



Huntsville, Alabama

308 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 8/10/2023

File ID: TMP-3236

Department: Finance

Subject:

Type of Action: Unanimous Consent

Introduction of an Ordinance authorizing the issuance by the City of its General Obligation Warrant, Series 2023-E, to be dated August 16, 2023.

Ordinance No.

Finance Information:

Account Number: 3040 Lodging Tax Fund

City Cost Amount: Principal \$11,000,000.00

Total Cost: \$ 14,729,871.40

Special Circumstances:

Grant Funded: \$ N/A

Grant Title - CFDA or granting Agency: N/A

Resolution #: N/A

Location: (list below)

Address: N/A

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

Additional Comments:

ORDINANCE NO. 23-_____
AN ORDINANCE
AUTHORIZING THE BORROWING OF \$11,000,000
AND THE ISSUANCE OF ONE
\$11,000,000 GENERAL OBLIGATION WARRANT
SERIES 2023-E
DATED AUGUST 16, 2023

BE IT ORDAINED by the Mayor and City Council (herein together called the "Council") of the **CITY OF HUNTSVILLE, ALABAMA** (herein called the "City") as follows:

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

(a) The City has determined it to be necessary, wise and in the public interest to make certain public capital improvements to the Von Braun Center, which is owned and operated by the City, and to make other public capital infrastructure improvements in the City (the "2023 Improvements"); and

(b) In order to finance the costs of the 2023 Improvements, the City has undertaken a competitive bid process to identify a lender to make a loan (the "Loan") to the City to pay the costs of the 2023 Improvements and the costs of issuing the Warrant hereinafter described and authorized; and

(c) Regions Capital Advantage, Inc., a Tennessee corporation, presented the bid that provided the lowest interest cost to the City and on terms that complied with the requirements of the City, and has agreed to make the Loan to, and acquire the Warrant from, the City under the terms and conditions hereinafter set forth.

Section 2. (a) Pursuant to the applicable provisions of the Constitution of Alabama of 1901, as amended, and the Code of Alabama 1975, as amended, including without limitation, Section 11-47-2 and Section 11-81-4 thereof, and for the purpose of providing funds to pay the cost of the 2023 Improvements, the City is hereby authorized to borrow from Regions Capital Advantage, Inc., a Tennessee corporation (herein called the "Lender") the sum of \$11,000,000, and, in evidence of the obligation of the City to repay the money so borrowed, is hereby authorized to issue and deliver to the Lender a \$11,000,000 General Obligation Warrant, Series 2023-E (herein called the "Warrant"). The Warrant shall be dated August 16, 2023 (which shall be the date on which the loan evidenced thereby is made), shall be issued as a single fully registered warrant, shall be payable to the Lender, and shall bear interest at the rate of 4.08% per annum, computed on the basis of a 360-day year of twelve (12) consecutive thirty (30) day months. The principal of and interest on the Warrant shall be payable on October 1, 2023, and on the first day of each month thereafter through and including August 1, 2038 (each such date, a "Payment Date"), all in accordance with the amortization schedule attached as Exhibit A to the form of the Warrant herein contained. Matured but unpaid installments of principal and interest of the Warrant shall bear interest after maturity, until paid, at the rate of interest then in effect on the Warrant plus 200 basis

points. In the event a Payment Date is not a Business Day, the interest and principal due on such Payment Date (whether due upon scheduled maturity or by optional redemption) shall be payable on the then next succeeding Business Day. As used herein, "Business Day" means each day other than a Saturday, a Sunday, or any holiday on which the Lender's offices in the City of Birmingham, Alabama are closed for business with the public. The City understands and acknowledges that the rate of interest charged on the Warrant is not necessarily the lowest rate charged by the Lender on its loans or other extensions of credit.

