

**ORDINANCE NO. 2021-17**

**AN ORDINANCE TO PROVIDE FOR THE ISSUANCE OF UP TO  
\$8,865,000 AGGREGATE PRINCIPAL AMOUNT  
TAXABLE GENERAL OBLIGATION WARRANTS,  
SERIES 2021-B, DATED THE DATE OF ISSUANCE,  
OF THE CITY OF IRONDALE, ALABAMA**

**BE IT ORDAINED** by the Mayor and City Council of the City of Irondale in the State of Alabama as follows:

**Section 1. Definitions and Use of Phrases.**

(a) **Definitions.** The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations as used herein:

"*Authorized Denominations*" means the sum of \$5,000 or any integral multiple thereof.

"*Bank*" means The Bank of New York Mellon Trust Company, N.A., in its capacity as registrar, transfer agent and paying agent with respect to the Warrants, and includes any successor Bank appointed pursuant to Section 20 hereof.

"*Callable Warrants*" means those of the Warrants subject to redemption at the option of the City, as set forth in Section 4(a) hereof.

"*City*" means the municipal corporation of Irondale in the State of Alabama and includes its successors and assigns and any municipal corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"*City Clerk*" means the City Clerk of the City.

"*Council*" means the governing body of the City as from time to time constituted.

"*Eligible Investments*" means (a) United States Securities, (b) Eligible Securities, and (c) any money market fund invested solely in United States Securities.

"*Eligible Securities*" means an interest-bearing certificate of deposit issued by the Bank or any bank, savings and loan association or trust company organized under the laws of the United States of America or any state thereof that is (to the extent not insured by the Federal Deposit Insurance Corporation) collaterally secured by a pledge of United States Securities (a) having at any date of calculation a market value (taking account of any accrued interest thereon) not less than the principal of and the accrued interest on the certificates of deposit secured thereby, (b) deposited and pledged with any Federal Reserve Bank or with any bank or trust company organized under the laws of the United States or any state thereof, and having

combined capital and surplus and undivided profits of not less than \$100,000,000, and (c) for which a receipt signed by the bank or trust company having custody of such collateral securities and containing a sufficient description thereof has been furnished to the Bank.

"*Herein*," "*hereby*," "*hereunder*," "*hereof*," and other equivalent words refer to this Ordinance as an entirety and not solely to the particular portion hereof in which any such word is used.

"*Holder*" means the person in whose name a Warrant is registered on the registry books of the Bank pertaining to the Warrants.

"*Interest Payment Date*" means each April 1 and October 1, commencing April 1, 2022.

"*Mayor*" means the Mayor of the City.

"*Overdue Interest*" means interest due but not paid on the Interest Payment Date on which such interest is required to be paid.

"*Overdue Interest Payment Date*" means the date fixed by the Bank, pursuant to the provisions of Section 15 hereof, for the payment of Overdue Interest.

"*Purchase Contract*" means the Purchase Contract to be entered into between the City and the Underwriter respecting the sale of the Warrants by the City to the Underwriter.

"*Record Date*" means the March 15 or September 15, as the case may be, next preceding an Interest Payment Date.

"*Redemption Date*" means the date fixed for redemption of any of the Callable Warrants pursuant to the provisions of Section 4 hereof.

"*Redemption Price*" means the price at which the Callable Warrants may be redeemed.

"*Resolution*" and "*Ordinance*" mean, respectively, a resolution or ordinance adopted by the Council.

"*Series 2015-B Warrants*" means the City's \$5,145,000 original principal amount Taxable General Obligation Warrants, Series 2015-B.

"*Series 2015-D Warrants*" means the City's \$5,570,000 original principal amount Taxable General Obligation Warrants, Series 2015-D.

"*Underwriter*" has the meaning given to such term in Section 21 hereof.

"*United States Securities*" means any securities that are direct obligations of the United States of America.

"*Warrant Fund*" means the special fund of the City created in Section 6 hereof.

"*Warrants*" means the City's Taxable General Obligation Warrants, Series 2021-B, dated the date of their initial issuance and delivery, authorized herein to be initially issued in the aggregate principal amount of up to \$8,865,000.

The definitions set forth in Section 1(a) hereof shall be deemed applicable whether the words defined are herein used in the singular or the plural.

Wherever used herein any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

**Section 2. Findings.** The Council has ascertained and does hereby find and declare as follows:

(a) the City has heretofore issued and delivered the Series 2015-B Warrants to refinance its \$6,000,000 initial principal amount Taxable General Obligation Warrants, Series 2007-C, dated September 1, 2007 (the "2007-C Warrants"), which such 2007-C Warrants financed the costs of certain economic development capital improvements within the City;

(b) the City has heretofore issued and delivered the Series 2015-D Warrants to refinance its \$5,380,000 initial principal amount Taxable General Obligation Refunding Warrants, Series 2010-A, dated June 1, 2010 (the "2010-A Warrants"), which such 2010-A Warrants financed and refinanced the costs of certain economic development capital improvements within the City;

(c) the City has determined, upon the advice and guidance of Terminus Municipal Advisors, LLC, financial advisor to the City, that due to the currently favorable interest rate environment, the City can achieve substantial savings in its interest costs by refinancing some or all of the Series 2015-B Warrants and the Series 2015-D Warrants;

(d) the Series 2015-B Warrants and the Series 2015-D Warrants were issued under and pursuant to Amendment 772 to the Constitution of Alabama of 1901, as amended, recodified as Section 94.01 of the Official Recompilation of the Alabama Constitution of 1901 ("Amendment 772"), and, further, the Series 2015-B Warrants were validated and confirmed by an order of the Circuit Court of Jefferson County, Alabama (the "Jefferson County Circuit Court") entered on April 16, 2015, and the Series 2015-D Warrants were validated and confirmed by an order of the Jefferson County Circuit Court also entered on April 16, 2015;

(e) the Council has determined it necessary, wise, and in the public interest to authorize the issuance of the Warrants hereinafter described and defined in order to (i) refinance certain of the Series 2015-B Warrants and Series 2015-D Warrants, and (ii) pay the costs of issuing the Warrants; and

(f) acting on the advice of bond counsel to the City, the Council has determined to issue the Warrants under and pursuant to the authority of Amendment 772, and in connection therewith does hereby determine that the expenditure of public funds for any of the forgoing purposes will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

**Section 3. Authorization of the Warrants.** (a) **Principal Amount, Maturities and Interest Rates.** Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Amendment 772 and Section 11-47-2 and Section 11-81-4 of the Code of Alabama 1975, as amended, and for the purposes hereinabove stated, there are hereby authorized to be issued up to \$8,865,000 in aggregate principal amount of Taxable General Obligation Warrants, Series 2021-B, of the City (the "Warrants"). The Warrants shall be issued as fully registered warrants without coupons, shall be dated the date of their initial issuance and delivery, shall mature (or shall be subject to mandatory redemption) and become payable on October 1 in the years and in the amounts as shall be specified in the Purchase Contract and in the Warrants. The Warrants shall bear interest at per annum rates of interest as shall be specified in the Purchase Contract and in the Warrants.

The final maturity amounts and interest rates (computed on the basis of a 360-day year of 12 consecutive 30-day months) of the Warrants shall be established by the City on the date that the Warrants are offered for sale to the public by the Underwriter and shall be specified in the Purchase Contract and in the Warrants; provided, however, that in no event shall the aggregate principal amount of all maturities of the Warrants exceed \$8,865,000 or the any interest rate applicable to any maturity of the Warrants exceed a per annum rate of interest of 5.00%. The Warrants shall be initially issued in the Authorized Denominations and registered in the names of the Holders as shall, pursuant to the provisions of Section 26 hereof, be designated by the purchasers thereof from the City.

(b) **Place and Manner of Payment.** The principal of and the premium, if any, on the Warrants shall be payable at the corporate trust office of the Bank in the City of Birmingham, Alabama, upon presentation and surrender of the Warrants as the same become due and payable. Except as provided in Section 15 hereof, interest on the Warrants shall be payable by check or draft mailed by the Bank to the registered Holders of the Warrants at the addresses shown on the registry books of the Bank pertaining to the Warrants as of the close of business on the Record Date next preceding the Interest Payment Date. Payment of such interest shall be deemed to have been timely made if such check or draft is mailed by the Bank on the due date of such interest (or, if such due date is not a business day, on the business day immediately following such due date). The Bank shall cause all payments of the principal of and the interest and premium, if any, on the Warrants to be accompanied by CUSIP numbers with appropriate dollar amounts for each CUSIP number.

(c) **Computation of Interest and Interest Payment Dates.** The Warrants shall bear interest from their date until their respective maturities at the per annum rates of interest set forth in the Purchase Contract (computed on the basis of a 360-day year of twelve

consecutive 30-day months). Such interest shall be payable semiannually on each April 1 and October 1, commencing April 1, 2022, until and at the maturity of the Warrants. The Warrants shall bear interest after their respective maturities until paid at the per annum rate of interest for each such maturity set forth in the Purchase Contract.

**Section 4. Redemption Provisions.** (a) **Optional Redemption.** The Warrants shall be subject to redemption prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in multiples of \$5,000 with those of the maturities to be redeemed to be selected by the City at its discretion, and if less than all the Warrants of a single maturity are to be redeemed, those to be redeemed to be selected by the Bank by lot), on any date on or after October 1, 2031, or on or after such earlier date as shall be set forth in the Purchase Contract, and on any date thereafter, at and for a redemption price for each Warrant (or principal portion thereof) equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption.

(b) **Mandatory Redemption.** In connection with the marketing of the Warrants following the completion of the judicial validation proceedings referred to in Section 25 hereof, the City shall have the option of specifying that the principal amount of Warrants maturing in any two or more consecutive years may, in lieu of maturing in each of such years, be considered to comprise any number of maturities of Warrants (herein called the "Term Warrants") scheduled to mature in the latest of such years. The City may specify any number of maturities of such Term Warrants. Any Term Warrants specified pursuant to the City's option described above shall be subject to mandatory redemption in part, by lot, at par, plus accrued interest, without premium, in the amounts and in the years specified in the Purchase Contract and in the Warrants. All provisions respecting mandatory redemption, if any, of the Warrants shall be as set forth in the Purchase Contract and in the Warrants.

(c) **Manner of Effecting Redemption.** Any such redemption or prepayment of the Warrants (other than mandatory redemption) shall be effected in the following manner:

(i) **Call.** The City shall by Resolution or Ordinance call for redemption on a stated date when they are by their terms subject to redemption Warrants (or principal portions thereof) and shall recite in said Resolution or Ordinance (A) that the City is not in default in the payment of the principal of or the interest or premium, if any, on any of the Warrants, or (B) that all of the Warrants then outstanding are to be retired on the Redemption Date; provided, however, that no such Resolution or Ordinance shall be required in the case of any redemption of Callable Warrants if the redemption is one that is required by the provisions of subsection (b) of this Section 4.

(ii) **Notice by First Class Mail.** The Bank (on behalf of the City) shall cause to be forwarded by United States First Class Mail to the registered Holder of each of the Warrants the principal of which is to be redeemed, in whole or in part, at the address of such registered Holder as such address appears on the registry books of the Bank pertaining to the registration of the Warrants, a notice, dated the date such notice is mailed by the Bank, stating

the following: that Warrants (identified by the complete name and date of the Warrants) in certain specified principal amounts (or portions thereof) bearing stated numbers, CUSIP numbers, interest rates and maturity dates, have been called for redemption and will become due and payable at the Redemption Price or Redemption Prices on a specified Redemption Date, and that all interest thereon will cease after the Redemption Date. Such notice shall be so mailed not more than sixty (60) nor less than thirty (30) days prior to the Redemption Date, but Holders of any Warrants may waive the requirements of this subsection with respect to the Warrants held by them without affecting the validity of the call for redemption of any other Warrants.

(iii) **Payment of Redemption Price.** The City shall make available at the Bank, on or prior to the Redemption Date, in immediately available funds, the total Redemption Price of the Warrants (or portions thereof) that are to be prepaid and redeemed on the Redemption Date.

The City and the Bank will, to the extent deemed by them to be practicable under the circumstances and to the extent permitted by law, comply with the standards set forth in the Securities and Exchange Commission's Exchange Act Release No. 23856 dated December 3, 1986, regarding redemption notices but their failure to do so shall not invalidate the redemption of any Warrants with respect to which the other requirements of this Section 4 have been satisfied. Upon compliance with the foregoing requirements on its part contained in this subsection (c), and if the City is not on the Redemption Date in default in the payment of the principal of or the interest or premium, if any, on any of the Warrants, the Warrants (or principal portions thereof) called for redemption shall become due and payable at the Redemption Price on the Redemption Date specified in such notice, anything herein or in the Warrants to the contrary notwithstanding, and the Holders thereof shall then and there surrender them for redemption; provided, however, that in the event that less than all of the outstanding principal of any Warrant is to be redeemed, the registered Holder thereof shall surrender the Warrant that is to be redeemed in part to the Bank in exchange, without expense to the Holder, for a new Warrant of like tenor except in a principal amount equal to the unredeemed portion of such Warrant. All future interest on the Warrants (or principal portions thereof) so called for redemption shall cease to accrue after the Redemption Date. Out of the moneys so deposited with it, the Bank shall make provision for payment of the Warrants (or principal portions thereof) so called for redemption at the Redemption Price and on the Redemption Date.

**Section 5. General Obligation.** The indebtedness evidenced and ordered paid by the Warrants is and shall be a general obligation of the City for payment of the principal of and the interest and premium, if any, on which the full faith and credit of the City are hereby irrevocably pledged.

**Section 6. Warrant Fund.** (a) **Payments therein and use and continuance thereof.** There is hereby created a special fund to be designated the "City of Irondale Series 2021-B Warrant Fund," for the purpose of providing for the payment of the principal of and interest and premium, if any, on the Warrants, at the respective maturities of said principal interest and premium, if any, which special fund shall be maintained until the principal of and the

interest and premium, if any, on the Warrants have been paid in full. Payments into the Warrant Fund shall be made as follows:

(i) there shall be paid into the Warrant Fund, simultaneously with the issuance of the Warrants and out of the proceeds derived from the sale thereof, that portion, if any, of said proceeds which may be referable to the accrued interest received by the City; and

(ii) on or before March 25, 2022, and on or before each March 25 or September 25 thereafter until the principal of and interest on the Warrants shall have been paid in full, the City will pay into the Warrant Fund an amount equal to the sum of (A) the semiannual installment of interest that will mature on the Warrants on the next succeeding Interest Payment Date with respect thereto, plus (B) the principal that will mature on the Warrants on the then next succeeding Interest Payment Date; provided, however, that following payment into the Warrant Fund of any sum out of the proceeds from the sale of the Warrants, pursuant to the provisions of paragraph (i) of this subsection, there shall be credited one time on the amount required by this paragraph (ii) to be paid into the Warrant Fund an amount equal to any such sum so paid into the Warrant Fund pursuant to the provisions of the said paragraph (i).

There shall also be credited on the payments due under this subsection (a) to be made into the Warrant Fund all earnings on investments made pursuant to the provisions of subsection (d) of this Section 6, to the end that all moneys held in the Warrant Fund (exclusive of amounts held therein for the payment of matured but unrepresented Warrants) shall be paid out for purposes for which the Warrant Fund was created within thirteen (13) months from the date such moneys first become available for such purposes. The Bank shall promptly notify the City of the receipt of such earnings and the amount thereof.

All moneys paid into the Warrant Fund shall be used only for payment of the principal of and the interest and premium, if any, on the Warrants, upon or after the respective maturities of such principal, interest and premium; provided, that, if at the final maturity of the Warrants, howsoever the same may mature, there shall be in the Warrant Fund moneys in excess of the amount required to retire the Warrants, then any such excess shall thereupon be returned to the City. When the amount of money on deposit in the Warrant Fund equals or exceeds the aggregate of the principal and interest to their respective maturities on the Warrants at the time outstanding, no further payments need be made into the Warrant Fund except to make good the moneys paid therein which may become lost or which may not be immediately available for withdrawal under the provisions of this section. The City shall make the deposits into the Warrant Fund so that all amounts shall be available to the Bank in immediately available funds not later than 10:00 a.m., Birmingham, Alabama time on the last business day prior to the April 1 or October 1 with respect to which the payment is made.

(b) **Depository for Warrant Fund.** The City hereby designates the Bank as the depository for the Warrant Fund with respect to payment of principal of and the interest and premium, if any, on the Warrants. In the event that the Bank should at any time decline to act as

such depository, or should resign as such depository, or should cease to be a member of the Federal Deposit Insurance Corporation (or any agency which may succeed to its duties), or should cease to be duly qualified and doing business within the State of Alabama or should cease to be a qualified public depository as described in Code of Alabama Section 41-14A-2, then the Council shall by Resolution or Ordinance designate a successor to such depository; provided that any such successor depository shall be and remain a member of the Federal Deposit Insurance Corporation (or of any agency which may succeed to its duties) and shall be and remain duly qualified and doing business in the State of Alabama.

