

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF BAY MINETTE, ALABAMA
HELD ON AUGUST 15, 2022**

The City Council of the City of Bay Minette, Alabama met at City Hall in the City of Bay Minette, Alabama on August 15, 2022 at 6:00 p.m., Central Time. The following members of the City Council of the City of Bay Minette, Alabama were:

PRESENT

Robert A. Wills, Mayor
Pete Sellers, Councilmember
Mike Phillips, Councilmember
Matt Franklin, Councilmember
William Taylor, Councilmember
Shannon Clemmons, Councilmember

ABSENT

Mayor Robert A. Wills acted as Chairman of the meeting and Rita Diedtrich, City Clerk, acted as Clerk of the meeting. The chairman stated that due notice of the meeting having been posted in accordance with Alabama law and a quorum was present and declared the meeting open for the transaction of business.

* * * * *

The Chairman then stated that it would be in order to consider the adoption of an ordinance relating to the City's taxable general obligation warrant for the purpose of funding a portion of the City's financial obligations under a project development agreement and for capital improvements for the City, all as described in such ordinance.

* * * * *

Upon motion duly made and seconded, and upon a roll call, the City Council voted unanimously to suspend the rules in order to consider and vote on an ordinance to authorize such warrant. The following Ordinance was thereupon introduced by Mayor Wills:

ORDINANCE NO. 1011

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A \$5,000,000 CITY OF BAY MINETTE, TAXABLE ALABAMA GENERAL OBLIGATION WARRANT, 2022

BE IT ORDAINED by the City Council of the City of Bay Minette, Alabama, as follows:

Section 1. Findings. Having made due and proper investigation of the matters hereinafter referred to, the Council has ascertained and does hereby find and declare that the following facts are true and correct:

- (a) The City has determined that it is in the best interest of the City to provide financing for the funding of its financial obligations under a project development agreement with respect to a low-carbon aluminum recycling and rolling facility to be constructed for the use of Novelis Corporation to be located in Bay Minette, Alabama, for the benefit of citizens of the City (the "Economic Development Project") and to provide for the financing of capital improvements with the City (the "Improvements"). The estimated cost of the Economic Development Project is expected to be \$4,500,000 and the estimated costs of the Improvements is expected to be not less than \$500,000.
- (b) In order to establish a source of financing for such amounts needed to pay the costs of the Economic Development Project and Improvements in the most cost-effective manner, the City has determined to obtain a line of credit with a banking institution.
- (c) Regions Bank ("Regions") has offered to make a loan to the City in the form of a line of credit under which the City would have the right to make drawings from time to time in amounts aggregating not more than \$5,000,000.
- (d) It is necessary, advisable and in the interest of the public that the City obtain a line of credit from Regions under which the City may borrow funds from time to time from Regions, and to issue the Warrant hereinafter authorized as evidence of its obligation to such Bank.
- (e) In order to provide for certain terms and conditions with respect to the loan evidenced by such Warrant, it is necessary, advisable and in the interest of the public that the City enter into a Financing Agreement with Regions (the "Financing Agreement").

Section 2. Authorization of Warrant. In order to provide for the payment of the Economic Development Project and Improvements and to pay the costs of the issuance for the Warrant, and pursuant to the authority contained in Section 11-47-2, Code of Alabama 1975, as amended, there is hereby authorized to be issued by the City its \$5,000,000 Taxable General Obligation Warrant, 2022 (the "Warrant"). The Warrant shall be dated the date of its delivery and shall contain and be subject to the terms and conditions set forth in the form of Warrant presented herewith and made a part

hereof. Such form of Warrant shall be attached as Exhibit A to the minutes of the meeting at which this Ordinance is adopted.

Section 3. Source of Payment; Security. 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. The City further agrees that, so long as the Warrant remains outstanding and any portion thereof remains unpaid, and to the full extent of the City's power to do so under the constitution and laws of the State of Alabama, the City will continue to collect and enforce municipal taxes to the extent necessary to pay the principal of and interest on the Warrant.

