

ORDINANCE NO. 2021-303

AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF THE CITY'S GENERAL OBLIGATION WARRANT, SERIES 2021, IN THE PRINCIPAL AMOUNT OF \$20,245,000

BE IT ORDAINED by the Board of Commissioners (herein called the "Commission") of the City of Dothan, Alabama (herein called the "City"), in the State of Alabama, as follows:

Section 1. Findings. The Commission has found and ascertained and does hereby declare as follows:

(a) it is necessary, desirable and in the public interest to achieve a debt service savings to the City by refunding, on a current basis, (i) the City's General Obligation Warrant, Series 2011-CWSRF-DL, dated January 1, 2011, and presently outstanding in the principal amount of \$2,120,000 (the "Series 2011-A SRF Warrant"), (ii) the City's General Obligation Warrant, Series 2011-CWSRF-DL, dated November 1, 2011, and presently outstanding in the principal amount of \$4,450,000 (the "Series 2011-B SRF Warrant"), and (iii) the City's General Obligation Warrant dated January 18, 2012, now outstanding in the principal amount of \$13,420,850.12 (the "Series 2012 Warrant" and, together with the Series 2011-A SRF Warrant and the Series 2011-B SRF Warrant, the "Refunded Warrants");

(b) it is necessary, desirable and in the public interest that the Warrant hereinafter authorized be issued for the purpose of providing funds for refunding of the Refunded Warrants and for the expenses related to the issuance of the Warrant;

(c) the City is not in default with respect to payment of the principal of or interest on any series of the Refunded Warrants, or with respect to the ordinances authorizing the Refunded Warrants, and no such default is imminent; and

(d) Regions Capital Advantage, Inc. (herein sometimes called "Lender"), has agreed to lend the City the sum of \$20,245,000, the repayment of which is to be evidenced by the Warrant, which the Lender has agreed to acquire.

Section 2. Authorization; Interest Rate. (a) Pursuant to the provisions of Section 11-47-2 and Section 11-81-4 of the Code of Alabama 1975, as amended, and for the purposes described in Section 1 hereof, the City is hereby authorized to borrow from the Lender the principal amount of \$20,245,000 and, in evidence of the City's obligation to repay the money so borrowed, is authorized to issue and deliver to the Lender the City's General Obligation Warrant, Series 2021 (herein called the "Warrant"), in the principal amount of \$20,245,000. The Warrant shall be dated the date on which the loan evidenced thereby is made, shall be issued as a single fully registered warrant, shall be payable to the Lender, and shall bear interest (calculated on the basis of a 360-day year of twelve consecutive 30-day months) at the rate of 1.24% per annum, subject to adjustment as set forth in the next succeeding paragraph. The principal of the Warrant shall mature in installments on February 15 and August 15, as provided

in the form of the Warrant set out in Section 6 hereof and incorporated herein as if the same had been set out in full herein.

(b) Interest on the Warrant shall be payable semiannually on February 15, 2022, and on each February 15 and August 15 thereafter (each such date being herein called a "Payment Date") in the amounts set forth in the amortization schedule shown on Appendix A to the form of the Warrant as provided in Section 6 hereof; provided, that the final installment of principal and interest on the Warrant shall be paid only upon surrender of the Warrant to the City. Matured but unpaid installments of principal of and interest on the Warrant shall bear interest after maturity at the rate of interest borne by the Warrant plus three percent (3%).