(b) Upon the occurrence of a Determination of Taxability, the interest rate on the Warrant shall be changed to the Taxable Rate effective as of the last Payment Date prior to such occurrence. In addition, if as a consequence of the occurrence of such a Determination of Taxability it shall be necessary for the holder of the Warrant to include any interest previously related to such Warrant in its gross income for federal income tax purposes, the City shall be required to pay on the first Payment Date following the occurrence of such Determination of Taxability such additional interest for the period during which such interest shall have been deemed subject to inclusion in the gross income of the said holder for federal income tax purposes in an amount equal to the difference between the interest which would have been paid at the Taxable Rate and the total amount of interest actually paid related to such Warrant for such period. The term "Taxable Rate" shall mean the rate of 5.24% per annum, and the term "Determination of Taxability" shall mean a final decree or judgment of any federal court or a final, non-appealable action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on the Warrant is includable in the gross income of a holder thereof, but only if such inclusion in gross income is the direct result of a failure by the City to comply with its covenants or agreements herein made (including, without limitation, the covenants in Section 13 hereof) or made in the Tax Compliance Agreement hereinafter described. No such decree, judgment, or action shall be considered final unless the City has been given written notice thereof and, if it is so desired by the City and is legally permissible, the City has been afforded a reasonable opportunity to contest the same, at its own expense, either directly or in the name of the holder of the Warrant and until the conclusion of any appellate review, if sought. A Determination of Taxability shall be deemed to occur on the date as of which interest on the Warrant is deemed includable in the gross income of the holder thereof.

Section 3. Optional Redemption Privilege. The City reserves and shall have the privilege of redeeming and paying, on August 1, 2031, and on any date thereafter, the principal of the Warrant at any time and from time to time, in whole or in part (but if in part, in multiples of \$5,000), without penalty or premium, upon not less than ten (10) Business Days' prior written notice to the Lender, at and for a price equal to the principal amount of the Warrant to be redeemed plus accrued interest thereon to the date set for redemption and payment. Any partial redemption of the outstanding principal amount of the Warrant shall be applied in inverse order of maturity.

Section 4. Execution of the Warrant; Registration. (a) The Warrant shall be executed and the corporate seal of the City shall be affixed thereto by the Mayor, and the City Clerk shall attest the same by affixing his signature thereto. The Warrant shall be registered in the records maintained by the City Treasurer as a claim against the City. Said officers are hereby authorized and directed so to execute and attest the Warrant, affix said seal thereto and make such registration.

(b) A registration certificate by the City, in substantially the form set forth in Section 6 hereof, duly executed by the manual signature of the City Clerk, shall be endorsed on the Warrant and shall be essential to its validity.

(c) The Warrant shall be registered as to both principal and interest in the name of the Lender and shall not be transferable except to an "accredited investor" as defined in the Securities and Exchange Act of 1933 (the "Securities Act") and the rules and regulations promulgated thereunder, or to a "qualified institutional buyer", as defined in the Securities Act and the rules and regulations promulgated thereunder, and only upon compliance with applicable State of Alabama and federal securities laws.

Section 5. General Obligation. 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.

Section 6. Form of Warrant. The Warrant shall be in substantially the following form, with such changes therein as shall be necessary to comply with the provisions of this Ordinance:

(Form of Warrant)

THIS WARRANT MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 (THE "SECURITIES ACT") AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, OR TO A "QUALIFIED INSTITUTIONAL BUYER", AS DEFINED IN THE SECURITIES ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE ORDINANCE REFERRED TO HEREIN.

**UNITED STATES OF AMERICA
STATE OF ALABAMA**

CITY OF HUNTSVILLE

GENERAL OBLIGATION WARRANT

The City Treasurer of the **CITY OF HUNTSVILLE** (herein called the "City") a municipal corporation under the laws of the State of Alabama, is hereby ordered to pay to Regions Capital Advantage, Inc., a Tennessee corporation (herein called the "Lender"), or its permitted assigns, the principal sum of

