

ORDINANCE 2025-13
AN ORDINANCE TO AUTHORIZE THE ISSUANCE
OF ONE \$5,515,000 GENERAL OBLIGATION WARRANT
SERIES 2025-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 Title 22, Chapter 22A 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 Finance Authority, a public corporation under the laws of the State of Alabama.

"**Authority Loan**" means the loan made to the City by the Authority under the Special Loan Conditions Agreement, the repayment of which is evidenced by the Series 2025-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).

"**Bi-Partisan Infrastructure Investment and Jobs Act**" means the Infrastructure Investment and Jobs Act of 2021, P.L. No 177-58 (also known as the Bipartisan Infrastructure Law of "BIL").

"**Build America, Buy America Act**" means the domestic content procurement preference requirements enacted under Division G, Title IX of the Infrastructure Investment and Jobs Act to include construction material and manufactured goods.

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

"**City Sanitary 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**" or "**City 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 2025-CWSRF-DL Warrant is registered.

"**Interest Payment Date**" means each August 15 and February 15, commencing August 15, 2025, and continuing until and including the maturity of the Series 2025-CWSRF-DL Warrant.

"**Loan Amount**" means the sum of \$5,515,000.

"**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 Sanitary 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 2025-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 2025-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 2025-CWSRF-DL Warrant**" without other qualifying words, means the \$5,515,000 General Obligation Warrant, Series 2025-CWSRF-DL, dated as of July 10, 2025, 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 July 10, 2025.

"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 Sanitary Sewer System herein defined as the "Project", the estimated costs of the said improvements being approximately \$5,515,000. 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 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 and fees 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, the Bipartisan Infrastructure Investment and Jobs Act, the Build America, Buy America 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 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 2025-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 2025-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 2025-CWSRF-DL Warrant, and subject to the terms and conditions of each, the City, by the delivery of the Series 2025-CWSRF-DL Warrant, accepts the Authority Loan that the Authority has, upon delivery to it of the Series 2025-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 2025-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 2025-CWSRF-DL, in the aggregate principal amount of \$5,515,000. The Series 2025-CWSRF-DL Warrant shall be issued as one fully registered warrant without coupons, shall be dated July 10, 2025, and shall mature and become payable on February 15 in the following principal installments in the following years:

Year	Principal Amount Maturing
2026	\$230,000
2027	230,000
2028	235,000
2029	240,000
2030	245,000
2031	250,000
2032	255,000
2033	260,000
2034	265,000

2035	270,000
2036	275,000
2037	285,000
2038	290,000
2039	295,000
2040	300,000
2041	305,000
2042	310,000
2043	320,000
2044	325,000
2045	330,000

The Series 2025-CWSRF-DL Warrant shall be initially issued and registered in the name of the Authority.

(c) **Interest; Interest Rate.** The principal installments of the Series 2025-CWSRF-DL Warrant shall bear interest from July 10, 2025, until their respective due dates at the per annum rate of interest of 0.10%, computed on the basis of a 360 day year consisting of 12 consecutive 30 day months, all as reflected in the column entitled "Interest" on the amortization schedule set forth in Appendix C to the Special Loan Conditions Agreement. Interest shall be payable semiannually on each August 15 and February 15, commencing August 15, 2025, until and at the final maturity of the Series 2025-CWSRF-DL Warrant.

(d) **Administrative Fee; Administrative Fee Rate.** The City covenants and agrees to timely pay the Administrative Fee (as such term is defined in the Special Loan Conditions Agreement) charged by ADEM, which such Administrative Fee shall be charged based on the outstanding principal installments of the Series 2025-CWSRF-DL Warrant until their respective due dates at the per annum of 1.89%, computed on the basis of a 360 day year consisting of 12 consecutive 30 day months, all as reflected in the column entitled "Admin Fee" on the amortization schedule set forth in Appendix C to the Special Loan Conditions Agreement. The Administrative Fee shall be payable semiannually on each August 15 and February 15, commencing August 15, 2025, until and at the final maturity of the Series 2025-CWSRF-DL Warrant.