(c) Upon the occurrence of a Determination of Taxability (as defined below), the interest rate on the Warrant shall be changed to the Taxable Rate effective (retroactively, if need be) as of the Taxability Date (as defined below), and the City shall be required to pay on the first Payment Date following the occurrence of such Determination of Taxability (1) such additional interest in an amount equal to the difference between the interest which would have been paid at the Taxable Rate and the total amount of interest actually paid related to the Warrant for such period and (2) all costs, expenses, interest, penalties, attorneys' fees and other losses which have been paid or are payable by the Lender as a result of the Determination of Taxability. The term "Taxable Rate" shall mean the rate of 1.60% per annum, and "Determination of Taxability" shall mean a final decree or judgment of any federal court or a final, non-appealable action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on the Warrant is includable in the gross income of a registered holder of the Warrant (the "Holder"), but only if such determination is the direct result of a misrepresentation by, or an action or a failure to act on the part of, the City. No such decree, judgment, or action shall be considered final unless the City has been given written notice thereof and, if it is so desired by the City and is legally permissible, the City has been afforded the opportunity to contest the same (for a period not to exceed 2 years), at its own expense, either directly or in the name of the Holder and until the conclusion of any appellate review, if sought. The term "Taxability Date" shall mean the date as of which interest on the Warrant became includable in the gross income of the Holder.

(d) Installments of principal and interest shall be payable in lawful money of the United States of America by check or draft mailed by the City to the Lender or, if requested by the Lender, by wire transfer. In the event a Payment Date is not a Business Day, the installment due on such Payment Date shall be payable on the then next succeeding Business Day. As used herein, the term "Business Day" means each day other than a Saturday, a Sunday, or any holiday on which the offices of Regions Bank are closed for business with the public.

Section 3. Optional Redemption and Prepayment. The City hereby reserves the right of prepaying the installments of principal of the Warrant having stated maturities in 2032, in whole or in part on August 15, 2031, and on any date thereafter, upon not less than ten (10) days' prior written notice, at and for a redemption price equal to the principal amount of the Warrant to be redeemed as of the specified redemption date (herein called the "Redemption Date") plus accrued interest to the Redemption Date. Prepayments of principal shall be deemed to apply in inverse order to the last installments coming due. If any notice of redemption specifies a Redemption Date that is not a Business Day, such notice shall be deemed to specify the next following Business Day.

Section 4. Execution of the Warrant; Registration. (a) The Warrant shall be executed and the corporate seal of the City shall be affixed thereto by the Mayor, and the City Clerk shall attest the same by affixing her signature thereto. The Warrant shall be registered in the records maintained by the Finance Director-City Treasurer (the "Finance Director") as a claim against the City (the Finance Director, in such capacity as registrar of the Warrant, being herein called the "Registrar"). Said officers are hereby authorized and directed so to execute and attest the Warrant, affix said seal thereto and make such registration.

(b) A registration certificate by the City, in substantially the form set forth on the form of the Warrant, duly executed by the manual signature of the Finance Director, shall be endorsed on the Warrant and shall be essential to its validity.

(c) No transfer of the Warrant shall be valid hereunder except upon presentation and surrender thereof at the office of the Registrar with written power to transfer signed by the Holder in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Finance Director, whereupon the City shall execute, and the Registrar shall register and deliver to the transferee, a new Warrant (in the then outstanding principal amount of such Warrant), registered in the name of such transferee and of like tenor (except for the amount of the then outstanding principal and any corresponding change in date) as that presented for transfer. The person in whose name the Warrant is registered on the books of the Finance Director shall be the sole person to whom or on whose order payments on account of the principal thereof and of the interest thereon may be made. Each Holder of the Warrant, by receiving or accepting such Warrant, shall consent and agree and shall be estopped to deny that such Warrant may be transferred only in accordance with the provisions of this ordinance. The Warrant shall not be transferable except to an "accredited investor" or a "qualified institutional buyer" as defined in the Securities Act of 1933 and the rules and regulations promulgated thereunder and only upon compliance with applicable State of Alabama and federal securities laws.

The registration, transfer, and exchange of the Warrant under the provisions of this section shall be without expense to the Holder or to the transferee. In every case involving any transfer, registration or exchange, the then registered Holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

The City and the Registrar may deem and treat the person in whose name the Warrant is registered as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by either of them to the person in whose name the Warrant is registered shall to the extent thereof fully discharge and satisfy liability for the same.