(c) **Trust Nature of and Security for the Warrant Fund.** 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. Each depository for the Warrant Fund shall at all times keep the moneys on deposit with it in the Warrant Fund continuously secured for the benefit of the City and the Holders of the Warrants either:

(i) by holding on deposit as collateral security, United States Securities or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in the Warrant Fund, or

(ii) if the furnishing of security in the manner provided in the foregoing clause (i) of this sentence is not permitted by the then applicable law and regulations, then in such other manner as may be required or permitted by the applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of public funds;

provided, however, that it shall not be necessary for such depository so to secure any portion of the moneys on deposit in the Warrant Fund that may be insured by the Federal Deposit Insurance Corporation (or by any agency that may succeed to its duties) or any portion of the said moneys that may be invested pursuant to the provisions of subsection (d) of this Section 6.

(d) **Investment of Moneys in the Warrant Fund.** So long as the City shall not be in default hereunder it may, at any time and from time to time as it in its sole discretion shall deem advisable, cause to be invested in Eligible Investments any or all of the moneys in the Warrant Fund; provided, that, each such investment shall mature not later than the Interest Payment Date next following the date such investment is made. In the event of any such investment, the securities in which the investment is made shall become a part of the Warrant Fund and shall be held by the depository for the moneys so invested to the same extent as if they were moneys on deposit in the Warrant Fund. The City may likewise at any time and from time to time cause any securities in which any such investment shall be made to be sold or otherwise converted into cash, whereupon the net proceeds derived from any such sale or conversion, after payment of all necessary expenses incident to such sale or conversion, shall become a part of the Warrant Fund. Each depository for the Warrant Fund shall be fully protected in making investments, sales, and conversions of any such securities upon direction given to it by the City.

**Section 7. Form of Warrants.** The Warrants shall be in substantially the following form:

*Unless this Warrant is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any Warrant issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

**UNITED STATES OF AMERICA**

**STATE OF ALABAMA**

**CITY OF IRONDALE**

**TAXABLE GENERAL OBLIGATION WARRANT  
SERIES 2021-B**

Interest Rate

Maturity Date

CUSIP Number

Subject to prior payment and other provisions as herein provided

The City Treasurer of the City of Irondale, Alabama, a municipal corporation under the laws of Alabama (the "City"), is hereby ordered and directed to pay to **CEDE & CO.**, or registered assigns, the principal sum of

\_\_\_\_\_ DOLLARS

on the date specified above with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable on April 1, 2022, and semiannually thereafter on each October 1 and April 1 thereafter until the due date hereof.

The principal of and the premium (if any) on this Warrant shall be payable only upon presentation and surrender of this Warrant at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Bank") in the City of Birmingham, Alabama, or its successor under the Ordinance hereinafter referred to. Interest on this Warrant shall be remitted by the Bank to the then registered holder hereof at the address shown on the registry books of the Bank pertaining to the Warrants as of the close of business on the 15<sup>th</sup> day of the month next preceding each April 1 or October 1, as the case may be. The Ordinance hereinafter referred to

provides that all payments by the City or the Bank to the person in whose name a Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Payment of such interest shall be deemed to have been timely made if such check or draft is mailed by the Bank on the due date of such interest. Any transferee of this Warrant takes it subject to all payments of principal and interest in fact made with respect hereto.

This Warrant is one of a duly authorized issue of Warrants designated Taxable General Obligation Warrants, Series 2021-B, dated the date of their initial issuance and delivery, and aggregating not greater than \$\_\_\_\_\_ in principal amount (the "Warrants"). This Warrant is issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly but without limitation Amendment 772 to the Constitution of Alabama of 1901, as amended, Section 11-47-2 and Section 11-81-4 of the Code of Alabama 1975, as amended, and an ordinance (the "Ordinance") of the City duly adopted by the governing body of the City on \_\_\_\_\_, 2021.

Those of the Warrants having a stated maturity on \_\_\_\_\_ 1, \_\_\_\_, and thereafter, shall be subject to redemption prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in multiples of \$5,000 with those of the maturities to be redeemed to be selected by the City at its discretion, and if less than all the Warrants of a single maturity are to be redeemed, those to be redeemed to be selected by the Bank by lot), on \_\_\_\_\_ 1, \_\_\_\_, and on any date thereafter, at and for a redemption price for each Warrant (or principal portion thereof) equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

[Those of the Warrants having a stated maturity in \_\_\_\_ and \_\_\_\_ are subject to mandatory redemption as follows:]

The Ordinance requires that written notice of the call for redemption of this Warrant (or portion of the principal thereof) be forwarded by United States First Class Mail to the registered owner hereof, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption. In the event that less than all the outstanding principal of this Warrant is to be redeemed, the registered holder hereof shall surrender this Warrant to the Bank in exchange for a new Warrant of like tenor herewith except in a principal amount equal to the unredeemed portion of this Warrant. Upon the giving of notice of redemption in accordance with the provisions of the Ordinance, the Warrants (or principal portions thereof) so called for redemption shall become due and payable on the date specified in such notice, anything herein or in the Ordinance to the contrary notwithstanding, and the holders thereof shall then and there surrender them for redemption, and all future interest on the Warrants (or principal portions thereof) so called for redemption shall cease to accrue after the date specified in such notice, whether or not the Warrants are so presented.

By the execution of this Warrant, the City acknowledges that it is indebted to the payee hereof in the principal amount hereof in accordance with the terms hereof. The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the City for the payment of the principal of and the interest and premium, if any, on which the full faith and credit of the City have been irrevocably pledged.

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 by law; 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 and in the issuance of this Warrant do exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this Warrant, together with all other indebtedness of 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.

The Warrants are issuable only as fully registered Warrants in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the Ordinance for the exchange of Warrants for a like aggregate principal amount of Warrants of the same maturity and in authorized denomination, all upon the terms and subject to the conditions set forth in the Ordinance.

This Warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Bank (the registrar and transfer agent of the City) and only upon surrender of this Warrant to the Bank for cancellation, and upon any such transfer a new Warrant of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Ordinance. Each holder, by receiving or accepting this Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, this Warrant may be transferred only in accordance with the provisions of the Ordinance.

In the event that this Warrant (or any principal portion hereof) is duly called for redemption, the Bank shall not be required to register, transfer or exchange this Warrant during the period of forty-five (45) days next preceding the date fixed for its redemption.

Execution by the Bank of its registration certificate hereon is essential to the validity hereof.

**IN WITNESS WHEREOF**, the City has caused this Warrant to be executed with the signature of its Mayor, has caused its corporate seal to be hereunto impressed, has caused this Warrant to be attested by the signature of its City Clerk, and has caused this Warrant to be dated \_\_\_\_\_, 2021.

**CITY OF IRONDALE**

By \_\_\_\_\_  
Mayor

[S E A L]

Attest:

\_\_\_\_\_  
City Clerk

**Form of Registration Certificate**

Date of Registration: \_\_\_\_\_, 2021

This Warrant was registered in the name of the above-registered owner on the date hereinabove set forth.

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.**  
Birmingham, Alabama

By: \_\_\_\_\_  
Its Authorized Officer

**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 Bank.

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 guaranteed:

\_\_\_\_\_  
(Bank, Trust Company or Firm) \*

By \_\_\_\_\_  
(Authorized Officer)

Its Medallion Number: \_\_\_\_\_

\*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

**Form of Validation Certificate**

Validated and confirmed by judgment of the Circuit Court of Jefferson County, State of Alabama, entered on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

By \_\_\_\_\_  
Clerk, Circuit Court of Jefferson County, Alabama

**Section 8. Execution of Warrants by the City.** The Warrants shall be executed on behalf of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be impressed on the Warrants. Signatures on the Warrants by persons who are officers of the City at the times such signatures were written or printed shall continue to be effective although such persons cease to be such officers prior to the delivery of the Warrants, whether initially issued or exchanged for Warrants of different denominations from those initially issued.

**Section 9. Registration Certificate on Warrants.** A Registration Certificate by the Bank, in substantially the form hereinabove recited, duly executed by the manual signature of an authorized officer of the Bank, shall be endorsed on the Warrants and shall be essential to its validity.

**Section 10. Registration and Transfer of Warrants.** All Warrants shall be registered as to both principal and interest, and shall be transferable only on the registry books of the Bank. The Bank shall be the registrar and transfer agent of the City and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Warrants as are presented for those purposes, all in the manner and to the extent hereinafter specified.

No transfer of a Warrant shall be valid hereunder except upon presentation and surrender of such Warrant at the office of the Bank with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Bank, whereupon the City shall execute, and the Bank shall register and deliver to the transferee, a new Warrant, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name a Warrant is registered on the books of the Bank shall be the sole person to whom or on whose order payments on account of the principal thereof and of the interest and premium, if any, thereon may be made. Each Holder of any of the Warrants, by receiving or accepting such Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, the Warrants may be transferred only in accordance with the provisions of this Ordinance.

Each transferee of a Warrant takes it subject to all payments of principal and interest in fact made with respect thereto.

**Section 11. Exchange of Warrants.** Upon the request of the Holder of one or more Warrants, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of such Warrant or Warrants in exchange thereof, a Warrant or Warrants in different Authorized Denominations of the same maturity and interest rate and together aggregating the same principal amount as the then unpaid principal of the Warrant or Warrants so surrendered, all as may be requested by the person surrendering such Warrant or Warrants. All Warrants surrendered for exchange pursuant to the provisions of this Section 11 shall be accompanied by a written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Bank.

**Section 12. Expenses of Registration, Transfer and Exchange.** Any registration, transfer or exchange of any of the Warrants shall be made without charge to the Holders thereof, except that (a) the Holder requesting any such registration, transfer or exchange shall pay all taxes and other governmental charges required to be paid in connection with such registration, transfer or exchange, and (b) the Holder shall pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant in accordance with Section 17 hereof.

**Section 13. Time Limits on Registration, Transfer or Exchange.** If any Warrant is called for redemption in whole or in part, the Bank shall not be required to register, transfer or exchange such Warrant during the period of forty-five (45) days next preceding the Redemption Date.

**Section 14. Accrual of Interest on Warrants.** All Warrants issued prior to April 1, 2022, in exchange for Warrants initially delivered, shall bear interest from the date of initial issuance and delivery of the Warrants, and all Warrants issued after April 1, 2022, shall bear interest from the April 1 or October 1, as the case may be, next preceding the date of such Warrant's registration and delivery unless (a) such date of registration and delivery is an April 1 or October 1, in which event such Warrant shall bear interest from the date of its registration and delivery, or (b) at the time of such registration and delivery the City is in default in the payment of interest on the Warrant in lieu of which such new Warrant is issued, in which event such new Warrant shall bear interest from the last Interest Payment Date to which interest has previously been paid or made available for payment on the Warrant in lieu of which such new Warrant is issued. The preceding provision shall be construed to the end that the issuance of a Warrant shall not affect any gain or loss in interest to the Holder thereof.

**Section 15. Persons to Whom Payment of Interest on Warrants Is to Be Made.** Interest on the Warrants shall, except as provided in the next succeeding paragraph of this Section 15, be payable in lawful money of the United States of America by check or draft mailed by the Bank to the Holders of the Warrants at the addresses shown on the registry books of the Bank pertaining to the Warrants as of the close of business on the Record Date next preceding the Interest Payment Date.

Any provision hereof to the contrary notwithstanding, Overdue Interest shall not be payable to a Holder of Warrants solely by reason of such Holder having been the Holder on

the Record Date next preceding the Interest Payment Date on which such interest became due and payable, but shall be payable by the Bank as follows:

(a) Not less than ten (10) days following receipt by the Bank of immediately available funds in an amount sufficient to enable the Bank to pay all Overdue Interest, the Bank shall fix an Overdue Interest Payment Date for payment of such Overdue Interest.

(b) Such Overdue Interest Payment Date fixed by the Bank shall be a date not more than twenty (20) days following the expiration of the period described in the foregoing subparagraph (a).

(c) Overdue Interest shall be paid by check or draft mailed by the Bank to the persons in whose names the Warrants were registered in the registry books of the Bank pertaining to the Warrants on the Overdue Interest Payment Date.

Payment of Overdue Interest in the manner herein prescribed to the persons in whose names the Warrants were registered on the Overdue Interest Payment Date shall fully discharge and satisfy all liability for the same.

**Section 16. Persons Deemed Owners of Warrants.** The City and the Bank may deem and treat the person in whose name a Warrant is registered as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by any of them to the person in whose name a Warrant is so registered, shall to the extent thereof fully discharge and satisfy all liability for the same.

**Section 17. Replacement of Mutilated, Lost, Stolen or Destroyed Warrants.** In the event any Warrant is mutilated, lost, stolen or destroyed, the City may execute and the Bank shall thereupon register and deliver a new Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Warrant, such Warrant is first surrendered to the City and the Bank, and (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the City and the Bank evidence of such loss, theft or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The City may charge the Holder with the expense of issuing any such new Warrant.

In lieu of issuing a new Warrant to replace any mutilated, lost, stolen or destroyed Warrant which shall have already matured or been called for redemption, the Bank may pay such Warrant at or after the maturity or Redemption Date applicable thereto if the Holder of such Warrant satisfies the same terms and conditions as those provided in the preceding provisions of this Section 17 for the replacement of such Warrant. Any mutilated Warrant surrendered to the Bank pursuant to the terms of this Section 17 shall be destroyed by the Bank after a Warrant in replacement thereof has been issued.

**Section 18. Retention of Moneys for Payment of Warrants.** The amounts held by the Bank for the payment of the principal of and interest on any Warrants due on any

date shall, pending such payment, be held in trust by the Bank of the holders of the Warrants entitled thereto, and for the purposes of this Ordinance the principal of and interest on such Warrants shall no longer be considered to be unpaid. All liability of the City to the Holders of such Warrants and all rights of such Holders against the City under the Warrants or under this Ordinance shall thereupon cease and terminate, and the sole right of such Holders shall thereafter be against such funds. If any Warrant shall not be presented for payment within a period of one (1) year following the date when such Warrant becomes due, whether by maturity, redemption or otherwise, or if the check or draft providing for any payment of interest on any Warrant shall not have been negotiated within such period, the Bank shall return to the City any moneys theretofore held by it for payment of such Warrant or such interest.

**Section 19. Cancellation of Warrants.** The Bank shall forthwith cancel all Warrants which have been paid by it, whether by maturity, redemption or otherwise, and shall destroy such Warrants and deliver a certificate to that effect to the City.

**Section 20. (a) Appointment of Bank and Acceptance or Duties.** The Bank is hereby designated and appointed and shall act as registrar, transfer agent and paying agent with respect to the Warrants. The Bank shall signify its acceptance of the duties of the Bank under this Ordinance by filing with the City a written acceptance thereof not later than the date of the issuance of the Warrants. In such acceptance the Bank shall accept and agree to perform the duties required by this Ordinance, either expressly or by reasonable implication, subject, however, to the following conditions:

(i) The Bank shall undertake to perform such duties and only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Bank.

(ii) The Bank need not recognize a Holder of a Warrant as such without the satisfactory establishment of title to such Warrant as shown on the registry books of the Bank.

(iii) The Bank may be a Holder or a pledgee of any of the Warrants as if not Bank hereunder.

(iv) The Bank shall not be liable for the proper application of any moneys other than those that may be paid to or deposited with it.

(v) The Bank shall not be liable to pay or allow interest on any moneys to be held by it under this Ordinance or otherwise to invest any such moneys, except as specifically required by this Ordinance or as may be required by law or other written agreement between the City and the Bank.

(vi) The Bank may make any investments permitted or required hereby through its own investment department, and any Eligible Investments issued or held by it hereunder shall be deemed investments and not deposits.

(vii) The Bank shall, upon reasonable request, inform the City of the amount at the time on deposit in any of the special funds or accounts created hereunder.

(b) **Bank to Maintain Registration Records.** The Bank will keep on file at its principal corporate trust office registration records listing the names and addresses of the holders of the Warrants and proper records of account relating to the receipt, disbursement, investment, allocation and application of moneys under this Ordinance.

(c) **Resignation by Bank.** The Bank and any successor Bank may resign and be discharged from the duties under this Ordinance by causing written notice specifying the effective date, postage prepaid, to the City and to every Holder of a Warrant. Unless the effective date of the Bank's resignation shall coincide with the appointment of a successor Bank by the Holders of the Warrants as herein provided, such date shall be at least thirty (30) days after the date on which notice to the City and the Holders of the Warrants shall have been mailed.

(d) **Removal of Bank.** The Bank may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bank and to the City and signed by the Holders of a majority in aggregate principal amount of the Warrants then outstanding.

(e) **Appointment of Successor Bank; Interim Bank.** In case the Bank shall resign, be removed, be dissolved, be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the Holders of a majority in aggregate principal amount of Warrants then outstanding through an instrument or concurrent instruments in writing signed by such Holders. In case of any such resignation or event which causes the Bank to be incapable of acting, the City, by an instrument signed by the Mayor, shall appoint an interim Bank to serve until a successor Bank shall be appointed by the Holders of a majority in aggregate principal amount of the Warrants, as provided above. Whenever necessary to avoid or fill a vacancy in the office of Bank, the City will appoint an interim Bank in order that there shall at all times be a Bank hereunder. Any interim Bank so appointed by the City shall immediately and without further act be superseded by the Bank appointed by the holders of the Warrants.

