

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF BAY MINETTE, ALABAMA
HELD ON SEPTEMBER 3, 2024**

The City Council of the City of Bay Minette, Alabama met at City Hall in the City of Bay Minette, Alabama on September 3, 2024 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, Mayor Pro
Tempore/Councilmember
Matt Franklin, Councilmember
William Taylor, Councilmember
Shannon Clemmons, Councilmember

ABSENT

Mayor Robert A. Wills acted as Chairman of the meeting and Rita Diedrich, 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 capital improvements for the City, 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. 1049

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A \$5,000,000 CITY OF BAY MINETTE, ALABAMA TAXABLE GENERAL OBLIGATION WARRANT, 2024

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

Section 1. Findings. Having made do 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 previously issued its Taxable General Obligation Warrant, 2022 (the "2022 Warrant") to evidence borrowing the sum of up to \$5,000,000 for the purpose of 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 within the City (the "Improvements"). The 2022 Warrant was renewed by the City's issuance of its Taxable General Obligation Warrant, 2023 (the "2023 Warrant"). The City no longer needs a credit facility to fund its obligation with regard to the Economic Development Project but wishes to maintain the line of credit to finance various Improvements. The 2023 Warrant matures on September 8, 2024 and the City finds it necessary to renew its line of credit of up to \$5,000,000.
- (b) It is necessary, advisable and in the interest of the public that the City maintain the line of credit from Regions Bank under which the City may borrow funds from time to time from Regions Bank, and to issue its \$5,000,000 Taxable General Obligation Warrant, 2024 (the "Warrant") as evidence of its continuing obligation to such Bank.
- (c) The City entered into a Financing Agreement with Regions Bank (the "2022 Financing Agreement") to provide for certain terms and conditions with respect to the 2022 Warrant and the 2023 Warrant.

Section 2. Authorization of Warrant. In order to provide for the payment of costs of the 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, the Warrant is hereby authorized to be issued by the City. 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, 2024." 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. Financing Agreement. The Mayor, Finance Director and Clerk of the City are hereby authorized and directed to execute and deliver a Financing Agreement to be dated the date of delivery of the Warrant (the "Financing Agreement"), by and between the City and Regions Bank. The Financing Agreement shall be in substantially the form of the 2022 Financing Agreement, with changes to reflect the designation, delivery date, and terms of the Warrant, to provide a substitute interest rate index in the event that SOFR or Term SOFR as defined in the form of Warrant hereinafter set forth shall no longer be published, and such other changes as shall be approved by the officer of the City executing the Financing Agreement, such officer's execution thereof constituting conclusive proof of his or her approval of all such changes.

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

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 all outstanding principal of and interest accrued on the 2023 Warrant on the date of delivery of

the Warrant, (b) pay costs incurred with respect to the Improvements, (c) reimburse the City for funds drawn from its general funds after the date hereof to pay costs of the Improvements, and (d) pay costs of issuance of the Warrant and obtaining the line of credit herein described.

Section 8. 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 9. 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 10. Effective Date. This Ordinance shall become effective immediately upon its adoption or otherwise as shall be required by State law.

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

| <u>YEAS</u> | <u>NAYS</u> |
|---|-------------|
| Robert A. Wills, Mayor | |
| Pete Sellers, Councilmember | |
| Mike Phillips, Mayor Pro Tempore/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.