ELEVEN MILLION DOLLARS

with interest thereon from the date hereof until the maturity hereof as is hereinafter specified at the

rate of 4.08% per annum computed on the basis of a 360-day year of twelve (12) consecutive thirty (30) day months. The principal hereof and interest hereon shall be payable on October 1, 2023, and on the first day of each calendar month thereafter through and including August 1, 2038 (each such date, herein called a "Payment Date"), all in accordance with the amortization schedule attached hereto as Appendix A. Matured but unpaid installments of principal and interest on this warrant shall bear interest, until paid, at the rate of interest hereof then in effect plus 200 basis points. In the event a Payment Date is not a Business Day, the interest and principal (whether due upon scheduled maturity or by optional redemption) due on such Payment Date shall be payable on the then next succeeding Business Day. As used herein, "Business Day" means each day other than a Saturday, a Sunday, or any holiday on which Lender's offices in the City of Birmingham, Alabama, are closed for business with the public. The City understands and acknowledges that the rate of interest charged on this warrant is not necessarily the lowest rate charged by the Lender on its loans or other extensions of credit.

Upon the occurrence of a Determination of Taxability, the interest rate on this Warrant shall be changed to the Taxable Rate effective as of the last Payment Date prior to such occurrence. In addition, if as a consequence of the occurrence of such a Determination of Taxability it shall be necessary for the holder of this Warrant to include any interest previously related to this Warrant in its gross income for federal income tax purposes, then the City shall be required to pay on the first Payment Date following the occurrence of such Determination of Taxability such additional interest for the period during which such interest shall have been deemed subject to inclusion in the gross income of the said holder for federal income tax purposes in an amount equal to the difference between the interest which would have been paid at the Taxable Rate and the total amount of interest actually paid related to this Warrant for such period. The term "Taxable Rate" shall mean the rate of 5.24% per annum, and the term "Determination of Taxability" shall mean a final decree or judgment of any federal court or a final, non-appealable action of the Internal Revenue Service or of the United States Treasury Department determining that any interest payable on this Warrant is includable in the gross income of a holder thereof, but only if such inclusion in gross income is the direct result of a failure by the City to comply with its covenants or agreements made in the Ordinance (including, without limitation, the covenants in Section 13 thereof) or made in the Tax Compliance Agreement authorized in the Ordinance. No such decree, judgment, or action shall be considered final unless the City has been given written notice thereof and, if it is so desired by the City and is legally permissible, the City has been afforded a reasonable opportunity to contest the same, at its own expense, either directly or in the name of the holder of this Warrant and until the conclusion of any appellate review, if sought. A Determination of Taxability shall be deemed to occur on the date as of which interest on this Warrant is deemed includable in the gross income of the holder thereof.

The City reserves and shall have the privilege of redeeming and paying, at any time and from time to time, on August 1, 2031, and on any date thereafter, the principal hereof, in whole or in part (but if in part, in multiples of \$5,000), without penalty or premium, upon not less than ten (10) Business Days' prior written notice to the Lender, at and for a price equal to the principal amount hereof to be redeemed plus accrued interest thereon to the date set for redemption and payment. Any partial redemption of the outstanding principal amount of this warrant shall be applied in inverse order of maturity.

This warrant has been issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including without limitation Section 11-47-2 and Section 11.81-4 of the Code of Alabama 1975, as amended, and a August 10, 2023 ordinance (herein called the "Ordinance") adopted by the governing body of the City to provide funds for the purposes for which the City is authorized to borrow money under said laws.

This warrant evidences a valid general obligation of the City for payment of the principal of and the interest on which the City has irrevocably pledged its full faith and credit.

It is hereby certified that the indebtedness evidenced hereby has been duly and legally incurred and will at the maturity hereof become lawfully due without condition, abatement or offset of any description; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed and happen precedent to and on the issuance of this warrant, exist, have been performed and have happened; and that the indebtedness evidenced by this warrant, together with all other indebtedness of the City, was at the time the same was incurred 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 and its official seal to be hereunto affixed by the Mayor and has caused the same to be attested by its City Clerk, both of whom have hereunto subscribed their signatures and are hereunto duly authorized, and has caused this warrant to be dated August 16, 2023.

