

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$6,670,000 UTILITY REVENUE REFUNDING WARRANTS, SERIES 2015 AND THE EXECUTION AND DELIVERY OF RELATED FINANCING DOCUMENTS**

**ORDINANCE NO. 2016-01**

WHEREAS, the City has heretofore entered into a Master Trust Indenture dated as of October 1, 2002, as heretofore amended and supplemented (the "Original Indenture"), pursuant to which the City is authorized to issue warrants secured by and payable from a pledge of the revenues defined in the Original Indenture as the "Net System Revenues" from the City's water, sewer and electric systems (collectively, the "System"); and

WHEREAS, pursuant to the Original Indenture, the City issued its Utility Revenue Warrants, Series 2005, now outstanding in the aggregate principal amount of \$6,605,000 (the "Series 2005 Warrants"); and

WHEREAS, the City desires to issue its Utility Revenue Refunding Warrants, Series 2015 (the "Series 2015 Warrants") to provide funds to (a) currently refund the Series 2005 Warrants in order to achieve interest savings and provide greater flexibility for the City's finances, and (b) to pay the expenses of issuing the Series 2015 Warrants; and

WHEREAS, the City finds it advisable to issue the Series 2015 Warrants pursuant to the Original Indenture, but that it is in order to make certain changes to the provisions thereof by amending and restating the Original Indenture so that all applicable provisions are including in an Amended and Restated Trust Indenture.

NOW, THEREFORE, BE IT ORDAINED by the City Council (the "Council") of the City of Brundidge, Alabama, 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 obtain funds to currently refund the Series 2005 Warrants.

(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 Series 2015 Warrants in accordance with the terms of this Ordinance and the Indenture.

(c) The City is not in default in the payment of debt service on any warrants issued pursuant to the Original Indenture or in the performance or observance of the covenants and agreements contained in the Original Indenture.

Section 2. Authorization and Description of the Series 2015 Warrants. 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 (a) currently refunding the Series 2005 Warrants, and (b) paying the costs of issuing the Series 2015 Warrants, there are hereby authorized to be issued by the City \$6,670,000 in aggregate principal amount of Utility Revenue Refunding Warrants, Series 2015. The Series 2015 Warrants shall be issued pursuant to the Indenture (as hereinafter defined), shall be secured by the Indenture as therein provided, and shall be in the form and contain the provisions therein set forth for the Series 2015 Warrants.

Section 3. Approval of Financing Documents. The City does hereby approve, adopt, authorize, ratify and confirm the terms and provisions of, and the transactions to be undertaken pursuant to, the following documents:

(a) The Amended and Restated Trust Indenture (the "Indenture"), dated as of November 1, 2015 between the City and Regions Bank (the "Trustee"), as trustee.

(b) The Warrant Purchase Agreement between the City and Thornton Farish, Inc. (the "Underwriter").

(c) Any and all commitment letters, agreements, contracts or other instruments by the City and, or for the benefit of, Assured Guaranty Mutual Corp. (the "Insurer"), with respect to the municipal bond insurance policy for the Series 2015 Warrants.

(d) The Continuing Disclosure Agreement dated the date of delivery by the City.

The documents described above in this Section 3 (collectively, the "Financing Documents") are approved in substantially the form and of substantially the content as the Financing Documents presented to and considered by the City Council, with such changes or additions thereto or deletions therefrom as the officer of the City executing each Financing Documents shall approve, which approval shall be conclusively evidenced by execution and delivery of the Financing Documents by such officer as hereinafter provided. The Financing Documents presented to, considered and adopted by the City shall be filed in the permanent records of the City.

Notwithstanding anything in this Ordinance to the contrary, this Council hereby authorizes Capell & Howard, P.C., as Bond Counsel, in consultation with the Underwriter, the Trustee and relevant officials of the City, to revise the Indenture for any additional, deletions, or changes (a) reasonably required by the Insurer as a condition to the Insurer's issuance of its municipal bond insurance policy for the Series 2015 Warrants, or (b) necessary or appropriate to reflect to the principal maturities, interest rates, redemption provisions, and other pricing information of the Series 2015 Warrants as set forth in the Warrant Purchase Agreement. Such revisions to the Indenture are hereby entrusted by this Council to be approved by the Mayor, his execution thereof being conclusive evidence that such approval has been given.

Section 4. Execution of Series 2015 Warrants and Financing Documents.

(a) Under the Indenture, The Series 2015 Warrants shall be executed on behalf of the City by its Mayor and attested by its City Clerk. Such officers are hereby authorized and directed to so execute and attest the Series 2015 Warrants in accordance with the Indenture.

(b) The Mayor of the City is hereby authorized and directed to execute, acknowledge and deliver the Financing Documents for and on behalf of and in the name of the City. The City Manager or City Clerk of the City is hereby authorized and directed to attest the same. Any prior execution of the Financing Documents by any of the aforementioned officers is hereby ratified and confirmed.

Section 5. Designation of Trustee.

(a) Regions Bank, Birmingham, Alabama is designated and appointed as trustee, registrar, transfer agent, and paying agent with respect to the Series 2015 Warrants.

(b) The Trustee is authorized and directed to authenticate and register the Series 2015 Warrants and to deliver the Series 2015 Warrants on behalf of the City to the purchaser thereof.

