

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA**

**Ordinance Authorizing the Issuance of
General Obligation Warrant, Series 2021**

The City Council of the City of Daphne, Alabama met in regular public session at City Hall in the City of Daphne, Alabama, at 6:00 p.m. on August 2, 2021.

The meeting was called to order by the Council President and the roll was called with the following results:

Present: Doug Goodlin – District 4, Council President
 Joel Coleman – District 3, Council President Pro Tem
 Tommie Conaway – District 1
 Steve Olen – District 2
 Ron Scott – District 5
 Benjamin Hughes – District 6
 Angie Phillips – District 7

Absent: None

The Mayor, Robin LeJeune, was also present.

* * *

The Council President stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

Thereupon, the following Ordinance was introduced in writing by the Council President and considered by the City Council:

ORDINANCE NO. 2021 - 42

CITY OF DAPHNE, ALABAMA

regarding

\$6,320,000

GENERAL OBLIGATION WARRANT

SERIES 2021

Adopted:

August 2, 2021

ORDINANCE NO. 2021 - 42

AN ORDINANCE AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF \$6,320,000 PRINCIPAL AMOUNT GENERAL OBLIGATION WARRANT OF THE CITY OF DAPHNE AND THE PAYMENT THEREOF

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

Section 1. Definitions.

(a) **Act of Insolvency** shall mean the appointment of a receiver, liquidator or trustee of the Municipality or any of its property or assets; or a general assignment by the Municipality for the benefit of the creditors thereof; or the commencement of proceedings by the Municipality, or against the Municipality and not dismissed or unstayed for a period of 60 days, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or any jurisdiction, now or hereafter in effect.

(b) **Applicable Law** shall mean all applicable provisions of all constitutions, statutes, rules, regulations and all binding orders, judgments and decrees of any Governmental Authority.

(c) **Authorized Municipality Representative** shall mean the Mayor, Finance Director or City Clerk of the Municipality.

(d) **Code** shall mean the Internal Revenue Code of 1986, as amended.

(e) **Fiscal Year** shall mean the twelve (12) month period ending on September 30th of each year or the fiscal year of the Municipality as established from time to time.

(f) **Governmental Authority** shall mean any federal, state, county, municipal, or other government, domestic or foreign, and any agency, authority, department, commission, bureau, board, court or other instrumentality thereof.

(g) **Lender** shall mean Regions Capital Advantage, Inc., as the original Warrantholder.

(h) **Project** shall mean the municipal improvements financed and refinanced by the proceeds of the Refunded Warrants, all of which are owned by the Municipality and available for use by the general public.

(i) **Project Costs** shall mean all costs of the Project, including without limitation: (1) the costs of redeeming and retiring the Refunded Warrants, and (2) the expenses incurred by the Warrantholder and the Municipality in connection with issuing the Warrant, including legal, consulting and accounting fees.

(j) **Project Fund** shall mean the fund established pursuant to Section 7(a).

(k) **Refunded Warrants** shall mean the Municipality's General Obligation Refunding and Improvement Warrants, Series 2014, dated November 18, 2014.

(l) **Refunding Trust Agreement** shall mean that certain Refunding Trust Agreement dated as of August 1, 2021 by and between the Municipality and the Series 2014 Paying Agent.

(m) **Series 2014 Authorizing Ordinance** shall mean Ordinance No. 2014-52, duly adopted by the governing body of the Municipality on November 3, 2014.

(n) **Series 2014 Paying Agent** shall mean The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent for the Refunded Warrants.

(o) **Tax Certificate and Agreement** shall mean the Tax Certificate and Agreement, dated the date of delivery of the Warrant, delivered by the Municipality with respect thereto.

(p) **Warrant** shall have the meaning assigned in Section 2(a).

(q) **Warrant Fund** shall have the meaning assigned in Section 3(e).

Section 2. Findings and Representations.

The Municipality, by and through its governing body, does hereby find, determine, represent and warrant as follows:

(a) It is necessary and desirable and in the public interest for the Municipality to provide for (a) the refinancing of the Project and (b) the refunding of the Refunded Warrants. For such purposes, the Municipality shall issue its General Obligation Warrant, Series 2021, in principal amount of \$6,320,000, as authorized and described herein (the "Warrant"), and shall use the proceeds thereof to pay the Project Costs.