The City shall cause notice of the appointment of an interim Bank, in the event that such an appointment is made, to be forwarded by United States First Class Mail, postage prepaid, to every Holder of a Warrant. When the appointment of a successor Bank, as selected by the Holders of a majority in principal amount of the Warrants then outstanding, becomes effective, the City shall also cause notice of that fact to be given in the manner provided above for the notice required to be given upon the appointment of an interim Bank. Every interim or successor Bank appointed pursuant to this Section 20 shall be a trust company or bank which is qualified to perform all duties of the Bank under this Ordinance and which has, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than \$25,000,000, if there be such an institution willing, qualified and able to accept appointment as Bank upon reasonable or customary terms.

(f) **Concerning any Successor Bank.** Every successor Bank shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting its appointment as Bank hereunder, and thereupon such successor Bank, without any further act, deed or conveyance, shall become fully vested with all the rights, powers and duties of its predecessor. Such predecessor shall, nevertheless, on the written request of the City or such successor Bank, execute and deliver an instrument transferring to such successor Bank all rights, powers and interests of such predecessor hereunder; and every predecessor Bank shall deliver all securities and moneys held by it as Bank hereunder to its successor.

(g) **Merger or Consolidation of Bank.** Any corporation into which the Bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank, shall be the successor of the Bank hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case the registration certificates with respect to any Warrants shall have been executed by the Bank then in office, any successor by merger or consolidation to such Bank may adopt the registration of such Warrants and deliver such Warrants with the same effect as if such successor Bank had itself registered such Warrants.

(h) **Compensation of Bank.** Subject to the provisions of any separate agreement with the Bank, the City shall pay to the Bank from time to time reasonable compensation for all services rendered by it under this Ordinance, including its services as registrar and paying agent for the Warrants, and also all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its duties hereunder.

**Section 21. Sale of Warrants.** Subject to the successful prosecution of the validation proceeding authorized by Section 25 hereof, the Mayor is hereby authorized to provide for the award and sale of the Warrants by executing and delivering to Raymond James & Associates, Inc. (the "Underwriter") a Purchase Contract respecting the Warrants (the "Purchase Contract"), containing terms mutually acceptable to the City and the Underwriter.

**Section 22. Authorization of Preliminary Official Statement.** The Mayor is hereby authorized and directed to execute on behalf of the City a Preliminary Official Statement of the City with respect to the Warrants in substantially the form presented to the meeting at which this Ordinance is adopted, a copy of which is attached as Exhibit I to the minutes of the meeting of the Council at which this Ordinance is adopted (the "Preliminary Official Statement") and is made a part of this Ordinance in all respects as if set forth in full herein, with such changes therein and additions thereto as shall be necessary to conform to the provisions of this Ordinance and such other changes and additions as the Mayor shall deem necessary and appropriate. The Mayor is hereby authorized to cause the Preliminary Official Statement to be "deemed final" for purposes of Rule 15c2-12 of the Securities Exchange Commission and to cause the Preliminary Official Statement to be circulated by the Underwriter to prospective investors in the Warrants.

**Section 23. Authorization of Escrow Trust Agreement.** The Mayor is hereby authorized and directed to execute and deliver, on behalf of the City, the Escrow Trust Agreement providing for the redemption and payment of those of the Series 2015-B Warrants and the Series 2015-D Warrants to be refunded with proceeds of the Warrants (the "Refunded Warrants") in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as Exhibit II to the minutes of the meeting at which this Ordinance is adopted and is adopted in all respects as if set out in full herein), with such changes as the Mayor shall approve. The City Clerk is hereby authorized and directed to affix the seal of the City to the Escrow Trust Agreement and to attest the same.

**Section 24. Use of Proceeds from Sale of Warrants.** The net proceeds derived from the sale of the Warrants (less the underwriting discount), shall be applied for the redemption and prepayment of the Refunded Warrants, and for the payment of the costs of issuing the Warrants.

**Section 25. Authorization of Validation Proceedings.** The Council hereby authorizes Bradley Arant Boult Cummings LLP, bond counsel to the City, the Mayor and the City Clerk to take all actions as are necessary or desirable to commence judicial proceedings for validation of the Warrants (including, without limitation, validation of the issuance of the Warrants, the sources for the payment of the Warrants, and the proceedings authorizing issuance of the Warrants) pursuant to the provisions of Article 17 of Chapter 6 of Title 6 of the Code of Alabama 1975, as amended, and to take all such actions and follow such procedures as in their judgment shall be necessary or desirable for the successful prosecution of such suit.

**Section 26. Denominations of Warrants as Initially Issued.** The Warrants of each maturity shall be initially issued in Authorized Denominations as requested by the Underwriter and registered in the names of the persons, firms or corporations specified by the Underwriter. If, for any reason, the City is unable to prepare or cause to be prepared Warrants in the Authorized Denominations requested by the Underwriter and registered in the names specified by the Underwriter, the City may deliver one Warrant for each maturity in the principal amount of such maturity, each registered in a name designated by the Underwriter.

**Section 27. Provisions for Payment at Par.** Each bank at which the Warrants shall at any time be payable, by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the Holders of the Warrants that it will make, out of the funds supplied to it for that purpose, all remittances of principal, interest and premium, if any, on the Warrants in bankable funds at par without any deduction for exchange or other costs, fees or expenses. The City agrees with the Holders of the Warrants that it will pay all charges for fees and expenses which may be made by such bank in the making of remittances in bankable funds of the principal of and interest on any of the Warrants.

**Section 28. Authorization of Continuing Disclosure Agreement.** The Mayor is hereby authorized and directed to execute and deliver, on behalf of the City, a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Warrants, in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as Exhibit III to the minutes of the meeting at which this Ordinance is adopted

and which is hereby adopted in all respects as if set out in full in this Ordinance) and the City Clerk is hereby authorized and directed to affix to the said Continuing Disclosure Agreement the seal of the City and to attest the same.

**Section 29. Registration of Warrants in the Book-Entry Only System.** The provisions of this Section 29 shall apply with respect to any Warrant registered to CEDE & CO. or any other nominee of The Depository Trust Company ("DTC") while the Book-Entry Only System is in effect and shall, during the period of their application, supersede any contrary provisions of this Ordinance.

The Warrants shall be issued as one fully registered warrant for each maturity in the total principal amount of such maturity. On the date of the initial authentication and delivery of the Warrants, the Warrants shall be registered in the name of CEDE & CO., as nominee of DTC as the Owner of all the Warrants. With respect to Warrants registered in the name of CEDE & CO., as nominee of DTC, the City and the Bank shall have no responsibility or obligation to any Participant (which means securities brokers and dealers, banks, trust companies, clearing corporations and various other entities, some of whom, or their representatives, own DTC) or to any Beneficial Owner (which means, when used with reference to the Book-Entry Only System, the person who is considered the beneficial owner thereof pursuant to the arrangements for book entry determination of ownership applicable to DTC) with respect to the following: (i) the accuracy of the records of DTC, CEDE & CO. or any participant with respect to any ownership interest in the Warrants, (ii) the delivery to any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Warrants, including any notice of redemption, or (iii) the payment to any Participant, or any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal or purchase price of or premium, if any, or interest on the Warrants. The Bank shall pay all principal of and premium, if any, or interest on the Warrants only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on such Warrants to the extent of the sum so paid. No person other than DTC shall receive a Warrant. Upon delivery by DTC to the Bank of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Section 29 shall refer to such new nominee of DTC.

Upon receipt by the Bank of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities hereunder, the Bank shall issue, transfer and exchange Warrants as requested by DTC in Authorized Denominations, and whenever DTC requests the Bank to do so, the Bank will cooperate with DTC in taking appropriate action after reasonable notice to arrange for a substitute bond depository willing and able upon reasonable and customary terms to maintain custody of the Warrants registered in whatever name or names the Owners transferring or exchanging such Warrants shall designate, in accordance with this Section 29.

In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain Warrants registered in the name of an Owner other than DTC, the City may so notify DTC and the Bank, whereupon DTC will notify the Participants, of the

availability through DTC of such Warrants. In such event, upon the return by DTC of all Warrants held by DTC in the name of Cede & Co., the Bank shall issue, transfer and exchange Warrants in Authorized Denominations as requested by DTC, and whenever DTC requests the City and the Bank to do so, the Bank and the City will cooperate with DTC in taking appropriate action after reasonable notice to make available Warrants registered in whatever name or names the Beneficial Owners transferring or exchanging Warrants shall designate, in accordance with this Section 29.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Warrant is registered in the name of CEDE & CO., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Warrant and all notices with respect to such Warrant shall be made and given, respectively, to DTC as provided in their Letter of Representations.

In the event that the Book-Entry Only System pursuant to this Section 29 is discontinued, the Beneficial Owners shall be registered on the Registry Books as the Owners of the Warrants. Subsequent to the discontinuation of the Book-Entry Only System, Warrants may be registered, transferred and exchanged in accordance with the provisions of this Ordinance (other than this Section 29).

**Section 30. 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.

**Section 31. Escrow for Warrants.** In addition to all other circumstances under which the Warrants are to be deemed paid, any of the Warrants shall be considered as fully paid if each of the following shall have been delivered:

- (a) a trust agreement between the City and a banking corporation or national banking association making provision for the retirement of such Warrants by creating for that purpose an irrevocable trust fund sufficient to provide for payment and retirement of such Warrants (including payment of the interest that will mature thereon until and on the dates they are retired, as such interest becomes due and payable), either by redemption prior to their respective maturities, by payment at their respective maturities or by payment of part thereof at their respective maturities and redemption of the remainder prior to their respective maturities, which said trust fund shall consist of (i) United States Securities which are not subject to redemption prior to their respective maturities at the option of the issuer and which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of all such Warrants, or (ii) both cash and such United States Securities which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose; and

(b) a certified copy of a Resolution or Ordinance of the Council calling for redemption those of such Warrants that, according to said trust agreement, are to be redeemed prior to their respective maturities.

**Section 33. Creation of Contract.** The provisions of this Ordinance shall constitute a contract between the City and each Holder of the Warrants.

ADOPTED this the 15th day of September, 2021.

\_\_\_\_\_  
/s/ David Spivey  
City Council President  
City of Irondale, Alabama

ADOPTED this the 15th day of September, 2021.

\_\_\_\_\_  
/s/ James Stewart  
Mayor  
City of Irondale, Alabama

Attest:

\_\_\_\_\_  
/s/ Luedelia Jackson  
City Clerk

**Exhibit I**

Form of Preliminary Official Statement

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2021**

**NEW ISSUE – BOOK-ENTRY ONLY**

Rating: S&P:[\_\_\_\_]  
See "RATING" herein

*Interest income on the Series 2021 Warrants will not be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended. Bond Counsel to the City is also of the opinion that interest on the Series 2021 Warrants is exempt from Alabama income taxation. See "TAX MATTERS" herein.*

**CITY OF IRONDALE, ALABAMA**

\$ \_\_\_\_\_\*  
**Taxable General Obligation  
Warrants  
Series 2021-A**

\$ \_\_\_\_\_\*  
**Taxable General Obligation  
Warrants  
Series 2021-B**

Dated: date of delivery

Due as shown on inside cover

The above-referenced Taxable General Obligation Warrants, Series 2021-A (the "Series 2021-A Warrants") and Taxable General Obligation Warrants, Series 2021-B (the "Series 2021-B Warrants" and together with the Series 2021-A Warrants, the "Series 2021 Warrants") constitute general obligations of the City of Irondale, Alabama (the "City") for the payment of which the full faith and credit of the City are irrevocably pledged. The principal of the Series 2021 Warrants will be payable at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in the City of Birmingham, Alabama (the "Bank"), at maturity or redemption.

Interest on the Series 2021 Warrants will be payable on [\_\_\_\_], 2021, and semiannually thereafter on each [\_\_\_\_ 1] and [\_\_\_\_ 1]. Certain of the Series 2021 Warrants are subject to redemption as more fully described herein. The Series 2021 Warrants are general obligations of the City for which the full faith and credit of the City are irrevocably pledged. See "THE SERIES 2021 WARRANTS – Security."

The Series 2021 Warrants are initially issuable as fully registered warrants without coupons in denominations of \$5,000 and any integral multiple thereof pursuant to a book-entry only system to be administered by The Depository Trust Company, New York, New York, or any successor or assign thereof or substitute therefor as such securities depository (the "Securities Depository") and, when issued, will be registered in the name of and held by Cede & Co., as nominee. During the period in which the book-entry only system is in effect for the Series 2021 Warrants, purchases and transfers of ownership of beneficial interests in the Series 2021 Warrants will be evidenced by book-entry only and all payments of principal of, premium (if any) and interest on the Series 2021 Warrants will be made by the Bank, as paying agent, to the Securities Depository for disbursement thereby to the Direct Participants and for subsequent disbursement by the Direct Participants (and, where appropriate, by the Indirect Participants) to the owners of beneficial interests in the Series 2021 Warrants, as more particularly provided in the 2021 Ordinance and described herein. In the event the said book-entry system for the Series 2021 Warrants is discontinued, Series 2021 Warrants in certificated form will be distributed to the owners of beneficial interests in the Series 2021 Warrants and the principal of the Series 2021 Warrants shall be payable only upon presentation and surrender of the Series 2021 Warrants at the designated corporate trust office of the Bank, and interest will be remitted to the registered owners of the Series 2021 Warrants by the Bank at the respective addresses of said owners shown on the registration books of the Bank pertaining to the Series 2021 Warrants.

The Series 2021 Warrants are offered when, as and if received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of the validity thereof by Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the City, and certain other conditions. Delivery of the Series 2021 Warrants through DTC is expected to occur on or about [\_\_\_\_], 2021.

**RAYMOND JAMES & ASSOCIATES, INC.**

\* Preliminary; subject to change.

**CITY OF IRONDALE**

\$ \_\_\_\_\_ \*  
**Taxable General Obligation Warrants**  
**Series 2021-A**

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<b><u>Maturity</u></b> <b><u>(____   1)</u></b>	<b><u>Principal</u></b> *	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price/</u></b> <b><u>Yield</u></b>	<b><u>CUSIP</u></b> <sup>(1)</sup>
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\$ \_\_\_\_\_ \*  
**Taxable General Obligation Warrants**  
**Series 2021-B**

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<b><u>Maturity</u></b> <b><u>(____   1)</u></b>	<b><u>Principal</u></b> *	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price/</u></b> <b><u>Yield</u></b>	<b><u>CUSIP</u></b> <sup>(1)</sup>
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\* Preliminary; subject to change.

<sup>(1)</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the registered owners of the Series 2021 Warrants. The City and the Underwriter are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness by the City on the Series 2021 Warrants and by the Underwriter on the Series 2021 Warrants or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2021 Warrants as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2021 Warrants.

**CITY OF IRONDALE, ALABAMA**

**MAYOR**

James Stewart

**CITY COUNCIL**

John London, District 1

David Spivey, District 2

Cindy Cuellar, District 3

Robert Box, District 4

Aaron Sims, District 5

**CITY CLERK**

Luedelia Jackson

**FINANCIAL ADVISOR**

Terminus Municipal Advisors, LLC

Atlanta, Georgia

**PAYING AGENT**

The Bank of New York Mellon Trust Company, N.A.

Birmingham, Alabama

**UNDERWRITER**

Raymond James & Associates, Inc.

Birmingham, Alabama

**BOND COUNSEL TO THE CITY**

Bradley Arant Boult Cummings LLP

Birmingham, Alabama

Certain information contained or incorporated by reference in this Official Statement has been obtained by the City from DTC and other sources that are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Underwriter or the City. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriter. This Official Statement is being used in connection with the sale of securities as referred to herein and may not be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

No dealer, broker, salesperson or any other person has been authorized by the City or the Underwriter to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the cover page, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Series 2021 Warrants.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the City's beliefs as well as assumptions made by and information currently available to the City. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 WARRANTS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2021 WARRANTS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2021 WARRANTS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE SERIES 2021 WARRANTS ARE RELEASED FOR SALE, AND THE SERIES 2021 WARRANTS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE SERIES 2021 WARRANTS INTO INVESTMENT ACCOUNTS.

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**OFFICIAL STATEMENT**

\$ \_\_\_\_\_\*  
**Taxable General Obligation  
Warrants  
Series 2021-A**

\$ \_\_\_\_\_\*  
**Taxable General Obligation  
Warrants  
Series 2021-B**

**INTRODUCTION**

This Official Statement of the City of Irondale, Alabama (the "City"), including the cover page and appendices, is furnished in connection with the offering of the City's above-described Taxable General Obligation Warrants, Series 2021-A (the "Series 2021-A Warrants") and Taxable General Obligation Warrants, Series 2021-B (the "Series 2021-B Warrants"). The Series 2021-A Warrants and the Series 2021-B Warrants are together herein called the "Series 2021 Warrants". The Series 2021 Warrants are issued by the City under the authority of the Constitution and laws of the State of Alabama and pursuant to an ordinance duly adopted by the governing body of the City (the "2021 Ordinance"). The Series 2021 Warrants are general obligations of the City for which the full faith and credit of the City are pledged.