Section 5. General Obligation. The indebtedness evidenced and ordered paid by the Warrant is and shall be a general obligation of the City for payment of the principal of and the interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 6. Form of Warrant. The Warrant shall be in substantially the following form, with such changes therein as shall be necessary to comply with the provisions of this ordinance:

(Form of Warrant)

THIS WARRANT MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" OR A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN THE SECURITIES ACT OF 1933 AND

THE RULES AND REGULATIONS PROMULGATED THEREUNDER AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE ORDINANCE REFERRED TO HEREIN.

\$20,245,000

\$20,245,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF DOTHAN

GENERAL OBLIGATION WARRANT
SERIES 2021

The Finance Director-City Treasurer of the CITY OF DOTHAN (herein called the "City"), a municipal corporation in the State of Alabama, is hereby ordered to pay (out of the warrant fund herein referred to) to Regions Capital Advantage, Inc., Birmingham, Alabama (the "Lender"), or its permitted assigns, the principal sum of

TWENTY MILLION TWO HUNDRED FORTY FIVE THOUSAND DOLLARS (\$20,245,000)

with interest thereon (calculated on the basis of a 360-day year of twelve consecutive 30-day months) from the date hereof until the maturity hereof at the rate of 1.24% per annum, subject to adjustment as provided herein. Principal hereof shall be payable in installments on February 15 and August 15 as follows:

<u>Maturity</u>	<u>Principal Amount</u>
2/15/2022	\$1,495,000
8/15/2022	1,500,000
2/15/2023	1,490,000
8/15/2023	1,495,000
2/15/2024	1,515,000
8/15/2024	1,510,000
2/15/2025	1,530,000
8/15/2025	1,530,000
2/15/2026	1,545,000
8/15/2026	1,550,000
2/15/2027	935,000
8/15/2027	935,000
2/15/2028	315,000
8/15/2028	315,000
2/15/2029	320,000
8/15/2029	315,000
2/15/2030	325,000
8/15/2030	320,000
2/15/2031	320,000
8/15/2031	325,000

2/15/2032	330,000
8/15/2032	330,000

Interest hereon shall be payable in installments on February 15, 2022, and on each February 15 and August 15 thereafter (each such date being herein called a "Payment Date"), all as set forth in the amortization schedule attached hereto as Appendix A and incorporated herein as if the same had been set out in full herein; provided, that the final installment of principal hereof and interest hereon shall be paid only upon surrender of this warrant to the City or an affidavit of lost warrant containing an indemnity by the then-holder of this warrant indemnifying the City against any losses or damages suffered by the City as a result of later presentment of the original of this warrant. Matured but unpaid installments of principal hereof and interest hereon shall bear interest after maturity at the rate of interest hereon plus three percent (3%).

Pursuant to the ordinance hereinafter described, the City has established a special fund for the payment of principal and interest on this warrant (herein called the "Warrant Fund"), which fund shall be held by the City. The City has obligated itself to pay or cause to be paid into the Warrant Fund from the taxes, revenues or other lawfully available funds of the City sums sufficient to provide for the payment of principal and interest on this warrant as the same becomes due and payable.

In the event a Payment Date is not a Business Day, the interest and principal (whether due upon scheduled maturity or by optional redemption) due on such Payment Date shall be payable on the then next succeeding Business Day. As used herein, "Business Day" means each day other than a Saturday, a Sunday, or any holiday on which Regions Bank's offices are closed for business with the public. Upon the occurrence of a Determination of Taxability (as defined below), the interest rate on this warrant shall be changed to the Taxable Rate effective (retroactively, if need be) as of the Taxability Date (as defined below), and the City shall be required to pay on the first Payment Date following the occurrence of such Determination of Taxability such additional interest in an amount equal to the difference between the interest which would have been paid at the Taxable Rate and the total amount of interest actually paid related to this warrant. The term "Taxable Rate" shall mean the rate of 1.60% per annum and "Determination of Taxability" shall mean a final decree or judgment of any federal court or a final, non-appealable action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on this warrant is includable in the gross income of a registered holder of this warrant (the "Holder"), but only if such determination is the direct result of a misrepresentation by, or an action or failure to act on the part of, the City. No such decree, judgment, or action shall be considered final unless the City has been given written notice thereof and, if it is so desired by the City and is legally permissible, the City has been afforded the opportunity to contest the same (for a period not to exceed 2 years), at its own expense, either directly or in the name of the Holder and until the conclusion of any appellate review, if sought. The term "Taxability Date" shall mean the date as of which interest on this warrant became includable in the gross income of the Holder.

