the following rights and remedies:

(a) **Acceleration.** The Holder of the Series 2023-CWSRF-DL Warrant may, by written notice to the City, declare all principal of the Series 2023-CWSRF-DL Warrant forthwith due and payable, and thereupon it shall so be, anything herein or therein to the contrary notwithstanding. If, however, the City shall make good that default and every other default hereunder (except the principal so declared payable), with interest on all overdue payments of principal and interest, then the Holder of the Series 2023-CWSRF-DL Warrant, by written notice to the City, may waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto; and

(b) **Suits at Law or in Equity.** The Holder of the Series 2023-CWSRF-DL Warrant is empowered (i) to sue on such warrant, (ii) by mandamus,

suit or other proceeding, to enforce all agreements of the City herein contained, (iii) by action or suit in equity, to require the City to account as if it were the trustee of an express trust for the Holder of the Series 2023-CWSRF-DL Warrant, and (iv) by action or suit in equity, to enjoin any act or things which may be unlawful or a violation of the rights of the Holder of the Series 2023-CWSRF-DL Warrant.

Section 5.3 Delay No Waiver. No delay or omission by the Holder of the Series 2023-CWSRF-DL Warrant to exercise any available right, power or remedy hereunder shall impair or be construed a waiver thereof or an acquiescence in the circumstances giving rise thereto; every right, power or remedy given herein to the Holder of the Series 2023-CWSRF-DL Warrant may be exercised from time to time and as often as deemed expedient.

ARTICLE VI

AGREEMENTS RESPECTING CONSTRUCTION AND ACQUISITION OF THE PROJECT AND SALE OF SERIES 2023-CWSRF-DL WARRANT

Section 6.1 Construction and Acquisition of the Project; Reduction of Loan Amount. The City will commence and complete construction and acquisition of the Project, including the acquisition of such real estate (or easements or other interests therein) as may be necessary therefor, as soon as practicable, delays incident to strikes, riots, acts of God and the public enemy and similar acts beyond the reasonable control of the City only excepted.

Section 6.2 Application of Authority Loan Proceeds. The entire proceeds derived from the Authority Loan shall be held by the Authority Trustee and applied in accordance with the provisions of the Master Authority Trust Indenture and the Special Loan Conditions Agreement.

Section 6.3 Sale of Series 2023-CWSRF-DL Warrant. In consideration of the funding of the Authority Loan, the Series 2023-CWSRF-DL Warrant is hereby issued and sold to Alabama Water Pollution Control Authority at a purchase price equal to its initial par amount (\$3,880,000). Upon the funding of the Authority Loan, the City Clerk is hereby directed to deliver the Series 2023-CWSRF-DL Warrant to the Authority. The issuance of the Series 2023-CWSRF-DL Warrant to the Authority shall evidence the obligation of the City to repay the Authority Loan.

Section 6.4 Authorization of Special Loan Conditions Agreement. The Mayor is hereby authorized and directed to execute and deliver, in the name and behalf of the City, the Special Loan Conditions Agreement, in substantially the form marked Exhibit A to this Ordinance and made a part hereof as if set out in full herein, and the City Clerk is hereby authorized and directed to affix the seal of the City to the said Special Loan Conditions Agreement and to attest the same.

Section 6.5 Additional Documents Authorized. The Mayor is hereby authorized and directed to execute such documents or certificates as may be necessary or desirable in order to carry out the transactions contemplated by this Ordinance. The City Clerk is hereby authorized

to attest any such other documents or certificates necessary or desirable to carry out the transactions contemplated by this Ordinance and is authorized to affix the seal of the City to any such documents or certificates.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.1 Provisions Constitute Contract. The provisions of this Ordinance shall constitute a contract between the City and the Holder of the Series 2023-CWSRF-DL Warrant.

Section 7.2 Severability. The provisions of this Ordinance are hereby declared to be severable. In the event any court of competent jurisdiction should hold any provision hereof to be invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Ordinance.

Section 7.3 Persons Deemed Owners of Series 2023-CWSRF-DL Warrant. The City and the Authority Trustee may deem and treat the person in whose name the Series 2023-CWSRF-DL Warrant is registered as the absolute owner thereof for all purposes and all payments by any of them to the person in whose name the Series 2023-CWSRF-DL Warrant is registered shall, to the extent thereof, fully discharge and satisfy all liability for the same.

Section 7.4 Replacement of Mutilated, Lost, Stolen or Destroyed Series 2023-CWSRF-DL Warrant. In the event the Series 2023-CWSRF-DL Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Series 2023-CWSRF-DL Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Series 2023-CWSRF-DL Warrant, such Series 2023-CWSRF-DL Warrant is first surrendered to the City and the Authority Trustee, and (b) in the case of any such lost, stolen or destroyed Series 2023-CWSRF-DL Warrant, there is first furnished to the City and the Authority Trustee evidence of such loss, theft or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The City may charge the Holder with the expense of issuing any such new Series 2023-CWSRF-DL Warrant.

Section 7.5 Provisions for Payment at Par. Each Authority Trustee at which the Series 2023-CWSRF-DL Warrant shall at any time be payable, by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the Holder of the Series 2023-CWSRF-DL Warrant that it will make, out of the funds supplied to it for that purpose, all remittances of principal and interest on the Series 2023-CWSRF-DL Warrant in bankable funds at par without any deduction for exchange or other costs, fees or expenses.

ADOPTED this 9th day of January, 2023.

Mayor

ATTEST:

City Clerk

Exhibit A

**Form of Special Loan Conditions Agreement
Series 2023-CWSRF-DL**