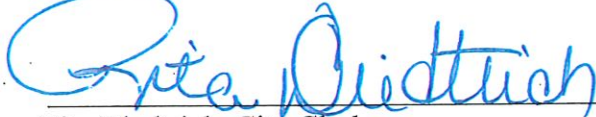


Robert A. Wills, Mayor

[SEAL]



ATTEST:



Rita Diedtrich, City Clerk

EXHIBIT A

FORM OF WARRANT

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF BAY MINETTE, ALABAMA
TAXABLE GENERAL OBLIGATION WARRANT, 2024

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 September __, 2025 (the "Maturity Date"), and to pay on each Payment Date, commencing on October 1, 2024, 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 Term SOFRA (as hereinafter defined), plus 175 basis points (1.75%). As used herein the following terms shall have the meanings indicated:

"Term SOFR" means with respect to any Interest Period the forward-looking term rate based on SOFR for a period comparable to the term of such Interest Period as published by the Term SOFR Administrator (or as published by such other comparable financial information reporting service used by the Bank, in its sole discretion, at the time such rate is determined) on the day that is two (2) SIFMA Business Days prior to the first day of such Interest Period (or if not so reported, then as determined by the Bank from another recognized source, in Bank's sole discretion), subject to any corrections published by the Term SOFR Administrator. In any event, Term SOFR will not be less than zero percent (0%) per annum.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the City of Birmingham, Alabama are authorized by law or executive order to close.

"Interest Period" means each period commencing on the last day of the immediately preceding Interest Period and ending on the same day of the month that interest is due one month thereafter; provided (i) the first Interest period shall commence on the date hereof and end on the first day thereafter that interest is due, (II) any Interest Period that ends in a month for which there is no day which numerically corresponds to the last day of the immediately

preceding Interest Period shall end on the last day of the month and (iii) any Interest Period that would otherwise extend past the maturity date of this Warrant shall end on the maturity date of this Warrant.

“Payment Date” means (i) the first day of each month, beginning the first day of the month immediately succeeding the delivery of this Warrant, and continuing regularly and monthly thereafter until the Maturity Date, and (ii) the Maturity Date; provided, however, that if this Warrant is redeemed prior to the Maturity Date in accordance with the Financing Agreement and this Warrant, then the final Payment Date is the date of redemption.

“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 departments of its members be closed for the entire day for purposes of trading in United States government securities.

“SOFR” means a rate per annum equal to the secured overnight financing rate administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“Term SOFR Administrator” means the CME Group Benchmark Administration Limited (CBA) (or a successor administrator of Term SOFR selected by the Bank in its sole discretion).

Upon the occurrence of an Event of Default (as defined in the Financing Agreement), this Warrant shall bear interest at the Applicable Rate plus four percent (4.0%).

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; provided, however, that the Bank and the City may agree that such payments shall be made by ACH or other means of electronic funds transfer or debit drawn on the Warrant Fund (as defined under that certain Ordinance duly adopted by the City Council of the City on September 3, 2024). If the Payment Date falls on a day that is not a Business Day, 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 holder takes this Warrant subject to any prepayments and to the terms of that certain Financing Agreement, dated September __, 202__, between the City and the 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 September 3, 2024; 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 September 6, 2024.

CITY OF BAY MINETTE, ALABAMA

(SEAL)

By: _____
Robert A. Wills
Its: Mayor

Attest:

Rita Diedrich
Its: City Clerk

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.

Tammy Smith
Its: Finance Director, City of Bay Minette, Alabama

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 September 3, 2024, pertaining to the City's Taxable General Obligation Warrant, 2024, 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 6th day of September, 2024.

[SEAL]



Rita Diedtrich, City Clerk of the
City of Bay Minette, Alabama

CLOSING STATEMENT

**Re: \$5,000,000.00 City of Bay Minette, Alabama
Taxable General Obligation Warrant, 2024
dated September 6, 2024 (the "Warrant")**

**Parties: City of Bay Minette, Alabama (the "City")
Regions Bank (the "Bank")**

Effective September 6, 2024, pursuant to an Ordinance of the City Council of the City adopted on September 3, 2024 (the "Authorizing Ordinance") and a Financing Agreement between the City and the Bank dated September 6, 2024, the City delivered the above-captioned Warrant to the Bank.

