



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 8/14/2025

File ID: TMP-5822

Department: Finance

Subject:

Type of Action: Approval/Action

Resolution calling for redemption of certain outstanding general obligation warrants of the City.

Resolution No.

Finance Information:

Account Number: Fund 3202, Fund 3204 and Fund 3206

City Cost Amount: \$0

Total Cost: \$31,395,000.00

Special Circumstances:

Grant Funded: N/A

Grant Title - CFDA or granting Agency: NA

Resolution #: N/A

Location: (list below)

Address: N/A

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

RESOLUTION NO. _____

BE IT RESOLVED by the City Council (herein called the "Council") of the City of Huntsville (herein called the "City") in the State of Alabama, as follows:

Section 1. Findings. The Council hereby finds and declares as follows:

(a) Pursuant to Ordinance No. 14-625 adopted by the Council on August 28, 2014 (the "2014-A Ordinance"), the City issued its \$54,110,000 initial aggregate principal amount of General Obligation Refunding Warrants, Series 2014-A, dated the date of their original delivery (the "Series 2014-A Warrants"), which are presently outstanding, bear interest at such rates, and mature or are subject to mandatory redemption on August 1 in the years and principal amounts, as follows:

Maturity Date (August 1)	Principal Amount	Interest Rate
2026	\$5,060,000	5.000%
2027	5,310,000	5.000
2028	60,000	3.000
2029	3,115,000	4.000
2030	1,365,000	4.000
2031	1,415,000	4.000
2032	1,470,000	4.000
2033	1,535,000	4.000
2034	1,595,000	4.000
2035	1,660,000	3.500
2036	1,715,000	3.500
2037	1,770,000	3.500

(b) Pursuant to Ordinance No. 16-432 adopted by the Council on June 14, 2016 (the "2016 Ordinance"), the City issued its \$32,725,000 initial aggregate principal amount of General Obligation Warrants, Series 2016-A, dated the date of their original delivery (the "Series 2016-A Warrants"), which are presently outstanding, bear interest at such rates, and mature on May 1 in the years and principal amounts, as follows:

Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$1,845,000	5.000%
2027	1,940,000	5.000
2028	2,035,000	5.000
2029	2,140,000	5.000
2030	2,245,000	5.000
2031	2,355,000	5.000
2032	2,475,000	5.000
2033	2,600,000	5.000
2034	2,730,000	5.000

2035	2,865,000	5.000
2036	3,010,000	5.000

(c) Pursuant to the 2016 Ordinance, the City issued its \$36,030,000 initial aggregate principal amount of General Obligation Refunding Warrants, Series 2016-C, dated the date of their original delivery (the "Series 2016-C Warrants"), which are presently outstanding, bear interest at such rates, and mature on May 1 in the years and principal amounts, as follows:

Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$2,335,000	5.000%
2027	2,450,000	5.000
2028	6,555,000	3.000
2029	3,060,000	3.000

(d) Pursuant to Ordinance No. 18-106 adopted by the Council on February 21, 2018 (the "2018-B Ordinance"), the City issued its \$61,985,000 initial aggregate principal amount of General Obligation Warrants, Series 2018-B, dated the date of their original delivery (the "Series 2018-B Warrants"), which are presently outstanding, bear interest at such rates, and mature on May 1 in the years and principal amounts, as follows:

Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$2,660,000	5.000%
2027	2,795,000	5.000
2028	2,930,000	5.000
2029	3,080,000	5.000
2030	3,235,000	5.000
2031	3,395,000	5.000
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2035	4,125,000	5.000
2036	4,330,000	5.000
2037	4,550,000	5.000
2038	4,775,000	5.000

(e) Pursuant to Ordinance No. 19-454 adopted by the Council on May 30, 2019 (the "2019-A Ordinance"), the City issued its \$77,000,000 initial aggregate principal amount of General Obligation Warrants, Series 2019-A, dated the date of their original delivery (the "Series 2019-A Warrants"), which are presently outstanding, bear interest at such rates, and mature on May 1 in the years and principal amounts, as follows:

Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$3,105,000	5.000%
2027	3,255,000	5.000
2028	3,425,000	5.000
2029	3,590,000	5.000
2030	3,775,000	5.000
2031	3,960,000	5.000
2032	4,160,000	5.000
2033	4,365,000	5.000
2034	4,585,000	5.000
2035	4,815,000	5.000
2036	5,055,000	5.000
2037	5,305,000	5.000
2038	5,575,000	5.000
2039	5,850,000	5.000