(e) **Payment of Principal; Payment of Interest and of Administrative Fees.** Payment of the principal of and interest on, and of the Administrative Fee respecting, the Series 2025-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 2025-CWSRF-DL Warrant at the address shown on the registry books of the City pertaining to the Series 2025-CWSRF-DL Warrant; provided, that so long as the Authority is the registered Holder of the Series 2025-CWSRF-DL Warrant, payment of the principal of and the interest on, and the Administrative Fee respecting, the Series 2025-CWSRF-DL Warrant shall be made by the City in accordance with instructions given by the Authority. Payment of the interest on and the Administrative Fee respecting the Series 2025-CWSRF-DL Warrant shall be deemed timely made if mailed on the Interest Payment Date when due, or if such Interest Payment Date is not a business day, then on the first business day immediately following the Interest Payment Date for which the payments are due.

(f) **Interest Rate, Administrative Fee and Loan Amount after Maturity.** Each installment of principal of and interest on, and each installment of the Administrative Fee respecting, the Series 2025-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.

(g) **Redemption Provisions.** Those of the principal installments of the Series 2025-CWSRF-DL Warrant having stated maturities on February 15, 2036, 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 February 15, 2035, and on any date thereafter, at and for a redemption price with respect to each principal installment of the Series 2025-CWSRF-DL Warrant redeemed equal to the principal prepaid plus accrued interest thereon and accrued Administrative Fee respecting said warrant to the Redemption Date. Any such redemption or prepayment of the Series 2025-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 2025-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 or Administrative Fee respecting the Series 2025-CWSRF-DL Warrant.

(2) **Notice.** The City shall forward by United States Registered Mail or United States Certified Mail to the Holder of the Series 2025-CWSRF-DL Warrant a notice stating the following: (i) that the Series 2025-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 and Administrative Fee respecting the Series 2025-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 2025-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 2025-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, and the Administrative Fee respecting, the Series 2025-CWSRF-DL Warrant, the Series 2025-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 2025-CWSRF-DL Warrant to the

contrary notwithstanding, and the Holder thereof shall then and there surrender the Series 2025-CWSRF-DL Warrant for redemption; provided however, that in the event that less than all of the outstanding principal of the Series 2025-CWSRF-DL Warrant is to be redeemed, the registered Holder thereof shall surrender the Series 2025-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 2025-CWSRF-DL Warrant of like tenor, except in a principal amount equal to the unredeemed portion of the Series 2025-CWSRF-DL Warrant. All future interest on, and Administrative Fee respecting, the Series 2025-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 2025-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 2025-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 2025-CWSRF-DL Warrant Fund" (the "Warrant Fund") for the purpose of providing for payment of the principal of and interest on, and the Administrative Fee respecting, the Series 2025-CWSRF-DL Warrant, at the respective maturities of said principal and interest and Administrative Fee, which special fund shall be maintained until the principal of and interest on, and the Administrative Fee respecting, the Series 2025-CWSRF-DL Warrant has been paid in full. On or before August 15, 2025, and on or before each February 15 and August 15 thereafter until the principal of and interest on, and Administrative Fee respecting, the Series 2025-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 and Administrative Fee that will mature on the Series 2025-CWSRF-DL Warrant on such August 15 or February 15, as the case may be, plus (ii) the principal installment that will mature on the Series 2025-CWSRF-DL Warrant on such August 15.

(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, and Administrative Fee respecting, the Series 2025-CWSRF-DL Warrant upon or after the respective maturities of such principal and interest and Administrative Fee; provided, that if at the final maturity of the Series 2025-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, and Administrative Fee respecting, the Series 2025-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 paying agent with respect to the Series 2025-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 2025-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 2025-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 2025-CWSRF-DL Warrant. The Series 2025-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 2025-CWSRF-DL Warrant)