CITY OF HUNTSVILLE, ALABAMA

By: _____
Mayor

[SEAL]

Attest:

City Clerk

(Form of Certificate of Registration by City Treasurer)

I hereby certify that this Warrant was at the time of issuance (August 16, 2023) thereof duly registered by me as a claim against the **CITY OF HUNTSVILLE, ALABAMA**.

City Treasurer of the
CITY OF HUNTSVILLE, ALABAMA

EXHIBIT A **AMORTIZATION SCHEDULE**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
10/01/2023	25,000	4.080%	56,100.00	81,100.00	
11/01/2023	45,000	4.080%	37,315.00	82,315.00	
12/01/2023	45,000	4.080%	37,162.00	82,162.00	
01/01/2024	45,000	4.080%	37,009.00	82,009.00	
02/01/2024	45,000	4.080%	36,856.00	81,856.00	
03/01/2024	45,000	4.080%	36,703.00	81,703.00	
04/01/2024	45,000	4.080%	36,550.00	81,550.00	
05/01/2024	45,000	4.080%	36,397.00	81,397.00	
06/01/2024	45,000	4.080%	36,244.00	81,244.00	
07/01/2024	45,000	4.080%	36,091.00	81,091.00	
08/01/2024	46,000	4.080%	35,938.00	81,938.00	
09/01/2024	47,000	4.080%	35,781.60	82,781.60	
09/30/2024					981,146.60
10/01/2024	47,000	4.080%	35,621.80	82,621.80	
11/01/2024	47,000	4.080%	35,462.00	82,462.00	
12/01/2024	47,000	4.080%	35,302.20	82,302.20	
01/01/2025	47,000	4.080%	35,142.40	82,142.40	
02/01/2025	47,000	4.080%	34,982.60	81,982.60	
03/01/2025	48,000	4.080%	34,822.80	82,822.80	
04/01/2025	48,000	4.080%	34,659.60	82,659.60	
05/01/2025	48,000	4.080%	34,496.40	82,496.40	
06/01/2025	48,000	4.080%	34,333.20	82,333.20	
07/01/2025	48,000	4.080%	34,170.00	82,170.00	
08/01/2025	48,000	4.080%	34,006.80	82,006.80	
09/01/2025	48,000	4.080%	33,843.60	81,843.60	
09/30/2025					987,843.40
10/01/2025	49,000	4.080%	33,680.40	82,680.40	
11/01/2025	49,000	4.080%	33,513.80	82,513.80	
12/01/2025	49,000	4.080%	33,347.20	82,347.20	
01/01/2026	49,000	4.080%	33,180.60	82,180.60	
02/01/2026	49,000	4.080%	33,014.00	82,014.00	
03/01/2026	49,000	4.080%	32,847.40	81,847.40	
04/01/2026	50,000	4.080%	32,680.80	82,680.80	
05/01/2026	50,000	4.080%	32,510.80	82,510.80	
06/01/2026	50,000	4.080%	32,340.80	82,340.80	
07/01/2026	50,000	4.080%	32,170.80	82,170.80	
08/01/2026	50,000	4.080%	32,000.80	82,000.80	
09/01/2026	51,000	4.080%	31,830.80	82,830.80	
09/30/2026					988,118.20
10/01/2026	51,000	4.080%	31,657.40	82,657.40	
11/01/2026	51,000	4.080%	31,484.00	82,484.00	
12/01/2026	51,000	4.080%	31,310.60	82,310.60	
01/01/2027	51,000	4.080%	31,137.20	82,137.20	
02/01/2027	51,000	4.080%	30,963.80	81,963.80	
03/01/2027	52,000	4.080%	30,790.40	82,790.40	
04/01/2027	52,000	4.080%	30,613.60	82,613.60	
05/01/2027	52,000	4.080%	30,436.80	82,436.80	
06/01/2027	52,000	4.080%	30,260.00	82,260.00	
07/01/2027	52,000	4.080%	30,083.20	82,083.20	
08/01/2027	52,000	4.080%	29,906.40	81,906.40	
09/01/2027	53,000	4.080%	29,729.60	82,729.60	
09/30/2027					988,373.00
10/01/2027	53,000	4.080%	29,549.40	82,549.40	
11/01/2027	53,000	4.080%	29,369.20	82,369.20	
12/01/2027	53,000	4.080%	29,189.00	82,189.00	
01/01/2028	53,000	4.080%	29,008.80	82,008.80	
02/01/2028	54,000	4.080%	28,828.60	82,828.60	
03/01/2028	54,000	4.080%	28,645.00	82,645.00	
04/01/2028	54,000	4.080%	28,461.40	82,461.40	
05/01/2028	54,000	4.080%	28,277.80	82,277.80	
06/01/2028	54,000	4.080%	28,094.20	82,094.20	
07/01/2028	54,000	4.080%	27,910.60	81,910.60	
08/01/2028	55,000	4.080%	27,727.00	82,727.00	
09/01/2028	55,000	4.080%	27,540.00	82,540.00	

