

**AN ORDINANCE
AUTHORIZING THE ISSUANCE AND SALE OF
\$1,120,192.37 GENERAL OBLIGATION WARRANT, SERIES 2015A**

ORDINANCE NO. 2015-02

WHEREAS, the City has heretofore acquired an option to purchase certain real property situated in Section 23, Township North, Range 22 East, Pike County, Alabama, east of the CSX Railroad Right of Way (the "Property"); and

WHEREAS, the City has determined to issue its General Obligation Warrant, Series 2015A (the "Warrant") to provide funds to (a) consummate the acquisition of the Property, and (b) pay certain expenses of issuance of the Warrant.

NOW, THEREFORE, BE IT ORDAINED by the City Council (the "Council") of the City of Brundidge, Alabama (the "City"), as follows:

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

(a) The Council hereby finds and determines that it is necessary and advisable for the City to acquire the Property.

(b) The Council hereby finds and determines that in order to obtain funds to accomplish the foregoing purpose it is necessary and advisable for the City to issue the Warrant in accordance with the terms of this ordinance. -

Section 2. Authorization and Description of the Warrant. Pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Section 11-47-2 of the Code of Alabama of 1975, as amended, and for the purposes of acquiring the Property and paying the costs of issuance of the Warrant, there are hereby authorized to be issued by the City its \$1,120,192.37 in aggregate principal amount General Obligation Warrant, Series 2015A. The Warrant shall consist of one warrant in the substantially the form attached hereto as Exhibit A, the terms of which are hereby incorporated in this ordinance as if set forth herein. The Warrant shall be dated its date of issuance, shall be issued in fully registered form, shall be transferrable as provided in the forms thereof, and shall be sold to The First National Bank of Brundidge (the "Warrantholder").

Section 3. Execution the Warrant. The Warrant shall be executed on behalf of the City by its Mayor and its City Manager. The corporate seal of the City shall be impressed on the Warrant, and the signature of the City Manager of the City on the Warrant shall constitute attestation thereof. The Warrant shall be registered by the City Manager in the records maintained by him as claims against the City. Said officers are hereby directed so to execute, attest and register the Warrant and to cause the seal to be impressed on the Warrant.

Section 4. Warrant Constitutes General Obligation. The indebtedness evidenced and ordered paid by the Warrant is and shall be a general obligation of the City, to the payment of the principal of and premium, if any, and interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 5. Provisions Constitute Contract. The provisions of this ordinance shall constitute a contract between the City and each owner of the Warrant.

Section 6. Severability. The provisions of this ordinance are hereby declared to be severable. In the event any court of competent jurisdiction should hold any provision hereof to be invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provisions of this ordinance.

Section 7. Sale of Warrant. The Warrant is hereby awarded and sold to the Warrantholder at a purchase price equal to the par amount thereof.

The City Manager is authorized and directed to make the necessary arrangements with Bond Counsel and the Warrantholder to establish the date, location, procedure and conditions for the delivery of the Warrant, and to take all steps necessary to effect due execution and delivery of the Warrant under the terms of this ordinance.

Section 8. Registration; Transfer and Exchange of Warrant. Each Warrant shall be registered as to both principal and interest in the name of the registered owner thereof on the books to be kept for that purpose by the City Manager, who is hereby designated as Registrar. The City covenants and agrees to cause to be kept and maintained proper registry books for recording accurately all registrations of the Warrant and to cause to be made accurate notations of such registration on the reverse of the Warrant, authenticated in each instance by the signature of the City Manager. No transfer of a Warrant shall be valid unless made at the written request of the registered owner or his legal representative, and noted on the registration books by the Registrar. No charge shall be made to any registered owner for the privilege of registration and transfer hereinabove granted, but any registered owner requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

Section 9. Replacement of Mutilated, Lost, Stolen or Destroyed Warrant. In the event a Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of mutilation, the mutilated Warrant is first surrendered to the Registrar, and (b) in the case of loss, theft, or destruction, there is first furnished to the City and the Registrar evidence satisfactory to each of them of such loss, theft or destruction, together with indemnity satisfactory to each of them. The City and Registrar may charge the named payee with the expense of issuing any such new promissory note.