(f) Pursuant to Ordinance No. 20-934 adopted by the Council on October 22, 2020 (the "2020-C Ordinance"), the City issued its \$31,210,000 initial aggregate principal amount of Taxable General Obligation Warrants, Series 2020-C, dated the date of their original delivery (the "Series 2020-C Warrants"), which are presently outstanding, bear interest at such rates, and mature on September 1 in the years and principal amounts, as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
2025	\$5,000,000	2.000%
2026	3,960,000	2.000
2027	1,170,000	2.000
2028	1,070,000	2.000
2029	1,085,000	2.000
2030	1,115,000	2.000
2031	1,135,000	1.600
2032	70,000	1.800
2033	1,700,000	1.800
2034	1,725,000	1.900

(g) The various series of warrants described above may be redeemed and retired, at the option of the City, prior to their stated dates of maturity, as follows:

(i) under and pursuant to the 2014-A Ordinance, those of the Series 2014-A Warrants maturing on and after August 1, 2025 may be called for redemption and payment by the City, in whole or in part, on August 1, 2024, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2014-A Warrants called for redemption plus accrued interest thereon to the date set for redemption;

(ii) under and pursuant to the 2016 Ordinance, those of the Series 2016-A Warrants maturing on and after May 1, 2027 may be called for redemption and payment by the City, in whole or in part, on May 1, 2026, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2016-A Warrants called for redemption plus accrued interest thereon to the date set for redemption;

(iii) under and pursuant to the 2016 Ordinance, those of the Series 2016-C Warrants maturing on and after May 1, 2027 may be called for redemption and payment by the City, in whole or in part, on May 1, 2026, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2016-C Warrants called for redemption plus accrued interest thereon to the date set for redemption;

(iv) under and pursuant to the 2018-B Ordinance, those of the Series 2018-B Warrants maturing on and after May 1, 2028 may be called for redemption and payment by the City, in whole or in part, on November 1, 2027, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2018-B Warrants called for redemption plus accrued interest thereon to the date set for redemption;

(v) under and pursuant to the 2019-A Ordinance, those of the Series 2019-A Warrants maturing on and after May 1, 2030 may be called for redemption and payment by the City, in whole or in part, on May 1, 2029, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2019-A Warrants called for redemption plus accrued interest thereon to the date set for redemption; and

(vi) under and pursuant to the 2020-C Ordinance, those of the Series 2020-C Warrants maturing on and after September 1, 2031 may be called for redemption and payment by the City, in whole or in part, on September 1, 2030, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2020-C Warrants called for redemption plus accrued interest thereon to the date set for redemption.

(h) Under the provision of Section 11-99-1 et seq., Code of Alabama 1975, as amended, the City heretofore established various tax increment districts to finance certain public capital improvements within portions of the City paid for with proceeds of the warrants hereinabove described, as follows:

(i) tax increment district 2 ("TIF 2"), a portion of which such improvements were financed or refinanced with proceeds of portions of the Series 2020-C Warrants;

(ii) tax increment district 4 ("TIF 4"), a portion of which such improvements were financed or refinanced with proceeds of portions of the Series 2014-A Warrants and the Series 2016-C Warrants; and

(iii) tax increment district 6 ("TIF 6"), a portion of which such improvements were financed or refinanced with proceeds of portions of the Series 2016-A Warrants, the Series 2018-B Warrants, and the Series 2019-A Warrants.

(i) The City has determined to redeem, pay, and retire, using revenues collected from TIF 2 ("TIF 2 Revenues") portions of the Series 2020-C Warrants, as follows (such portions, the "Defeased Series 2020-C Warrants"):

Defeased Series 2020-C Warrants		
Maturity Date (September 1)	Principal Amount	Interest Rate
2026	\$405,000	2.000%
2027	415,000	2.000

(j) The City has determined to redeem, pay, and retire, using revenues collected from TIF 4 ("TIF 4 Revenues") portions of the Series 2014-A Warrants (such portions, the "Defeased Series 2014-A Warrants") and portions of the Series 2016-C Warrants (such portions, the "Defeased Series 2016-C Warrants"), as follows:

Defeased Series 2014-A Warrants		
Maturity Date (August 1)	Principal Amount	Interest Rate
2026	\$1,140,000	5.000%
2027	1,195,000	5.000
2028	60,000	3.000
2029	60,000	4.000
2030	1,365,000	4.000
2031	1,415,000	4.000
2032	1,470,000	4.000
2033	1,535,000	4.000
2034	1,595,000	4.000
2035	1,660,000	3.500
2036	1,715,000	3.500
2037	1,770,000	3.500

Defeased Series 2016-C Warrants		
Maturity Date (May 1)	Principal Amount	Interest Rate
2028	1,175,000	3.000%
2029	1,150,000	3.000

(k) The City has determined to redeem, pay, and retire, using revenues collected from TIF 6 ("TIF 6 Revenues") portions of the Series 2016-A Warrants (such portions, the "Defeased Series 2016-A Warrants"), portions of the Series 2018-B Warrants (such portions, the "Defeased Series 2018-B Warrants"), and portions of the Series 2019-A Warrants (such portions, the "Defeased Series 2019-A Warrants"), as follows:

Defeased Series 2016-A Warrants		
Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$240,000	5.000%
2027	255,000	5.000
2028	265,000	5.000
2029	280,000	5.000
2030	295,000	5.000
2031	310,000	5.000
2032	325,000	5.000
2033	340,000	5.000
2034	355,000	5.000
2035	375,000	5.000
2036	395,000	5.000

Defeased Series 2018-B Warrants		
Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$375,000	5.000%
2027	390,000	5.000
2028	410,000	5.000
2029	430,000	5.000
2030	455,000	5.000
2031	475,000	5.000
2032	500,000	5.000
2033	525,000	5.000
2034	550,000	5.000
2035	580,000	5.000
2036	605,000	5.000
2037	635,000	5.000
2038	670,000	5.000

Defeased Series 2019-A Warrants		
Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$165,000	5.000%
2027	175,000	5.000
2028	180,000	5.000
2029	190,000	5.000

2030	200,000	5.000
2031	210,000	5.000
2032	220,000	5.000
2033	235,000	5.000
2034	245,000	5.000
2035	255,000	5.000
2036	270,000	5.000
2037	285,000	5.000
2038	295,000	5.000
2039	310,000	5.000

(l) The City is not in default in the payment of the principal of or the interest or premium, if any, on any of the Series 2014-A Warrants, the Series 2016-A Warrants, the Series 2016-C Warrants, the Series 2018-B Warrants, the Series 2019-A Warrants, or the Series 2020-C Warrants, and no default has occurred under the 2014-A Ordinance, the 2016 Ordinance, the 2018-B Ordinance, the 2019-A Ordinance, or the 2020-C Ordinance.

Section 1. Calls for Early Redemption and Payment. (a) **Call of Defeased Series 2014-A Warrants.** Acting pursuant to the provisions of the 2014-A Ordinance, the Council does hereby elect to redeem and pay, and does hereby call for redemption and payment, on October 1, 2025, or such other date as identified by the Finance Director of the City that is not more than ninety (90) days from the date hereof (the "2014-A Redemption Date"), all of the Defeased Series 2014-A Warrants, the redemption of the Defeased Series 2014-A Warrants to be effected at and for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the 2014-A Redemption Date.

(b) **Call of Called Defeased Series 2016-A Warrants.** Acting pursuant to the provisions of the 2016 Ordinance, the Council does hereby elect to redeem and pay, and does hereby call for redemption and payment, on May 1, 2026 (the "2016 Redemption Date"), those of the Defeased Series 2016-A Warrants maturing on May 1, 2027, and thereafter (the "Called Defeased Series 2016-A Warrants"), the redemption of the Called Defeased Series 2016-A Warrants to be effected at and for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the 2016 Redemption Date.

(c) **Call of Defeased Series 2016-C Warrants.** Acting pursuant to the provisions of the 2016 Ordinance, the Council does hereby elect to redeem and pay, and does hereby call for redemption and payment, on the 2016 Redemption Date, all of the Defeased Series 2016-C Warrants, the redemption of the Defeased Series 2016-C Warrants to be effected at and for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the 2016 Redemption Date.

(d) **Call of Called Defeased Series 2018-B Warrants.** Acting pursuant to the provisions of the 2018-B Ordinance, the Council does hereby elect to redeem and pay, and does hereby call for redemption and payment, on November 1, 2027 (the "2018-B Redemption Date"), those of the Defeased Series 2018-B Warrants maturing on May 1, 2028, and thereafter (the "Called Defeased Series 2018-B Warrants"), the redemption of the Called Defeased Series 2018-

B Warrants to be effected at and for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the 2018-B Redemption Date.

(e) **Call of Called Defeased Series 2019-A Warrants.** Acting pursuant to the provisions of the 2019-A Ordinance, the Council does hereby elect to redeem and pay, and does hereby call for redemption and payment, on May 1, 2029 (the "2019-A Redemption Date"), those of the Defeased Series 2019-A Warrants maturing on May 1, 2030, and thereafter (the "Called Defeased Series 2019-A Warrants"), the redemption of the Called Defeased Series 2019-A Warrants to be effected at and for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the 2019-A Redemption Date.

Section 2. Authorization of Escrow Trust Agreement. (a) The Mayor is hereby authorized and directed to execute and deliver, by and on behalf of the City, one or more escrow trust agreements, with Regions Bank as escrow trustee, in substantially the form presented to the meeting at which this resolution is adopted (which form shall be attached as Exhibit I to the minutes of the meeting at which this resolution is adopted and is adopted in all respects as if set out in full herein), with such changes as the Finance Director of the City shall approve (an "Escrow Trust Agreement"), providing for the payment and redemption of Defeased Series 2014-A Warrants, Defeased Series 2016-A Warrants, Defeased Series 2016-C Warrants, Defeased Series 2018-B Warrants, Defeased Series 2019-A Warrants, and Defeased Series 2020-C Warrants. The City Clerk is hereby authorized and directed to affix the seal of the City to each Escrow Trust Agreement and to attest the same.