(b) The Municipality is not in default with respect to the payment of the principal of or interest on any indebtedness of the Municipality, including without limitation the Refunded Warrants, and no such default is imminent.

(c) (1) The net assessed valuation of the taxable property (including motor vehicles) in the Municipality for the preceding fiscal year (ending September 30, 2020 and on the basis of which taxes became due and payable on October 1, 2020) was not less than \$474,642,100.

(2) The total indebtedness of the Municipality chargeable against the debt limitation for the Municipality prescribed by Section 225 of the Constitution of Alabama of 1901, as amended, is not more than twenty percent of said assessed valuation.

(d) The population of the Municipality is 21,570 according to the 2010 United States Census.

Section 3. Authorization, Description, Payment and Form of Warrant.

(a) The Municipality shall borrow the amount of \$6,320,000 in such amounts and at such times as shall be necessary for the purposes set forth in Section 2 hereof, and the Municipality shall issue therefor its General Obligation Warrant, Series 2021, in the following principal amount and of the following number, to the following financial institution to evidence a loan extended by such institution to the Municipality for such purposes:

<u>Warrant No.</u>	<u>Principal Amount</u>	<u>Institution</u>
R-1	\$6,320,000	Regions Capital Advantage, Inc.

(b) The Warrant shall be dated the date of issuance; shall bear interest at the per annum rate or rates; shall be payable in installments of principal and interest in such amounts, at such times and in such manner; shall be subject to redemption prior to maturity; and shall be registered and subject to transfer; all as provided in the form of the Warrant in subsection (f).

(c) The principal of and interest on the Warrant shall be payable in lawful money of the United States of America, at the principal office of the registered owner thereof (the "Warrantholder"), in Birmingham, Alabama, at par and without discount, exchange or deduction or charge therefor. The Municipality hereby covenants and agrees to pay all bank charges for the Warrant.

(d) The indebtedness evidenced and ordered paid by the Warrant 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.

(e) There is hereby established a regular fund designated the Series 2021 Warrant Fund (the "Warrant Fund") which shall be held by the bank named as paying agent for the Warrant. The Municipality shall pay or cause to be paid into the Warrant Fund from time to time such sums as shall be sufficient to provide for the payment of the principal of and interest on the Warrant as it matures and comes due.

(f) The Warrant shall be in substantially the following form and content, with such changes or additions thereto or deletions therefrom as the Mayor executing the Warrant shall approve, which approval shall be conclusively evidenced by his executing the Warrant as hereinafter provided:

THIS WARRANT MAY ONLY BE TRANSFERRED TO EITHER (A) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933 OR (B) AN "ACCREDITED INVESTOR" AS DEFINED IN 17CFR SECTION 230.501(A).

UNITED STATES OF AMERICA
STATE OF ALABAMA

CITY OF DAPHNE
GENERAL OBLIGATION WARRANT
SERIES 2021

No. R-1

Dated Date:

Maturity Date:

August 5, 2021

April 1, 2028

The CITY OF DAPHNE, 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, and does hereby order and direct the Finance Director of the Municipality to pay, solely from the Warrant Fund hereinafter referenced, to

REGIONS CAPITAL ADVANTAGE, INC.

(the "Warrantholder") or registered assigns the principal amount of

SIX MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS
(\$6,320,000)

together with interest on the unpaid balance of said principal amount advanced and outstanding hereunder from time to time, from the date advanced until payment in full, at a per annum rate of interest (computed on an 30/360 Basis) equal to the Applicable Rate (as hereinafter defined), as adjusted from time to time as hereinafter provided, such principal and interest being payable in installments as follows:

(a) On October 1, 2021 and continuing on the 1st day of each April and October thereafter, until and including October 1, 2027, the amount of principal and interest shown on Schedule I to this Warrant; and

(b) on the above Maturity Date, unless sooner paid, an amount equal to the entire unpaid principal balance of this Warrant plus interest accrued thereon to such date of payment.

Definitions

For purposes hereof, the following terms have the following meanings:

30/360 Basis shall mean a method of computing interest or other charges hereunder on the basis of an assumed year of 360 days (comprised of 12 months of 30 days each) on a daily accrual basis, meaning that interest or other charges accrued for each month will be computed by multiplying the rate applicable on the 1st day of each month by the unpaid principal balance (or other relevant sum) on that day and dividing the result by 30.