This warrant has been issued 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 an ordinance (herein called the "Ordinance") of the governing body of the City duly and legally adopted to provide funds for purposes for which the City is authorized to borrow money under said section. This warrant evidences a valid general obligation of the City for payment of the principal of and the interest on which the City has irrevocably pledged its full faith and credit.

The City has reserved and shall have the right to redeem and prepay the principal installments of this warrant having stated maturities due in 2032, in whole or in part, upon not less than ten (10) days' prior written notice, on August 15, 2031, and on any date thereafter at and for a redemption price equal to the principal amount hereof to be redeemed as of the specified redemption date (herein called the "Redemption Date") plus accrued interest to the Redemption Date. Prepayments of principal shall be deemed to apply in inverse order to the last installments of principal coming due; provided, further, that such redemptions shall be without penalty or premium. If any notice of redemption specifies a Redemption Date that is not a Business Day, such notice shall be deemed to specify the next following Business Day.

This warrant is transferable by the Holder, in person or by authorized attorney, only on the books of the City and only upon surrender of this warrant to the City for cancellation, and upon any such transfer a new 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 warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Finance Director-City Treasurer are concerned, this warrant may be transferred only in accordance with the provisions of the Ordinance.

It is hereby certified that the indebtedness evidenced hereby has been duly and legally incurred and will at the maturity hereof become lawfully due without condition, abatement or offset of any description; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed and happen precedent to and in the issuance of this warrant, exist, have been performed and have happened; and that the indebtedness evidenced by this warrant, together with all other indebtedness of the City, was at the time the same was incurred and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the City has caused this warrant to be executed and its official seal to be hereunto affixed by the Mayor and has caused the same to be attested by its City Clerk, both of whom have hereunto subscribed their signatures and are hereunto duly authorized, and has caused this warrant to be dated October 21, 2021.

CITY OF DOTHAN, ALABAMA

By 

Mayor

[S E A L]

Attest:



City Clerk

(Form of Certificate of Registration by Finance Director-City Treasurer)

I hereby certify that this warrant was at the time of issuance thereof duly registered by me as a claim against the CITY OF DOTHAN, ALABAMA, and particularly against the Warrant Fund referred to in this warrant.



Finance Director-City Treasurer of the
CITY OF DOTHAN, ALABAMA

Appendix A

Amortization Schedule

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2022	1,495,000	1.240%	79,495.37	1,574,495.37	
08/15/2022	1,500,000	1.240%	116,250.00	1,616,250.00	3,190,745.37
02/15/2023	1,490,000	1.240%	106,950.00	1,596,950.00	
08/15/2023	1,495,000	1.240%	97,712.00	1,592,712.00	3,189,662.00
02/15/2024	1,515,000	1.240%	88,443.00	1,603,443.00	
08/15/2024	1,510,000	1.240%	79,050.00	1,589,050.00	3,192,493.00
02/15/2025	1,530,000	1.240%	69,688.00	1,599,688.00	
08/15/2025	1,530,000	1.240%	60,202.00	1,590,202.00	3,189,890.00
02/15/2026	1,545,000	1.240%	50,716.00	1,595,716.00	
08/15/2026	1,550,000	1.240%	41,137.00	1,591,137.00	3,186,853.00
02/15/2027	935,000	1.240%	31,527.00	966,527.00	
08/15/2027	935,000	1.240%	25,730.00	960,730.00	1,927,257.00
02/15/2028	315,000	1.240%	19,933.00	334,933.00	
08/15/2028	315,000	1.240%	17,980.00	332,980.00	667,913.00
02/15/2029	320,000	1.240%	16,027.00	336,027.00	
08/15/2029	315,000	1.240%	14,043.00	329,043.00	665,070.00
02/15/2030	325,000	1.240%	12,090.00	337,090.00	
08/15/2030	320,000	1.240%	10,075.00	330,075.00	667,165.00
02/15/2031	320,000	1.240%	8,091.00	328,091.00	
08/15/2031	325,000	1.240%	6,107.00	331,107.00	659,198.00
02/15/2032	330,000	1.240%	4,092.00	334,092.00	
08/15/2032	330,000	1.240%	2,046.00	332,046.00	666,138.00
	20,245,000		957,384.37	21,202,384.37	21,202,384.37