(b) The Finance Director of the City is hereby authorized and directed to cause amounts to be deposited into the funds and accounts of an Escrow Trust Agreement to be invested in such securities or other obligations as the Finance Director shall determine most advisable for the refinancing of the Defeased Warrants (hereinafter defined). The Finance Director is hereby further authorized to work with PFM Financial Advisors LLC ("PFM"), and such affiliates of PFM or other entities as shall be recommended by PFM, in bidding and subscribing for securities to be invested in the funds and accounts of each Escrow Trust Agreement for the redemption and payment of the Defeased Series 2014-A Warrants, the Defeased Series 2016-A Warrants, the Defeased Series 2016-C Warrants, the Defeased Series 2018-B Warrants, the Defeased Series 2019-A Warrants, and the Defeased Series 2020-C Warrants (collectively, the "Defeased Warrants").

Section 3. Redemption and Payment of the Defeased Warrants. (a) **Source of Funds for Redemption and Payment of Defeased Warrants.** The City has determined to redeem, pay, and retire (i) the Defeased Series 2020-C Warrants with TIF 2 Revenues, (ii) the Defeased Series 2014-A Warrant and Defeased Series 2016-C Warrants with TIF 4 Revenues, and (iii) the Defeased Series 2016-A Warrants, Defeased Series 2018-B Warrants, and Defeased Series 2019-A Warrants with TIF 6 Revenues.

(b) **Authorized Activities of Paying Agent Respecting Defeased Warrants to be Called for Early Redemption.** Regions Bank, in its capacity as paying agent for the Defeased Warrants, is hereby authorized and directed:

(i) to give notice of and effect the call for redemption of the Called Defeased Series 2016-A Warrants in the manner provided in the 2016 Ordinance, and to give notice of and effect the redemption of the Called Defeased Series 2016-A Warrants in the manner provided in the 2016 Ordinance, and to take all other actions as shall be necessary or desirable to carry-out the payment and redemption (such redemption to occur on the 2016 Redemption Date) of the Called Defeased Series 2016-A Warrants, as aforesaid,

(ii) to give notice of and effect the call for redemption of the Defeased Series 2016-C Warrants in the manner provided in the 2016 Ordinance, and to give notice of and effect the redemption of the Defeased Series 2016-C Warrants in the manner provided in the 2016 Ordinance, and to take all other actions as shall be necessary or desirable to carry-out the payment and redemption (such redemption to occur on the 2016 Redemption Date) of the Defeased Series 2016-C Warrants, as aforesaid,

(iii) to give notice of and effect the call for redemption of the Called Defeased Series 2018-B Warrants in the manner provided in the 2018-B Ordinance, and to give notice of and effect the redemption of the Called Defeased Series 2018-B Warrants in the manner provided in the 2018-B Ordinance, and to take all other actions as shall be necessary or desirable to carry-out the payment and redemption (such redemption to occur on the 2018-B Redemption Date) of the Called Defeased Series 2018-B Warrants, as aforesaid, and

(iv) to give notice of and effect the call for redemption of the Called Defeased Series 2019-A Warrants in the manner provided in the 2019-A Ordinance, and to give notice of and effect the redemption of the Called Defeased Series 2019-A Warrants in the manner provided in the 2019-A Ordinance, and to take all other actions as shall be necessary or desirable to carry-out the payment and redemption (such redemption to occur on the 2019-A Redemption Date) of the Called Defeased Series 2019-A Warrants, as aforesaid.

(c) In order to effect the redemption and payment of the Defeased Warrants, there shall be remitted to Regions Bank, as escrow trustee under the Escrow Trust Agreement or Escrow Trust Agreements, as the case may be:

(i) from TIF 2 Revenues (and from such other sources as may be determined necessary by the Finance Director) such amount as the Finance Director, acting upon the advice and guidance of PFM, shall determine necessary to pay maturing installments of principal of and interest on, and the redemption

price of, the Defeased Series 2020-C Warrants as and when the same come due through and including the 2020-C Redemption Date;

(ii) from TIF 4 Revenues (and from such other sources as may be determined necessary by the Finance Director) such amount as the Finance Director, acting upon the advice and guidance of PFM, shall determine necessary to pay maturing installments of principal of and interest on, and the redemption price of (A) the Defeased Series 2014-A Warrants through and including the 2014-A Redemption Date, and (B) the Defeased Series 2016-C Warrants through and including the 2016 Redemption Date; and

(iii) from TIF 6 Revenues (and from such other sources as may be determined by the Finance Director) such amount as the Financing Director, acting on the advice and guidance of PFM, shall determine necessary to pay maturing installments of principal of and interest on (A) the Defeased Series 2016-A Warrants, the Defeased Series 2018-B Warrants, and the Defeased Series 2019-A Warrants, and to pay the redemption price of (I) the Called Defeased Series 2016-A Warrants on the 2016 Redemption Date, (II) the Called Defeased Series 2018-B Warrants on the 2018-B Redemption Date, and (III) the Called Defeased Series 2019-A Warrants on the 2019-A Redemption Date.