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
09/30/2028					988,601.00
10/01/2028	55,000	4.080%	27,353.00	82,353.00	
11/01/2028	55,000	4.080%	27,166.00	82,166.00	
12/01/2028	55,000	4.080%	26,979.00	81,979.00	
01/01/2029	56,000	4.080%	26,792.00	82,792.00	
02/01/2029	56,000	4.080%	26,601.60	82,601.60	
03/01/2029	56,000	4.080%	26,411.20	82,411.20	
04/01/2029	56,000	4.080%	26,220.80	82,220.80	
05/01/2029	56,000	4.080%	26,030.40	82,030.40	
06/01/2029	56,000	4.080%	25,840.00	81,840.00	
07/01/2029	57,000	4.080%	25,649.60	82,649.60	
08/01/2029	57,000	4.080%	25,455.80	82,455.80	
09/01/2029	57,000	4.080%	25,262.00	82,262.00	
09/30/2029					987,761.40
10/01/2029	57,000	4.080%	25,068.20	82,068.20	
11/01/2029	57,000	4.080%	24,874.40	81,874.40	
12/01/2029	58,000	4.080%	24,680.60	82,680.60	
01/01/2030	58,000	4.080%	24,483.40	82,483.40	
02/01/2030	58,000	4.080%	24,286.20	82,286.20	
03/01/2030	58,000	4.080%	24,089.00	82,089.00	
04/01/2030	58,000	4.080%	23,891.80	81,891.80	
05/01/2030	59,000	4.080%	23,694.60	82,694.60	
06/01/2030	59,000	4.080%	23,494.00	82,494.00	
07/01/2030	59,000	4.080%	23,293.40	82,293.40	
08/01/2030	59,000	4.080%	23,092.80	82,092.80	
09/01/2030	59,000	4.080%	22,892.20	81,892.20	
09/30/2030					986,840.60
10/01/2030	60,000	4.080%	22,691.60	82,691.60	
11/01/2030	60,000	4.080%	22,487.60	82,487.60	
12/01/2030	60,000	4.080%	22,283.60	82,283.60	
01/01/2031	60,000	4.080%	22,079.60	82,079.60	
02/01/2031	60,000	4.080%	21,875.60	81,875.60	
03/01/2031	61,000	4.080%	21,671.60	82,671.60	
04/01/2031	61,000	4.080%	21,464.20	82,464.20	
05/01/2031	61,000	4.080%	21,256.80	82,256.80	
06/01/2031	61,000	4.080%	21,049.40	82,049.40	
07/01/2031	61,000	4.080%	20,842.00	81,842.00	
08/01/2031	62,000	4.080%	20,634.60	82,634.60	
09/01/2031	62,000	4.080%	20,423.80	82,423.80	
09/30/2031					987,760.40
10/01/2031	62,000	4.080%	20,213.00	82,213.00	
11/01/2031	62,000	4.080%	20,002.20	82,002.20	
12/01/2031	63,000	4.080%	19,791.40	82,791.40	
01/01/2032	63,000	4.080%	19,577.20	82,577.20	
02/01/2032	63,000	4.080%	19,363.00	82,363.00	
03/01/2032	63,000	4.080%	19,148.80	82,148.80	
04/01/2032	63,000	4.080%	18,934.60	81,934.60	
05/01/2032	64,000	4.080%	18,720.40	82,720.40	
06/01/2032	64,000	4.080%	18,502.80	82,502.80	
07/01/2032	64,000	4.080%	18,285.20	82,285.20	
08/01/2032	64,000	4.080%	18,067.60	82,067.60	
09/01/2032	64,000	4.080%	17,850.00	81,850.00	
09/30/2032					987,456.20
10/01/2032	65,000	4.080%	17,632.40	82,632.40	
11/01/2032	65,000	4.080%	17,411.40	82,411.40	
12/01/2032	65,000	4.080%	17,190.40	82,190.40	
01/01/2033	65,000	4.080%	16,969.40	81,969.40	
02/01/2033	66,000	4.080%	16,748.40	82,748.40	
03/01/2033	66,000	4.080%	16,524.00	82,524.00	
04/01/2033	66,000	4.080%	16,299.60	82,299.60	
05/01/2033	66,000	4.080%	16,075.20	82,075.20	
06/01/2033	66,000	4.080%	15,850.80	81,850.80	
07/01/2033	67,000	4.080%	15,626.40	82,626.40	
08/01/2033	67,000	4.080%	15,398.60	82,398.60	