Section 7. Warrant Fund. There is hereby established a special fund or account of the City to be known as the "2021 Warrant Fund" (herein called the "Warrant Fund"). Money in the Warrant Fund shall be used solely for the payment of the principal and interest on the Warrant as the same shall become due and payable. The Finance Director is hereby ordered and directed to pay, or cause to be paid into the Warrant Fund, from the taxes, revenues and other lawfully available funds of the City sums sufficient to provide for the payment of principal and interest on the Warrant as the same becomes due and payable. The Holder shall have a registered claim against the Warrant Fund equal to the remaining balance of the Warrant and any interest due thereon. If on any Payment Date the balance in the Warrant Fund is insufficient to pay the principal and interest on the Warrant due and payable on such date, the City shall forthwith pay such deficiency into the Warrant Fund.

Section 8. Sale and Delivery of Warrant. The Warrant is hereby sold to the Lender at and for a purchase price of \$20,245,000, representing the aggregate face value of the Warrant. The Finance Director is hereby authorized and directed to deliver the Warrant, which shall have been executed, sealed, attested and registered as herein provided, to the Lender upon payment to the City by the Lender of the said purchase price.

Section 9. Use of Proceeds; Refunding of Refunded Warrants; Authorization of Escrow Trust Agreement for Series 2012 Warrant. (a) The proceeds of the Warrant shall be used for the purposes specified in Section 1 hereof (that is, to pay the issuance expenses and to provide for refunding of the Refunded Warrants). The City hereby calls the installments of principal of the Series 2011-A SRF Warrant scheduled to mature in 2022 and thereafter for redemption and prepayment on October 21, 2021, at and for a redemption price equal to the amount to be redeemed plus accrued interest to said date. The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent for the Series 2011-A SRF Warrant, is hereby authorized and directed to give notice of and to effect said redemption in the manner provided in the ordinance of the City pursuant to which the Series 2011-A SRF Warrant was issued and to take all such other action as shall be necessary to carry out the foregoing.

(b) The City hereby calls the installments of principal of the Series 2011-B SRF Warrant scheduled to mature in 2022 and thereafter for redemption and prepayment on November 1, 2021, at and for a redemption price equal to the amount to be redeemed plus accrued interest to said date. The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent for the Series 2011-B SRF Warrant, is hereby authorized and directed to give notice of and to effect said redemption in the manner provided in the ordinance pursuant to which the Series 2011-B SRF Warrant was issued and to take all such other action as shall be necessary to carry out the foregoing.

(c) The City hereby calls the installments of principal of the Series 2012 Warrant scheduled to mature in 2022 and thereafter for redemption and prepayment on January 18, 2022, at and for a redemption price equal to the amount to be redeemed plus accrued interest to said date. The Mayor is hereby authorized and directed to execute and deliver on behalf of the City an Escrow Trust Agreement providing for the redemption and payment of the Series 2012 Warrant as described in this paragraph. The said Escrow Trust Agreement will be in substantially the form presented to the meeting at which this Ordinance is adopted and which is attached to the minutes as Exhibit A as if it were a part hereof, and the City Clerk is hereby authorized and directed to affix or make an impression of the seal of the City on the said Escrow Trust Agreement and to attest the same.