(d) Amounts deposited into any of the funds or accounts of an Escrow Trust agreement shall be invested as determined by the Financing Director, acting at the advice and guidance of PFM.

(e) The Mayor, the Finance Director, and the City Clerk, or any of them, are hereby authorized and directed to take or cause to be taken, in the name and behalf of the City, all of the actions required by the provisions of ordinances described above to be taken in order to effect the payment, defeasance, and early call for redemption, as the case may be, of the Defeased Warrants as aforesaid. Without limiting the generality of the foregoing, the Finance Director is hereby authorized to cause payment of all reasonable costs and expenses in connection with the defeasances and payment of the Defeased Warrants, and the investment of funds pending such defeasances and payment, herein authorized.

ADOPTED this the 14th day of August, 2025.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 14th day of August, 2025.

Mayor of the City of
Huntsville, Alabama

ESCROW TRUST AGREEMENT

between

CITY OF HUNTSVILLE

and

REGIONS BANK

Dated _____, 2025

This **ESCROW TRUST AGREEMENT** is dated _____, and entered into by and between the **CITY OF HUNTSVILLE**, a municipal corporation under the laws of the State of Alabama (herein called the "City"), and **REGIONS BANK**, an Alabama banking corporation (herein called the "Escrow Trustee").

R E C I T A L S:

The City makes the following recitals and representations as the basis for the undertakings herein contained:

(1) Pursuant to Ordinance No. 14-625 adopted by the Council on August 28, 2014 (the "2014-A Ordinance"), the City issued its \$54,110,000 initial aggregate principal amount of General Obligation Refunding Warrants, Series 2014-A, dated the date of their original delivery (the "Series 2014-A Warrants"), which are presently outstanding, bear interest at such rates, and mature or are subject to mandatory redemption on August 1 in the years and principal amounts, as follows:

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(2) Pursuant to Ordinance No. 16-432 adopted by the Council on June 14, 2016 (the "2016 Ordinance"), the City issued its \$32,725,000 initial aggregate principal amount of General Obligation Warrants, Series 2016-A, dated the date of their original delivery (the "Series 2016-A Warrants"), which are presently outstanding, bear interest at such rates, and mature on May 1 in the years and principal amounts, as follows:

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(3) Pursuant to the 2016 Ordinance, the City issued its \$36,030,000 initial aggregate principal amount of General Obligation Refunding Warrants, Series 2016-C, dated the date of their original delivery (the "Series 2016-C Warrants"), which are presently outstanding, bear interest at such rates, and mature on May 1 in the years and principal amounts, as follows:

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(4) Pursuant to Ordinance No. 18-106 adopted by the Council on February 21, 2018 (the "2018-B Ordinance"), the City issued its \$61,985,000 initial aggregate principal amount of General Obligation Warrants, Series 2018-B, dated the date of their original delivery (the "Series 2018-B Warrants"), which are presently outstanding, bear interest at such rates, and mature on May 1 in the years and principal amounts, as follows:

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2038	5,575,000	5.000
2039	5,850,000	5.000

(6) Pursuant to Ordinance No. 20-934 adopted by the Council on October 22, 2020 (the "2020-C Ordinance"), the City issued its \$31,210,000 initial aggregate principal amount of Taxable General Obligation Warrants, Series 2020-C, dated the date of their original delivery (the "Series 2020-C Warrants"), which are presently outstanding, bear interest at such rates, and mature on September 1 in the years and principal amounts, as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
2025	\$5,000,000	2.000%
2026	3,960,000	2.000
2027	1,170,000	2.000
2028	1,070,000	2.000
2029	1,085,000	2.000
2030	1,115,000	2.000
2031	1,135,000	1.600
2032	70,000	1.800
2033	1,700,000	1.800
2034	1,725,000	1.900

(7) The various series of warrants described above may be redeemed and retired, at the option of the City, prior to their stated dates of maturity, as follows:

(i) under and pursuant to the 2014-A Ordinance, those of the Series 2014-A Warrants maturing on and after August 1, 2025 may be called for redemption and payment by the City, in whole or in part, on August 1, 2024, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2014-A Warrants called for redemption plus accrued interest thereon to the date set for redemption;

(ii) under and pursuant to the 2016 Ordinance, those of the Series 2016-A Warrants maturing on and after May 1, 2027 may be called for redemption and payment by the City, in whole or in part, on May 1, 2026, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2016-A Warrants called for redemption plus accrued interest thereon to the date set for redemption;

