

ORDINANCE NO: 701-2025

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A \$2,000,000 CITY OF SPANISH FORT, ALABAMA GENERAL OBLIGATION WARRANT, 2025

BE IT ORDAINED by the City Council (the "Council") of the City of Spanish Fort, Alabama (the "City"), as follows:

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

- (a) In order to provide financing for the acquisition of an E-One Typhoon Q#97545 Fire Truck and the acquisition of certain real property by the City (the "Acquisitions"), it is necessary that the City borrow the sum of up to \$2,000,000;
- (b) In order to obtain such funds, it is necessary, advisable and in the interest of the public that the City borrow such funds from United Bank, a Alabama Bank Corporation, and to issue the Warrant hereinafter authorized as evidence of its obligation to such Bank; and
- (c) Neither the City nor any "subordinate entity" or "on behalf of issuer"; as such terms are used in Section 265(b) of the Internal Revenue Code of 1986, as amended, has issued in 2024, or expects to issue within the remainder of 2024, tax-exempt obligations in an aggregate amount in excess of \$10,000,000.

Section 2. Authorization of 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 1975, as amended, and for the purpose of providing the funds necessary to finance the Acquisitions, to pay the costs of issuance thereof, and for no other purpose, there is hereby authorized to be issued by the City its General Obligation Warrant, 2025 (the "Warrant"), in a principal amount not to exceed \$2,000,000, as determined in accordance with Section 6 hereof. 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 attached hereto as Exhibit A and made a part hereof.

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 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 Spanish Fort, Alabama Warrant Fund, 2025." United 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.

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. Designation of Warrant; Covenant as to Tax-Exempt Obligation. The City hereby designates the Warrant as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, the City acknowledges and agrees that the Warrant is to be issued in compliance with the conditions

necessary for the interest income thereon to be exempt from federal income taxation pursuant to the relevant provisions of the Code and covenants and agrees that it will not in any way cause or permit the proceeds of the Warrant to be used in a manner which would cause the interest on the Warrant to lose the exemption from federal income taxation as provided under the Code and the applicable regulations thereunder and will comply with all applicable provisions of the Code (including, without limitation, the provisions relating to post-issuance actions affecting tax exemption) to the extent necessary for interest on the Warrant to be excludable from gross income of the holders thereof.

Upon the occurrence of a Determination of Taxability, as hereinafter defined, the City shall promptly notify the Holder of the Warrant and shall make all payments required by the terms of the Warrant. As used herein, the term "Determination of Taxability" shall mean a determination that, as a result of any action or failure to act on the part of the City, the interest income on the Warrant is includable in gross income of the recipient thereof for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following:

- (a) The date on which the City determines that the interest income on the Warrant is includable in gross income for federal income tax purposes by filing with the Warrantholder a statement to that effect;
- (b) The date on which the City or any Warrantholder shall be advised by private ruling, technical advice or any other written communication from an authorized official of the Internal Revenue Service that, based upon any filings by the City, or upon any review or audit of the City, or upon any other grounds whatsoever, the interest income on the Warrant is includable in gross income for federal income tax purposes;
- (c) The date on which the City shall receive notice from the Warrantholder in writing that the Warrantholder has been advised (i) by any Warrantholder that the Internal Revenue Service has notified such Warrantholder that it has determined that the interest income on the Warrant is includable in gross income for federal income tax purposes or (ii) by any authorized official of the Internal Revenue Service that the interest income on the Warrant is includable in gross income for federal income tax purposes; or
- (d) The date on which the City shall receive notice from the Warrantholder that such Warrantholder has become aware of facts that cause such Warrantholder to determine in good faith that the interest income on the Warrant is includable in gross income for federal income tax purposes;

provided, that no Determination of Taxability shall be deemed to have occurred: (1) as a result of a determination by the City pursuant to the preceding clause (a) unless supported by a written opinion of Bond Counsel acceptable to the Warrantholder and the City that the interest income on the Warrant is includable in gross income for federal income tax purposes; (2) as a result of the event described in the preceding clause (d) if within twenty (20) days after the City has received notice of the event described in said clause (d) the City shall deliver to the Warrantholder giving such notice an opinion of Bond Counsel acceptable to the Warrantholder that the interest income on the Warrant is not so includable; or (3) as a result of the events described in either of the preceding clauses (b) and (c) unless and until (A) the City has been afforded a reasonable opportunity, at its expense, to contest such a determination either through its own action (if permitted by law) or by or on behalf of the Warrantholder and (B) all such contests, if made, have been abandoned by the City or have been finally determined by a court of competent jurisdiction from which no further appeal exists.