Section 10. Additional Documents Authorized. The Mayor and the City Clerk, or either of them, and the Finance Director are each hereby authorized and directed to execute such other documents or certificates as may be necessary in order to carry out the transactions contemplated by this ordinance. The City understands that one of the principal inducements to the purchase of the Warrant by the purchaser thereof is that the interest income on the Warrant be and remain exempt from federal income taxation. Accordingly, without in any way limiting the generality of the foregoing, the Mayor and the City Clerk are each hereby authorized and directed to cause to be prepared, signed on behalf of the City and filed with the Internal Revenue Service a Form 8038-G or other form prescribed by the Internal Revenue Service as a condition to the exemption of the interest on the Warrant from federal income taxation. The Mayor, the City Clerk and the Finance Director are each hereby authorized and directed to execute such certificates, agreements and other documents respecting the Code, as contemplated by this ordinance, to the end that the interest income on the Warrant be and remain exempt from federal income taxation.

Section 11. Concerning the Code. (a) General. The City recognizes that the Code imposes certain conditions to the exemption from federal income taxation of interest income on the Warrant. Accordingly, the City agrees that it will at all times comply with all requirements imposed by the Code as a condition to the exemption from federal income taxation of the interest on the Warrant. With respect to any question arising under this Section 11, the City may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) Warrant not to be a "Private Activity Bond." The City will not apply the proceeds of the Warrant in a manner that would cause the Warrant to be a "private activity bond" within the meaning of Section 141(a) of the Code.

(c) Concerning the Arbitrage Provisions of the Code. The City agrees that it will comply with all provisions of the Code necessary to preclude the Warrant being considered an "arbitrage bond" within the meaning of Section 148 of the Code.

(d) Required Rebate. The City recognizes and agrees that it will be necessary for all Required Rebates to be made in order for the interest on the Warrant to be and remain exempt from federal income taxation. As used in this Section 11, the term "Required Rebates" means the amounts, if any, required by the provisions of Section 148(f) of the Code and any regulations of the Department of Treasury issued thereunder, to be paid by the City to the United States of America in order that the Warrant shall not be treated as an "arbitrage bond" within the meaning of Section 103(b)(2) and Section 148 of the Code.

Section 12. Representations and Warranties of the City. The City hereby represents and warrants to the Lender as follows: (a) the City is duly organized as a municipal corporation under the laws of the State of Alabama; (b) the City has the corporate power and authority to own its properties and assets and to carry on its governmental functions as now being conducted; (c) the City has the power to issue the Warrant and to consummate the transactions contemplated herein; (d) the Warrant, when issued, will be a legal, valid and binding obligation of the City, enforceable in accordance with its terms; (e) neither the City nor any of its officers or Commission members is a person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224), nor are any of such individuals or entities acting, directly or indirectly, for or on behalf of any such person; and (f) neither the City nor any of its officers or Commission members is, directly or indirectly, engaged in or facilitating the transactions described hereunder on behalf of any person named as a Specially Designated National and Blocked Person

Section 13. Events of Default. The City agrees that the occurrence of either of the following events shall constitute an event of default (each, an "Event of Default") with respect to the Warrant: (a) failure to pay the principal of or interest on the Warrant within ten (10) days of the date on which any installment of principal of or interest on the Warrant shall become due and payable; or (b) the appointment of a receiver, liquidator or trustee of the City or any of its property or assets; or a general assignment by the City for the benefit of the creditors thereof; or the commencement of proceedings by the City, or against the City and not dismissed or unstayed for a period of 60 days, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, now or hereafter in effect.