The Warrant evidences sums to be advanced by the Bank to the City from time to time upon request by the City. The City hereby requests an initial advance under the Warrant in the amount of \$830,000.00. The Bank shall make such advance on September 9, 2024 and apply the same, on the City's behalf, as follows:

1. \$825,000.00 shall be applied to pay the 2023 Warrant (as defined in the Authorizing Ordinance) in full, it being hereby acknowledged that all interest accrued on the 2023 Warrant has heretofore been paid.
2. \$5,000.00 shall be wire transferred to Maynard Nexsen PC for services rendered and costs incurred as counsel to the Bank, pursuant to wire transfer instructions set forth on the invoice attached as Exhibit A.

Except as specified above, the City shall pay all costs of issuance, including the legal fees and expenses of Hand Arendall Harrison Sale LLC, Bond Counsel, and Stone Crosby, P.C., Counsel to the City, outside of closing.

[Signatures follow on next page]

This Closing Statement has been executed by the City and the Bank as of September 6, 2024.

REGIONS BANK

By: Jill M. Byrnes
Name: Jill M. Byrnes
Title: VP

CITY OF BAY MINETTE, ALABAMA

By: Robert A. Wills
Name: Robert A. Wills
Title: Mayor

Exhibit A

Invoice of Bank Counsel

(Attached)



Taxpayer I.D. # 63-0864426

September 6, 2024

City of Bay Minette, Alabama

**Re: \$5,000,000 City of Bay Minette, Alabama Taxable General Obligation Warrant,
2024**

File No. 814909 – 00571

For legal services rendered and expenses incurred, as counsel to
Regions Bank, in connection with the issuance of the above-referenced
warrant.

\$5,000.00

Wiring instructions:

Regions Bank
1900 5th Avenue North
Birmingham, Alabama 35203
ABA Routing No.: 062000019
Federal Wiring No.: 062005690

Maynard Nexsen PC Operating Account
Account No.: 0001323776

Reference: 814909-00571; Barry A. Staples

Check Delivery:

Maynard Nexsen PC
1901 Sixth Avenue North
Suite 1700
Birmingham, Alabama 35203
Attn: Barry A. Staples

CERTIFICATE OF OFFICERS OF BAY MINETTE, ALABAMA

We, the undersigned Mayor and Clerk of the City of Bay Minette, Alabama (the "City"), HEREBY CERTIFY, as follows:

1. This Certificate is executed and delivered in connection with the issuance of \$5,000,000 in principal amount of Taxable General Obligation Warrant, 2024, dated September 6, 2024 (the "Warrant") by the City pursuant to that certain ordinance adopted by the City Council of the City on September 3, 2024 (the "Authorizing Ordinance").

2. The persons named below as officers of the City are now and have been at all times, the duly elected, qualified and acting officers of the City as indicated, and the dates of the beginning and ending of their respective current terms of office are likewise as indicated:

| Office | Name of Officer | Term |
|---|------------------------|------------------------------|
| Mayor | Robert A. Wills | November, 2020-October, 2025 |
| Member of City Council | Pete Sellers | November, 2020-October, 2025 |
| Member of City Council | Mike Phillips | November, 2020-October, 2025 |
| Member of City Council | Matt Franklin | November, 2020-October, 2025 |
| Member of City Council | William Taylor | November, 2020-October, 2025 |
| Member of City Council | Shannon Clemmons | November, 2020-October, 2025 |
| City Clerk | Rita Diedtrich, MMC | Pleasure of the Council |
| City Administrator and Finance Director | Tammy S. Smith, CPA | Pleasure of the Council |

3. Each of the aforesaid officers has, to the extent required by law, taken an oath of office before such officers as are required by law and each of said officers who are required to post bond as security for funds handled by them has posted with the officers required by law all bonds with sufficient surety required of them.

4. The City is a municipal corporation duly incorporated and existing under the general laws of the State of Alabama. The City Council has the authority to exercise all powers granted to the City, except those powers conferred on some officers by law or ordinance. To the best of our knowledge, there are no local or special statutes pertaining to or having any bearing on or restricting in any manner the exercise by the City of any power or authority in connection with any of the matters hereinafter referred to. No proceedings for the dissolution of the City have ever been taken.