Section 6. Authorization; Determination of Principal Amount. The Mayor and Clerk of the City are hereby authorized and directed to execute and deliver the Warrant to United Bank, together with such other instruments, directions, notices, consents or other documents as shall be necessary or desirable to consummate the transactions contemplated thereunder. The principal amount of the Warrant shall equal the total purchase price of the Acquisitions plus all closing costs and charges to be paid by the City and such costs of the issuance of the Warrant as the Mayor shall determine necessary and appropriate; provided, that such total shall not exceed \$2,000,000. The Mayor is hereby authorized to determine the total principal amount of the Warrant prior to its delivery, which determination shall be evidenced and conclusively established by a certificate to be signed by the Mayor and delivered at the time of delivery of the Warrant.

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 and under the Financing Agreement 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.

The Mayor thereupon announced that the motion for the adoption of said Ordinance had been carried.

* * * * *

There being no further business to come before the meeting the same was, on motion duly made and adopted, adjourned.

By: _____
Michael M. McMillan
Its Mayor

ATTEST:

By: _____
Rebecca A. Gaines
Its City Clerk

EXHIBIT A

FORM OF WARRANT

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF SPANISH FORT, ALABAMA
GENERAL OBLIGATION WARRANT, 2025

The CITY OF SPANISH FORT, 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 _____ AND NO/100 DOLLARS (\$_____) and hereby directs its Clerk to pay (but solely out of the Warrant Fund referred to below) such principal sum to UNITED BANK, or registered assigns, and to pay (but solely out of the Warrant Fund) interest on such principal sum from the date hereof until such principal sum shall become due and payable at the rate of 3.85% per annum, calculated on the basis of a 360 day year and 12 consecutive 30 day months and payable on the fifteenth day of each month. The principal hereof and any accrued interest shall be paid in equal monthly installments for a term of ten years commencing on June 15, 2025, and continuing until May 15, 2035; provided however that the final installment, due May 15, 2035, shall in any event be an amount equal to the unpaid principal hereof and interest accrued hereon. See attached payment schedule.

Upon the occurrence of a Determination of Taxability (as defined in the Warrant Ordinance hereinafter described), interest hereon shall accrue at the Taxable Rate (as hereinafter defined), commencing with the payment immediately following receipt by the Holder hereof of notice of such occurrence. In addition, within ten (10) days following any Determination of Taxability, the City shall pay to the Holder hereof (without regard to whether such Holder shall have previously been the Holder) (1) an amount equal to the difference between (a) the interest paid hereon from the date from which interest hereon became includable in gross income of the Holder to the date of the Determination of Taxability, and (b) the amount of interest which would have been payable hereon if this Warrant had borne interest at the Taxable Rate during that same period, plus (2) an amount equal to any interest, penalties and additions to tax suffered by the Holder. As used herein, the "Taxable Rate" shall mean the per annum rate derived by dividing (x) the rate borne hereby (3.85%) by (y) 1 minus the maximum federal corporate income tax rate as of the date of the Determination of Taxability.

The principal and interest so payable, and punctually paid or duly provided for on any payment date will, as provided in the ordinance adopted by the City Council of the City on April 7, 2025, (the "Warrant Ordinance"), 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.

Pursuant to the Warrant Ordinance, the City has established a special fund for the payment of debt service on the Warrants (the "Warrant Fund") that will be held by United Bank, as depository. The City has obligated itself to pay or cause to be paid into the Warrant Fund from the taxes, revenues or other funds of the City sums sufficient to provide for the payment of debt service on the Warrants as the same becomes due and payable.

Payment of principal of or 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. Such payments of principal and interest shall be credited on the date received by the holder hereof but shall be deemed timely made if so mailed on the payment date or, if such payment date is not a date on which banks are open for business, on the next such day next following such payment date. 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. The City hereby covenants and agrees that so long as this Warrant is outstanding it will levy and collect such taxes as are permitted under the Constitution and laws of the State of Alabama to the extent necessary to pay the principal hereof and interest hereon.