Section 14. Availability of Remedies. (a) Except as set forth in paragraph (b) and paragraph (c) below, upon the occurrence and continuation of an Event of Default, the City agrees that (i) the Holder 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) with respect to an Event of Default described in Section 13(a) hereof, the Finance Director 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, pay the principal of and interest on the Warrant when and as the same become due and payable.

(b) All of the foregoing rights, remedies and powers may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises and 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 or the Warrant invalid or unenforceable.

(c) Anything in the foregoing provisions of this Section 14 to the contrary notwithstanding, whether express or implied, the Holder shall have no right to accelerate, or cause to be accelerated, any amounts owed or owing under the Warrant.

(d) The City agrees to pay promptly upon demand therefor all costs paid, incurred or charged by the Holder in connection with the Warrant, including, without limitation, (i) all costs reasonably incurred by the Holder in connection with the enforcement of any of its rights or remedies or the performance of its duties hereunder or under the Warrant; and (ii) all reasonable and documented out-of-pocket costs (including, without limitation, the reasonable fees and expenses of attorneys employed by the Holder) reasonably incurred by the Holder in connection with the enforcement of any of its rights or remedies or the performance of its duties hereunder or under the Warrant.

Section 15. Notices. All notices and any other communications with respect to the Warrant shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or received by certified or registered mail, postage prepaid with return receipt requested at such addresses:

(a) If to the City:

City of Dothan
Post Office Box 2128 (36302)
126 North Saint Andrews Street
Dothan, Alabama 36303

Attention: Finance Director

(b) If to the Lender:

Regions Capital Advantage, Inc.
1900 5th Avenue North, Suite 2400
Birmingham, Alabama
Attention: Bo Buckner

The above-mentioned parties may, by like notice, designate any further or different addresses to which subsequent notices shall be sent.

Section 16. Covenants. So long as any principal of or interest on the Warrant is outstanding and unpaid, the City agrees that it shall provide to the Lender such financial information regarding the City as the Lender shall reasonably request, including but not limited to, (a) audited financial statements (prepared in accordance with standards announced by the Governmental Accounting Standards Board) within five (5) days of the City's receipt thereof and in no event later than 180 days after the end of the City's fiscal year, and (b) a copy of the City's annual budget no later than the November 1 following the start of each fiscal year of the City; provided, that the public availability of the City's audited financial statements on the Electronic Municipal Market Access system shall satisfy and discharge the reporting requirement of Section 16(a) as to the fiscal year covered by such audited financial statements. It is understood that the delay or failure of the City to comply with the agreements set forth in this Section 16 shall not, in any instance, give rise to any cause of action that would result in monetary damages against the City or the acceleration in payment of all or any portion of the indebtedness evidenced by the Warrant.

Section 17. Further Actions Authorized; Ratification of Certain Actions. The Mayor, the City Manager, the City Clerk and the Finance Director-City Treasurer of the City are hereby authorized and directed to execute, seal, attest and deliver such other documents and certificates and to take such other actions on behalf of the City as may be necessary to consummate the sale and issuance of the Warrant and to carry out fully the transactions contemplated by this Resolution. The City hereby ratifies and confirms in all respects the action heretofore taken regarding the engagement of Thornton Farish & Co., Inc., as placement agent to the City, and the engagement of Bradley Arant Boult Cummings LLP as Bond Counsel to the City, in connection with issuance of the Warrant.

Section 18. Creation of Contract. The provisions of this ordinance shall constitute a contract between the City and the Holder.

Section 19. Provisions of Ordinance Severable. The provisions of this ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this ordinance.