(iii) under and pursuant to the 2016 Ordinance, those of the Series 2016-C Warrants maturing on and after May 1, 2027 may be called for redemption and payment by the City, in whole or in part, on May 1, 2026, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2016-C Warrants called for redemption plus accrued interest thereon to the date set for redemption;

(iv) under and pursuant to the 2018-B Ordinance, those of the Series 2018-B Warrants maturing on and after May 1, 2028 may be called for redemption and payment by the City, in whole or in part, on November 1, 2027, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2018-B Warrants called for redemption plus accrued interest thereon to the date set for redemption;

(v) under and pursuant to the 2019-A Ordinance, those of the Series 2019-A Warrants maturing on and after May 1, 2030 may be called for redemption and payment by the City, in whole or in part, on May 1, 2029, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2019-A Warrants called for redemption plus accrued interest thereon to the date set for redemption; and

(vi) under and pursuant to the 2020-C Ordinance, those of the Series 2020-C Warrants maturing on and after September 1, 2031 may be called for redemption and payment by the City, in whole or in part, on September 1, 2030, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2020-C Warrants called for redemption plus accrued interest thereon to the date set for redemption.

(8) On August 14, 2025, the City Council of the City (the "Council") adopted an ordinance (the "Defeasance Ordinance") under which the City determined to defease, redeem, pay, and retire, portions of (i) the Series 2014-A Warrants (such portions, the "Defeased Series 2014-A Warrants"), (ii) the Series 2016-A Warrants (such portions, the "Defeased Series 2016-A Warrants"), (iii) the Series 2016-C Warrants (such portions, the "Defeased Series 2016-C Warrants"), (iv) the Series 2018-B Warrants (such portions, the "Defeased Series 2018-B Warrants"), (v) the Series 2019-A Warrants (such portions, the "Defeased Series 2019-A Warrants"), and (vi) portions of the Series 2020-C Warrants (such portions, the "Defeased Series 2020-C Warrants"), as follows:

Defeased Series 2014-A Warrants

Maturity Date (August 1)	Principal Amount	Interest Rate
2026	\$1,140,000	5.000%
2027	1,195,000	5.000
2028	60,000	3.000
2029	60,000	4.000
2030	1,365,000	4.000
2031	1,415,000	4.000
2032	1,470,000	4.000
2033	1,535,000	4.000
2034	1,595,000	4.000
2035	1,660,000	3.500
2036	1,715,000	3.500
2037	1,770,000	3.500

Defeased Series 2016-A Warrants

Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$240,000	5.000%
2027	255,000	5.000
2028	265,000	5.000
2029	280,000	5.000
2030	295,000	5.000
2031	310,000	5.000
2032	325,000	5.000
2033	340,000	5.000
2034	355,000	5.000
2035	375,000	5.000
2036	395,000	5.000

Defeased Series 2016-C Warrants

Maturity Date (May 1)	Principal Amount	Interest Rate
2028	\$1,175,000	3.000%
2029	1,150,000	3.000

Defeased Series 2018-B Warrants

Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$375,000	5.000%
2027	390,000	5.000
2028	410,000	5.000
2029	430,000	5.000

2030	455,000	5.000
2031	475,000	5.000
2032	500,000	5.000
2033	525,000	5.000
2034	550,000	5.000
2035	580,000	5.000
2036	605,000	5.000
2037	635,000	5.000
2038	670,000	5.000

Defeased Series 2019-A Warrants

Maturity Date (May 1)	Principal Amount	Interest Rate
2026	\$165,000	5.000%
2027	175,000	5.000
2028	180,000	5.000
2029	190,000	5.000
2030	200,000	5.000
2031	210,000	5.000
2032	220,000	5.000
2033	235,000	5.000
2034	245,000	5.000
2035	255,000	5.000
2036	270,000	5.000
2037	285,000	5.000
2038	295,000	5.000
2039	310,000	5.000

Defeased Series 2020-C Warrants

Maturity Date (September 1)	Principal Amount	Interest Rate
2026	\$405,000	2.000%
2027	415,000	2.000

(9) As used herein, the Defeased Series 2014-A Warrants, the Defeased Series 2016-A Warrants, the Defeased Series 2016-C Warrants, the Defeased Series 2018-B Warrants, the Defeased Series 2019-A Warrants and the Defeased Series 2020-C Warrants are referred to collectively from time to time as the "Defeased Warrants". Under the Defeasance Ordinance, the Council did hereby call for redemption and payment certain of the Defeased Warrants, as follows:

- (i) on [] (the "2014-A Redemption Date"), all of the Defeased Series 2014-A Warrants,
- (ii) on May 1, 2026 (the "2016 Redemption Date"), those of the Defeased Series 2016-A Warrants maturing on

May 1, 2027, and thereafter (the "Called Defeased Series 2016-A Warrants"),

- (iii) on the 2016 Redemption Date, all of the Defeased Series 2016-C Warrants,
- (iv) on November 1, 2027 (the "2018-B Redemption Date"), those of the Defeased Series 2018-B Warrants maturing on May 1, 2028, and thereafter (the "Called Defeased Series 2018-B Warrants"), and
- (v) on May 1, 2029 (the "2019-A Redemption Date"), those of the Defeased Series 2019-A Warrants maturing on May 1, 2030, and thereafter (the "Called Defeased Series 2019-A Warrants").