Applicable Rate shall mean:

(a) the Tax-Exempt Rate for the period beginning on the date of delivery of this Warrant and ending on the date immediately preceding the Taxability Date; and

(b) upon the occurrence of a Determination of Taxability, the Taxable Rate for the period beginning on the Taxability Date and continuing thereafter.

Business Day shall mean any day other than a Saturday, a Sunday, or a day on which the Warrantholder is authorized to be closed under general law or regulation applicable in the place where the Warrantholder performs its business with respect to this Warrant.

Default Rate shall mean a per annum rate of interest equal to the Applicable Rate plus three percent (3.0%), provided, however, the Default Rate shall never exceed the maximum rate of interest permitted by law.

Determination of Taxability shall mean, and shall occur when, (i) the Warrantholder receives written notice from the Municipality, supported by an opinion of counsel, that interest on this Warrant is Taxable or (ii) the Internal Revenue Service shall issue a final determination in writing that interest on this Warrant is Taxable; provided, that a Determination of Taxability shall not be deemed to have occurred until and unless Municipality is afforded reasonable opportunity (at the expense of the Municipality and for a period not to exceed 2 years) to pursue any judicial or administrative remedy available to the Municipality with respect to such determination and avail itself of such opportunity by appropriate proceedings diligently pursued.

Dollars shall mean the lawful money of the United States of America.

Taxability Date shall mean the earliest date from which interest paid in respect of this Warrant is determined to be Taxable.

Taxable shall mean that, for purposes of federal income taxation, the interest accrued on this Warrant is includable in gross income for federal income tax purposes.

Taxable Rate shall mean a per annum rate of interest (fixed, or variable subject to periodic adjustment) that would provide the Warrantholder an after-tax yield on the then outstanding principal amount of this Warrant at least equal to the after-tax yield the Warrantholder would have received if the Warrant had not been deemed Taxable.

Tax-Exempt Rate shall mean a per annum rate of interest equal to one and thirty-nine one-hundredths of one percent (1.39%).

Determination of Interest Rate

The Applicable Rate shall apply only to the principal amount of this Warrant which shall have been advanced and be outstanding.

Any amount of principal of this Warrant that shall not be paid when due shall bear interest at a per annum rate equal to the Default Rate from the scheduled date of payment to the date such payment thereof is made.

Payment

Payment of the principal hereof and interest hereon shall be made at the office of the Warrantholder in Birmingham, Alabama or at such other place as shall be designated by the Warrantholder to the Municipality in writing. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This Warrant will be subject to prepayment and redemption prior to maturity at the option of the Municipality, in whole or in part, on April 1, 2026 or on any Business Day thereafter at a redemption price equal to 100% of the principal amount of this Warrant to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium or penalty. Any partial prepayment shall be applied in inverse order of maturity.

Should any payment of the principal hereof or interest hereon be due and payable on any day that is not a Business Day, then such payment shall be due and payable on the next succeeding Business Day.

Authorization; Security

This Warrant is issued pursuant to the Constitution and laws of the state of Alabama, including, without limitation, Sections 11-47-2 and 11-81-4 of the Code of Alabama (1975), to provide funds to be used in furtherance of the power and authority therein authorized, and an ordinance and proceedings of the governing body of the Municipality duly passed, held and conducted (the "Authorizing Proceedings").

The indebtedness evidenced by this Warrant is a general obligation of the Municipality, and the full faith and credit of the Municipality are hereby sacredly and irrevocably pledged to the punctual payment of the principal hereof and interest hereon.

The Municipality has established in the Authorizing Proceedings a regular fund designated the "Series 2021 Warrant Fund" (the "Warrant Fund") for the payment of the principal of, premium, if any, and interest on this Warrant and has obligated itself to pay or cause to be paid into the Warrant Fund sums sufficient to provide for the payment of the principal of and interest on this Warrant as the same shall become due and payable.

Registration and Transfer

This Warrant is recorded and registered as to principal and interest in the name of the owner on the book of registration maintained for that purpose by the Municipality. The person in whose name this Warrant is registered shall be deemed and regarded as the absolute owner hereof for all purposes and payment of the principal of and interest on this Warrant shall be made only to or upon the order of the registered owner hereof or his legal representative, and neither the Municipality nor any agent of the Municipality shall be affected by any notice to the contrary. Payment of principal of and interest on this Warrant shall be valid and effectual to satisfy and discharge the liability of the Municipality upon this Warrant to the extent of the amounts so paid.