Section 20. Escrow for Warrant. In addition to all other circumstances under which the Warrant is to be deemed paid, the Warrant (or any portion thereof) shall be considered as fully paid if there shall be filed with the City and the Registrar each of the following:

(a) a trust agreement between the City and a banking corporation or national banking association making provision for the retirement of the Warrant (or any portion thereof) by creating for that purpose an irrevocable trust fund sufficient to provide for payment and

retirement of the Warrant (or any portion thereof and including payment of the interest that will mature thereon until and on the dates it is retired, as such interest becomes due and payable), either by redemption prior to maturity, by payment at maturity or by payment of part thereof at maturity and redemption of the remainder prior to maturity, which said trust fund shall consist of (i) United States Securities which are not subject to redemption prior to their respective maturities at the option of the issuer and which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of the Warrant (or such portion thereof), or (ii) both cash and such United States Securities which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose;

(b) a certified copy of a resolution of the City calling for redemption the Warrant installments (or any portions thereof) that, according to said trust agreement, are to be redeemed prior to their respective maturities, if any;

(c) an opinion of nationally recognized bond counsel to the effect that the execution and effectuation of the trust agreement referred to in the preceding clause (a) will not result in subjecting the interest income on the Warrant to federal income taxation and that the Warrant will be considered fully paid and no longer outstanding hereunder; and

(d) a report of an independent firm of nationally recognized certified public accountants addressed to the City and the Holder verifying the sufficiency of the escrow established to pay the Warrant (or such portion thereof) in full according to the said trust agreement.

Section 21. No Municipal Advisor Relationship, Etc. (a) The City acknowledges and agrees that (i) the purchase and sale of the Warrant pursuant hereto is an arm's-length transaction between the City and the Lender; (ii) in connection with such transaction, including the process leading thereto, the Lender is acting solely as lender to the City and is acquiring the Warrant for its own account as evidence of a privately placed loan (without a present intent to reoffer), and neither the Lender nor any of its affiliates shall act as a fiduciary for the City or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor; and (iii) the City has consulted its own financial, legal, tax, accounting and other advisors to the extent it has deemed appropriate in connection with obtaining the loan, adopting this ordinance and the offering of the Warrant.

(b) Without limiting the generality of the foregoing, (i) neither the Lender nor any of its affiliates is recommending an action to the City, or any other municipal entity or obligated person obligated with respect to the Warrant; (ii) neither the Lender nor any of its affiliates is acting as an advisor to the City, or any such municipal entity or obligated person, and none of Lender and its affiliates owes a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the City, or any such municipal entity or obligated person with respect to the information and material contained in this ordinance; (iii) Lender and its applicable affiliates are acting for their own respective interests; and (iv) the City and any such municipal entity or obligated person have discussed all information and material contained in this ordinance with any and all internal or external advisors and experts that the City or such municipal entity or obligated person has deemed appropriate in connection with this ordinance and the offering of the Warrant.

(c) If Lender or any of its affiliates should recommend an action to City or any other municipal entity or obligated person in connection with the purchase of the Warrant, the City

acknowledges and agrees that Lender will not provide advice regarding the structure, timing, terms, and similar matters with respect to letters of credit, direct loans, municipal securities, or other extensions of credit that extends beyond the Warrant, which Lender plans to purchase for its own account; hence, Lender intends for any advice and recommendations provided by Lender in connection with the matters described herein to qualify for the bank exemption to the "Municipal Advisor Rule" of the United States Securities and Exchange Commission.

(d) The City acknowledges and agrees that Lender is acquiring 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 The Depository Trust Company 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.

Section 22. Waiver of Jury Trial. To the extent permitted by applicable law, each of the City and Lender irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the City and Lender, whether arising in contract or tort or by statute, concerning any controversy or claim that arises out of or relates to the Warrant or this ordinance.

Section 23. Governing Law. This Ordinance and the Warrant shall be governed by and construed in accordance with the laws of the State of Alabama.

PASSED, ADOPTED AND APPROVED on October 19, 2021.

ATTEST:

Wendy Shiver
City Clerk



Mayor

[Signature]
Associate Commissioner District 1

[Signature]
Associate Commissioner District 2

[Signature]
Associate Commissioner District 3

[Signature]
Associate Commissioner District 4

[Signature]
Associate Commissioner District 5

[Signature]
Associate Commissioner District 6
BOARD OF CITY COMMISSIONERS