The Series 2021-A Warrants are being issued for the purposes of providing funds to (i) redeem and retire certain obligations of the City, and (ii) pay the costs of issuing the Series 2021-A Warrants. The Series 2021-B Warrants are being issued for the purposes of providing funds to (i) redeem and retire certain obligations of the City, and (ii) pay the costs of issuing the Series 2021-B Warrants.

An investment in the Series 2021 Warrants involves certain risks which should be carefully considered by investors. Prospective investors should carefully examine this Official Statement, and their own financial condition in order to make a judgment as to their ability to bear the economic risk of such an investment and whether or not the Series 2021 Warrants are an appropriate investment for them. The sufficiency of general fund revenues and taxes to pay debt service on the Series 2021 Warrants may be affected by events and conditions relating generally to, among other things, the volume and value of retail and other sales in the City, population trends, and general economic developments, the exact nature of which are not presently determinable.

**COVID-19**

As has been widely-reported, following the March 11, 2020 declaration by the World Health Organization of a novel strain of coronavirus ("COVID-19") to be a global pandemic, the United States, various states and local governments (including the State of Alabama and various local governments within the State of Alabama), and private corporations and businesses implemented quarantines, limited or shut-down operations, and took other measures to limit travel, social interaction and other customary behaviors in an effort to lessen the spread and impact of COVID-19. Such measures have had, and will continue to have, a materially negative impact on national, state and local economies, including without limitation the economy of the City and that of the municipalities and counties surrounding the City.

Given the evolving nature of COVID-19 and the actions of governments, business organizations, and individuals in response thereto, the City is unable to predict the magnitude of the impact of the disease on the City's overall operations, economic position and financial condition. As a result of this disease, future tax revenue and other collections by the City could deviate negatively from historical revenues and collections, which can adversely impact the financial position and operations of the City, its ability to timely fund normal operations and capital needs and, potentially, in light of the still evolving and unknown scope of COVID-19, the City ability to timely pay debt service on the Series 2021 Warrants.

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\* Preliminary; subject to change.

## SPECIAL QUALIFICATIONS

So far as any statements are made in this Official Statement involving matters of opinion, projection or estimates, whether or not expressly so stated, they are set forth as such, made in good faith and not as representations of fact, and no representation is made, nor assurance given, that any such projections or estimates will be realized.

The information contained in this Official Statement does not purport to be comprehensive or definitive. All references to the Constitution and laws of the State of Alabama and to portions of the 2021 Ordinance, the Series 2021 Warrants, and certain other contracts, documents, or official acts are qualified by the exact terms of such Constitution, laws, 2021 Ordinance, Series 2021 Warrants, contracts, documents and acts, each being an item of public record.

Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered owners of the Series 2021 Warrants.

## THE SERIES 2021 WARRANTS

### General Description

The Series 2021 Warrants will be issued in fully registered form, without coupons, payable to the respective registered owners or registered assigns in the denomination of \$5,000 or any integral multiple thereof for each maturity. The Series 2021 Warrants are dated their date of issuance and will bear interest from that date at the applicable per annum rates, and will mature on dates and in amounts, as set forth on the inside cover page of this Official Statement. The principal of the Series 2021 Warrants will be payable at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. in the City of Birmingham, Alabama (the "Bank"), at maturity or redemption.

Interest on the Series 2021 Warrants will be payable on [\_\_\_\_\_], 2021, and semiannually thereafter on each [\_\_\_\_\_] 1 and [\_\_\_\_\_] 1.

Payment of interest due on each interest payment date will be made in accordance with the procedures of the Book-Entry System on each interest payment date to the persons who were registered holders of the Series 2021 Warrants on [\_\_\_\_\_] 15 or [\_\_\_\_\_] 15, as the case may be, next preceding such interest payment date for the Series 2021 Warrants (each such date, a "2021 Record Date").

The Series 2021 Warrants are initially issued pursuant to a book-entry only system to be administered by The Depository Trust Company, New York, New York ("DTC") and registered in the name of and held by Cede & Co., as nominee of DTC. During the period in which Cede & Co. is the registered owner of the Series 2021 Warrants, purchases and transfers of ownership of beneficial interests in the Series 2021 Warrants will be evidenced by book-entry only and all payments of principal of, premium (if any) and interest on the Series 2021 Warrants will be made by the Bank to Cede & Co. (as registered owner) for DTC for disbursement by DTC to the Direct Participants of DTC and for subsequent disbursement by the Direct Participants (and, where appropriate, by the Indirect Participants) to the owners of beneficial interests in the Series 2021 Warrants, as more particularly provided in the 2021 Ordinance and described herein under "Book-Entry Only System." In the event the book-entry only system for the Series 2021 Warrants is discontinued, Series 2021 Warrants in certificated form in authorized denominations will be physically distributed to the owners of the beneficial interests in the Series 2021 Warrants, the Series 2021 Warrants will be registered in the names of the owners thereof on the Series 2021 Warrant Register, the Bank shall make payments of principal of, premium (if any) and interest on the Series 2021 Warrants to the registered owners thereof as provided in the Series 2021 Warrants and the 2021 Ordinance, and the provisions of the Series 2021 Warrants and of the 2021 Ordinance with respect to registration, transfer and exchange of Series 2021 Warrants by the registered owners thereof shall apply, as described herein under "Discontinuation of Book-Entry System; Transfer, Exchange and Registration."

### Security

The Series 2021 Warrants are general obligations of the City for which the full faith and credit of the City are irrevocably pledged.



(\_\_\_\_ 1)

**to be Redeemed**

In the event the City shall have partially redeemed the Series 2021-A Term Warrants or shall have provided for a partial redemption of the Series 2021-A Term Warrants in such a manner that the Series 2021-A Term Warrants for the redemption of which provision is made are considered as fully paid, the City may elect to apply all or any part (but only in integral multiples of \$5,000) of the principal amount of such Series 2021-A Term Warrants so redeemed or to be redeemed to the reduction of the principal amount of Series 2021-A Term Warrants required to be redeemed pursuant to the schedules set forth immediately above on any [\_\_\_\_ 1] coterminous with or subsequent to the date such optional redemption actually occurs.]

*Series 2021-B Warrants.* [Those of the Series 2021-B Warrants maturing in \_\_\_\_ and \_\_\_\_ (the "Series 2021-B Term Warrants") shall be redeemed, at a redemption price equal to the face amount of Series 2021-B Warrants to be redeemed plus accrued interest thereon to the date fixed for redemption, on the dates and in the principal amounts as follows:

***Series 2021-B Term Warrants Maturing in \_\_\_\_  
Year  
(\_\_\_\_ 1) Principal Amount  
to be Redeemed***

***Series 2021-B Term Warrants Maturing in \_\_\_\_  
Year  
(\_\_\_\_ 1) Principal Amount  
to be Redeemed***

In the event the City shall have partially redeemed the Series 2021-B Term Warrants or shall have provided for a partial redemption of the Series 2021-B Term Warrants in such a manner that the Series 2021-B Term Warrants for the redemption of which provision is made are considered as fully paid, the City may elect to apply all or any part (but only in integral multiples of \$5,000) of the principal amount of such Series 2021-B Term Warrants so redeemed or to be redeemed to the reduction of the principal amount of Series 2021-B Term Warrants required to be redeemed pursuant to the schedules set forth immediately above on any [\_\_\_\_ 1] coterminous with or subsequent to the date such optional redemption actually occurs.]

***Partial Redemption of Series 2021 Warrants.*** Except as otherwise provided with respect to mandatory redemption of Series 2021 Term Warrants, if less than all Series 2021 Warrants are to be redeemed, the principal amount of Series 2021 Warrants of each maturity to be redeemed may be specified by the City by written notice to the Bank, or, in the absence of timely receipt by the Bank of such notice, shall be selected by the Bank by lot or by such other method as the Bank shall deem fair and appropriate; provided, however, that the principal amount of Series 2021 Warrants of each maturity to be redeemed must be a multiple of the smallest authorized denomination of the Series 2021 Warrants. If less than all Series 2021 Warrants of the same maturity are to be redeemed, the particular Series 2021 Warrants of such maturity to be redeemed shall be selected by the Bank by lot or by such other method as the Bank shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the smallest authorized denomination of the Series 2021 Warrants, or a multiple thereof) of the principal amount of Series 2021 Warrants of such maturity of a denomination larger than the smallest authorized denomination.

***Manner, Notice and Effect of Redemption.*** Notice of any redemption of the Series 2021 Warrants shall be given to the affected holder thereof not less than 30 days before the date fixed for redemption. If the book-entry system is in effect, such notice of redemption shall be given to DTC and shall be forwarded by DTC to the affected holders of Series 2021 Warrants through methods established by the rules and operational arrangements of DTC. If

the book-entry system is not in effect, notice of redemption shall be given to the holders of Series 2021 Warrants being redeemed by registered or certified mail. No further interest will accrue, after the date fixed for redemption, on the principal of any Series 2021 Warrants called for redemption if notice has been duly given and payment therefor has been duly provided, and in such event any Series 2021 Warrants called for redemption will no longer be protected by the provisions of the 2021 Ordinance.

### **Book-Entry Only System**

*Portions of the following information concerning The Depository Trust Company ("DTC") and DTC's book-entry only system have been obtained from DTC. The City and the Underwriter make no representation as to the accuracy of such information.*

Initially, DTC will act as securities depository for the Series 2021 Warrants. The Series 2021 Warrants initially will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Initially, one fully-registered warrant certificate for each maturity will be issued for the Series 2021 Warrants, in the aggregate principal amount of the Series 2021 Warrants of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org). So long as the Series 2021 Warrants are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the Series 2021 Warrants.

Purchases of the Series 2021 Warrants under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Warrants on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Warrants are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Warrants, except in the event that use of the book-entry system for the Series 2021 Warrants is discontinued.

To facilitate subsequent transfers, all the Series 2021 Warrants deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Warrants with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Warrants; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Warrants are credited, which may or may not be the Beneficial

Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

As long as the book-entry system is used for the Series 2021 Warrants, redemption notices will be sent to DTC. If less than all of the Series 2021 Warrants within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

As long as the book-entry system is used for the Series 2021 Warrants, principal, premium, if any, and interest payments on the Series 2021 Warrants will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bank, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bank or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Bank, and disbursement of such payments to the Participants or the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Warrants unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Warrants are credited on the record date (identified in a listing attached to the Omnibus Proxy).

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Warrants at any time by giving reasonable notice to the City or the Bank. In addition, the City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Under either of such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The City and the Bank will have no responsibility or obligation to any securities depository, any Participants in the book-entry system, or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the securities depository or any Participant; (ii) the payment by the securities depository or by any Participant of any amount due to any Participant or Beneficial Owner, respectively, in respect of the principal amount or redemption or purchase price of, or interest on, any of the Series 2021 Warrants; (iii) the delivery of any notice by the securities depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2021 Warrants; or (v) any other action taken by the securities depository or any Participant.

### **Discontinuation of Book-Entry Only System**

DTC may determine to discontinue providing its services with respect to the Series 2021 Warrants at any time by giving notice to the City and the Bank and discharging its responsibilities with respect thereto under applicable law. Upon the giving of such notice, the book-entry only system for the Series 2021 Warrants will be discontinued unless a successor securities depository is appointed by the City. In addition, the City may discontinue the book-entry only system for the Series 2021 Warrants at any time by giving reasonable notice to DTC.

In the event that the book-entry only system for the Series 2021 Warrants is discontinued, the following provisions would apply, subject to the further conditions set forth in the 2021 Ordinance.

The principal of and premium, if any, on the Series 2021 Warrants will be payable when due upon their presentation and surrender at the office of the Bank in Birmingham, Alabama. Interest payments on the Series 2021

Warrants will be made to the persons who are the registered owners by check or draft mailed to such owners at their addresses as they appear on the registration books of the Bank.

The Series 2021 Warrants are transferable only upon presentation to the Bank with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney. Upon the request of the owner of any Series 2021 Warrant, the City will execute and the Bank will authenticate and deliver, upon surrender to the Bank of such Series 2021 Warrant and in exchange therefor, as may be requested by the person surrendering such Series 2021 Warrant, other Series 2021 Warrants in different authorized denominations (\$5,000 or any integral multiple thereof) of like tenor and together aggregating the same principal amount as the then outstanding unpaid principal amount of Series 2021 Warrant so surrendered. The Bank will not be required to register or transfer any Series 2021 Warrant during the period beginning [ ] 15 or [ ] 15 next preceding any interest payment date with respect thereto. If any such Series 2021 Warrant is called for redemption, the Bank will not be required to register, transfer or exchange such Series 2021 Warrant during the period beginning 45 days next preceding the redemption date with respect thereto.

#### PLAN OF REFUNDING

*Refunded Warrants.* The City is issuing the Series 2021-A Warrants to redeem and retire some or all of the City's (i) \$8,725,000 original principal amount Tax-Exempt General Obligation Warrants, Series 2014-C (the "Series 2014-C Warrants"), (ii) \$9,600,000 original principal amount Taxable General Obligation Warrants, Series 2015-A (the "Series 2015-A Warrants"); and (iii) \$3,915,000 original principal amount Tax-Exempt General Obligation Warrants, Series 2015-C (the "Series 2015-C Warrants"). Those of the Series 2014-C Warrants, the Series 2015-A Warrants, and the Series 2015-C Warrants to be refunded are herein called the "Refunded Series 2014-C Warrants", the "Refunded Series 2015-A Warrants", and the "Refunded Series 2015-C Warrants", respectively.

The City is issuing the Series 2021-B Warrants to redeem and retire some or all of the City's (i) \$5,145,000 original principal amount Taxable General Obligation Warrants, Series 2015-B (the "Series 2015-B Warrants"); and (ii) \$5,570,000 original principal amount Taxable General Obligation Warrants, Series 2015-D (the "Series 2015-D Warrants"). Those of the Series 2015-B Warrants and the Series 2015-D Warrants to be refunded are herein called the "Refunded Series 2015-B Warrants" and the "Refunded Series 2015-D Warrants", respectively.

The Refunded Series 2014-C Warrants, the Refunded Series 2015-A Warrants, the Refunded Series 2015-B Warrants, the Refunded Series 2015-C Warrants, and the Refunded Series 2015-D Warrants are collectively referred to herein from time to time as the "Refunded Warrants".

*Refunded Warrants Ordinances.* Pursuant to the provisions of the ordinances under which the Refunded Warrants were issued, (i) those of the Series 2014-C Warrants having stated maturities in 2024 and thereafter are subject to optional redemption by the City on any date on and after October 1, 2023, at and for a price equal to the principal amount of Series 2014-C Warrants refunded plus accrued interest to the date set for redemption, (ii) the Series 2015-A Warrants are subject to optional redemption by the City on any date on and after October 1, 2025, at and for a price equal to the principal amount of Series 2015-A Warrants refunded plus accrued interest to the date set for redemption, (iii) the Series 2015-B Warrants are subject to optional redemption by the City on any date on and after April 1, 2025, at and for a price equal to the principal amount of Series 2015-B Warrants refunded plus accrued interest to the date set for redemption, (iv) the Series 2015-C Warrants are subject to optional redemption by the City on any date on and after July 1, 2025, at and for a price equal to the principal amount of Series 2015-C Warrants refunded plus accrued interest to the date set for redemption, and (v) the Series 2015-D Warrants are subject to optional redemption by the City on any date on and after January 1, 2025, at and for a price equal to the principal amount of Series 2015-D Warrants refunded plus accrued interest to the date set for redemption.

*Escrow Funds.* Upon issuance of the Series 2021-A Warrants, the City shall enter an agreement (the "2021-A Escrow Trust Agreement") with The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent for the Refunded Series 2014-C Warrants, the Refunded Series 2015-A Warrants and the Refunded Series 2015-C Warrants, under and pursuant to which there shall be established a special fund (the "2021-A Escrow Fund") for the purpose of holding proceeds from the sale of the Series 2021-A Warrants, plus interest earnings thereon, for payment of maturing installments of the interest on the Refunded Series 2014-C Warrants, the Refunded Series 2015-A Warrants and the Refunded Series 2015-C Warrants through and including the dates called for redemption and payment, and payment of the redemption price of such warrants on the dates the same are called for redemption and payment.

Upon issuance of the Series 2021-B Warrants, the City shall enter an agreement (the "2021-B Escrow Trust Agreement") with The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent for the Refunded Series 2015-B Warrants and the Refunded Series 2015-D Warrants, under and pursuant to which there shall be established a special fund (the "2021-B Escrow Fund" and, together with the 2021-A Escrow Fund, the "Escrow Funds") for the purpose of holding proceeds from the sale of the Series 2021-B Warrants, plus interest earnings thereon, for payment of maturing installments of the interest on the Refunded Series 2015-B Warrants and the Refunded Series 2015-D Warrants through and including the dates called for redemption and payment, and payment of the redemption price of such warrants on the dates the same are called for redemption and payment.

*Verification Agent.* The adequacy of the cash and maturing principal and interest earned on the direct obligations of the United States of America or other securities to be put on deposit in the Escrow Funds for the redemption and payment of the Refunded Warrants will be verified by [Terminus Analytics].

#### ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be derived from the sale of the Series 2021 Warrants (less accrued interest, if any) are expected to be used by the City as set forth below:

*Series 2021-A Warrants:*

**Sources**

Principal Amount

**Total**

**Uses**

Deposit to 2021-A Escrow Fund

Issuance Expenses (including underwriting, rating fees, legal, printing and other costs of issuance)

**Total**

*Series 2021-B Warrants:*

**Sources**

Principal Amount

**Total**

**Uses**

Deposit to 2021-B Escrow Fund

Issuance Expenses (including underwriting, rating fees, legal, printing and other costs of issuance)

**Total**

**INDEBTEDNESS; DEBT SERVICE REQUIREMENTS**

**Outstanding Indebtedness of the City**

*Long-Term Indebtedness.* The following table presents the outstanding general obligation indebtedness of the City (including the Refunded Warrants) prior to issuance of the Series 2021-A Warrants and the Series 2021-B Warrants:

<b>Description</b>	<b>Principal Amount Outstanding</b>
Taxable General Obligation Warrants, Series 2013-B	\$720,000
Tax-Exempt General Obligation Warrants, Series 2014-C	7,495,000
Taxable General Obligation Warrants, Series 2015-A	7,160,000
Taxable General Obligation Warrants, Series 2015-B	3,995,000
Tax-Exempt General Obligation Warrants, Series 2015-C	3,170,000
Taxable General Obligation Warrants, Series 2015-D	4,415,000
General Obligation Warrants, Series 2016-A	300,000
General Obligation Warrants, Series 2019	<u>11,745,000</u>
Total	<u>\$39,000,000</u>

*Short-Term Indebtedness.* In addition to the foregoing long-term general indebtedness, the City has various capital lease and similar short-term obligations. The total principal balance remaining on these short-term obligations is not more than approximately \$1,176,000.

**Estimated Debt Service on Series 2021-A Warrants**

The following schedule presents the estimated debt service requirements, on a fiscal year basis, for the Series 2021-A Warrants:

<b>Fiscal Year Ending (September 30,)</b>	<b>Principal*</b>	<b>Interest*</b>	<b>Total*</b>
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			

---

\* Preliminary; subject to change.

**Estimated Debt Service on Series 2021-B Warrants**

The following schedule presents the estimated debt service requirements, on a fiscal year basis, for the Series 2021-B Warrants:

<b>Fiscal Year Ending (September 30,)</b>	<b>Principal*</b>	<b>Interest*</b>	<b>Total*</b>
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			

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\* Preliminary; subject to change.

**Scheduled Annual Debt Service of the City**

*Long-Term General Obligation Debt Service.* Provided below is a schedule showing, on a fiscal year basis, the scheduled debt service obligations of the City on its outstanding long-term indebtedness (including the Refunded Warrants) prior to issuance of the Series 2021-A Warrants and the Series 2021-B Warrants:

<b>Fiscal Year Ending (September 30,)</b>	<b>Outstanding Obligations<sup>(1)*</sup></b>	<b>Total*</b>
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\* Preliminary; subject to change.

<sup>(1)</sup> Includes annual debt service on the City's [redacted].

## THE CITY

### Governmental Organization and Administration

The City is a municipal corporation incorporated under the Constitution and laws of the State of Alabama. The City is governed by a Mayor-Council form of government consisting of the Mayor as chief executive officer and a five member Council presided over by a President. The Mayor and Council members are elected from the City at-large.

The Mayor is the chief administrative officer of the City and makes all personnel appointments and removals subject to the civil service law. Members of the City Council serve part time and are responsible for adopting all legislative ordinances and setting policies of the City, including the appropriation of money. The Council exercises the legislative powers of the City and makes appointments to most of the independent and quasi-independent boards and agencies with respect to which the City has appointive power.

The managers of the City's several departments.

<b>Name and Office</b>	<b>Position</b>	<b>End of Current Term</b>
James Stewart	Mayor	November 2024
John London	Council President	November 2024
David Spivey	Council Member	November 2024
Cindy Cuellar	Council Member	November 2024
Robert Box	Council Member	November 2024
Aaron Sims	Council Member	November 2024

### Personnel

The City provides, among other things, police protection, fire protection, sanitation services, street services, public safety, park and recreational, public library and cultural services to its citizens and employs approximately 142 people (132 are employed on a full-time basis, and 10 on a part-time basis).

No employees of the City are represented by labor unions or similar employee organizations. The City does not bargain collectively with any labor union or employee organization

### Pension Plan

City employees are included in a retirement plan covered by the Employee's Retirement System of Alabama. The Employee's Retirement System of Alabama was created in 1945 pursuant to an act of the Alabama Legislature. The Employees' Retirement System is administered on behalf of the State of Alabama and certain local governmental units in Alabama by Retirement Systems of Alabama, an agency of the State of Alabama. More than 40,000 employees of the State of Alabama and certain local governmental units in Alabama are active members of the Employees' Retirement System.

Contributions by the City are made on the basis of certain actuarial calculations of amounts which, together with the employees' contributions, are projected to provide at the time of retirement the benefits contemplated by the retirement program. The City has been informed by the independent actuary employed by Retirement Systems of Alabama that total employer contributions will, together with employee contributions at the statutory rate, cover, when due and payable, the normal contribution and administrative charge. Additional actuarial evaluations of the accrued liability respecting the local governmental units which participate in the Employees' Retirement System, including the City, will be prepared in the future to reflect revised actuarial assumptions. Consequently, the contribution rates set forth above may be adjusted either upward or downward.

The Employees' Retirement System does not undertake to fund the retirement plans of participating local governmental units. The Employees' Retirement System acts only in an administrative capacity, and then only upon the election of the local governmental units. The statute permitting such election provides that "The retirement system shall not be liable for the payment of any pension or benefits on account of the employees or pensioners of any employers under this section, for which reserves have not been previously created from funds contributed by such

employer or its employees for such benefit." The statute further provides that the agreement of the City to contribute to the Employees' Retirement System on account of its employees is irrevocable, but should it become financially unable to make the normal contribution, administrative charge and accrued liability contribution, the City would be deemed to be in default under the Employees' Retirement System.

See "NOTE 9 – PENSION PLAN" of the audited financial statements of the City attached hereto as APPENDIX A for a more complete discussion of the City's pension obligations governed by the Employees' Retirement System. See also "NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS" of the audited financial statements of the City attached hereto as APPENDIX A for other post-employment benefits provided by the City.

### **General Financial Information**

The City operates on a fiscal year beginning October 1 and ending September 30. The City prepares a detailed budget for each fiscal year that is approved by the City Council prior to the beginning of the fiscal year. There is no constitutional requirement that the budget be balanced each year, but the City has, as a matter of policy, required a balanced budget.

The significant accounting practices for City finances are summarized in the audited financial statements attached to this Official Statement as APPENDIX A. All revenues and expenditures of the City are accounted for in a series of funds which are described in the financial statements attached hereto.

The City maintains a financial reporting system providing timely and accurate reports of receipts and expenditures. The City's financial statements are audited annually, as required by law, by independent certified public accountants. The report of such accountants with respect to the City's financial statements for the fiscal year ended September 30, 2020 are included in APPENDIX A of this Official Statement. See "AUDITED FINANCIAL STATEMENTS" below.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCE**

The following table sets forth the audited Combined Statement of Revenues, Expenditures and Changes in the General Fund Balance of the City for the fiscal years ended September 30, 2016 through and including September 30, 2020, such information extracted from the City's audited financial statements for such years:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>					
Taxes	\$14,692,027	\$13,954,496	\$11,195,954	\$11,925,293	\$11,196,950
Licenses and permits	3,677,371	3,434,722	3,046,324	2,157,471	1,941,342
Intergovernmental	1,999,732	1,727,462	434,877	671,104	1,916,133
Changes for services	1,072,455	1,025,812	1,539,628	1,027,696	912,063
Fines and forfeitures	248,724	269,648	381,655	398,198	435,680
Interest	63,211	65,972	37,604	13,340	2,745
Other	<u>1,092,007</u>	<u>875,891</u>	<u>90,654</u>	<u>25,08,092</u>	<u>1,005,093</u>
<b>Total Revenues</b>	22,845,527	21,354,003	17,542,591	18,701,194	17,410,006
<b>Expenditures</b>					
Current expenditures:					
General government	3,160,110	2,652,810	2,248,097	2,826,309	8,545,829
Public safety/protection	6,759,814	6,923,861	7,210,403	7,308,023	7,107,157
Public ways and facilities	2,773,408	2,756,520	2,920,424	3,081,268	3,047,711
Library	525,109	503,638	505,794	507,299	461,387
Senior citizens	201,792	401,205	348,584	393,217	236,955
Public Relations	--	--	--	<u>65,620</u>	<u>64,363</u>
Total Current Operations	<u>13,420,233</u>	<u>13,238,034</u>	<u>13,233,302</u>	<u>14,181,736</u>	<u>19,463,442</u>
Capital Outlays	--	6,777	8,791	206,400	13,250
Debt service:					
Principal	2,711,906	2,331,398	2,362,460	2,929,984	17,407,548
Interest and fiscal charges	1,491,652	1,378,139	1,320,752	1,293,910	1,523,203
Paying agent fees	--	<u>9,896</u>	--	--	--
<b>Total Expenditures</b>	17,623,791	16,964,244	16,925,305	18,612,030	38,407,443
<b>Excess (deficiency) revenues over expenditures</b>	5,221,736	4,389,759	617,286	89,164	(20,997,437)
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	41,008	--	--	--	--
Premiums from issuance of warrants	1,650,032	--	--	--	--
Payments to escrow agents	(80,443)	--	--	--	--
Payments to refund warrant	(11,586,736)	--	--	--	--
Operating transfers in	235,161	146,747	1,453,030	888,167	1,058,730
Operating transfers (out)	(5,253,323)	(1,081,566)	(1,704,952)	(854,559)	(4,449,648)
Proceeds from financing	<u>12,670,000</u>	--	--	<u>710,000</u>	<u>18,593,528</u>
<b>Total Other Sources (Uses)</b>	2,324,301	(934,819)	(251,922)	743,608	15,202,610
<b>Revenues &amp; other sources over (under) expenditures and other uses</b>	2,897,435	3,454,940	365,364	832,722	(5,794,827)
Fund balance, beginning	<u>9,415,176</u>	<u>5,960,236</u>	<u>5,594,872</u>	<u>4,762,100</u>	<u>10,556,927</u>
<b>Fund balance, ending</b>	<u>\$12,312,611</u>	<u>\$9,415,176</u>	<u>\$5,960,236</u>	<u>\$5,594,872</u>	<u>\$4,762,100</u>

## PRIMARY SOURCES OF REVENUES

The following summarizes the taxes and revenues that provide the primary sources of funding for the City.

### Ad Valorem Taxes

The City levies an ad valorem tax of 6.5 mills (sixty-five cents on each \$100 of taxable property) for general fund purposes (the "6.5 Mill Ad Valorem Tax"). The following table shows collections from the 6.5 Mill Ad Valorem Tax for the fiscal years indicated:

Fiscal Year	Collections
2020	\$1,353,571
2019	1,168,085
2018	1,110,982
2017	1,076,442
2016	1,034,990

Information describing property taxes more fully is set forth under the heading "AD VALOREM TAXES" below.

### Sales and Use Tax

The City levies by ordinance special privilege license and excise taxes (often referred to as sales and use taxes) at a rate of 4.0% (said rate being the basic rate, with certain transactions being taxed at lower rates) against persons, firms or corporations engaged or continuing in the City in the business of selling at retail tangible personal property, or the business of operating places of amusement or entertainment and on storing, using or otherwise consuming tangible personal property within the corporate limits of the City. The remittances received by the City referable to the collections by the revenue department of such privilege license and excise taxes levied by the City for the fiscal years indicated are as follows:

Fiscal Year	Collections
2020	\$10,366,995
2019	9,666,495
2018	9,258,784
2017	9,066,451
2016	8,463,272

### General License Taxes

The City levies, under general authority granted by the Legislature of Alabama, license taxes on the privilege of engaging in certain businesses and professions within the corporate limits of the City and its "police jurisdiction". Businesses and professions are usually taxed on the basis of their annual gross receipts. There are certain limitations with respect to the rates at which certain businesses located within the corporate limits of the City, including banks and insurance companies, and all businesses and professions located outside of the corporate limits of the City but within its "police jurisdiction" are taxed; however, there is no statutory minimum or maximum rate applicable to the general license taxes. The general license taxes are collected in the office of the City Clerk. Under applicable court decisions, neither the privilege license and excise taxes (commonly called sales and use taxes) nor the general license taxes may be levied at rates that are confiscatory or "unreasonable" nor may the rate of any such taxes in the "police jurisdiction" of the City be fixed at a rate that will produce revenues to the City in excess of the cost of furnishing police, fire protection and other essential services to the residents of the said police jurisdiction of the City.

### Occupational Tax

The City enacted a license fee (an "Occupational License Fee") commencing with the fiscal year ended September 30, 2018, at a rate of 1% on any person engaged in a trade, occupation, or profession, within the City limits. It is the employer's responsibility to collect and remit this fee to the City. Collections from the Occupational License Fee have been as follows for the fiscal years shown:

<b>Fiscal Year</b>	<b>Collections</b>
2020	\$3,738,306
2019	3,511,866
2018	442,272

**AD VALOREM TAXATION**

**General**

The levy and collection of ad valorem taxes in Alabama are subject to the Alabama Constitution, which, among other things, fixes the percentages of market value at which property can be assessed for taxation, limits the tax rates that can be levied against property and places a ceiling on the aggregate ad valorem taxes that can be levied by all taxing authorities on any property in any tax year. The amount of an ad valorem tax in Alabama is computed by multiplying the applicable tax rate by the assessed value of the taxable property. The assessed value of taxable property is a specified percentage (the "assessment ratio") of its fair and reasonable market value or, in certain circumstances, its current use value. Ad valorem tax rates are stated in terms of mills per dollar of assessed value. Each mill represents a tax equal to one-tenth of one percent of the assessed value of such property.

**Classification of Taxable Property**

Amendment No. 373 to the Alabama Constitution divides all taxable property into the following four classes valued for taxation according to the assessment ratios shown below:

Class I	All property owned by utilities	30%
Class II	All property not otherwise classified	20%
Class III	All agricultural, forest and single-family, owner-occupied residential property and historic buildings and sites	10%
Class IV	Private passenger automobiles and pickup trucks owned and operated by an individual for personal or private use	15%

Amendment No. 373 permits the owner of Class III property to elect to have such property appraised at its "current use value" rather than its "fair and reasonable market value." "Current use value" has been defined statutorily as the value of such property based on the use being made of it on December 1 of the preceding year, without taking into consideration the prospective value such property might have if it were put to some other possible use.

**Assessment Ratio Adjustment**

The Alabama Legislature has no power to adjust assessment ratios pertaining to local (as distinguished from state) taxes but does have the power to approve or disapprove an adjustment proposed by a local taxing authority. The governing body of any county, municipality or other local taxing authority may increase or decrease the assessment ratio with respect to any class of property subject to the following conditions: (i) the governing body of such county, municipality or other taxing authority must hold a public hearing on the proposed adjustment before authorizing the adjustment, (ii) the Legislature must adopt an act approving the adjustment, and (iii) a majority of the electors of such county, municipality or other taxing authority must approve the adjustment in a special election. In addition, the Legislature has placed the following restrictions on the adjustment of assessment ratios:

- (1) If the total assessed value of all property of a single class located within a taxing authority's jurisdiction exceeds 50% of the total assessed value of all taxable property located within the jurisdiction of such authority, then the assessment ratio with respect to that class of property may be decreased by no more than 5% from the ratio otherwise prescribed for such class;

(2) If the total assessed value of all properties of a single class located within the jurisdiction of a local taxing authority is less than 20% of the total assessed value of all taxable property located within such jurisdiction, then the assessment ratio with respect to that class of property may be increased by no more than 5% from the ratio otherwise prescribed for such class; and

(3) If the total assessed value of all property of a single class located within the jurisdiction of a local taxing authority exceeds 75% of the total assessed value of all taxable property located within such jurisdiction, then (i) the assessment ratio with respect to that class of property may be decreased by no more than 5% from the ratio otherwise prescribed for such class, and (ii) the prospective assessment ratio for all other classes of property may be increased by no more than 5% from the ratio otherwise prescribed for such classes.

The governing body of the City has not sought to adjust the assessment ratio applicable to any class of taxable property nor does the City have any present plan for any such adjustment.

### **Rate Adjustments**

Amendment No. 373 authorizes any county, municipality or other local taxing authority to decrease any ad valorem tax at any time, provided that such decrease does not jeopardize the payment of any bonded indebtedness secured by such tax. Amendment No. 373 also permits a county, municipality or other local taxing authority to increase the rate at which any ad valorem tax is levied, but only if (i) the governing body of such county, municipality or other taxing authority holds a public hearing on the proposed increase before authorizing the increase, (ii) the Legislature adopts an act approving the increase, and (iii) a majority of the electors of such county, municipality or other taxing authority subsequently approves the increase in a special election.