This Warrant may be transferred only upon written request of the registered owner or his legal representative addressed to the Municipality, such transfer to be recorded on said book of registration and endorsed hereon by the Municipality. Upon presentation to the Municipality for transfer, this Warrant must be accompanied by a written instrument or instruments of transfer satisfactory to the Municipality, duly executed by the registered owner or his attorney duly authorized in writing, and the Municipality shall endorse on the schedule attached hereto for such purpose the principal amount of this Warrant unpaid and the interest accrued hereon to the date of transfer. No charge shall be made for the privilege of transfer, but the registered owner of this Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

This Warrant may only be transferred to either (a) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933 or (b) an "accredited investor" as defined in 17 CFR Section 230.501(a) and upon compliance with state and federal securities laws.

General

No covenant or agreement contained in this Warrant or in the Authorizing Proceedings shall be deemed to be a covenant or agreement of any officer, agent, employee, or member of the governing body of the Municipality in the individual capacity thereof and none of such parties or persons nor any officer executing this Warrant shall be liable personally on this Warrant or be subject to any personal liability or accountability by reason of the issuance of this Warrant.

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 Proceedings, have happened, do exist and have been performed as so required, and that the principal amount of this Warrant and 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, acting by and through its governing body, has caused this Warrant to be executed in its name and on its behalf, under seal, by its Mayor and attested by its City Clerk, and has caused this Warrant to be dated the Dated Date first above written.

CITY OF DAPHNE, ALABAMA

By _____
Mayor

SEAL

Attest: _____
City Clerk

Registration Certificate

It is hereby certified that this Warrant and the interest thereon have been registered by the undersigned as a claim against the City of Daphne, Alabama and the Warrant Fund herein referenced.

Finance Director of the City of Daphne, Alabama

REGISTRATION OF OWNERSHIP

This Warrant is recorded and registered on the registry books of the City of Daphne in the name of the last owner named below. The principal of and interest on this Warrant shall be payable only to or upon the order of such registered owner.

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Finance Director of Municipality</u>
<u>Dated Date</u>	<u>Regions Capital Advantage, Inc.</u>	_____
_____	_____	_____
_____	_____	_____

**ENDORSEMENT BY MUNICIPALITY OF UNPAID
PRINCIPAL AND ACCRUED INTEREST
ON DATE OF TRANSFER**

<u>Date of Transfer</u>	<u>Principal Unpaid</u>	<u>Accrued Interest on Date of Transfer</u>	<u>Signature of Finance Director of Municipality</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SCHEDULE I

	Date	Payment	Interest	Principal	Balance
Loan	08/05/2021				\$6,320,000.00
1	10/01/2021	\$13,665.24	\$13,665.24	\$0.00	\$6,320,000.00
2	04/01/2022	928,130.00	43,924.00	884,206.00	5,435,794.00
3	10/1/2022	37,778.77	37,778.77	0.00	5,435,794.00
4	04/01/2023	928,130.77	37,778.77	890,352.00	4,545,442.00
5	10/01/2023	31,590.82	31,590.82	0.00	4,545,442.00
6	4/01/2024	928,130.82	31,590.82	896,540.00	3,648,902.00
7	10/01/2024	25,359.87	25,359.87	0.00	3,648,902.00
8	04/01/2025	928,129.87	25,359.87	902,770.00	2,746,132.00
9	10/01/2025	19,085.62	19,085.62	0.00	2,746,132.00
10	04/01/2026	928,130.62	19,085.62	909,045.00	1,837,087.00
11	10/01/2026	12,767.75	12,767.75	0.00	1,837,087.00
12	04/01/2027	928,130.75	12,767.75	915,363.00	921,724.00
13	10/01/2027	6,405.98	6,405.98	0.00	921,724.00
14	04/01/2028	928,129.98	6,405.98	921,724.00	0.00
				\$6,320,000.0	
				0	

Section 4. Execution of the Warrant.

The Warrant shall be executed in the name and on behalf of the Municipality by the Mayor and shall be attested by the Clerk of the Municipality, and the official seal of the Municipality shall be imprinted thereon. The Warrant and the interest thereon shall be registered by the Finance Director of the Municipality in the records maintained by said Finance Director as a charge against the Municipality and the Warrant Fund. The registration of ownership of the Warrant shall be executed by the Finance Director of the Municipality, who shall also make the endorsements required at the time of any transfer of the Warrant. Said officers are hereby directed to so execute, attest and register the Warrant and to make the appropriate endorsements and notations thereon.