5. The seal affixed hereto is the officially adopted corporate seal of the City and the undersigned city clerk is the official custodian thereof and is duly authorized to affix the same to bonds, warrants, contracts, certificates and other obligations and documents of the City and to certify copies of the minutes, proceedings and records of the City and the City Council.

6. On September 3, 2024, the City adopted the Authorizing Ordinance. The Authorizing Ordinance is in full force and effect and has not been repealed, amended or changed.

7. Pursuant to the authority of the Authorizing Ordinance, the authorized officers of the City have signed and attested the Warrant and the Financing Agreement referenced in the Authorizing Ordinance (the "City Documents"). Each of the City Documents, as executed, is substantially in the form and of the content as approved by the City Council with only such changes as were authorized to be agreed to by the officers of the City executing the same, and each of the City Documents was delivered on behalf of the City to the respective parties to the City Documents on or before the date of this certificate. None of the City Documents have been amended or cancelled.

8. The execution and delivery of the City Documents, the consummation of the transactions contemplated therein or in the Authorizing Ordinance and the fulfillment of the respective terms thereof will not violate or constitute a default under any indenture or other contract, agreement or instrument or any statute or rule of law to which the City is now a party or is subject, or any resolution, order, rule or regulation, writ, injunction, decree or judgment of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the City.

9. The undersigned officers have no knowledge or information of any agreement, representation, condition, understanding or stipulation, whether oral or written or expressed or implied, respecting the Warrant, or any understandings, transactions or dealings between the City relative to the Warrant, the authorization by the City of the City Documents, the authorization and issuance of the Warrant by the City, or the disposition or other dealing with the proceeds of the sale of the Warrant, other than as set forth in the closing papers in connection with the Warrant and the other documents which have been furnished to Hand Arendall Harrison Sale LLC for their examination preliminary to their approval of the legality of the Warrant. None of the proceedings or records which have been certified to Hand Arendall Harrison Sale LLC have been repealed, amended or changed.

10. The undersigned Mayor, Finance Director as treasurer and City Clerk of the City have, on the date of this Certificate, executed the Warrant on behalf of the City. The City Clerk of the City has caused to be impressed on the Warrant the seal of the City, and the execution of the Warrant by her also constitutes attestation of the said seal. The aforesaid seal has been adopted as the official seal of the City and has been likewise affixed to this Certificate. The Warrant is in the form and contains the provisions set out and provided for in the Authorizing Ordinance, and no warrants other than the Warrant has been executed under authority of such Authorizing Ordinance.

WITNESS our signatures and the seal of the City, this 6th day of September, 2024.



MAYOR, City of Bay Minette, Alabama

CLERK, City of Bay Minette, Alabama

(10185301.1)

**FINANCE DIRECTOR'S CERTIFICATE REGARDING OUTSTANDING
OBLIGATIONS OF THE CITY OF BAY MINETTE, ALABAMA**

I, Tammy S. Smith, CPA, as Finance Director for the City of Bay Minette, Alabama (the "City"), being the person having charge of the records of the City pertaining to its indebtedness, hereby certify as follows:

As of the date of this Certificate, the following constitutes all of the outstanding indebtedness of the City chargeable to the City's debt limit under Section 225 of the Constitution of Alabama of 2022 (excluding indebtedness heretofore refunded or otherwise defeased):

| <u>Issue</u> | <u>Principal Amount Outstanding</u> |
|---|---|
| Taxable General Obligation Warrant, 2024 | Up to \$5,000,000.00 |
| General Obligation Warrants, Series 2023B | \$2,100,000.00 |
| General Obligation Warrants, Series 2022 | 4,985,000.00 |
| General Obligation Warrant, 2019 | 195,039.00 |
| General Obligation Warrants, Series 2008 | 576,667.00 |
| Compensated Absences (as of September 30, 2023) | <u>240,360.00</u> |
| TOTAL | <u>\$13,097,066.00</u> |

In addition to the long-term indebtedness shown above, the City has (i) a capital lease for purchase of equipment currently outstanding in the amount of \$59,286 and maturing in March, 2025; and (ii) a capital lease for the purchase of equipment, currently outstanding in the amount of \$295,911 and maturing in December 2029.