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
09/01/2033	67,000	4.080%	15,170.80	82,170.80	987,897.40
09/30/2033					
10/01/2033	67,000	4.080%	14,943.00	81,943.00	
11/01/2033	68,000	4.080%	14,715.20	82,715.20	
12/01/2033	68,000	4.080%	14,484.00	82,484.00	
01/01/2034	68,000	4.080%	14,252.80	82,252.80	
02/01/2034	68,000	4.080%	14,021.60	82,021.60	
03/01/2034	69,000	4.080%	13,790.40	82,790.40	
04/01/2034	69,000	4.080%	13,555.80	82,555.80	
05/01/2034	69,000	4.080%	13,321.20	82,321.20	
06/01/2034	69,000	4.080%	13,086.60	82,086.60	988,019.40
07/01/2034	69,000	4.080%	12,852.00	81,852.00	
08/01/2034	70,000	4.080%	12,617.40	82,617.40	
09/01/2034	70,000	4.080%	12,379.40	82,379.40	
09/30/2034					
10/01/2034	70,000	4.080%	12,141.40	82,141.40	
11/01/2034	70,000	4.080%	11,903.40	81,903.40	
12/01/2034	71,000	4.080%	11,665.40	82,665.40	
01/01/2035	71,000	4.080%	11,424.00	82,424.00	
02/01/2035	71,000	4.080%	11,182.60	82,182.60	987,781.40
03/01/2035	71,000	4.080%	10,941.20	81,941.20	
04/01/2035	72,000	4.080%	10,699.80	82,699.80	
05/01/2035	72,000	4.080%	10,455.00	82,455.00	
06/01/2035	72,000	4.080%	10,210.20	82,210.20	
07/01/2035	72,000	4.080%	9,965.40	81,965.40	
08/01/2035	73,000	4.080%	9,720.60	82,720.60	
09/01/2035	73,000	4.080%	9,472.40	82,472.40	
09/30/2035					
10/01/2035	73,000	4.080%	9,224.20	82,224.20	988,101.80
11/01/2035	73,000	4.080%	8,976.00	81,976.00	
12/01/2035	74,000	4.080%	8,727.80	82,727.80	
01/01/2036	74,000	4.080%	8,476.20	82,476.20	
02/01/2036	74,000	4.080%	8,224.60	82,224.60	
03/01/2036	74,000	4.080%	7,973.00	81,973.00	
04/01/2036	75,000	4.080%	7,721.40	82,721.40	
05/01/2036	75,000	4.080%	7,466.40	82,466.40	
06/01/2036	75,000	4.080%	7,211.40	82,211.40	
07/01/2036	75,000	4.080%	6,956.40	81,956.40	987,946.60
08/01/2036	76,000	4.080%	6,701.40	82,701.40	
09/01/2036	76,000	4.080%	6,443.00	82,443.00	
09/30/2036					
10/01/2036	76,000	4.080%	6,184.60	82,184.60	
11/01/2036	76,000	4.080%	5,926.20	81,926.20	
12/01/2036	77,000	4.080%	5,667.80	82,667.80	
01/01/2037	77,000	4.080%	5,406.00	82,406.00	
02/01/2037	77,000	4.080%	5,144.20	82,144.20	
03/01/2037	77,000	4.080%	4,882.40	81,882.40	987,946.60
04/01/2037	78,000	4.080%	4,620.60	82,620.60	
05/01/2037	78,000	4.080%	4,355.40	82,355.40	
06/01/2037	78,000	4.080%	4,090.20	82,090.20	
07/01/2037	79,000	4.080%	3,825.00	82,825.00	
08/01/2037	79,000	4.080%	3,556.40	82,556.40	
09/01/2037	79,000	4.080%	3,287.80	82,287.80	
09/30/2037					
10/01/2037	79,000	4.080%	3,019.20	82,019.20	
11/01/2037	80,000	4.080%	2,750.60	82,750.60	
12/01/2037	80,000	4.080%	2,478.60	82,478.60	987,946.60
01/01/2038	80,000	4.080%	2,206.60	82,206.60	
02/01/2038	80,000	4.080%	1,934.60	81,934.60	
03/01/2038	81,000	4.080%	1,662.60	82,662.60	
04/01/2038	81,000	4.080%	1,387.20	82,387.20	
05/01/2038	81,000	4.080%	1,111.80	82,111.80	