Section 5. Sale and Delivery of Warrant.

The Mayor and the Clerk are hereby authorized and directed to effect delivery of the Warrant and in connection therewith deliver such closing papers containing such representations as are required to demonstrate the legality and validity of the Warrant, the absence of pending or threatened litigation with respect thereto, and the exemption of the interest on the Warrant from federal and state income tax.

Section 6. Mutilated, Lost, Stolen or Destroyed Warrant.

(a) In the event the Warrant is mutilated, lost, stolen or destroyed, the Municipality shall execute and deliver a new warrant of like date and denomination, provided that, in the case of a mutilated warrant, such mutilated warrant shall first be surrendered to the Municipality, and in the case of a lost, stolen or destroyed Warrant, there first shall be furnished to the Municipality (i) evidence of such loss, theft or destruction satisfactory to the Municipality and (ii) certain indemnity satisfactory to the Municipality. In the event the Warrant shall have matured, the Municipality, instead of issuing a duplicate warrant, may pay the same without surrender thereof, making such requirements as it deems fit. The Municipality may charge the Warrantholder with the reasonable fees and expenses for any such service.

(b) In the event that the Warrantholder fails to present the Warrant at maturity, the Warrantholder shall not be entitled to any payment other than the outstanding principal thereof and the interest accrued to such maturity date, and the Warrant shall no longer be entitled to the benefits of this Ordinance, except for the payment of the principal thereof and the interest thereon.

Section 7. Application of Proceeds of the Warrant

One the date of issuance of the Warrant, all principal proceeds of the Warrant shall be applied to the refunding and redemption of the Refunded Warrants.

Section 8. Refunding of Refunded Warrants; General Authorization

(a) The Municipality does hereby call for redemption the Refunded Warrants on September 7, 2021 at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the redemption date.

(b) The City Clerk of the Municipality is authorized and directed to deliver a certified copy of this Ordinance to the Series 2014 Paying Agent, in its capacity as escrow trustee, who is authorized to rely thereupon for all purposes hereof.

(c) As further provided in the Refunding Trust Agreement, the Municipality does confer on the Series 2014 Paying Agent the irrevocable authority to give any notice of such redemption on behalf of the Municipality as required by the Series 2014 Authorizing Ordinance.

(d) The Refunding Trust Agreement shall be executed in the name and on behalf of the Municipality by the Mayor and shall be attested by the Clerk of the Municipality, and the official seal of the Municipality shall be imprinted thereon.

(e) The Municipality authorizes and directs the Mayor and the City Clerk of the Municipality to take all actions, and to execute, deliver, file and record all certificates, documents, instruments and notices as are required to effect the issuance of the Warrants and the purposes of this Ordinance.

Section 9. Amendment of Description of Project or Uses of Warrant Proceeds.

The Municipality may amend or change the description of the Project or the uses of Warrant proceeds contained in this ordinance, provided that: (1) the governing body of the Municipality adopts a resolution or ordinance setting forth such amendment or change, (2) the uses, as so amended or changed, are eligible for financing with proceeds of warrants issued pursuant to Section 11-47-2 of the Code of Alabama 1975, (3) such amendment or change will not cause the amount of the Warrants chargeable against the Municipality's constitutional limitation on indebtedness to increase, and (4) such change or amendment will not violate the covenants or agreements of the Municipality set forth in Section 11 hereof.

Section 10. Expenses of Issuance and Collection.

(a) The Municipality hereby agrees to pay all expenses of issuance of the Warrant.

(b) The Municipality covenants and agrees that, if the principal of and interest on the Warrant are not paid promptly as such principal and interest matures and comes due, it will pay to the registered owner of the Warrant or its registered assignees, all expenses incident to the collection of any unpaid portion thereof, including a reasonable attorney's fee.

Section 11. Covenants With Respect to Federal Tax Exemption for Interest.

(a) The Municipality hereby covenants and agrees with the Warrantholder that it will duly and punctually observe and perform all agreements and covenants thereof under the Tax Certificate and Agreement.

(b) The Municipality hereby covenants and agrees with the registered owner of the Warrant that, to the extent permitted by law, it will not take any action, or omit to take any action, with respect to the Warrant that would cause the interest on the Warrant not to be and remain excludable from gross income pursuant to the provisions of Section 103 of the Code.