As of the date of this Certificate, the following constitutes all of the outstanding indebtedness of the City chargeable to the City's debt limit under Section 94.01 of the Constitution of Alabama of 2022 (excluding indebtedness heretofore refunded or otherwise defeased):

| <u>Issue</u> | <u>Principal Amount Outstanding</u> |
|--|---|
| General Obligation Economic Development Improvement Warrants, Series 2023A | \$5,085,000.00 |
| General Obligation Economic Development Improvement Warrants, Series 2018 | <u>4,045,000.00</u> |
| TOTAL | <u>\$9,130,000.00</u> |

I further certify that the total assessed valuation of real, personal, auto and utility property located in the City and subject to taxation by it for the tax year of the City for which taxes became due and payable on October 1, 2023, as assessed for city taxation for the said tax year, was not less than \$108,947,124.

Given this 6th day of September, 2024.



City Administrator/Finance Director
of the City of Bay Minette

10180318

FINANCING AGREEMENT

Dated September 6, 2024

Between

CITY OF BAY MINETTE, ALABAMA

and

REGIONS BANK

FINANCING AGREEMENT

THIS FINANCING AGREEMENT dated September 6, 2024, 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, 2024 (the "Warrant"). The proceeds of the Warrant will be used (a) to refinance the City's \$5,000,000 Taxable General Obligation Warrant, 2023, outstanding in the principal amount of \$825,000, and (b) to provide short-term financing for various capital expenditures within the City. Pursuant to this Agreement the Lender has agreed to make a loan (the "Loan" or, as hereinafter described, the "Revolving Line of Credit") to the City in the amount of up to \$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 September 3, 2024, 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 September 8, 2025, 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 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 September 8, 2025 (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 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 Agreement and the issuance of the Warrant. This Agreement and the Ordinance constitute, 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 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, 2023; 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, 2023, 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 an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the “1933 Act”) and/or a qualified institutional buyer within the meaning of Rule 144A under the 1933 Act, 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. The Lender is represented by Maynard Nexsen PC in connection with the Loan.

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.

(c) No portion of the proceeds of the Warrant or any advance shall be used (i) to finance or refinance any commercial paper issued by the City, or (ii) in any manner that causes or might cause this loan or such advance or the application of such advance to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System as in effect from time to time or any other regulation thereof or to violate the Federal Securities Exchange Act.