Section 6. Sale of the Series 2015 Warrants. The Series 2015 Warrants are hereby awarded and sold to the Underwriter at the price of \$6,600,979.60 (the principal amount thereof, less underwriting discount of \$35,017.50 and less net original issue discount of \$34,002.90), plus accrued interest from the date of the Series 2015 Warrants to the date of delivery. The City Council does hereby determine that such sale of the Series 2015 Warrants to such purchaser at such price is advantageous.

The City Manager is authorized and directed to make the necessary arrangements with the Underwriter and Bond Counsel to establish the date, location, procedure, and conditions for the delivery of the Series 2015 Warrants to the Underwriter or its order, and to take all steps necessary to effect due execution, authentication and delivery of the Series 2015 Warrants under the terms of the Indenture.

Section 7. Authorization of Official Statement. This Council hereby ratifies and approves the preparation by appropriate officials of the City in consultation with Bond Counsel, the Underwriter and other professional advisers to the City, of a Preliminary Official Statement of the City relative to the issuance and sale of the Series 2015 Warrants. That Preliminary Official Statement, in the form thereof presented to this Council at the meeting at which this Ordinance is adopted, which is now on file with the City Clerk in the records of the City, is hereby "deemed final" as of its date for purposes and within the meaning of Rule 15c2-12(b)(1) of the Securities and Exchange Commission ("SEC"), and the distribution and use thereof by the Underwriter in the offering and sale of the Series 2015 Warrants are hereby authorized, approved.

This Council hereby authorizes and directs such officials of the City, in consultation with such professional advisers and such other parties as may be necessary or desirable, to prepare a

final form of Official Statement (the "Official Statement"), by making such additions to, modifications of and deletions from the Preliminary Official Statement (including, without limitation, in respect of pricing information relative to the Series 2015 Warrants) as shall be necessary or appropriate.

The Mayor and the City Manager of the City are hereby authorized to execute and deliver, for and in the name and on behalf of the City, the Official Statement with respect to the Series 2015 Warrants, to be in substantially the form of the Preliminary Official Statement hereinabove approved, with such changes or additions thereto or deletions therefrom as such officers may deem necessary or appropriate in order to state fully and correctly the pertinent facts concerning the City and the Series 2015 Warrants offered thereby, all of which shall be conclusively evidenced by the Mayor's execution and delivery thereof. The Official Statement is hereby approved, and the use thereof in the offering and sale of the Series 2015 Warrants is hereby authorized.

Section 8. Call for Redemption of Series 2005 Warrants. In accordance with the applicable provisions of the Original Indenture, the Council hereby calls for redemption prior to their respective maturities all of the Series 2005 Warrants maturing in 2016 and thereafter, to be redeemed on the first Business Day (as defined in the Indenture) not less than 30 days after the date of issuance of the Series 2015 Warrants or, if sooner, on the first Business Day not less than 30 days after the date that the notice of redemption is given by the Trustee in accordance with the Original Indenture, at a redemption price equal to 100% of the principal amount so redeemed.

The Council hereby states and declares that the City is not in default in payment of the principal of or interest on any of the Series 2005 Warrants currently outstanding.

The City, simultaneously with the issuance of the Warrants, shall cause to be irrevocably deposited with the Trustee the sum of \$6,679,165.08 (the "Escrowed Funds"), being the redemption price of all of the Series 2005 Warrants called for redemption on December 28, 2015. In addition to a deposit from the proceeds of the Series 2015 Warrants, the Escrowed Funds will include \$96,148 already on deposit with the Trustee in the Warrant Fund account for the Series 2005 Warrants and \$80,200 to be transferred from the Reserve Fund account for the Series 2005 Warrants to such Warrant Fund account. The City hereby irrevocably directs the Trustee to call for redemption and redeem all of the Series 2005 Warrants on the December 28, 2015 in accordance with the applicable provisions of the Original Indenture. The Escrowed Funds shall be held in trust for the benefit of the persons entitled to the redemption price and shall not be part of the Trust Estate (as defined in the Original Indenture). Pending application to pay the redemption price as described above, the Trustee shall hold the Escrowed Funds in cash in the existing Warrant Fund account for the Series 2005 Warrants.

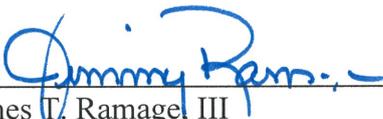
Section 9. Other Documents. The Mayor and the City Manager and the City Clerk/Treasurer of the City, or any of them, are hereby authorized and directed to: execute, deliver and file such related financing documents and security agreements as may be required by Insurer or necessary or desirable to carry out the provisions of this ordinance or complete the financing herein authorized; and execute and deliver to the purchasers and to the attorneys approving the legality of the Series 2015 Warrants such certified copies of proceedings of the

City and such closing papers, proofs and statements containing such representations of fact and law as may be necessary to demonstrate the validity of the Series 2015 Warrants and the Financing Documents, the absence of any pending or threatened litigation with respect to the Series 2015 Warrants and such instruments or any matter referred to therein or in this resolution and to the extent applicable, the exclusion of interest on the Series 2015 Warrants from gross income for federal income taxation, and the exemption of interest on the Series 2015 Warrants from State of Alabama income taxation.

Section 10. 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 11. Effective Date. This Ordinance shall become effective upon its approval as provided by law.

ADOPTED this 24th day of November, 2015.

  
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James T. Ramage, III  
Mayor

ATTEST:

  
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Britt Thomas  
City Clerk/Manager