Section 12. Representations and General Covenants of the Municipality

(a) Reporting Requirements.

The Municipality shall furnish to the Warrantholder each of the following:

(i) Annual Financial Statements. As soon as available, and in any event within 270 days after the close of each Fiscal Year of the Municipality, the complete, unqualified, financial statements of the Municipality, including the balance sheet as of the end of such Fiscal Year and the related statements of operations and changes in net assets and cash flows (showing in each case changes in cash, cash equivalents, and board-designated funds) for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the preceding Fiscal Year, all in reasonable detail, audited and prepared by an independent certified public accountant (reasonably satisfactory to the Warrantholder) in accordance with generally accepted accounting principles, consistently applied and fairly presenting the financial condition of the Municipality, as of the end of such Fiscal Year, and stating that in making the examination necessary to such audit such independent certified public accountant shall have obtained no knowledge, except as specifically stated, of any Event of Default.

(ii) Other Information. Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the Municipality, as the Warrantholder may from time to time reasonably request.

(b) The Municipality may satisfy the requirements of Section 12(a) by posting the required information on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") by the required date. Once posted by the Municipality in compliance with Section 12(a), it shall be the sole responsibility of the Warrantholder to obtain the information from EMMA.

Section 13. Events of Default

The occurrence of any one or more of the following shall constitute an event of default (an "Event of Default") under this Ordinance (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any governmental authority:

- (a) failure of the Municipality to pay any amount of the principal of or interest on the Warrant, as and when the same shall become due and payable; or
- (b) an Act of Insolvency occurs.

Section 14. Availability of Remedies

(a) The Municipality agrees (i) the registered owners of the Warrant shall have all rights and remedies for the enforcement of the Warrant and this Ordinance as may be provided by the laws of the State of Alabama, and (ii) the Finance Director of the Municipality is subject to mandamus in the event such officer has money available for payment of principal of and interest on the Warrant and does not, as required by this Ordinance, deposit such money in the Warrant Fund, when and as required by Section 3(e) of this Ordinance in each Fiscal Year, and apply such proceeds (and investment earnings thereon) to the payment of the principal of and interest on the Warrant when and as the same become due and payable in each Fiscal Year in amounts sufficient for such purposes.

(b) No remedy herein conferred upon or reserved to the Municipality or the Warrantholder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall, to the extent permitted by law, be cumulative and in addition to every other remedy given under this Ordinance or now or hereafter existing at law or in equity or otherwise. No delay or omission by the Municipality or the Warrantholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(c) All rights, remedies and powers provided by this Section may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Section are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Ordinance invalid or unenforceable.

Section 15. Participations.

The Municipality agrees that the Warrantholder may from time to time enter into a participation agreement or agreements with one or more persons (the "Participants"), pursuant to which the Participants shall be given participations in the Warrant, and that the Participants may from time to time similarly grant to one or more other persons (also included in the term "Participants") subparticipations in the Warrant; provided, that (i) no participation shall increase any liability of the Municipality, and (ii) the Municipality shall have no direct obligation or responsibility to a Participant and shall correspond and deal only with the Warrantholder for the observance and performance of the respective obligations of the Municipality and the Warrantholder under this Ordinance. Any Warrantholder may divulge to any Participant all information, reports, financial statements, certificates and documents obtained by it from the Municipality or any other person under any provisions of this Ordinance or otherwise.

Section 16. Privately Negotiated Loan; Role of Warrantholder.

(a) The Municipality acknowledges and agrees that the Lender is purchasing the Warrant in evidence of a privately negotiated loan, and, in that connection, the Warrant shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with DTC or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

(b) The Municipality acknowledges that Regions Capital Advantage, Inc. ("Lender") and their representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Ordinance and any information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to such Ordinance, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Municipality has been informed that Municipality should discuss this Ordinance and any such other information, materials or communications with any and all internal and external advisors and experts that the Municipality deems appropriate before acting on this Ordinance or any such other information, materials or communications.

Section 17. Patriot Act.

The Municipality represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Municipality further represents and warrants to the Lender that the Municipality and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any person named as a Specially Designated National and Blocked Person.

Section 18. Waiver of Jury Trial.

To the extent permitted by applicable law, the Municipality irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the Municipality and the Lender, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Agreement, the Bonds or any other document related to the issuance thereof. This provision is a material inducement for the Lender's determination to acquire the Warrant and for the parties to enter into the documents related thereto, including, without limitation adoption of this Ordinance.