Section 10. Representations and Covenants Concerning Federal Tax-Exempt Status of the Warrant.

(a) The City warrants that the interest on the Warrant is and will continue to be excludable from the gross income of the owners thereof for federal income tax purposes. The City will continually comply with all requirements imposed by the Internal Revenue Code of 1986, as amended (the "Code") as conditions to the exclusion from gross income for federal income tax purposes of the interest on the Warrant.

(b) The City will not apply or permit the proceeds of the Warrant to be applied in a manner that would cause it to be deemed a "private activity bond" within the meaning of Section 141 of the Code. There are and will be no leases from the City to any person or any other arrangement, express or implied, that would result, in the aggregate, in (i) the use of more than five percent (5%) of the proceeds of the Warrant for any "private business use", within the meaning of Section 141(b) of the Code; or (ii) the payment of debt service on more than 5% of the proceeds of the Warrant being directly or indirectly (A) secured by any interest in property used or to be used for any such "private business use" or in payments in respect of such property or (B) derived from payments (whether or not to the City) in respect of property or borrowed money used or to be used for any such "private business use".

(c) The City will not use (directly or indirectly) any of the proceeds of the Warrant to make or finance loans to persons other than governmental units, as provided in Section 141(c) of the Code.

(d) Except to the extent permitted under Section 149(b)(3) of the Code, (i) payment of principal of or interest on the Warrant is not directly, indirectly or otherwise guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), and (ii) none of the proceeds of the Warrant will be used to make loans the payment of principal or interest with respect to which is to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

(e) The City covenants that it will restrict the use of the proceeds of the Warrant in such manner and to such extent, if any, and take or refrain from taking such other actions, all as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Warrant, so that the Warrant will not constitute an "arbitrage bond" within the meaning of Section 148 of the Code or a "hedge bond" within the meaning of Section 149(g) of the Code.

(f) The City Manager shall give an appropriate certificate of the City (the "Tax Compliance Certificate") for inclusion in the transcript of proceedings for the Warrant, to be made as of the date of delivery of and payment for the Warrant. The Tax Compliance Certificate shall, among other things, reaffirm as of its date the continuing accuracy, completeness and correctness of the tax-related representations herein contained, set forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Warrant and the facts and estimates on which those expectations are based, and contain such other and further representations and covenants on the part of the City as Bond Counsel or the Warrantholder shall

request to evidence the tax-exempt status of the Warrant and the commitment of the City to maintain the same. The City hereby agrees to perform any such covenants contained in the Tax Compliance Certificate.

(g) The City will make such informational reports as may be required under the Code, and in particular Section 149(e) thereof, with respect to the issuance of the Warrant.

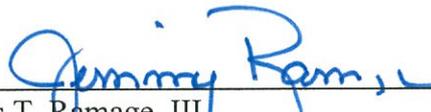
(h) The Warrant is designated as "qualified tax-exempt obligations" for the purposes of paragraph (3) of subsection (b) of Section 265 of the Code and, in connection therewith and after due investigation and consideration the City finds, determines, covenants and declares that the amount of tax-exempt obligations (other than private activity bonds) that have heretofore during the current calendar year been issued by the City (and its subordinate entities, if any) and the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds) that will be issued by the City and by its subordinate entities, if any, during the current calendar year will not exceed \$10,000,000.

Section 11. Procedures for Post-Issuance Compliance. The City hereby adopts the Post-Issuance Compliance Procedures for Tax-Exempt Obligations attached hereto as Exhibit B.

Section 12. Other Documents. The City hereby authorizes Bond Counsel to prepare such other and further documents, certifications, assignments and instruments as the Warrantholder may require or as may be necessary or appropriate to consummate the transactions contemplated in this ordinance, including without limitation any certificates or reports referred to herein. The Mayor and City Clerk are hereby authorized and directed to execute and deliver any and all such additional documents or certificates.

Section 13. Effective Date. This Ordinance shall become effective upon its approval as provided by law.