Section 4. Agreements Regarding Index Rate

(a) If Lender at any time or from time to time determines that (a) Term SOFR is unavailable, (b) Term SOFR cannot be determined, (c) Term SOFR does not adequately reflect the cost to Lender of making, funding, or maintaining the Loan, (d) the use of Term SOFR has become impracticable or unreliable, (e) Term SOFR is no longer representative of the underlying market or economic reality, or (f) it is no longer lawful for Lender to lend at any rate based on Term SOFR (any such determination is hereafter called a "Trigger Event"), then, Lender may elect to designate a substitute interest rate index, which may be Daily Simple SOFR or an alternate index rate that has been selected by Lender as the replacement for Term SOFR (the "Replacement Index"). If Lender designates a Replacement Index, Lender may also determine at such time or from time to time thereafter that a margin adjustment is necessary to produce a comparable interest rate to the interest rate that would have applied based on the Term SOFR. Upon such determination, Lender will designate the amount of such margin adjustment (which may be a positive or a negative number) and adjust the margin by that amount (and the result will be the "Adjusted Margin"). Lender will provide notice to City of the Replacement Index, any margin adjustment, and the Adjusted Margin, as applicable. Commencing with the first interest rate change thereafter, the Replacement Index shall be deemed to be and shall become the operative interest rate index for purposes of this Agreement, the Warrant and the Ordinance, and the Warrant shall continue to bear interest on the unpaid principal amount through repayment thereof at the Replacement Index plus the margin or the Adjusted Margin, as applicable (subject to (i) any interest rate floor set out in this Agreement and (ii) increase to or by any applicable default rate). The Replacement Index may not necessarily be the Lender's most favorable lending rate or interest rate index. Any determination or designation made by Lender under this paragraph shall be made in Lender's sole and absolute discretion and shall be conclusive and binding absent manifest error. In connection with the implementation of a Replacement Index and, as applicable, the Adjusted Margin, Lender will have the right from time to time, without any further action or consent of City or any other party, to implement any technical, administrative, or operational changes that Lender decides may be appropriate to reflect the adoption and implementation of such Replacement Index and, as applicable, the Adjusted Margin and to permit the administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender determines that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of such Replacement Index and, as applicable, the Adjusted Margin exists, in such other manner of administration as Lender decides is reasonably necessary in connection with the administration of the loan). Such technical, administrative, or operational changes may include, without limitation, changes to the determination of a business day or an interest period, the timing and frequency of determining rates and making and applying payments,

implementation and length of any lookback period, and other technical, administrative, or operational matters.

(b) In connection with the use or administration of Term SOFR or Replacement Index, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in the Ordinance or the Warrant, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(c) Lender does not warrant or accept responsibility for, and shall not have any duty to the City or liability or damages of any kind to the City with respect to the initiation of, continuation of, administration of, submission of, suspension of, calculation of or any other matter related to Term SOFR, any component thereof, or any markets underpinning the transaction data related to Term SOFR. City acknowledges that any publication of Term SOFR for prior periods cannot be relied on as an indicator of the future performance of Term SOFR. Because Term SOFR is based on data received from other sources, Lender has no control over its calculation or publication and the methods of calculation, publication schedule, rate revision practices, or availability of Term SOFR, or any other matter related thereto. There can be no assurance that Term SOFR will not be discontinued or fundamentally altered in a manner adverse to any party. Lender may select information sources or services, in its sole discretion, to ascertain Term SOFR and shall have no liability to the City for damages of any kind for any error in the calculation of any such rate (or component thereof) provided by any such information sources or services.

(d) For purposes of this Section, the term “Conforming Changes” means, with respect to Term SOFR or any replacement index, any technical, administrative or operational changes to terms, matters or any conventions associated with Term SOFR or any replacement index, as applicable (including, any changes to the definition of Term SOFR, Interest Period, timing and frequency of determining rates and making payments of interest, the definition of any business day, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods or observation shifts and any other technical, administrative operational matters) as may be appropriate, in the discretion of the Lender, to reflect the adoption and implementation of such applicable rate, and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Lender determines is reasonably necessary in connection with the administration of this Agreement, the Warrant or the Ordinance.

Section 5. Events of Default

(a) In addition to other events or circumstances that may be set forth in the Ordinance or the Warrant, the City will be in default 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, (1) the Warrant shall bear interest at the Applicable Rate (as defined in the Warrant) plus four percent (4.0%), and (2) 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, effective as of 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) Opinions. Opinions of Counsel to the City and of Bond Counsel, each 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 Agreement.

Section 7. Role of Lender

The City 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 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 Agreement, the Warrant or any of the other documents executed and delivered by the City in connection with the Warrant. This provision is a material inducement for the Lender's determination to make the Loan and for the parties to enter into this Agreement, the Warrant and such other 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 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: Jill M. Bygas
Name: Jill M. Bygas
Title: VP

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



CITY OF BAY MINETTE, ALABAMA

By: 
Name: Robert A. Wills
Title: Mayor

ATTEST:

City Clerk

10184809