Section 4. Creation of Warrant Fund. There is hereby created a special trust fund of the City, the full name of which shall be "City of Bay Minette, Alabama Warrant Fund, 2022." Regions Bank shall be and remain the Depository for the Warrant Fund. The monies in the Warrant Fund shall be used to pay the principal of and interest on the Warrant as the same shall become due and payable. There shall be paid into the Warrant Fund, on or before the last business day preceding any date on which a payment of principal of or interest on the Warrant is due, an amount which, when added to the amount then on deposit therein, will equal the principal of (if any) and interest on the Warrant coming due on such payment date.

All monies on deposit in the Warrant Fund shall be used for payment of the principal of and interest coming due on the Warrant.

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. The Depository for the Warrant Fund shall at all times keep the monies on deposit with it in the Warrant Fund continuously secured for the benefit of the City and the Holder of the Warrant.

Section 5. Authorization of Financing Agreement. The execution and delivery by the City of the Financing Agreement between the City and Regions is hereby authorized. The Financing Agreement shall be in substantially the form presented at the meeting at which this Ordinance is adopted, a copy of which is attached hereto as Exhibit B, with such changes as shall be satisfactory to Regions and approved by the Mayor, which approval shall be conclusively evidenced by the Mayor's execution of such Financing Agreement.

Section 6. Authorization. The Mayor, the Finance Director and Clerk of the City are hereby authorized and directed to execute and deliver the Warrant and the Financing Agreement to Regions, together with such other instruments, directions, notices, consents or other documents as shall be necessary or desirable to consummate the transactions contemplated thereunder.

Section 7. Draws Against Proceeds. The Mayor and the Finance Director are each hereby authorized to sign such requisition or other document as shall be necessary in order to draw proceeds of the Warrant as provided in the Financing Agreement, in such amounts as shall be necessary to (a) pay costs incurred with respect to the Economic Development Project and the Improvements, (b) reimburse the City for funds drawn from its general funds after the date hereof to pay costs of the Economic Development Project and the Improvements, and (c) pay costs of issuance of the Warrant and obtaining the line of credit herein described.

Section 7. Contractual Provisions. The provisions of this Ordinance shall constitute a contract between the City and the Holder of the Warrant. Upon payment in full of the principal of and interest on the Warrant the obligations of the City hereunder shall cease.

Section 8. Severability. The various provisions of this Ordinance are hereby declared to be severable. In the event any provisions hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

Section 9. Effective Date. This Ordinance shall become effective immediately upon its adoption or otherwise as shall be required by State law.

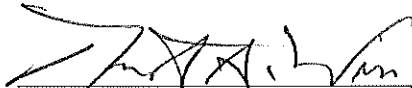
After discussion, Councilmember Phillips moved that the foregoing ordinance be adopted and spread upon the minutes of this meeting, which motion was seconded by Councilmember Sellers, and, on roll call the following vote was registered:

<u>YEAS</u>	<u>NAYS</u>
Robert A. Wills, Mayor	
Pete Sellers, Councilmember	
Mike Phillips, Councilmember	
Matt Franklin, Councilmember	
William Taylor, Councilmember	
Shannon Clemmons, Councilmember	

The Chairman thereupon announced that the said ordinance had been carried by unanimous vote of the Council present.

* * * * *


There being no further business to come before the meeting, the meeting was, upon motion duly made, seconded and unanimously carried, adjourned.



Robert A. Wills, Mayor

[SEAL]

ATTEST:



Rita Diedrich, City Clerk

EXHIBIT A

FORM OF WARRANT

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF BAY MINETTE, ALABAMA
TAXABLE GENERAL OBLIGATION WARRANT
2022

The CITY OF BAY MINETTE, ALABAMA, a municipal corporation under the laws of the State of Alabama (the "City"), for value received, hereby acknowledges that it is indebted in the principal sum of FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00), or such lesser amount as shall have been advanced to the City, as hereinafter set forth and then be outstanding, and hereby directs its Finance Director to pay (but solely out of the Warrant Fund referred to below) such principal sum to REGIONS BANK, or registered assigns (the "Bank"), on _____, and to pay on the ____ day of each month, commencing on _____, interest on such principal sums drawn hereunder from the date of such draws until repaid as provided herein, at the Applicable Rate, as hereinafter defined, calculated on the basis of actual days elapsed and a 360-day year. All amounts so advanced hereunder and all payments made on account of the principal hereof shall be recorded in the books of the Bank, which records shall be final and binding, but failure to do so shall not release the City from any of its obligations hereunder.