### **Ceiling on Ad Valorem Taxes**

Amendment No. 373 also limits the total amount of state, county, municipal and other ad valorem taxes that may be imposed on any class of property in any one tax year. This limitation is expressed in terms of a specific percentage of the fair and reasonable market value of such property. The applicable percentages to the four classes of property are as follows:

Class I	-	2%
Class II	-	12%
Class III	-	1%
Class IV	-	13%

If the total amount of tax otherwise payable with respect to a class of property would exceed the maximum tax limit, the millage rate of each separate tax to which such property is subject must be reduced in the same proportion that the millage levied by or for the benefit of each taxing authority bears to the total millage levied by or for the benefit of all applicable taxing authorities. This provision becomes operative as to the several classes of property only if the total tax rate exceeds the following:

Class I	-	66 mills
Class II	-	75 mills
Class III	-	100 mills
Class IV	-	83 mills

### **Ad Valorem Tax Rates**

According to the Jefferson County Revenue Commissioner, ad valorem taxes on real and personal property in the jurisdiction of the City are currently levied at the following rates:

State of Alabama	6.5 mills
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City of Irondale	6.5 mills
Jefferson County:	
General	5.6 mills
Bridges and Public Buildings	5.1 mills
Road	2.1 mills
Sewer	0.7 mills
School:	
County-wide	8.2 mills
District	21.9 mills

### Homestead Matters

Prior to 1982, Alabama law did not provide a homestead exemption which reduced the assessed valuation of owner-occupied, single family residential property for purposes of municipal taxation, except in the case of persons who were totally disabled or who were 65 years of age or older and had an annual taxable income of \$7,500 or less. Reacting to the increase in ad valorem taxes which was anticipated to result from the statewide property reappraisal program referred to below, the Alabama Legislature in 1982 enacted a law which authorized the governing body of any municipality, county or other local taxing authority to grant by resolution or ordinance a homestead exemption which, when added to any other homestead exemption applicable to the same ad valorem tax levy, will not exceed \$4,000 in assessed value or 160 acres in area. Since no other homestead exemptions for purposes of municipal taxation are provided by existing law except in the special cases of persons who are totally disabled or who are 65 years of age or older, the effect of this new law is to empower the governing body of any municipality to reduce at any time the assessed value of owner-occupied single family residential property located in such municipality by up to \$4,000 per housing unit. The City has yet to take any action pursuant to the said act of the Alabama Legislature.

### Assessment and Collection

Ad valorem taxes on taxable properties, except motor vehicles and public utility properties, are assessed and collected by the Jefferson County Revenue Commissioner. The Jefferson County Commissioner of Licenses assesses and collects ad valorem taxes on motor vehicles, and ad valorem taxes on public utility properties are assessed by the State Department of Revenue and collected by the Jefferson County Revenue Commissioner. County ad valorem taxes are collected in advance, rather than in arrears.

### Assessed Valuation of Taxable Property

The total net assessed valuations of taxable property in the City of Irondale located in Jefferson County have been as follows for the periods indicated:

<b>Fiscal Year Ended September 30</b>	<b>Assessed Value of Real Property</b>	<b>Assessed Value of Motor Vehicles</b>	<b>Total Assessed Value</b>
2020	\$217,190,160	\$23,249,060	\$240,439,220
2019	210,865,540	22,643,300	233,508,840
2018	175,364,420	23,944,032	199,308,452
2017	171,889,940	25,720,311	197,610,251
2016	160,651,840	23,288,844	183,940,684

Source: Jefferson County Office of Revenue Commissioner; Jefferson County Office of Probate Judge

### Largest Ad Valorem Taxpayers

The following table indicates the ten (10) largest ad valorem taxpayers in the City of Irondale for the tax year for which taxes became due and payable on October 1, 2020:

<b><u>Taxpayer</u></b>	<b><u>Total Assessed Value</u></b>	<b><u>City Ad Valorem Taxes Paid</u></b>
The Retreat at Mountain Brook, LLC	\$10,611,520	\$68,974
Colonial Realty, LTD., Partnership Company	6,974,740	45,335

SRE Alabama-2 LLC	5,276,240	34,295
Norfolk Southern Combined Rail	6,700,700	30,494
Alabama Power Company	4,365,820	27,834
Grants Mill Equities LLC & Oaks Equities LLC	2,765,540	17,976
S R E Alabama 5 LLC	2,343,900	15,235
Wood Fruitticher Grocery, Co.	4,359,080	13,756
Jones Birmingham LLC	2,035,540	13,231
JJA Properties AL LLC	1,864,480	12,119

Source: Jefferson County Office of Tax Assessor

**Property Classifications.** The following classifications of taxable property and corresponding ratios of assessed value to fair and reasonable market value are established pursuant to the Alabama Constitution for all ad valorem taxation (state and local), subject to certain exceptions stated below:

- Class I - Property of utilities used in their business - 30%;
- Class II - Property not otherwise classified generally, business or commercial property, including railroad property) - 20%;
- Class III - Agricultural, forest and single-family, owner-occupied residential property and historical buildings and sites - 10%; and
- Class IV - Private passenger automobiles and small trucks ("pickups") for personal use - 15%.

**Constitutional Limit on Ad Valorem Taxes and Certain Exemptions.** The Constitution provides that all ad valorem taxes payable to the State and to all counties, municipalities and other taxing authorities with respect to any item of taxable property shall not exceed the following percentage of the fair and reasonable market value of such property in any single tax year: 2% in the case of Class I property; 1-1/2% in the case of Class II property; 1% in the case of Class III property; and 1-1/4% in the case of Class IV property. The limitations are not exceeded as to any class of property in the City.

Class III property (primarily agricultural, forest and single-family residential property) is permitted to be assessed, on application of the owner, on the basis of its current use value, with no consideration to be taken of prospective value if the property were put to some other possible use. The Constitution exempts from ad valorem taxation household and kitchen furniture, all farm tractors, all farming implements and all stocks of goods, wares and merchandise. It also provides certain exemptions of residences of persons over 65.

### **Economic Development Incentive Obligations**

The City is actively involved in economic development and recruitment, and has entered into agreements in recent years with other entities for economic development purposes. Pursuant to these agreements, the City is committed to make payments for the development of various commercial enterprises and projects that the City has determined will promote economic development and the expansion of its tax base and/or employment. The City generally expects, based upon information provided to it and upon certain assumptions that these other agreements will result in greater tax revenues for the City than the City is obligated to pay under such agreements. A summary of the City's payment obligations under the currently outstanding economic development agreements (the "Economic Development Agreements") is as follows:

*Mercedes Project.* The City entered that certain Project Development, Funding and Cooperation Agreement dated January 5, 2016 (the "JJA Agreement"), with JJA Properties Al, LLC ("JJA") in connection with the location and development of a Mercedes-Benz automobile dealership in the City (the "Mercedes Dealership"). Pursuant to the JJA Agreement, the City committed, among other things, to make payments totaling up to \$10,000,000 to JJA to offset certain costs of JJA and its affiliates in locating and developing the Mercedes Dealership within the City. Payments by the City are limited obligations payable from 2/3 of all taxes collected by the City and attributable to

the sale or lease of any new or used automobile or automobile parts by the Mercedes Dealership. The City is obligated to make these payments until the earlier to occur of the 10<sup>th</sup> anniversary of the date the first such payment is made by the City to JJA or such date as the City has paid JJA \$10,000,000. To date the City has paid JJA approximately \$1,282,412 of such sales taxes under the JJA Agreement.

*GDM, Inc. Project.* The City entered that certain Project Development, Funding and Cooperation Agreement May 1, 2018 (the "GDM Agreement") with GDM, Inc. ("GDM") in connection with the location and development of a retail center within the City (the "Retail Center"). Pursuant to the GDM Agreement, the City committed, among other things, to make payments totaling up to \$600,000 to GDM. Payments by the City are limited obligations payable from 1/2 of all sales taxes paid to the City and attributable to sales at the Retail Center until the first to occur of 10 years from the opening of the Retail Center or payment of \$600,000. To date the City has paid GDM approximately \$59,525 of such taxes under the GDM Agreement.

*Simply 10 Project.* The City entered a Grant Agreement in May 2018 (the "Simply 10 Agreement"), with 10 Below, LLC, doing business as Simply 10 (the "Company") for the location of a "Simply 10" clothing outlet center in the City (the "Outlet Center"). Under the Simply 10 Agreement, the City is obligated to make payments to the Company totaling \$97,884 for locating and opening the Outlet Center in the City. Payments under the Simply 10 Agreement are payable from 1/2 of all sales taxes paid to the City and attributable to sales at the Outlet Center. To date, the City has paid the Company approximately \$44,938 of such taxes under the Simply 10 Agreement.

*Grocery Store Project.* The City entered an Amended and Restated Project Development, Funding and Cooperation Agreement earlier in 2021 (the "Grocery Store Agreement") with HEPLEEDS, LLC (the "Company") for the location of a Publix grocery store in the City (the "Grocery Store"). Under the Grocery Store Agreement, the City is obligated to make payments to the Company totaling up to \$6,600,000, over a period of up to 15 years, for locating and opening the Grocery Store in the City. Payments under the Grocery Store Agreement are limited to 60% of the total City sales tax revenues collected from the Grocery Store during the first five years of the payment period, and 50% of such tax revenues for the remaining years of the payment period. Development of the Grocery Store has not yet commenced.

The City's obligations under these agreements are incurred pursuant to Amendment No. 772 of the Constitution of Alabama of 1901, as amended. See "Applicable Debt Limitations under the Constitution of Alabama of 1901, as Amended" below.

### **No Derivatives Transactions**

The City has not entered into any interest rate swap or other derivatives transactions and has no present expectation to enter into any such swap or derivatives transaction. The City does, however, have authority to enter into such agreements or transactions from time to time in its discretion and in accordance with applicable laws of the State of Alabama.

### **Applicable Debt Limitations under the Constitution of Alabama of 1901, as Amended**

*General Constitutional Debt Limitation for Government Purposes under Section 225.* Under Section 225 of the Constitution of Alabama of 1901, as amended, the City's present constitutional debt limit is an amount equal to twenty percent (20%) of the assessed value of the property therein. The following, among other types of indebtedness, are, however, under existing law, not chargeable against the City's constitutional debt limit: obligations issued for the purpose of acquiring, providing or constructing schools, water works or sewers; obligations incurred for street or sidewalk improvements where the costs thereof, in whole or in part, are to be assessed against the property abutting such improvements; subject to certain conditions, tax anticipation notes; certain lease obligations subject to unilateral termination by the City at the end of each fiscal year, without recourse; and revenue securities issued for the purpose of extending, enlarging or improving water, electric, gas or sewer systems and payable solely from the revenues of one or more of such systems.

*Special Constitutional Debt Limitation for Economic Development under Amendment No. 772.* Amendment No. 772 to the Constitution of Alabama authorizes the counties and municipalities within the State, such as the City, to use public funds for certain purposes intended to further the economic development thereof. Amendment No. 772 authorizes any county or municipality to (i) acquire real property, buildings, plants, factories, facilities, machinery and equipment of any kind and to improve and develop such properties for use as sites for industry of any kind or as industrial parks; (ii) lease, sell, grant, exchange or otherwise convey all or any part of any real property, buildings, plants, factories, facilities, machinery and equipment or any industrial park project to any individual, firm, corporation or other entity, public or private, for the purpose of constructing developing, equipping and operating industrial, commercial, research or service facilities of any kind; or (iii) lend its credit to, or grant public funds and things of value for the benefit of, any individual, firm, corporation or other entity, public or private, for the purpose of promoting the economic and industrial development of such political subdivision.

Amendment No. 772 also authorizes counties and municipalities to issue bonds, warrants, notes and other evidences of indebtedness secured by the full faith and credit of the issuer or limited as to source of payment, and to use the proceeds thereof in furtherance of the authority and powers set forth in Amendment No. 772.

The bonds, warrants, notes, and other evidences of indebtedness issued pursuant to Amendment No. 772 (a) are not subject to, and are exempt from, the City's twenty percent constitutional debt limit discussed above under "General Constitutional Debt Limitation for Government Purposes under Section 225"; and (b) are subject to, and chargeable against, the constitutional debt limit of the City under Amendment No. 772.

The debt limit of the City under Amendment No. 772 is fifty percent (50%) of the assessed value of the taxable property therein.

The City's Taxable General Obligation Warrants, Series 2013-B, the City's Taxable General Obligation Warrants, Series 2015-B, and the City's Taxable General Obligation Warrants, Series 2015-D (together, the "Economic Development Warrants") were issued under Amendment 772. Likewise, the Economic Development Agreements and the City's payment obligations thereunder were authorized and incurred under Amendment 772. Accordingly, all such obligations (i) are exempt from the general constitutional debt limit of the City described under "General Constitutional Debt Limitation for Government Purposes under Section 225" above and (ii) are subject to, and are less than, the special constitutional debt limit of the City under Amendment No. 772.

**Computation of Legal Debt Margin**

The following statement reflects the City's estimated legal debt margin prior to the issuance of the proposed Series 2021-A Warrants and Series 2021-B Warrants:

Net Assessed Value of Taxable Property	\$240,439,220
Debt limit (20% of assessed value)	\$48,087,844
Total outstanding general obligation debt	\$39,000,000
Total exempt <sup>(1)</sup>	\$27,138,025
Total chargeable	\$11,861,975
Constitutional Debt Margin	\$36,225,869

<sup>(1)</sup> Includes (i) the Economic Development Warrants (issued under Amendment 772) and the obligations of the City owed pursuant to the Economic Development Agreements, (ii) the City's General Obligation Warrants, Series 2014-C (issued for waterworks and sewer improvements), (iii) 44.5% of the City's General Obligation Warrants, Series 2015-C (issued to refinance obligations issued for waterworks and sewer improvements), and (iv) 77.5% of the City's General Obligation Warrants, Series 2019 (issued to refinance indebtedness issued for waterworks and sewer improvements).

**Overlapping Long-Term Indebtedness**

Jefferson County reports \$106,310,000 of outstanding long-term general obligation indebtedness. Of this amount, 2.01% is referable to the City; such percentage having been computed based on the total assessed value of all property (other than motor vehicles) within the City of \$217,190,160 against the total assessed value of all property (other than motor vehicles) within Jefferson County of \$10,531,999,240.

## Outstanding Debt and Related Ratios

Net Assessed Value of Taxable Property	\$240,439,220
Population (as of July 1, 2019)	12,893
Outstanding Direct Debt	\$39,000,000
Outstanding Overlapping Debt	\$2,192,317
Outstanding Direct Debt and Overlapping Debt	\$41,192,317
Outstanding Direct Debt Per Capita	\$3,024.90
Outstanding Direct Debt and Overlapping Debt Per Capita	\$3,194.94
Outstanding Direct Debt to Assessed Value Ratio	16.22%
Outstanding Direct and Overlapping Debt to Assessed Value Ratio	17.13%

## DEMOGRAPHIC INFORMATION

### General Information

The City of Irondale is located in rapidly growing eastern area of Jefferson County, Alabama, contiguous to the Birmingham City limits and along Interstate 59, which provides direct access into downtown Birmingham. Many Irondale residents work in Birmingham and the surrounding areas. Schools in the City are provided by the Jefferson County Board of Education.

### Population

The population of the State of Alabama, Jefferson County, City of Irondale and the Birmingham-Hoover Metropolitan Statistical Area have been as follows:

Census Year	State of Alabama	Jefferson County	City of Irondale	Birmingham-Hoover MSA*
1980	3,893,888	671,324	6,510	930,281
1990	4,040,587	651,525	9,454	956,844
2000	4,447,100	662,047	9,813	1,052,238
2010	4,779,736	658,466	12,349	1,061,024
2019*	4,903,185	658,573	12,893	1,090,435

\*The Birmingham-Hoover Metropolitan Area is comprised of Jefferson, Bibb, Blount, Chilton, St. Clair, Shelby and Walker Counties.

Population estimates. As of July 1, 2019.

Source: U.S. Census Bureau

### Unemployment

**Unemployment Rates.** The following table sets forth the rates of unemployment for the United States, the State of Alabama, Jefferson County, City of Irondale and the Birmingham-Hoover Metropolitan Statistical Area for the years shown:

Year	United States	State of Alabama	Jefferson County	City of Irondale	Birmingham-Hoover MSA
2015	5.3%	6.1%	5.8%	9.4%	5.5%
2016	4.9	6.0	5.7	8.2	5.4
2017	4.4	4.4	4.3	5.9	4.0
2018	3.9	3.9	3.7	5.9	3.5
2019	3.7	3.0	2.9	5.3	2.7
2020*	6.5	3.7	4.2	n/a	3.5

\*Preliminary estimates. As of December 2020.