This Warrant is subject to redemption at the option of the City, in whole or in part, upon written notice delivered to the Holder not less than ten (10) days prior to the date of redemption, at a redemption price equal to the principal amount to be redeemed plus the interest accrued thereon to the date of redemption, plus, in the case of any redemption prior to the third anniversary of the date hereof.

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 Clerk of the City. Each Holder hereof, 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.

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 Warrant Ordinance; 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 in its behalf by its Mayor and by the City Clerk and has caused the seal of the City to be impressed hereon, and has caused this Warrant to be dated _____.

CITY OF SPANISH FORT, ALABAMA

(SEAL)

By: _____
Mayor

Attest:

City Clerk

REGISTRATION AS CLAIM AGAINST WARRANT FUND

Date of Registration: _____

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

Treasurer, City of Spanish Fort, Alabama
FORM OF ASSIGNMENT

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within Warrant and hereby irrevocably constitute(s) and appoint(s) _____, attorney, with full power of substitution in the premises, to transfer this Warrant on the books of the within-mentioned City.

Dated this ____ day of _____, _____.

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

Signature Guarantee:

(Bank, Trust Company or Fund)

By:_____
(Authorized Officer)

FINANCING AGREEMENT

Between

CITY OF SPANISH FORT, ALABAMA

and

UNITED BANK

FINANCING AGREEMENT

THIS FINANCING AGREEMENT dated _____, entered into by the CITY OF SPANISH FORT, ALABAMA, a municipal corporation under the laws of the State of Alabama (the "City"), and UNITED BANK, an Alabama bankcorporation (the "Lender").

Recitals

Simultaneously with the execution and delivery of this Agreement, the City has issued its \$2,000,000 General Obligation Warrant, 2025 (the "Warrant"). The proceeds of the Warrant will be used to finance the acquisition of an E-One Typhoon Q#97545 Fire Truck and the acquisition of certain real property by the City (the "Acquisitions"), and it is necessary that the City borrow the sum of \$2,000,000 (the "Acquisitions"). Pursuant to this Agreement, the Lender has agreed to make a loan (the "Loan") to the City in the amount of \$2,000,000 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 Mayor and City Council of the City on _____, 20__, authorizing the issuance of the Warrant (the "Ordinance") and in the form of Warrant attached as Exhibit A to the Ordinance.

In order to provide for the issuance of the Warrant, for certain representations and covenants on the part of the City and the Lender and for the other purposes set forth herein, the parties have agreed to enter into this Agreement.

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

Upon the terms and conditions in the Ordinance, the Lender hereby agrees to lend to the City, and the City hereby agrees to borrow from the Lender, \$2,000,000. The City's obligation to repay the Loan shall be evidenced by the Warrant in the principal amount of \$2,000,000. The Warrant shall bear interest at the rate per annum and shall be payable on the dates indicated in the form of the Warrant. Principal of the Warrant shall be payable as described in the form of the Warrant.

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. 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 further agrees that it will continue to collect and enforce taxes to the extent necessary to pay the principal of and interest on the Warrant.

Section 2. Representations and Warranties

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

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

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

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

(4) The financial statements provided to the Lender by the City are complete and correct and fairly represent the financial condition of the City. There have been no material adverse changes in the business, properties or financial condition of the City, whether or not arising in the ordinary course of business, since September 30, 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 and Warranties 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 (the "1933 Act"), 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 1933 Act, as amended 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.

Section 3. Covenants of the City

(a) The City shall pay the principal of and the interest on the Warrant at the time and place and in the manner provided in the Warrant.

(b) The City shall within ten (10) days after it acquires knowledge thereof, notify the Lender in writing upon the happening, occurrence, or existence of any Event of Default hereunder, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Lender with such written notice a detailed statement by a responsible officer

of the City of all relevant facts and the action being taken or proposed to be taken by the City with respect thereto.

(c) The City shall promptly inform the Lender in writing of any actual or potential contingent liabilities or pending or threatened litigation of any amount that could reasonably be expected to have a material and adverse effect upon the financial condition of the City and upon the ability of the City to perform its obligations under the Warrant.

(d) The City shall maintain such liability, casualty, and other insurance as is reasonable and prudent for similarly situated political subdivisions of the State and shall, upon written request of the Lender, provide evidence of such coverage to the Bank.