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF CULLMAN

**GENERAL OBLIGATION WARRANT
SERIES 2025-CWSRF-DL**

Subject to prior payment and other provisions as herein provided

The City Treasurer 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

FIVE MILLION FIVE HUNDRED FIFTEEN THOUSAND DOLLARS

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

Year	Principal Amount Maturing
2026	\$230,000
2027	230,000
2028	235,000
2029	240,000
2030	245,000
2031	250,000
2032	255,000
2033	260,000
2034	265,000
2035	270,000
2036	275,000
2037	285,000
2038	290,000
2039	295,000
2040	300,000
2041	305,000
2042	310,000
2043	320,000
2044	325,000
2045	330,000

with (i) interest on the then unpaid principal balance hereof from July 10, 2025, at the per annum rate of interest of 0.10%, computed on the basis of a 360 day year consisting of 12 consecutive 30 day months, as reflected in the column entitled "Interest" on the amortization schedule set forth in Appendix C to the Special Loan Conditions Agreement, and (ii) the Administrative Fee on the then unpaid principal balance hereof from July 10, 2025, at the per annum rate of 1.89%, computed on the basis of a 360 day year consisting of 12 consecutive 30 day months, as reflected in the column entitled "Admin Fee" on the amortization schedule set forth in Appendix C to the Special Loan Conditions Agreement. Interest and the Administrative Fee respecting this warrant shall be payable semiannually on each August 15 and February 15, commencing August 15, 2025, until and at the final maturity of this Series 2025-CWSRF-DL Warrant.

The principal of and interest on, and the Administrative Fee respecting, this Series 2025-CWSRF-DL Warrant is payable (out of amounts paid by the City) in lawful money of the United States of America 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 City pertaining to the Series 2025-CWSRF-DL Warrant; provided, that so long as the Alabama Water Pollution Control Authority (the "Authority") is the registered holder of this Series 2025-CWSRF-DL Warrant the payments of principal of and interest on, and the Administrative Fee respecting, this Series 2025-CWSRF-DL Warrant shall be made (out of funds paid by the City to the Authority Trustee) by the Authority Trustee in accordance with instructions given the Authority Trustee by the Authority. Interest on, and the Administrative Fee respecting, this Series 2025-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 payments are 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 2025-CWSRF-DL Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this Series 2025-CWSRF-DL Warrant takes it subject to all payments of principal and interest and Administrative Fee in fact made with respect hereto.

This Series 2025-CWSRF-DL Warrant evidences a duly authorized warrant designated \$5,515,000 General Obligation Warrant, Series 2025-CWSRF-DL, dated July 10, 2025 (herein called the "Series 2025-CWSRF-DL Warrant"). This Series 2025-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 June 2, 2025.

Those of the principal installments hereof having stated maturities on February 15, 2036, 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 February 15, 2035, and on any date thereafter, at and for a redemption price with respect to each principal installment of the Series 2025-CWSRF-DL Warrant redeemed equal to the principal prepaid plus accrued interest and Administrative Fee 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 and Administrative Fee 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 2025-CWSRF-DL Warrant to the City in exchange for a new Series 2025-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, and Administrative Fee respecting, the Series 2025-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 2025-CWSRF-DL Warrant is so presented.

The indebtedness evidenced and ordered paid by this Series 2025-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 2025-CWSRF-DL Warrant (including, among other things, the Administrative Fee) is lawfully due without condition, abatement or offset of any description; that this Series 2025-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 2025-CWSRF-DL Warrant do exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this Series 2025-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 2025-CWSRF-DL Warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the City and only upon surrender of this Series 2025-CWSRF-DL Warrant to the City for cancellation, and upon any such transfer a new Series 2025-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 2025-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 2025-CWSRF-DL Warrant may be transferred only in accordance with the provisions of the Ordinance.

The City shall not be required to transfer or exchange this Series 2025-CWSRF-DL Warrant during the period of fifteen (15) days next preceding any August 15 or February 15; and in the event that this Series 2025-CWSRF-DL Warrant (or any principal portion hereof) is duly called for redemption and prepayment, the City shall not be required to register or transfer this Series 2025-CWSRF-DL Warrant during the period of forty-five (45) days next preceding the date fixed for such redemption and prepayment.

IN WITNESS WHEREOF, the City has caused this Series 2025-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 2025-CWSRF-DL Warrant to be attested by the signature of the City Clerk, and has caused this Series 2025-CWSRF-DL Warrant to be dated as of June 2, 2025.