Section 19. Governing Law.

The provisions of this Ordinance shall be governed by the laws of the State of Alabama.

Section 20. Severability.

The provisions of this Ordinance are severable. In the event that any one or more of such provisions or the provisions of the Warrant shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this ordinance or of the Warrant, and this ordinance and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

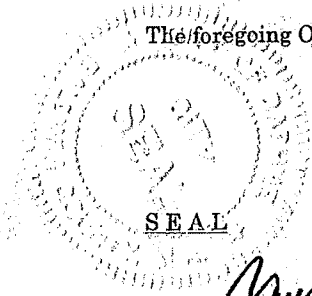
Section 21. Repeal of Conflicting Provisions.

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

Section 22. Provisions of Ordinance a Contract.

The terms, provisions and conditions set forth in this Ordinance constitute a contract between the Municipality and the registered owner of the Warrant and shall remain in effect until the principal of and interest on the Warrant shall have been paid in full.

The foregoing Ordinance is adopted on this 2nd day of August, 2021.



[Handwritten Signature]

Council President

Attest: *[Handwritten Signature]*

City Clerk

Transmitted to and approved by the Mayor this 2nd day of August, 2021.

[Handwritten Signature]
[Handwritten Signature]

Mayor of the City of Daphne, Alabama

It was moved by Councilmember Phillips that all rules and regulations which, unless suspended, would prevent the immediate consideration and adoption of the said Ordinance be suspended and that unanimous consent to the immediate consideration and adoption of the said Ordinance be given. The motion was seconded by Councilmember Olen and on roll call was unanimously adopted, those answering aye being:

Ayes: Doug Goodlin – District 4, Council President
Joel Coleman – District 3, Council President Pro Tem
Tommie Conaway – District 1
Steve Olen – District 2
Ron Scott – District 5
Benjamin Hughes – District 6
Angie Phillips – District 7

Nays: None

The Council President declared the motion unanimously carried.

After said Ordinance had been discussed and considered in full by the Council, it was moved by Councilmember Scott that said Ordinance be now placed upon its final passage and adopted. The motion was seconded by Councilmember Olen. The question being put as to the adoption of said motion and the final passage and adoption of said Ordinance, the roll was called with the following results:

Ayes: Doug Goodlin – District 4, Council President
Joel Coleman – District 3, Council President Pro Tem
Tommie Conaway – District 1
Steve Olen – District 2
Ron Scott – District 5
Benjamin Hughes – District 6
Angie Phillips – District 7

Nays: None

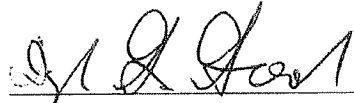
The Council President thereupon declared said motion carried and the Ordinance passed and adopted as introduced and read.

* * * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

Approval of Minutes and Waiver of Notice

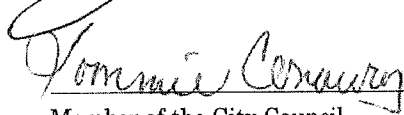
Each of the undersigned does hereby approve, and waive notice of, the date, time, place and purposes of the meeting of the City Council of the City of Daphne, Alabama recorded in, the above and foregoing minutes thereof and does hereby approve the form and content of the above and foregoing minutes and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



Council President



Member of the City Council



Member of the City Council




Member of the City Council



Member of the City Council



Member of the City Council



Member of the City Council

SEAL

Attest: 

City Clerk

STATE OF ALABAMA)

BALDWIN COUNTY)

CERTIFICATE OF CITY CLERK

I, the undersigned, do hereby certify that (1) I am the duly elected, qualified and acting City Clerk of the City of Daphne, Alabama (the "Municipality"); (2) as Clerk of the Municipality I have access to all original records of the Municipality and I am duly authorized to make certified copies of its records on its behalf; (3) the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a regular meeting of the City Council of the Municipality duly held on August 2, 2021, the original of which is on file and of record in the minute book of the City Council in my custody; and (4) the Ordinance set forth in such excerpts is a complete, verbatim and compared copy of such Ordinance as introduced and adopted by the City Council on such date and is in full force and effect and has not been repealed, amended or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of the Municipality and have affixed the official seal of the Municipality, this 5th day of August, 2021.



City Clerk of the City of Daphne, Alabama

SEAL