The Applicable Rate shall be a rate per annum equal to the BSBY Rate (as hereinafter defined), plus 175 basis points (1.75%). As used herein the following terms shall have the meanings indicated:

"BSBY Rate" means, with respect to any Interest Period, that rate of interest per annum which equals the BSBY Screen Rate that is two (2) SIFMA Business Days preceding the first day of such Interest Period; provided that if the rate is not published on such determination date then BSBY Rate means the BSBY Screen Rate on the first SIFMA Business Day immediately prior thereto on which such rate is so published, subject to any corrections published by Bloomberg Index Services Limited (or any successor administrator). In any event, the BSBY Rate will not be less than zero percent (0%) per annum.

"BSBY Screen Rate" means the U.S. Dollar wholesale funding rate known as the Bloomberg Short-Term Bank Yield Index for a period comparable to the term of the Interest Period, administered by Bloomberg Index Services Limited (or any successor administrator) and published on the applicable Bloomberg screen page (or by such successor administrator or such other commercially available source providing such quotations as may be designated by the Lender in its sole discretion from time to time).

"Interest Period" means initially, the period commencing from delivery of the Debt Instrument up to, but not including, the first Payment Date, and thereafter, each period from a Payment Date up to, but not including, the next subsequent Payment Date.

"Payment Date" means the first Business Day of each month, beginning the first Business Day of the month immediately succeeding the delivery of the Debt Instrument, and continuing

regularly and monthly thereafter until the Maturity Date; provided, however, that if the Debt Instrument is redeemed prior to the Maturity Date in accordance with the Loan Agreement and the Debt Instrument, then the final Payment Date is the Termination Date.

“SIFMA Business Day” means any day that is not (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income department of its members be closed for the entire day for purposes of trading in United States government securities.

The principal and interest so payable, and punctually paid or duly provided for on any payment date will be paid to the person in whose name this Warrant is registered at the close of business on the last business day prior to such payment date.

Payment of interest on this Warrant due on each payment date shall be made by check or draft mailed by the City to the person entitled thereto at its address appearing in the Warrant Register maintained with respect to the Warrants. If the date for payment of the interest hereon shall be a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the City of Bay Minette are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. Payment of the final installment of principal of and interest on this Warrant shall be made only upon surrender of this Warrant to the City. All such payments shall be made in such coin or currency of the United States of America as at the time of payment as legal tender for the payment of public and private debts.

The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the City, for the payment of the principal of and interest on which the full faith and credit of the City have been irrevocably pledged.

Amounts advanced under this warrant may be prepaid from time to time by the City and subsequently readvanced by the holder, up to a maximum principal amount, at any one time outstanding, not exceeding the sum of \$5,000,000. It is understood that, by reason of prepayments hereon, there may be times when no indebtedness is owing hereunder and notwithstanding any such occurrence, this warrant shall remain valid and shall be in full force and effect as to each subsequent principal advance made hereunder. Each advance and each payment on this warrant shall be reflected by notations made by the holder hereon. The failure of the holder so to record any advance or payment shall not limit or otherwise affect the obligation of the City hereunder with respect to any advance and no payment of principal by the City shall be affected by the failure of the holder so to record the same. Advances hereunder by the Bank are to be made upon written verbal or request by the City to the Bank specifying the amount of the advance requested.

Advances shall be paid, for requests duly made in writing by not later than 12:00 noon, Bay Minette, Alabama, time, on the business day immediately following the business day on which the request for the advance is received by the Bank.

This Warrant is nonnegotiable and is transferable only by a transfer duly executed by the person in whose name this Warrant is registered on the registry books of the Administrator of the

City. The Bank, by receiving or accepting this Warrant, shall consent and agree and shall be estopped to deny that this Warrant may be transferred only in accordance with the provisions hereof. Without limiting the generality of the foregoing, each Bank takes this Warrant subject to any prepayments and to the terms of that certain Financing Agreement, dated _____, between the City and Regions Bank.

It is hereby certified and recited 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 in the Ordinance adopted by the City Council of the City on August 15, 2022; 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 the issuance of this Warrant exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this Warrant, together with all other indebtedness incurred by 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.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed on its behalf by its Mayor and Clerk and has caused the seal of the City to be impressed hereon, and has caused this Warrant to be dated _____, 2022.