Sources: Alabama Department of Labor; City of Irondale: U.S. Census Bureau, American Community Survey, 5-Year Estimates

**Labor Force Estimates.** The following tables set forth information respecting the civilian labor force for the City of Irondale, Jefferson County and the Birmingham-Hoover Metropolitan Statistical Area:

City of Irondale

Year	Total Labor Force	Employed Labor Force	Unemployed Labor Force	Unemployment Rate
2015	6,581	5,962	619	9.4%
2016	6,257	5,744	513	8.2
2017	6,272	5,901	371	5.9
2018	6,533	6,149	384	5.9
2019	6,615	6,262	353	5.3
2020	n/a	n/a	n/a	n/a

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

Jefferson County

Year	Total Labor Force	Employed Labor Force	Unemployed Labor Force	Unemployment Rate
2015	311,481	293,544	17,937	5.8%
2016	312,478	294,630	17,848	5.7
2017	311,481	298,227	13,254	4.3
2018	315,793	304,248	11,545	3.7
2019	318,755	309,664	9,091	2.9
2020*	314,152	301,073	13,079	4.2

\*Preliminary estimates. As of December 2020.  
Source: Alabama Department of Labor

Birmingham-Hoover MSA

Year	Total Labor Force	Employed Labor Force	Unemployed Labor Force	Unemployment Rate
2015	536,417	507,091	29,326	5.5%
2016	540,017	510,597	29,420	5.4
2017	540,328	518,496	21,832	4.0
2018	548,974	529,886	19,088	3.5
2019	554,405	539,389	15,016	2.7
2020*	543,586	524,512	19,074	3.5

\*Preliminary estimates. As of December 2020.  
Source: Alabama Department of Labor

**Largest Employers in Jefferson County and the Birmingham-Hoover Metropolitan Statistical Area**

Name of Employer	Product/Service	Approximate Number of Employees
University of Alabama at Birmingham *	higher education and healthcare services	23,791
Regions Financial Corporation	banking, financial services	6,289
St. Vincent's Health System	healthcare services	4,700
Children's Health System/Children's of Alabama	healthcare services/pediatrics	5,000

AT&T/BellSouth	telecommunications	4,517
Honda Manufacturing of Alabama, LLC**	manufacturing advanced automotive	4,500
Brookwood Baptist Health System, Inc.	healthcare services	4,459
Jefferson County Board of Education	county public schools	4,400
City of Birmingham	city government	4,200
Mercedes-Benz U. S. International, Inc.**	manufacturing advanced automotive	3,800
Blue Cross-Blue Shield of Alabama	insurance, employee benefits	3,500
Alabama Power Company	utilities services, electrical	3,092
Birmingham Board of Education	city public schools	2,721
Jefferson County Commission	county government	2,500
Shelby County Board of Education	county public schools	2,491
Birmingham Veterans Affairs Medical Center	healthcare services	2,440
BBVA Compass Bank	banking, financial services	2,285
Grandview Medical Center/Trinity	health care services, hospital	2,172
U. S. Postal Service	government mail processing	2,000
Wells Fargo/Wachovia	banking, financial services	1,978

\*Includes UAB Health Services Foundation

\*\*Located outside the metropolitan area.

Birmingham Business Alliance/Birmingham Chamber of Commerce 2019-2020

### Income Levels

**Per Capital Personal Income.** The following presents historical comparative information regarding per capita personal income levels in the United States, the State of Alabama, Jefferson County and the Birmingham-Hoover Metropolitan Statistical Area:

Year	United States	State of Alabama	Jefferson County	Birmingham-Hoover MSA
2015	\$49,019	\$38,891	\$49,160	\$46,245
2016	50,015	39,536	49,942	46,948
2017	52,118	41,030	52,923	49,321
2018	54,606	42,710	55,570	51,723
2019	56,490	44,145	57,329	53,374

Source: U.S. Department of Commerce, Bureau of Economic Analysis

**Median Family Income.** The following presents historical comparative information regarding median family income levels in the United States, the State of Alabama, Jefferson County, City of Irondale and the Birmingham-Hoover Metropolitan Statistical Area:

Year	United States	State of Alabama	Jefferson County	City of Irondale	Birmingham-Hoover MSA
2016	\$65,700	\$55,500	\$64,000	\$54,200	\$64,000
2017	68,000	55,500	63,100	56,000	63,100
2018	71,900	60,200	71,000	64,900	71,000
2019	75,500	63,500	74,400	73,500	74,400
2020	78,500	65,300	73,100	n/a	73,100

Source: HUD Office of Economic Affairs, Economic and Market Analysis Division. City of Irondale: U.S. Census Bureau, American Community Survey, 5-Year Estimates

**Percent Below Poverty Level.** The following table sets forth the number of poor and the poverty rate for the United States, the State of Alabama, Jefferson County, City of Irondale and the Birmingham-Hoover Metropolitan Statistical Area:

	<b>United States</b>	<b>State of Alabama</b>	<b>Jefferson County</b>	<b>City of Irondale</b>	<b>Birmingham-Hoover MSA</b>
Number of Poor	39,490,096	739,108	105,080	1,606	149,331
Poverty Rate	12.3%	15.5%	16.3%	12.7%	14.0%

Source: U.S. Census Bureau, American Community Survey, (5-year estimates, with regards to City data).

## Housing

**General Housing Characteristics.** The following tables set forth certain information concerning housing in the State of Alabama, Jefferson County, City of Irondale and the Birmingham-Hoover Metropolitan Statistical Area:

	<b>State of Alabama</b>	<b>Jefferson County</b>	<b>City of Irondale</b>	<b>Birmingham-Hoover MSA</b>
Occupied Housing Units				
Renter	592,353	103,273	1,554	138,383
Owner	<u>1,305,223</u>	<u>161,480</u>	<u>3,607</u>	<u>290,282</u>
Total	1,897,576	264,753	5,161	428,665
Unoccupied Housing Units	<u>387,346</u>	<u>44,920</u>	<u>731</u>	<u>61,126</u>
Total Housing Units	2,284,922	309,673	5,892	489,791
	<b>State of Alabama</b>	<b>Jefferson County</b>	<b>City of Irondale</b>	<b>Birmingham-Hoover MSA</b>
Family Households	1,237,883	164,678	3,022	279,974
Non-Family Households	<u>649,693</u>	<u>100,075</u>	<u>2,139</u>	<u>148,691</u>
Total Households	1,887,576	264,753	5,161	428,665
Mobile Home or Trailer	300,680	8,060	499	40,407

Source: U. S. Census Bureau, American Community Survey, (5-year estimates, with regards to City data).

**Average Value.** The following table sets forth the average value of owner-occupied housing units in the State of Alabama, Jefferson County, City of Irondale and the Birmingham-Hoover Metropolitan Statistical Area:

	<b>State of Alabama</b>	<b>Jefferson County</b>	<b>City of Irondale</b>	<b>Birmingham-Hoover MSA</b>
Average Value	\$154,000	\$170,000	\$142,500	\$177,600

Source: U. S. Census Bureau, American Community Survey, (5-year estimates, with regards to City data).

## Utilities

Electric power is provided by Alabama Power Company, natural gas is supplied by Spire, and sanitary sewer service is provided by Jefferson County. Water is provided by the City.

## **TORT LIABILITY**

The Supreme Court of Alabama has, in several related decisions, overruled a long-standing series of cases holding that political subdivisions of the State were not liable in tort for damages resulting from the performance by them of governmental functions. As a result of these decisions, municipalities in Alabama may now be liable for damages for injuries to persons and property resulting from their negligence in the performance of governmental functions.

The Legislature of Alabama during its 1977 Regular Session enacted Act No. 673 (Sections 11-93-1 et seq. of the Code of Alabama 1975, as amended) which prescribed and established monetary limits payable on claims and judgments based on tort liability, filed or obtained against governmental entities, including municipalities. This act limits recovery of damages from a governmental entity to \$100,000 for bodily injury or death for one person in any single occurrence and \$300,000 in the aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence. This Act also limits recovery of damages to \$100,000 for damage or loss of property arising out of any single occurrence. Bond Counsel to the City expresses no opinion as to the validity or constitutionality of said Act or whether any recovery against the City would be limited by the amounts set forth in the Act. Additionally, Act No. 673 most probably does not apply to actions brought under Section 1983 of Title 42 of the United States Code, pursuant to the provisions of which local governments nationwide have been increasingly subject to lawsuits for alleged denials of civil rights.

It should be realized that the ability of governmental bodies to obtain insurance protection is becoming increasingly difficult and expensive and that such insurance may not be commercially available to the City in the future.

## **TAX MATTERS**

Interest income on the Series 2021 Warrants is not excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended.

Bond Counsel to the City is also of the opinion that interest on the Series 2021 Warrants is exempt from present state income taxation under the laws of the State of Alabama as enacted and construed on the date of issuance of the Series 2021 Warrants.

## **LITIGATION**

There is not now pending or threatened any litigation restraining, enjoining or in any manner questioning or affecting the creation, organization or existence of the City; the title of the present members of the City Council or other officers of the City to their respective offices; the validity of the Series 2021 Warrants; or the proceedings and authority under which the Series 2021 Warrants are issued. The City is a party to various legal proceedings which normally occur in governmental operations and in the opinion of City officials and its attorneys, the results of these proceedings are not likely to have a materially adverse impact on the City's financial condition.

The immunity from tort liability formerly enjoyed by local governmental units in Alabama has been largely eroded by recent court decisions. While Chapter 93 of Title 11 of the Code of Alabama 1975, as amended, now prescribes certain maximum limits on the liability of Alabama local governmental units (such as the City) for bodily injury, sickness, disease or death sustained by a person and for injury or destruction of tangible property, the constitutional validity of Chapter 93 has not been definitively determined. Additionally, Chapter 93 has no applicability to causes of action under Section 1983 or Section 1985 of Title 42 of the United States Code. Local governments throughout the country have been increasingly subjected to lawsuits - many of which seek substantial damages - for alleged denials of civil rights under the provisions of Section 1983 and Section 1985.

## **FEDERAL BANKRUPTCY CODE**

Under certain conditions, Title 11 of the United States Code, 11 U.S.C. 101, et seq. (the "Bankruptcy Code") permits a municipality to file a petition for relief in federal bankruptcy court to adjust debts under Chapter 9 of the Bankruptcy Code. Debt adjustment may include restructuring, reduction or other impairment of debt, subject to

various conditions and limitations set forth in the Bankruptcy Code. Section 101 of the Bankruptcy Code defines "municipality" to mean a political subdivision, public agency or instrumentality of a State. To be eligible to file a Chapter 9 bankruptcy petition under section 109 of the Bankruptcy Code, a municipality must be "specifically authorized, in its capacity as a municipality or by name, to be a debtor under [Chapter 9], or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under [Chapter 9]." Section 109 of the Bankruptcy Code imposes additional requirements for a municipality to be eligible to file bankruptcy. Without limitation, the municipality must (a) be insolvent (either unable to pay debts as they come due or generally not paying debts as they come due); (b) desire to effect a debt adjustment plan; and (c) meet certain requirements regarding negotiations with creditors (or certain exceptions to such requirements). Alabama law authorizes municipalities, counties and certain public authorities to file petitions under the Bankruptcy Code. The other conditions to eligibility are fact-specific to the time of filing the petition.

Section 922(d) of Chapter 9 of the Bankruptcy Code provides that a bankruptcy petition does not operate as a stay of "application of pledged special revenues" to the payment of indebtedness secured by such revenues in a manner consistent with other provisions of the Bankruptcy Code. Without limitation, section 928 of the Bankruptcy Code provides that special revenues acquired by the debtor after commencement of a chapter 9 case remain subject to any lien resulting from any security agreement entered into by the debtor before commencement of the case, but further provides that any such lien on special revenues (other than municipal betterment assessments) derived from a project or system shall be subject to "the necessary operating expenses of such project or system."

The approving legal opinions of Bond Counsel will contain the customary reservation that the rights of the holders of the Series 2021 Warrants and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases. See "TAX MATTERS" below and the proposed form of approval opinions of Bond Counsel to the City set forth in APPENDIX B and APPENDIX C.

#### **APPROVAL OF LEGAL MATTERS**

Certain legal matters incident to the authorization and issuance of the Series 2021 Warrants are subject to the approval of Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the City, whose approving legal opinions will be delivered at the time of delivery of the Series 2021 Warrants. The proposed forms of such opinions is included in this Official Statement as APPENDIX B and APPENDIX C.

The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Warrants express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

#### **AUDITED FINANCIAL STATEMENTS**

The Appendices to this Official Statement contain information concerning the City and the Series 2021 Warrants. Such Appendices are an integral part of this Official Statement and should be read in their entirety.

The financial statements included as APPENDIX A to this Official Statement have been examined to the extent set forth in the [\_\_\_\_\_, 2021] report by Warren Averett, LLC ("Warren Averett"), for fiscal year ending September 30, 2020. Bond Counsel to the City has not been engaged, and therefore has not undertaken, to review or determine, and consequently will express no opinion as to, the accuracy of such financial statements.

Warren Averett has not been engaged to perform, and has not performed, since the date of said report, any procedures on the financial statements addressed in the report hereinabove described. Warren Averett also has not reviewed or performed any procedures or other work relating to this Official Statement or any of the financial data contained herein.

## RATING

S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. ("S&P"), has assigned an underlying rating of ["\_\_\_"] to the Series 2021 Warrants. Any explanation of the significance of such ratings may be obtained from S&P. The rating is not a recommendation to buy, sell or hold Series 2021 Warrants and should be evaluated independently. Such credit rating reflects only the view of S&P and an explanation of the significance of such credit rating may be obtained only from S&P. There is no assurance that this credit rating will remain in effect for any given period of time or that such credit rating may not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances should warrant such action. Any such downward revision or withdrawal of any credit rating assigned to the Series 2021 Warrants may have an adverse effect on the market price of the Series 2021 Warrants.

## FINANCIAL ADVISOR

Terminus Municipal Advisors, LLC, Atlanta, Georgia, is serving as financial advisor (the "Financial Advisor") to the City with respect to the Series 2021 Warrants. The Financial Advisor assisted in matters relating to the planning, structuring and issuance of the Warrants and provided other related advice. Although the Financial Advisor assisted in the preparation of this Official Statement, the Financial Advisor was not and is not obligated to undertake, and has not undertaken to make, an independent verification of, and assumes no responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement.

## UNDERWRITING

*Series 2021-A Warrants.* The Series 2021-A Warrants are being purchased by the Underwriter at a price equal to \$[\_\_\_\_\_] (which price reflects the initial par amount of the Series 2021-A Warrants, less an underwriting discount of \$[\_\_\_\_]), plus accrued interest, if any, from the date of the Series 2021-A Warrants to the date of their delivery. The Series 2021-A Warrants may be sold and offered to certain dealers (including dealers depositing such warrants into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriter.

*Series 2021-B Warrants.* The Series 2021-B Warrants are being purchased by the Underwriter at a price equal to \$[\_\_\_\_\_] (which price reflects the initial par amount of the Series 2021-B Warrants, less an underwriting discount of \$[\_\_\_\_]), plus accrued interest, if any, from the date of the Series 2021-B Warrants to the date of their delivery. The Series 2021-B Warrants may be sold and offered to certain dealers (including dealers depositing such warrants into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriter.

## CONTINUING DISCLOSURE

### General

In order to comply with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), on or before issuance of the Series 2021 Warrants, the City will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") pursuant to which it will covenant for the benefit of beneficial owners of the Series 2021 Warrants to provide annually certain financial information and operating data relating to the City for the preceding fiscal year (the "Annual Report") and to provide notices of the occurrence of certain enumerated events in compliance with the Rule. The Annual Report and event notices will be filed with the Electronic Municipal Market Access system ("EMMA") established by the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of events and other provisions of the Disclosure Agreement are set forth in the summary of Continuing Disclosure Agreement attached as APPENDIX D hereto. A failure by the City to comply with the Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2021 Warrants in the secondary market.

### Compliance with Prior Undertakings

[To come from Underwriter]

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this Official Statement including, without limitation, statements containing the words "estimates," "believes," "anticipates," "expects," and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the City or other entities to which the forward-looking statements relate to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. The City and the Underwriter disclaims any obligation to update any such factors or to publicly announce the results of any revision to any of the forward-looking statements contained herein to reflect future events or developments.

**MISCELLANEOUS**

The summaries, descriptions or references of provisions of the 2021 Ordinance and all references to other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials summarized or described. So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

**CITY OF IRONDALE, ALABAMA**

By: \_\_\_\_\_ /s/ James Stewart  
Mayor

**APPENDIX A**  
**Audited Financial Statements of the City for Fiscal Year ended September 30, 2020**

**APPENDIX B**  
**Proposed Form of Opinion of Bond Counsel to the City**  
**Respecting Series 2021-A Warrants**

The Mayor and City Council  
City of Irondale  
Irondale, Alabama

Ladies and Gentlemen:

We have examined certified copies of proceedings of the governing body of the City of Pelham (herein called the "City"), in the State of Alabama, and other documents submitted to us pertaining to the authorization, sale and issuance of

\$ \_\_\_\_\_  
CITY OF IRONDALE, ALABAMA  
Taxable General Obligation Warrants  
Series 2021-A

(the "Warrants"). The opinions hereinafter expressed are based upon our examination of the proceedings and documents so furnished to us.

We are of the following opinion: that the Warrants are in due and legal form, have been validly authorized and issued pursuant to the applicable provisions of the constitution and laws of Alabama, and constitute valid orders on the treasurer of the City for the payment thereof as therein provided; that the indebtedness ordered paid by the Warrants is a valid general obligation of the City for the payment of the principal of and interest on which the City has validly pledged its full faith and credit; and that, under existing statutes, the interest on the Warrants is exempt from Alabama income taxation.