(e) The City shall comply with all applicable federal, state and local laws and regulatory requirements applicable to it.

(f) The Lender shall be provided with such financial information regarding the City as Lender may reasonably request, including but not limited to providing annual audited financial statements within 210 days after the end of the City's Fiscal Year.

(g) The City shall provide to the Lender a copy of the City's annual budget promptly upon, but not later than 45 days after, approval thereof by the City Council.

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

Section 4. Closing; Construction Fund

(a) Subject to the conditions described below, not later than 2:00 p.m. (Spanish Fort, Alabama time) on the Closing Date, the City will deliver the Warrant to the Lender in definitive form, duly executed and authenticated, together with the other documents required by this Section 4.

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

(4) Tax Certificate. A duly executed and delivered counterpart of a Tax Certificate and Agreement, in form acceptable to Bond Counsel, executed by the City with respect to its compliance with certain provisions of the Internal Revenue Code of 1986, as amended.

(5) Form 8038-G. A report on Form 8038-G, in form satisfactory to Bond Counsel.

(6) Opinion of Bond Counsel. An opinion of Hand Arendall Harrison Sale LLC, bond counsel to the City, to the effect that (i) the Warrant, this Financing Agreement and the Ordinance constitute legal, valid and binding obligations of the City, enforceable in accordance with their terms, and (ii) the interest borne by the Warrant is excluded from income for purposes of federal and State of Alabama income taxation, which opinion shall be addressed to the Lender, dated the Closing Date and otherwise in form and substance satisfactory to the Lender.

(c) The proceeds of the Loan will be deposited and maintained in a separate account of the City (the "2025 Acquisition Fund"), more specifically identified as "City of Spanish Fort, Series 2025 Proceeds," Account Number _____. The Lender shall be the depository for the 2025 Acquisition Fund. The entire principal amount of the Warrant shall be paid by the Lender into the 2025 Acquisition Fund on the Closing Date upon receipt of the Warrant and other required documents. Funds may be

drawn from the 2025 Acquisition Fund from time to time by check or draft signed by the Mayor or other authorized officer of the City or, at the request of the City, by wire transfer or other electronic means.

Section 5. Events of Default

(a) Each of the following shall be an "Event of Default" hereunder:

(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 City shall default in the performance of or compliance with any term or covenant contained this Agreement, the Ordinance or the Warrant, which default or noncompliance shall not be cured within thirty (30) days after (i) notice thereof to the City by the Lender or (ii) the Lender is or should have been notified of such noncompliance by the City, whichever is earlier;

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

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

(6) the dissolution or liquidation of the City.

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

Section 6. 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 7. Patriot Act

The City 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 City further represents and warrants to the Lender that the City 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 8. Privately Negotiated Loan; Counsel to Lender

(a) 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.

(b) The City acknowledges that, the fees have been paid to Lender’s legal counsel by United Bank, and , said law firm has performed the services on behalf of the Lender and does not represent and has not represented the City in this transaction.

Section 9. Notices

Any notice required to be delivered hereunder shall be in writing and shall be delivered by first class mail at the respective addresses set forth below:

To the City: City of Spanish Fort
Attention: Mayor
7361 Spanish Fort Boulevard
Spanish Fort, Alabama 36527

To the Lender: United Bank
Attn: Greg Walker
9102 Independence Ave
Daphne AL 36526

Section 10. Miscellaneous

- (a) Waiver of Jury Trial. Each of the City and the Lender hereby knowingly, intentionally and voluntarily waives any right to a trial by jury with respect to any matter directly or indirectly relating to the Warrant, this Agreement or any other document or instrument delivered in connection with the Warrant and the transaction contemplated hereby.
- (b) 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.
- (c) Agreement to Remain in Effect. This Agreement shall be effective as of its date and shall remain in effect until the entire principal of and interest on the Warrant is paid or provision therefor is made to the satisfaction of the Lender.
- (d) Governing Law. This Financing Agreement and the rights and obligations of the City and the Lender shall be governed by and construed in accordance with the laws of the State of Alabama.

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

UNITED BANK

By: _____

Title: _____

CITY OF SPANISH FORT, ALABAMA

(SEAL)

By _____
Its Mayor

ATTEST:

City Clerk