ADOPTED this 12th day of May, 2015.



James T. Ramage, III
Mayor

ATTEST:


Britt Thomas
City Manager/Clerk

EXHIBIT A

FORM OF SERIES 2015A WARRANT

No. R-1

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF BRUNDIDGE
GENERAL OBLIGATION WARRANT
SERIES 2015A**

Dated Date:
May 14, 2015

Maturity Date:
February 1, 2025

Interest Rate:
2.750%

The City of Brundidge, Alabama, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Alabama (the "City"), for value received, hereby acknowledges itself indebted and directs and orders the payment to The First National Bank of Brundidge (the "Holder"), or its registered assigns noted hereon and on the registration books of the City maintained for that purpose at the City's principal office in Brundidge, Alabama, the aggregate principal sum of

ONE MILLION, ONE HUNDRED TWENTY THOUSAND, ONE HUNDRED NINETY-TWO DOLLARS AND THIRTY-SEVEN CENTS (\$1,120,192.37)

on the Maturity Date specified above, together with interest thereon from the date hereof at the rate specified above. Payments of principal and interest shall be made in annual installments beginning on February 1, 2016 and continuing on February 1 of each year thereafter, through and including February 1, 2025, in the amount of \$128,694.67 each. If any payment required hereunder is not made within 10 days of the due date, the City shall pay the Holder a late charge of 5.00% of the past due amount, with a minimum late charge of \$10 and maximum late charge of \$100 with respect to any single late payment. All installments of the principal of and the interest on this Warrant shall bear interest after their respective due dates until paid at the rate of 1.00% per annum above the then effective interest rate on this Warrant.

Interest on this Warrant shall be calculated on an Actual/365 basis.

Both the principal of and interest on this Warrant are payable in lawful money of the United States of America, at par and without discount, exchange, deduction, or charge therefor to the then registered owner hereof at the address shown on the registration books of the City (except for the final payment of such principal and interest which shall be made only upon the surrender of this Warrant to the City for cancellation); provided, however, that so long as this Warrant shall be registered in the name of The First National Bank of Brundidge, any payment of principal or interest with respect to this Warrant shall be made by check mailed to The First National Bank of Brundidge, P.O. Drawer 775, Brundidge, Alabama 36010-0775, or by wire transfer, automated clearinghouse, authorized bank account debit, or bank draft. Payment of principal of and interest on this Warrant shall be deemed timely made if mailed or paid by wire transfer, automated clearinghouse, authorized bank account debit, or bank draft to the registered owner on the applicable payment date with respect to which such payment is made or, if such payment date is not a business day, then on the first business day following the payment date.

The City may prepay this Warrant in whole or in part without prepayment penalty, but only upon payment of all interest accrued to the date of such prepayment.

This Warrant is duly authorized and issued by the City pursuant to the Constitution and laws of the State of Alabama, including, particularly, Section 11-47-2 of the Code of Alabama 1975, as amended, and an ordinance of the City Council of the City duly adopted on May 12, 2015 (the "Ordinance") for the lawful purposes of providing funds to acquire certain real property.

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

This Warrant is registered as to principal and interest in the name of the owner hereof on the registration books of the City maintained for that purpose at its principal office. Upon presentation hereof at such office, this Warrant may be transferred on such books by the registered owner in person or by duly authorized attorney, evidence of such transfer to be endorsed hereon. The City Manager is the Registrar and execution of the Registration Certificate by the City Manager as Registrar hereon is essential to the validity hereof.

Reference is made to the Ordinance for additional provisions with respect to the rights, duties and obligations of the City, the Registrar, and the Holders, and the terms and conditions upon which this Warrant issued and secured. The Holder of this Warrant assents, by acceptance hereof, to all of the provisions of the Ordinance.

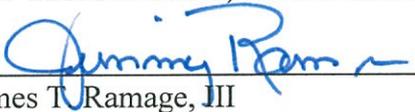
It is hereby recited, certified, and declared that the obligation evidenced by this Warrant will be lawfully due without condition, abatement, or offset of any description and that all conditions, acts, and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this Warrant and the adoption of the resolution authorizing its issuance exist, have been performed, and have happened in time, form, and manner as so required.