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
06/01/2038	82,000	4.080%	836.40	82,836.40	
07/01/2038	82,000	4.080%	557.60	82,557.60	
08/01/2038	82,000	4.080%	278.80	82,278.80	
09/30/2038					906,224.00
	11,000,000		3,729,871.40	14,729,871.40	14,729,871.40

Section 7. Representations and Warranties of the City. The City hereby represents and warrants to the Lender as follows:

- (a) the City is duly organized as a municipal corporation under the laws of the State of Alabama,
- (ii) the City has the corporate power and authority to own its properties and assets and to carry on its governmental functions as now being conducted,
- (c) the City has the power to issue the Warrant and to consummate the transactions contemplated by the Ordinance and this Agreement,
- (d) by proper action of the City Council of the City, the City has duly authorized the issuance and delivery of the Warrant and the consummation of the transactions contemplated therein and herein, and
- (e) the Warrant is the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

Section 8. Sale and Delivery of Warrant. The Warrant is hereby sold to the Lender at and for a purchase price equal to the face amount of the Warrant (\$11,000,000). The City Treasurer is hereby authorized and directed to deliver the Warrant, which shall have been executed, sealed, attested and registered as herein provided, to the Lender. All proceeds from the sale of the Warrant (\$11,000,000) shall be remitted to the City pursuant to written instructions delivered to the Lender by the Finance Director of the City.

Section 9. Use of Proceeds. All amounts paid to the City from the Loan and the Warrant shall be used to pay the costs of the 2023 Improvements and to pay the costs of issuing the Warrant.

Section 10. Authorization of Documents. The Mayor, the City Clerk and the Finance Director, or either of them, are each hereby authorized and directed to execute such instruments, directions, orders, notices, agreements, certificates or other documents as shall be necessary or desirable in order to carry out the transactions contemplated by this Ordinance. The City understands that one of the principal inducements to the making of the loan herein described by the Lender and the acquisition by the Lender of the Warrant is that the interest income on the

Warrant be and remain exempt from federal income taxation. Accordingly, without any way limiting the generality of the foregoing, the Mayor, the City Clerk and the Finance Director are each hereby authorized and directed to cause to be prepared, signed on behalf of the City and filed with the Internal Revenue Service a Form 8038-G or other form prescribed by the Internal Revenue Service as a condition to the exemption of the interest income on the Warrant from federal income taxation. The Mayor, the City Clerk and the Finance Director are each hereby authorized and directed to execute such certificates, agreements and other documents respecting the Internal Revenue Code of 1986, as amended (herein called the "Code"), as contemplated by this Ordinance, to the end that the interest income on the Warrant be and remain exempt from federal income taxation.