(10) In order to provide the funds necessary to effect the defeasance, payment and redemption, as the case may be, of the Defeased Warrants as aforesaid, the City is entering into this Agreement.

NOW, THEREFORE, in consideration of the premises and the respective agreements on the part of the City and the Escrow Trustee herein contained, the City and the Escrow Trustee hereby agree as follows:

Section 1. **The Escrow Fund.** There is hereby created a special irrevocable trust fund which shall be maintained as a separate fund and not commingled with any other funds of the Escrow Trustee, the full name of which shall be the "Defeased Warrants Escrow Fund" (herein called the "Escrow Fund"), and which shall be applied for the redemption and payment of the Defeased Warrants as hereinafter specified.

Section 2. **Deposits to Escrow Fund; Investment of Escrow Fund.** (a) The City hereby deposits with the Escrow Trustee cash in the amount of [\$_____] for the defeasance, payment and redemption of the Defeased Warrants (the "Escrow Fund Cash Deposit").

(b) Contemporaneously with the delivery of this Escrow Trust Agreement, the Escrow Trustee shall cause \$[_____] of the deposit referred to in (a) immediately above to be invested in direct obligations of the United States of America as described on Appendix I hereto (all such direct obligations of the United States of America being herein called the "Federal Securities"), with the remaining amount of \$[_____] to be held on deposit in the Escrow Fund and used for the defeasance, payment and redemption of a portion of the Defeased Warrants or as otherwise directed in writing to the Escrow Trustee by the Finance Director of the City.

(c) The Escrow Trustee shall receive all remittances paid or remitted by the United States of America with respect to investments in the funds hereinabove described, and the Escrow Trustee shall make any presentment for payment that may be necessary or appropriate with respect to any of the securities on deposit in the Escrow Fund hereinabove described.

(d) No investment of moneys on deposit in the Escrow Fund herein described shall be made except in accordance with this Section 2.

(e) Except as set forth in Section 3 hereof, any balance of the amounts deposited with the Escrow Trustee and into the Escrow Fund described above not used to purchase Federal Securities shall be held as uninvested cash in the Escrow Fund.

Section 3. Application of the Escrow Fund. (a) The Escrow Trustee shall apply all amounts and proceeds of investments in the Escrow Fund solely for the payment and early redemption of the Defeased Warrants, as follows:

(i) Payment of maturing installments of the principal and interest on the Defeased Series 2014-A Warrants through and including the 2014-A Redemption Date, and to pay the redemption price of the Defeased Series 2014-A Warrants due on the 2014-A Redemption Date,

(ii) Payment of maturing installments of the principal and interest on the Defeased Series 2016-A Warrants through and including the 2016 Redemption Date, and to pay the redemption price of the Called Defeased Series 2016-A Warrants due on the 2016 Redemption Date,

(iii) Payment of maturing installments of the principal and interest on the Defeased Series 2016-C Warrants through and including the 2016 Redemption Date, and to pay the redemption price of the Defeased Series 2016-C Warrants due on the 2016 Redemption Date,

(iv) Payment of maturing installments of the principal and interest on the Defeased Series 2018-B Warrants through and including the 2018-B Redemption Date, and to pay the redemption price of the Called Defeased Series 2018-B Warrants due on the 2018-B Redemption Date,

(v) Payment of maturing installments of the principal and interest on the Defeased Series 2019-A Warrants through and including the 2019-A Redemption Date, and to pay the redemption price of the Called Defeased Series 2019-A Warrants due on the 2019-A Redemption Date, and

(vi) Payment of maturing installments of the principal and interest on the Defeased Series 2020-C Warrants.

Section 4. Sufficiency of Escrow Fund; Remaining Funds. (a) Based upon information and advice provided by [____], as verification agent, and PFM Financial Advisors LLC, financial advisor to the City, if the principal of and interest on the escrow securities in the Escrow Fund are paid according to their terms, the payment of such principal and interest,

together with all uninvested cash in the Escrow Fund, will produce amounts sufficient to make full and timely payment of the obligations described in Section 3(a) of this Agreement. Upon the funding and investment of the Escrow Fund as set forth in this Agreement, the Defeased Warrants shall be deemed and considered paid in full and no longer outstanding.