CITY OF BAY MINETTE, ALABAMA

(SEAL)

By: _____ [FORM]
Its: Mayor

Attest:
_____ [FORM]
Its: City Clerk

[FORM OF REGISTRATION AS CLAIM AGAINST WARRANT FUND]

I hereby certify that this Warrant has been registered by me as a claim against the Warrant Fund referred to in this Warrant.

_____ [FORM]
Finance Director, City of Bay Minette, Alabama

Amount Advanced by Bank

Date

EXHIBIT "B"

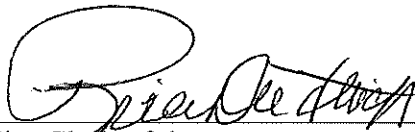
FORM OF FINANCING AGREEMENT

CITY CLERK'S CERTIFICATE

I, Rita Diedtrich, City Clerk of the City of Bay Minette, Alabama, DO HEREBY CERTIFY that the foregoing pages of typewritten material constitute an Ordinance duly adopted at a regular meeting of the City Council of Bay Minette, Alabama, held on August 15, 2022, pertaining to the City's Taxable General Obligation Warrant, Series 2022, which meeting was called and assembled and was open to the public and at which a quorum was present and acting throughout, and that the original of said Ordinance and Order appears of record in the minute books of the City Council of Bay Minette, Alabama, which are in my custody and control.

Given under my hand and the seal of the City of Bay Minette, Alabama, this __ day of August, 2022.

[SEAL]



City Clerk of the
City of Bay Minette, Alabama

FINANCING AGREEMENT

Dated August ___, 2022

Between

CITY OF BAY MINETTE, ALABAMA

and

REGIONS BANK

FINANCING AGREEMENT

THIS FINANCING AGREEMENT dated August __, 2022, entered into by the CITY OF BAY MINETTE, ALABAMA, a municipal corporation under the laws of the State of Alabama (the "City"), and REGIONS BANK, an Alabama banking corporation (the "Lender")

Recitals

Simultaneously with the execution and delivery of this Agreement, the City has issued its \$5,000,000 Taxable General Obligation Warrant, 2022 (the "Warrant"). The proceeds of the Warrant will be used to provide short term financing for funding the City's financial obligations under an economic development project agreement and various capital expenditures within the City. Pursuant to this Agreement the Lender has agreed to make a loan (the "Loan") to the City in the amount of \$5,000,000 to provide the financing described above. The City's obligation to repay the Loan will be evidenced by the Warrant.

The terms of the Warrant are described in the City's ordinance adopted by the City Council of the City on August 15, 2022, authorizing the issuance of the Warrant (the "Ordinance"). The form of the Warrant is attached to the Ordinance as Exhibit A thereto.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

Section 1. Agreement to Make the Loan

The Lender agrees to lend to the City such sums as the City may request, from time to time and at any time, on a revolving basis, until _____, 2023, provided that the outstanding principal balance of such revolving line of credit loans made pursuant to this Agreement shall not at any time exceed the sum of \$5,000,000 (the "Revolving Line of Credit"). All sums advanced pursuant to the Revolving Line of Credit shall be paid to the City and shall be evidenced by the Warrant, the form of which is hereby expressly made a part hereof as if fully set forth herein, and shall bear interest and be payable at the rate and in the manner set forth therein. The City shall execute the Warrant in the sum of \$5,000,000; however, the liability of the City to the Lender for the principal indebtedness shall be limited to the net principal amount actually advanced by the Lender to the City and outstanding under said Warrant. The Revolving Line of Credit indebtedness may be prepaid, in whole or in part, at any time, without penalty, but the entire unpaid interest then due or accrued on the principal sum being repaid must also be paid in full. Unless sooner terminated or unless extended by written mutual agreement, the Revolving Line of Credit shall terminate, and all amounts due under the Warrant and hereunder shall be due and payable, on August __, 2023 (the "Maturity Date").

The Loan and the Warrant are and shall be a general obligation of the City payable from the sources described in the Ordinance and the form of the Warrant.