IN WITNESS WHEREOF, The City of Brundidge, Alabama, acting by and through its governing body, has caused this Warrant to be executed in its name and on its behalf by its Mayor, to be attested to by its City Manager/Clerk, and its official seal to be affixed this 14th day of May, 2015.

CITY OF BRUNDIDGE, ALABAMA

(SEAL)

By: _____


James T. Ramage, III
Mayor

ATTEST:



Britt Thomas, City Manager/Clerk

Approved and Accepted this 14th day of May, 2015:

THE FIRST NATIONAL BANK OF BRUNDIDGE

By:  _____
John R. Ramage
Its President

REGISTRATION CERTIFICATE

(No Writing below except by the Registrar)

The within Warrant has been registered in the name of the last owner named below on the registration books of the City of Brundidge, Alabama maintained for that purpose at its principal office by the City Manager, as the Registrar, and the principal of and interest on this Warrant shall be payable to such registered owner only at the address shown below or at such other address as such registered owner may direct in writing, and this Warrant may thereafter be transferred only upon an assignment duly executed by such registered owner, such transfer to be made on such books and endorsed hereon:

Date of Registration	Registered Owner	Signature of Registrar
May 14, 2015	The First National Bank of Brundidge 137 South Main Street P.O. Drawer 775 Brundidge, AL 36010-0775	 _____ Britt Thomas City Manager

EXHIBIT B

POST-ISSUANCE COMPLIANCE PROCEDURES

CITY OF BRUNDIDGE, ALABAMA

POST ISSUANCE COMPLIANCE PROCEDURES
FOR TAX-EXEMPT OBLIGATIONS

Introduction

The Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder (the "Regulations") impose certain requirements on tax-exempt obligations, including but not limited to, restrictions on the uses of proceeds and financed property, arbitrage yield restrictions, and the arbitrage rebate requirement. These requirements are generally applicable throughout the period that the obligations remain outstanding.

The Internal Revenue Service (the "IRS") has issued guidance suggesting that issuers of tax-exempt obligations should established written procedures to (a) monitor the requirements of Section 148 of the Code, including, but not limited to, the arbitrage rebate and arbitrage yield restriction requirements; and (b) ensure that any nonqualified bonds (within the meaning of Section 1.148-12(j) of the Regulations) are remediated in accordance with the Code and the Regulations.

These procedures are intended to assist the Issuer in documenting its compliance with the applicable federal tax requirements.

Procedures

I. Designation of Responsible Person

The City Manager of the Issuer (the "Responsible Person") is responsible for administering and ensuring compliance with these procedures. The Responsible Person may delegate to his or her staff or contract with independent contractors (such as arbitrage/rebate consultants) responsibility for certain aspects of post-issuance compliance. However, the Responsible Person is ultimately responsible for implementing these procedures.

II. Issuance – The Responsible Person will:

- (a) Confirm the filing of the Form 8038 or Form 8038-G (or applicable successor form) with the IRS. Filing of the applicable Form 8038 is usually overseen by bond counsel at or soon after the closing of the issuance.
- (b) Obtain and keep the Transcript of Proceedings prepared by bond counsel. The Transcript typically includes the applicable Form 8038 and the tax certificate, sometimes referred to as the non-arbitrage certificate. The tax certificate will include descriptions of certain requirements that must be satisfied in order for the obligations to remain tax-exempt.