Section 11. Annual Audited Financial Statements. For each fiscal year of the City during which the Warrant is outstanding, the City shall cause to be delivered to the holder of the Warrant the audited financial statements of the City no later than 270 days after the end of such fiscal year. This obligation may be satisfied by the City by the timely filing of its audited financial statements on EMMA (or such substitute public repository for municipal filings established by the Municipal Securities Rulemaking Board or similar federal regulatory agency).

Section 12. Concerning the Code. (a) **General.** The City recognizes that the Code imposes certain conditions to the exemption from Federal income taxation of interest income on the Warrant. Accordingly, the City agrees that it will continually comply with all requirements imposed by the Code as a condition to the exemption from Federal income taxation of the interest income on the Warrant. With respect to any question arising under this Section 13, the City may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) **Warrant not to be "Private Activity Bonds".** The City will not apply the proceeds of the Warrant in a manner that would cause the Warrant to be "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) **Concerning the Arbitrage Provisions of the Code; Rebate.** The City agrees that it will comply with all provisions of the Code necessary to preclude the Warrant from being considered "arbitrage bonds" within the meaning of Section 148 of the Code, and the City will make timely rebate payments to the United States of America as required by Section 148(f) of the Code.

Section 13. Private Loan; Participations. (a) The City acknowledges and agrees that the Lender is acquiring the Warrant in evidence of a private 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 agrees that the Lender may from time to time enter into a participation agreement or agreements with one or more persons (the "Participants"), pursuant to which the Participants may be given participations in the Warrant and that the Participants may from time to time similarly grant to one or more other persons (also included in the term "Participants")

subparticipations in the Warrant; provided (i) no participation shall increase any liability of the City, (ii) the City shall not have any direct obligation to a Participant, whether respecting the payment of any portion of debt service on the Warrant, delivery of its audited financial statements, or otherwise, and (iii) the City shall correspond and deal only with the holder of the Warrant on any matters respecting the Warrant, the loan evidenced thereby, this Ordinance, or any matters relating to the foregoing. The holder of the Warrant may divulge to any Participant all information, reports, financial statements, certificates, and documents obtained by it from the City. Prior to entering into any such participation agreement, the holder of the Warrant shall (i) notify the City in writing of such participation and the identity of each Participant, and (ii) take commercially reasonable steps to protect the confidentiality of financial and other information of the City that may be provided by the holder of the Warrant to a Participant.

Section 14. Role of the Lender. The City understands, acknowledges and agrees as follows:

(i) that the 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; and

(ii) with respect to this Ordinance, the Warrant, and any other 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 this Financing Agreement, 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 this Ordinance, the Warrant, and all matters relating thereto and any such other information, materials or communications with any and all internal and external advisors and experts that the City deems appropriate before acting on this Ordinance or any such other information, materials or communications.

Section 15. Waiver of Jury Trial. To the extent permitted by applicable law, each of the City and the Lender irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the City and the Lender, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Ordinance and/or the Warrant.

Section 16. Patriot Act. The City represents and warrants to the Lender that neither it nor any of its principals, members, partners or affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Period (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 Period named as a Specially Designated National and Blocked Person.

Section 17. Creation of Contract. The provisions of this Ordinance shall constitute a contract between the City and the holder of the Warrant.

Section 18. Provisions of Ordinance Severable. The provisions of this Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

ADOPTED this the 10th day of August, 2023.

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

APPROVED this the 10th day of August, 2023.

Mayor of the City of
Huntsville, Alabama