(b) Any moneys remaining on deposit in the Escrow Fund and not needed for payment and redemption of the Defeased Warrants shall be paid over to the City as directed in writing to the Escrow Trustee by the Mayor or the Finance Director of the City.

Section 5. Provisions for Redemption of Defeased Warrants. (a) The City hereby irrevocably designates the Escrow Trustee as its agent to effect, in accordance with the provisions of the ordinances described above and under which the Defeased Warrants were issued (the "Defeased Warrants Ordinances"), the defeasance, redemption, and payment of the Defeased Warrants, and the call for early redemption of the Defeased Series 2014-A Warrants, the Called Defeased Series 2016-A Warrants, the Defeased Series 2016-C Warrants, the Called Defeased Series 2018-B Warrants, and the Called Defeased Series 2019-A Warrants. Without limiting the generality of the foregoing, the City hereby irrevocably designates the Escrow Trustee as its agent, and hereby confers on the Escrow Trustee irrevocable powers, to mail, in accordance with the Defeased Warrants Ordinances, to the registered owners of the Defeased Series 2014-A Warrants, the Called Defeased Series 2016-A Warrants, the Defeased Series 2016-C Warrants, the Called Defeased Series 2018-B Warrants, and the Called Defeased Series 2019-A Warrants (collectively, the "Called Warrants"), a notice of such redemption. The City agrees that it will not repeal, revoke or amend the Defeasance Ordinance with respect to those provisions under which the City has called for redemption and payment the Called Warrants.

Section 6. Compensation to the Escrow Trustee. The City will pay to the Escrow Trustee reasonable compensation for its services hereunder, and the City will, in addition, reimburse the Escrow Trustee for all reasonably necessary expenses (including reasonable attorneys' fees) incurred hereunder. If the Escrow Trustee is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Trustee's negligence or willful misconduct), the Escrow Trustee shall notify the City of the same in writing and the City shall promptly pay the Escrow Trustee for such extraordinary fees, costs and expenses reasonably and necessarily incurred in connection therewith (including reasonable attorneys' fees, if any). The Escrow Trustee agrees, however, that its charges and expenses hereunder shall in no event be payable from or constitute a charge on the Escrow Fund herein created or any part thereof.

Section 7. Amendments to Escrow Trust Agreement. The parties hereto may, with the written consent of the Escrow Trustee but without the consent of or notice to the holders of the Defeased Warrants, at any time and from time to time, amend this Escrow Trust Agreement for any one or more of the following purposes:

- (i) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein; or
- (ii) to make subject to the trust created herein additional funds, securities or properties.

With respect to all questions arising under this Section 7, the Escrow Trustee shall be entitled to conclusively rely upon the opinion of nationally recognized bond counsel acceptable to it.

Section 8. **Beneficiaries of this Agreement; Counterparts.** This Escrow Trust Agreement shall be binding upon, and shall inure to the benefit of, the holders of the Defeased Warrants. This Escrow Trust Agreement may be executed in one or more counterparts with the same force and effect as if all signatures appeared on a single instrument.

Section 9. **Governing Law.** The provisions of this Escrow Trust Agreement shall be governed by the laws of the State of Alabama, without regard to conflict of law principles.

Section 10. **Concerning the Escrow Trustee.** It is expressly understood and agreed that the Escrow Trustee's duties and obligations in connection with this Escrow Trust Agreement are confined to those expressly defined herein and no additional covenants or obligations shall be read into this Escrow Trust Agreement. The Escrow Trustee may consult with its counsel with respect to any question relating to the duties or responsibilities of the Escrow Trustee hereunder or otherwise in connection therewith and, with the exception of the investment and application of funds deposited with the Escrow Trustee hereunder shall not be liable for any action taken, suffered or omitted by the Escrow Trustee in good faith upon the advice of such counsel. The Escrow Trustee may act through its agents and attorneys. The Escrow Trustee may conclusively rely upon and shall be fully protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, letter, telegram or other paper or document in good faith deemed by the Escrow Trustee to be genuine and correct and to have been signed or sent by the proper person or persons. The Escrow Trustee shall not be required to expend its own funds for the performance of its duties hereunder. The Escrow Trustee shall not be liable for any action taken or neglected to be taken in the performing or the attempting of the performing of its obligation hereunder other than for its negligence or willful misconduct.

IN WITNESS WHEREOF, the City and the Escrow Trustee have caused this instrument to be duly executed, and their respective corporate seals to be hereunto affixed and attested.

CITY OF HUNTSVILLE

By: _____
Mayor

[SEAL]

Attest: _____
City Clerk

REGIONS BANK

By: _____

Its: _____

[SEAL]

Attest: _____

Its: _____

APPENDIX I

Type of Security	Type of SLGS	Maturity Date	Par Amount	Rate