We call to your attention that interest on the Warrants will not be excludable from gross income of the recipients thereof for federal income tax purposes.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement of the City relating to the Warrants. Further, we express no opinion regarding tax consequences arising with respect to the Warrants other than as expressly set forth herein.

The rights of the holders of the Warrants and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Yours very truly,

**APPENDIX C**  
**Proposed Form of Opinion of Bond Counsel to the City**  
**Respecting Series 2021-B Warrants**

The Mayor and City Council  
City of Irondale  
Irondale, Alabama

Ladies and Gentlemen:

We have examined certified copies of proceedings of the governing body of the City of Pelham (herein called the "City"), in the State of Alabama, and other documents submitted to us pertaining to the authorization, sale and issuance of

\$ \_\_\_\_\_  
CITY OF IRONDALE, ALABAMA  
Taxable General Obligation Warrants  
Series 2021-B

(the "Warrants"). The opinions hereinafter expressed are based upon our examination of the proceedings and documents so furnished to us. The opinions hereinafter expressed with respect to the Warrants are also and rendered in reliance upon an order and judgment of the Circuit Court of Jefferson County, Alabama, entered on \_\_\_\_\_, 2021, in the matter of City of Irondale v. Taxpayers and Citizens of the City of Irondale (CV-2021-\_\_\_\_\_).

We are of the following opinion: that the Warrants are in due and legal form, have been validly authorized and issued pursuant to the applicable provisions of the constitution and laws of Alabama, and constitute valid orders on the treasurer of the City for the payment thereof as therein provided; that the indebtedness ordered paid by the Warrants is a valid general obligation of the City for the payment of the principal of and interest on which the City has validly pledged its full faith and credit; and that, under existing statutes, the interest on the Warrants is exempt from Alabama income taxation.

We call to your attention that interest on the Warrants will not be excludable from gross income of the recipients thereof for federal income tax purposes.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement of the City relating to the Warrants. Further, we express no opinion regarding tax consequences arising with respect to the Warrants other than as expressly set forth herein.

The rights of the holders of the Warrants and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Yours very truly,

**APPENDIX D**  
**Summary of Continuing Disclosure Agreement**

## Summary of Continuing Disclosure Agreement

The following is a summary of the Continuing Disclosure Agreement (the "Agreement") entered into by the City, pursuant to the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission of the United States of America (the "Commission") pursuant to the Securities Exchange Act of 1934. Except where otherwise defined in this Appendix, all capitalized terms have the meaning assigned in the front portion of this Official Statement.

**Annual Report of the City.** The City agrees, in accordance with the provisions of the Rule, to provide or cause to be provided through the Electronic Municipal Market Access system ("EMMA") established by the Municipal Securities Rulemaking Board ("MSRB") (or such other system as may be subsequently authorized by the MSRB), not later than 270 days after the close of each fiscal year of the City (October 1 - September 30) commencing after September 30, 2021, the following annual financial information and operating data (the "Annual Report"): the audited financial statements of the City prepared in accordance with accounting principles generally accepted in the United States of America and notes thereto, and, to the extent not already included in the aforesaid Annual Report, with respect to the fiscal year being reported, the City's respective receipts of its sales and use taxes, business licenses, and ad valorem taxes. The City also agrees, in accordance with the Rule, to provide or cause to be provided through EMMA (or such other system as may be authorized by the MSRB) notice of any failure to provide the Annual Report or any part thereof.

**Notice of Certain Events.** The City agrees to provide or cause to be provided, in a timely manner, through EMMA (or such other system as may be authorized by the MSRB) within ten (10) business days of the occurrence of any of the following events with respect to the Series 2021 Warrants:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Warrants, or other material events affecting the tax status of the Series 2021 Warrants;
- (vii) modifications of the rights of holders of the Series 2021 Warrants;
- (viii) calls for redemption, other than scheduled mandatory redemption, of any of the Series 2021 Warrants if material, and notice of tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Series 2021 Warrants, if material;
- (xi) rating changes;

- (xii) Bankruptcy, insolvency, receivership or similar event of the City or of any obligated person respecting the Series 2021 Warrants;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the City or any obligated person respecting the Series 2021 Warrants (each, an "Obligated Person") or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement related to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;
- (xv) failure of the City to timely file its Annual Report;
- (xvi) incurrence of a Financial Obligation of an Obligor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligor, any of which affect security holders, if material; and
- (xvii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligor, any of which reflect financial difficulties.

As used herein, "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term financial obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

**Additional Information.** The City may from time to time choose to provide other information in addition to the information and notices listed above, but the City does not undertake in the Agreement to commit to provide any such additional information or to update or to continue to provide such additional information or notices once provided.

**Amendment; Waiver.** The City may amend the Agreement and any provision of the Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings therein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

**Beneficiaries and Enforcement.** The City agrees that its undertakings pursuant to the Rule set forth in the Agreement are intended to be for the benefit of the holders of the Series 2021 Warrants and shall be enforceable by such holders. No failure by the City to comply with its obligations under the Agreement shall constitute an event of default under the 2021 Ordinance.

**Exhibit II**

Form of Escrow Trust Agreement

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**ESCROW TRUST AGREEMENT**

*between*

**CITY OF IRONDALE, ALABAMA**

*and*

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**

Dated \_\_\_\_\_, 2021

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This **ESCROW TRUST AGREEMENT** is dated \_\_\_\_\_, 2021, and entered into by and between the **CITY OF IRONDALE, ALABAMA**, a municipal corporation under the laws of the State of Alabama (herein called the "City"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association (herein called the "Escrow Trustee").

**RECITALS:**

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

(1) Under and pursuant to an ordinance adopted by the City Council (herein called the "Council") of the City on March 17, 2015 (herein called the "2015-B Ordinance"), the City has heretofore issued its \$5,145,000 initial aggregate principal amount Taxable General Obligation Warrants, Series 2015-B, dated November 5, 2015, which are currently outstanding and mature on October 1 in the following years and amounts and bear interest at rates of interest as follows (herein called the "2015-B Warrants"):

<b>Year of Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2021	\$235,000	2.450%
2022	245,000	2.700
2023	250,000	2.900
2024	265,000	3.100
2025	265,000	3.300
2030	1,495,000	3.800
2034	1,240,000	4.375

Those of the 2015-B Warrants having a stated maturity on October 1, 2025, and thereafter, are subject to redemption and payment, at the option of the City, prior to their respective maturities, as a whole or in part, on April 1, 2025, and on any date thereafter, at and for a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

(2) Under and pursuant to an ordinance adopted by the Council on March 17, 2015 (herein called the "2015-D Ordinance"), the City has heretofore issued its \$5,570,000 initial aggregate principal amount Taxable General Obligation Warrants, Series 2015-D, dated November 5, 2015, which are currently outstanding and mature on July 1 in the following years and amounts and bear interest at rates of interest as follows (herein called the "2015-D Warrants"):

<b>Year of Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2022	\$235,000	2.700%
2023	240,000	2.900
2024	255,000	3.100
2025	255,000	3.300
2030	1,445,000	3.800
2035	1,750,000	4.450

Those of the 2015-D Warrants having a stated maturity on July 1, 2025, and thereafter, are subject to redemption and payment, at the option of the City, prior to their respective maturities, as a whole or in part, on January 1, 2025, and on any date thereafter, at and for a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

(3) On \_\_\_\_\_, 2021, the Council adopted a resolution or ordinance (herein called the "Authorizing Ordinance") calling for redemption and payment:

(i) on April 1, 2025, those of the 2015-B Warrants scheduled to mature or subject to mandatory redemption on October 1, as follows (herein called the "Refunded 2015-B Warrants"):

<b>Maturity Date (October 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
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(ii) on January 1, 2025, those of the 2015-D Warrants scheduled to mature on July 1 as follows (herein called the "Refunded 2015-D Warrants"):

<b>Maturity Date (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
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(4) In order to provide the funds necessary to effect the payment and redemption of the Refunded 2015-B Warrants and the Refunded 2015-D Warrants (collectively herein called

the "Refunded Warrants"), contemporaneously with the execution and delivery of this Escrow Trust Agreement, the City has issued its \$\_\_\_\_\_ Taxable General Obligation Warrants, Series 2021-B, dated their date of issuance (herein called the "Series 2021-B Warrants").

**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. (a) **Establishment of 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 "2021-B Refunded Warrants Escrow Fund" (herein called the "2021-B Escrow Fund"), and which shall be used for the payment and redemption of the Refunded Warrants as hereinafter set forth and described.

(b) **Deposits to Escrow Fund.** The City hereby deposits with the Escrow Trustee the sum of \$\_\_\_\_\_ from proceeds of the Series 2021-B Warrants.

(c) **Investment of Escrow Fund.** Contemporaneously with the delivery of this Escrow Trust Agreement, the Escrow Trustee shall cause \$\_\_\_\_\_ of the sum deposited into the 2021-B Escrow Fund as described in Section 1(b) above to be invested in direct obligations of the United States of America as described on Appendix A hereto (all such direct obligations of the United States of America being herein called the "Federal Securities") and used, together with the remaining cash balance of \$\_\_\_\_\_, for the payment of maturing installments of interest on the Refunded Warrants, and the redemption price of the Refunded Warrants, as follows:

(i) maturing installments of interest on the Refunded 2015-B Warrants through and including April 1, 2025, and the redemption price of the Refunded 2015-B Warrants due on April 1, 2025; and

(ii) maturing installments of interest on the Refunded 2015-D Warrants through and including January 1, 2025, and the redemption price of the Refunded 2015-D Warrants due on January 1, 2025.

No investment of moneys on deposit in the escrow fund herein described shall be made except in accordance with this Section 1(c).

(e) **Receipt of Investment Income.** The Escrow Trustee shall receive all remittances paid or remitted by the United States of America with respect to the Escrow Securities, and the Escrow Trustee shall make any presentment for payment that may be necessary or appropriate with respect to any of the Escrow Securities.

(f) **Uninvested Cash.** The cash balance of \$\_\_\_\_\_ in the 2021-B Escrow Fund on the date hereof, together with any other cash at any time on balance in the 2021-B Escrow Fund not used to purchase Federal Securities as aforesaid, shall be held as uninvested cash in the 2021-B Escrow Fund and used for payment and redemption of Refunded Warrants as herein set forth unless otherwise directed in writing by the City to the Escrow Trustee.

Section 2. **Use of Funds in Escrow Fund.** (a) **Application of Funds.** The Escrow Trustee shall apply all amounts and proceeds of investments in the 2021-B Escrow Fund solely for the payment of interest on, and the redemption price of, the Refunded Warrants as aforesaid. Any moneys remaining on deposit in the 2021-B Escrow Fund after payment in full of the Refunded Warrants as aforesaid shall be paid over to the City as directed in writing to the Escrow Trustee by the Mayor or the City Clerk of the City.

(b) **Sufficiency of Escrow Fund.** According to information and advice provided by Raymond James & Associates, Inc., as underwriter for the Series 2021-B Warrants, by Terminus Municipal Advisors, LLC, as financial advisor to the City, and by \_\_\_\_\_, as verification agent, if the principal of and interest on the Escrow Securities in the 2021-B Escrow Fund are paid according to their terms, the payment of such principal and interest will produce amounts sufficient to make full and timely payment of maturing installments of interest on, and the redemption price of, the Refunded 2021-B Warrants as set forth in Section 1(c)(i) above, and the Refunded 2021-D Warrants as set forth in Section 1(c)(ii) above.

Section 3. **Provisions for Redemption of Refunded Warrants.** The City hereby irrevocably designates the Escrow Trustee as its agent to effect (i) in accordance with the provisions of the 2021-B Ordinance, the redemption and payment of the Refunded 2021-B Warrants as set forth herein, and in accordance with the provisions of the 2021-D Ordinance, the redemption and payment of the Refunded 2021-D Warrants as set forth herein. 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 a notice of such redemption, (i) to the registered owners of the Refunded 2021-B Warrants, in accordance with the 2021-B Ordinance, and (ii) to the registered owners of the Refunded 2021-D Warrants, in accordance with the 2021-D Ordinance. The City agrees that it will not repeal, revoke or amend the Authorizing Resolution with respect to the provisions thereof under which the City has called for redemption and payment the Refunded Warrants.

Section 4. **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 5. **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 any of the Refunded 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 5, the Escrow Trustee shall be entitled to conclusively rely upon the opinion of nationally recognized bond counsel acceptable to it.

Section 6. **Beneficiaries of this Agreement.** This Escrow Trust Agreement shall be binding upon, and shall inure to the benefit of, the holders of the Refunded Warrants and the parties hereto and their respective successors.

Section 7. **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 8. **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, all as of \_\_\_\_\_, 2021.

**CITY OF IRONDALE, ALABAMA**

By: \_\_\_\_\_  
Mayor

[SEAL]

Attest: \_\_\_\_\_  
City Clerk

**THE BANK OF NEW YORK  
MELLON TRUST COMPANY, N.A.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

[SEAL]

Attest: \_\_\_\_\_

Its: \_\_\_\_\_

## **APPENDIX A**

**Exhibit III**

Form of Continuing Disclosure Agreement

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") is from the **CITY OF IRONDALE, ALABAMA**, a municipal corporation under the laws of the State of Alabama (the "City").

### RECITALS:

Contemporaneously with the execution and delivery of this Agreement, the City will issue its \$\_\_\_\_\_ Taxable General Obligation Warrants, Series 2021-A, and \$\_\_\_\_\_ Taxable General Obligation Warrants, Series 2021-B (collectively, the "Series 2021 Warrants"). The Series 2021 Warrants are proposed to be issued on or about \_\_\_\_\_, 2021, are to be dated \_\_\_\_\_, 2021, and are subject to the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission of the United States of America (the "Commission") pursuant to the Securities Exchange Act of 1934. The Series 2021 Warrants are being issued pursuant to the terms of an ordinance adopted by the City Council of the City on \_\_\_\_\_, 2021 (the "2021 Ordinance"). The City understands that a failure of the City to comply with the provisions of this Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2021 Warrants in the secondary market and that such a failure may adversely affect the transferability and liquidity of the Series 2021 Warrants and their market price. There is no "obligated person" as defined in the Rule, with respect to the Series 2021 Warrants other than the City.

NOW, THEREFORE, the City does hereby undertake and agree with the beneficial owners of the Series 2021 Warrants as follows:

**Section 1. Annual Report of the City.** The City agrees, in accordance with the provisions of the Rule, to provide or cause to be provided through the Electronic Municipal Market Access system ("EMMA") established by the Municipal Securities Rulemaking Board ("MSRB") (or such other system as may be subsequently authorized by the MSRB), not later than 270 days after the close of each fiscal year of the City (October 1 - September 30) commencing after September 30, 2021, the following annual financial information and operating data (the "Annual Report"): the audited financial statements of the City prepared in accordance with accounting principles generally accepted in the United States of America and notes thereto, and, to the extent not already included in the aforesaid Annual Report, with respect to the fiscal year being reported, the City's respective receipts of its sales and use taxes, business license taxes, and ad valorem taxes. The City also agrees, in accordance with the Rule, to provide or cause to be provided through EMMA (or such other system as may be authorized by the MSRB) notice of any failure to provide the Annual Report or any part thereof.

**Section 2. Notice of Certain Events.** The City agrees to provide or cause to be provided, in a timely manner, through EMMA (or such other system as may be authorized by the MSRB) within ten (10) business days of the occurrence of any of the following events with respect to the Series 2021 Warrants:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Warrants, or other material events affecting the tax status of the Series 2021 Warrants;
- (vii) modifications of the rights of holders of the Series 2021 Warrants;
- (viii) calls for redemption, other than scheduled mandatory redemption, of any of the Series 2021 Warrants if material, and notice of tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Series 2021 Warrants, if material;
- (xi) any change in rating on the Series 2021 Warrants;
- (xii) bankruptcy, insolvency, receivership or similar event of the City or of any obligated person respecting the Series 2021 Warrants;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the City or any obligated person respecting the Series 2021 Warrants (each, an "Obligated Person") or the sale of all or substantially all

of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement related to any such actions, other than pursuant to its terms, if material;

- (xiv) appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;
- (xv) failure of the City to timely file its Annual Report;
- (xvi) incurrence of a Financial Obligation of an Obligor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligor, any of which affect security holders, if material; and
- (xvii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligor, any of which reflect financial difficulties.

As used herein, "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

**Section 3. Additional Information.** The City may from time to time choose to provide other information in addition to the information and notices listed above, but the City does not undertake in the Agreement to commit to provide any such additional information or to update or to continue to provide such additional information or notices once provided.

**Section 4. Amendment; Waiver.** The City may amend the Agreement and any provision of the Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings therein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

**Section 5. Beneficiaries and Enforcement.** The City agrees that its undertakings pursuant to the Rule set forth in the Agreement are intended to be for the benefit of the holders of the Series 2021 Warrants and shall be enforceable by such holders. No failure by

the City to comply with its obligations under the Agreement shall constitute an event of default under the 2021 Ordinance.

**IN WITNESS WHEREOF**, this Agreement has been duly executed by and on behalf of the City by its Mayor and attested by its City Clerk, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**CITY OF IRONDALE, ALABAMA**

By: \_\_\_\_\_  
Mayor

[SEAL]

Attest:

\_\_\_\_\_  
City Clerk