CITY OF CULLMAN, ALABAMA

By: _____
Mayor

[S E A L]

ATTEST:

By: _____
City Clerk

(Form of Registration Certificate)

I hereby certify that this Warrant has been duly registered by me as a claim against the CITY OF CULLMAN, ALABAMA.

City Treasurer
City of Cullman

(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 City.

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 2025-CWSRF-DL WARRANT

Section 4.1 Execution of Series 2025-CWSRF-DL Warrant. The Series 2025-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 2025-CWSRF-DL Warrant shall be registered as a claim against the City by the City Treasurer. Signatures on the Series 2025-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 2025-CWSRF-DL Warrant.

Section 4.2 Registration and Transfer. (a) Registration Certificate on Series 2025-CWSRF-DL Warrant. A registration certificate, in substantially the form appearing in the form of the Series 2025-CWSRF-DL Warrant set forth in Article III hereof, duly executed by the manual signature of the City, shall be endorsed on the Series 2025-CWSRF-DL Warrant.

(b) Registration and Transfer of Series 2025-CWSRF-DL Warrant. The Series 2025-CWSRF-DL Warrant shall be registered as to principal, interest, and the Administrative Fee, and shall be transferable only on the registry books of the City.

No transfer of the Series 2025-CWSRF-DL Warrant shall be valid hereunder except upon presentation and surrender of such Series 2025-CWSRF-DL Warrant to the City 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 City, whereupon the City shall execute, register and deliver to the transferee a new Series 2025-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 2025-CWSRF-DL Warrant is registered on the books of the City 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, and the Administrative Fee thereof, may be made. Each Holder of the Series 2025-CWSRF-DL Warrant, by receiving or accepting such Series 2025-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 2025-CWSRF-DL Warrant may be transferred only in accordance with the provisions of this Ordinance.

The City shall not be required to register or transfer any Series 2025-CWSRF-DL Warrant during the period of fifteen (15) days next preceding any Interest Payment Date with respect thereto; and if any Series 2025-CWSRF-DL Warrant is duly called for redemption (in whole or in part), the City shall not be required to register or transfer such Series 2025-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, or the Administrative Fee respecting, the Series 2025-CWSRF-DL Warrant when any such principal or interest or Administrative Fee 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 2025-CWSRF-DL Warrant is empowered and shall have the right to do any or all of the following: (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 2025-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 2025-CWSRF-DL Warrant.

Section 5.3 Delay No Waiver. No delay or omission by the Holder of the Series 2025-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 2025-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 2025-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 2025-CWSRF-DL Warrant. In consideration of the funding of the Authority Loan, the Series 2025-CWSRF-DL Warrant is hereby issued and sold to Alabama Water Pollution Control Authority at a purchase price equal to its initial par amount (\$5,515,000). Upon the funding of the Authority Loan, the City Clerk is hereby directed to deliver the Series 2025-CWSRF-DL Warrant to the Authority. The issuance of the Series 2025-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. The City has received a waiver from the Alabama Department of Environmental Management regarding certain requirements and provisions set forth under the Loan Conditions Agreement.

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 2025-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 2025-CWSRF-DL Warrant. The City and the Authority Trustee may deem and treat the person in whose name the Series 2025-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 2025-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 2025-CWSRF-DL Warrant. In the event the Series 2025-CWSRF-DL Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Series 2025-CWSRF-DL Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Series 2025-CWSRF-DL Warrant, such Series 2025-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 2025-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 2025-CWSRF-DL Warrant.

Section 7.5 Provisions for Payment at Par. Each Authority Trustee at which the Series 2025-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 2025-CWSRF-DL Warrant that it will make, out of the funds supplied to it for that purpose, all remittances of principal and interest on, and Administrative Fee respecting, the Series 2025-CWSRF-DL Warrant in bankable funds at par without any deduction for exchange or other costs, fees or expenses.

ADOPTED this 2nd day of June, 2025.

/s/ Woody Jacobs

Mayor

ATTEST:

/s/ Wesley Moore

City Clerk

Exhibit A
Form of Special Loan Conditions Agreement
Series 2025-CWSRF-DL