III. Recordkeeping – The Responsible Person will:

- (a) Keep accurate books and records including:
 - 1. Basic records relating to the issuance of tax-exempt obligations, including ordinances and/or resolutions, loan agreements, and bond counsel opinions

(such records will typically be contained in the Transcript of Proceedings prepared by bond counsel);

2. Documentation evidencing the expenditure of proceeds;
 3. The records described in Section V, including documentation evidencing use of financed property by public and private sources (i.e., copies of management contracts);
 4. Documentation evidencing all sources of payment or security for tax-exempt obligations; and
 5. Documentation pertaining to any investment of proceeds (including the purchase and sale of securities, State and Local Government Series ("SLGS") subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- (b) Keep all records in a manner that ensures their complete access to the IRS so long as they are material. While this is typically accomplished through the maintenance of hard copies, records may be kept in an electronic format if certain requirements are satisfied, in accordance with the guidelines in Revenue Procedure 97-22, 1997-1 C.B. 652.
- (c) Keep the relevant records for each issue of tax-exempt obligations for as long as such obligations are outstanding (including any refunding obligations) plus three years after the final maturity date of the obligations.

IV. Arbitrage Rebate and Arbitrage Yield Restriction – The Responsible Person will:

- (a) Engage the services of an arbitrage/rebate consultant for assistance in compliance with any arbitrage related issues.
- (b) Work with bond counsel, financial advisor and/or arbitrage/rebate consultant to monitor compliance with "temporary period exceptions" for expenditure of proceeds, typically three years for new money obligations, and provide for yield restriction of investments or "yield reduction payments" if exceptions are not satisfied.
- (c) Work with bond counsel and/or financial advisor to ensure investments acquired with tax-exempt obligation proceeds are purchased at fair market value. This may include use of bidding procedures under the regulatory safe harbor (Section 1.148-5(d) of the Regulations).
- (d) Consult with bond counsel prior to the creation of funds which would reasonably be expected to be used to pay debt service on tax-exempt obligations to determine in advance whether such funds must be invested at a restricted yield.

- (e) Consult with bond counsel and/or financial advisor before engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap).
- (f) Consult with bond counsel, financial advisor, and/or arbitrage/rebate consultant to identify situations in which compliance with applicable yield restrictions depends upon subsequent investments (e.g., purchase of 0% SLGS from U.S. Treasury) and monitor implementation.
- (g) Work with arbitrage/rebate consultant to arrange for timely computation of rebate/yield reduction payment liability and, if an amount is payable, for timely filing of Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate (or applicable successor form), and payment of such liability. Rebate/Yield Reduction payments are ordinarily due at 5-year intervals.

V. Private Use of Financed Facilities - The Responsible Person will:

- (a) Create and maintain records of which proceeds of tax-exempt obligations were used to finance which facilities. These records shall incorporate any refundings of such obligations.
- (b) Record the allocation of proceeds to expenditures, including reimbursements. These records will be consistent with the records of expenditures used for arbitrage purposes.
- (c) Record the allocation of proceeds and funds from other sources in connection with any project funded by tax-exempt obligations. Review expenditures of proceeds with bond counsel to ensure proceeds are used for qualifying costs.
- (d) Review with bond counsel prior to the sale or lease of a facility financed with tax-exempt obligations, or the granting of a license or management contract, or any other arrangement allowing private use of a financed facility, the terms of such arrangement.
- (e) Keep records of private use, if any, of financed facilities. Private use of financed facilities shall be reviewed once a year (in connection with the preparation of the annual financial statements). If a change in private use occurs, bond counsel will be consulted to determine if remedial action is necessary.

VI. Reissuance – The Responsible Person will:

- (a) Consult with bond counsel to identify any post-issuance modification to the terms of tax-exempt obligations which could be treated as a reissuance thereof.
- (b) Consult with bond counsel to determine whether any "remedial action" (see item (e) under "Private Use of Bond-Financed Facilities" above) in connection with private use must be treated as a "reissuance."

VII. Continuing Disclosure – The Responsible Person will:

- (a) Make the event notice filings required by all continuing disclosure agreements ("Continuing Disclosure Agreements") executed by the Issuer within the

timeframes specified in those agreements.

- (b) Review on or before March 1 of each year the requirements for filing annual financial information contained in the Continuing Disclosure Agreements and arrange for the posting of the required information prior to April 1 of that year.
- (c) Provide for the posting or filing of the Issuer's audited financial statements within 30 days of receipt of such statements.
- (d) Promptly file notice of any noncompliance by the Issuer with the provisions of the Continuing Disclosure Agreements.