All sums payable to the Lender under the Warrant shall be paid in such coin or currency of the United States of America as at the time of payment as legal tender for the payment of public and private debts. The Lender shall send the City statements of all amounts due hereunder, which

statements shall be considered correct and conclusively binding on the City unless the City notifies the Lender to the contrary within fifteen (15) days of its receipt of any statement which it deems to be incorrect.

Section 2. Representations

(a) Representations by the City. The City hereby represents and warrants to the Lender as follows:

(1) The City is a municipal corporation duly organized and existing under the general laws of the State of Alabama, with full power to accept the Loan, to enter into this Financing Agreement and to issue the Warrant.

(2) The City has duly adopted the Ordinance and has thereby authorized the acceptance of the Loan, the execution and delivery of this Financing Agreement and the issuance of the Warrant. This Financing Agreement constitutes, and when issued and delivered the Warrant will constitute, the legal, valid and binding obligations of the City enforceable against it in accordance with the terms of each such instrument, except as enforcement thereof may be limited by (i) bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights and (ii) general principles of equity, including the exercise of judicial discretion in appropriate cases.

(3) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the City, threatened against the City to (i) restrain or enjoin the issuance of the Warrant or the execution and delivery by the City of this Financing Agreement, or (ii) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial position of the City.

(4) The financial statements provided to the Lender by the City are complete and correct and fairly represent the financial condition of the City. There have been no material adverse changes in the business, properties or financial condition of the City, whether or not arising in the ordinary course of business, since September 30, 2021; the City has not defaulted in the payment of the principal of or the interest on any of its outstanding indebtedness; and, since September 30, 2021, except in the ordinary course of business, the City has not incurred any material liabilities or obligations, direct or contingent, or entered into any transactions material to the City, in any case which would have a material adverse effect upon the financial condition of the City.

(5) The City's Fiscal Year commences on October 1 and ends on September 30.

(b) Representations by the Lender. The Lender represents and warrants to the City as follows:

(1) The Lender is acquiring the Warrant for its own account as evidence of a loan in the ordinary course of business and has no present intention of reselling or disposing of the Warrant or engaging in any "distribution" thereof (as that term is used in the Securities Act of 1933, as amended, and the regulations of the Securities and Exchange Commission thereunder). Notwithstanding the foregoing, the Lender shall have the right, but not the obligation, to engage a

participant bank or banks suitable to Lender in its sole and absolute discretion; provided, that the City shall not be required to respond to or consult with any such participant or to make payment otherwise than to the registered owner of the Warrant.

(2) The Lender is familiar with the operations and financial condition of the City based upon information available to the Lender and has made such inquiries as it deems appropriate in connection with making the Loan and acquiring the Warrant, and has regularly acquired municipal obligations similar to the Warrant in the normal course of its commercial banking business and is capable of evaluating the merits and risks of making the Loan and acquiring the Warrant.

(3) The Lender has made its own independent evaluation of the creditworthiness of the City and has been provided with or permitted access to all information it has deemed material to formulating its decision to make the Loan and acquire the Warrant. The Lender acknowledges that no credit rating will be assigned to the Warrant, that no official statement or other offering document has been or will be prepared in connection with the issuance of the Warrant and that the City has not undertaken to provide any “continuing disclosure” under Rule 15c2-12 of the United States Securities and Exchange Commission or, except as provided in this Agreement, to provide any other information subsequent to the issuance of the Warrant.

(4) The Lender is aware that there may be no secondary market for the Warrant and that it may be required to hold the Warrant until maturity, although it reserves the right at all times to control the disposition of its assets, including the Warrant, and reserves the right to sell, assign and transfer the Warrant; provided, however, that no public offering of all or any portion of the Warrant, or of any interest therein, shall be made, that any purchaser shall be a “qualified institutional buyer” or “accredited investor” within the meaning given that term in Rule 144A under the Securities Act of 1933, and that the Lender shall comply with all federal and state laws relating to the sale of securities.

(5) The Lender acknowledges that the City has retained Hand Arendall Harrison Sale LLC (“Hand Arendall”) as its bond counsel with respect to the Loan, the issuance of the Warrant and matters pertaining thereto, that Hand Arendall does not represent the Lender with respect to the Loan, the Warrant or matters related thereto, and that it has determined whether to retain its own counsel based upon its own judgment and is not relying upon Hand Arendall to advise it in any matter relating to the Loan or the Warrant.

Section 3. Covenants of the City

(a) During the term of the Warrant, the Lender shall be provided with such financial information regarding the City as Lender may reasonably request, including but not limited to the following: annual audited financial statements within 180 days of the City’s Fiscal Year end.

(b) The City shall permit Lender and any of its authorized representatives, and shall cause such persons and entities to be permitted to visit, examine, inspect and make extracts from books and records of the City and shall discuss with Lender or its representatives the affairs, finances and accounts of the City at such reasonable times and as often as may be reasonably requested.

Section 4. Events of Default

(a) In addition to other events or circumstances that may be set forth in the Ordinance or the Warrant, upon the occurrence of any one or more of the following events (herein called "Events of Default"):

(1) any representation or warranty made herein, or in connection herewith or with the Warrant or Loan shall prove to be, or have been, false or misleading in any material respect;

(2) default in the payment of the principal of or any interest on the Warrant, as and when due and payable;

(3) the occurrence of any default in the due observance or performance of any other term, covenant, condition or agreement on the part of the City to be observed or performed pursuant to the provisions of this Agreement, the Ordinance and the Warrant;

(4) the City shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of the City or any of its respective properties or assets, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against the City in any proceeding under any such law or if any action whatsoever shall be taken for the purpose of effecting any of the foregoing;

(5) an order, judgment or decree shall be entered without the application, approval or consent of the City by any court of competent jurisdiction, approving a petition seeking reorganization or liquidation of the City, or of all or any part of its respective properties or assets, or appointing a receiver, trustee or liquidator of the City;

(6) the dissolution or liquidation of the City.

(b) Upon the occurrence of any such Event of Default the Lender shall have all such rights and remedies as shall be available under law or in equity, including, without limitation, the right of injunctive relief and specific performance and the right to a writ of mandamus to enforce the obligations of the City hereunder.

Section 5. Closing

(a) Subject to the conditions described below, not later than 2:00 p.m. (Central time) on the Closing Date, the City will deliver the Warrant to the Lender in definitive form, duly executed and authenticated, together with the other documents required by this Section 5.

(b) The Lender's obligation to fund the Loan and to accept and pay for the Warrant shall be subject to receipt of the following documents on or prior to the Closing Date:

(1) Ordinance. A certified copy of the Ordinance, together with a certificate of the City Clerk of the City to the effect that the Ordinance is in full force and effect and has not been modified or amended since the date of its adoption.

(2) Warrant. The properly executed, authenticated and delivered Warrant.

(3) Opinion of City Attorney. An opinion of the City Attorney of the City, in form and substance satisfactory to the Lender, addressed to the Lender and dated the Closing Date.

(4) Financing Agreement. A duly executed and delivered counterpart of this Financing Agreement.

Section 7. Role of Lender

The City by acceptance of this bid hereby acknowledges that Lender and its 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 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 any information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the City has been informed that the City should discuss any such information, materials or communications with any and all internal and external advisors and experts that the City deems appropriate before acting on any such information, materials or communications

Section 8. Patriot Act

The Board 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 Issuer further represents and warrants to the Lender that the Issuer 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 9. Privately Negotiated Loan

The City by acceptance of this bid hereby 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 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 10. Waiver of Jury Trial

To the extent permitted by applicable law, each of the City and the 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 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 Term Sheet, the Debt Instrument or any of the other Loan Documents. This provision is a material inducement for the Lender's determination to make the Loan and for the parties to enter into the Loan Documents.

Section 11. Miscellaneous

- (a) Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- (b) Governing Law. This Financing Agreement and the rights and obligations of the City and the Lender shall be governed by and construed in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, the City and the Lender have caused this Agreement to be executed and delivered by their duly authorized officers or agents.

REGIONS BANK

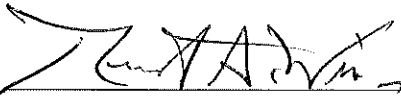
By: _____

Title: _____

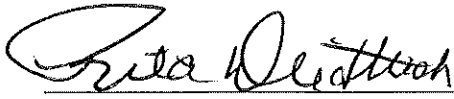
[Execution by the City follows on the next page.]

CITY OF BAY MINETTE, ALABAMA

(SEAL)

By 
Its Mayor

ATTEST:


City Clerk

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