

The City Council of the City of Robertsdale, Alabama, met Monday, May 5, 2025, at 6:00 p.m. in the Council Chambers of Robertsdale City Hall, that being the date, time, and place for such meeting.

Upon roll call, the following members of the Council were found to be present: Mayor Murphy, Councilmember Kitchens, Cooper, Campbell, Johnson, and Hollingsworth. Absent: None. A quorum being present, the meeting proceeded with the transaction of business.

Mayor Murphy presided over the meeting. Shannon Burkett served as secretary. Attorney Lee Webb was in attendance on behalf of Ken Raines, City Attorney.

Mayor Murphy called for any additions or corrections to the minutes presented for approval from the April 21, 2025, meeting. A motion was made by Councilmember Campbell, seconded by Councilmember Cooper, with unanimous approval to accept the minutes from the previous meeting. Motion carried.

Mayor Murphy asked for questions or comments regarding the bills presented for approval. A motion was made by Councilmember Kitchens, seconded by Councilmember Cooper, with unanimous approval to accept the bills for payment as presented. Motion carried. APPENDIX I

Carl Myrick, Michael Brill, and Jonathan Lynn, with the Central Baldwin Education Foundation, thanked the Council for their partnership and presented an update, celebrating their success in raising over \$40,000 through fundraisers, providing \$33,000 in scholarships and \$9,000 in teacher grants.

Mayor Murphy presented the U.S. Coast Guard Auxiliary with a proclamation recognizing May 17th through May 23rd as Safe Boating Week. The Auxiliary member emphasized the importance of recreational boater safety and mentioned that they offer boating classes and do on-site vessel inspections.

Mayor Murphy informed the Council that Teddy Mitchell is resigning from the Library Board, and they are requesting the appointment of Ashley Kucera to fill this unexpired term. A motion was made by Councilmember Campbell, and seconded by Councilmember Cooper, to appoint Ashley Kucera to the Library Board to fill this position. Mayor Murphy asked for any other nominations. There being none, he called for a vote on the motion, which was unanimous, to appoint Askley Kucera to the Library Board. Motion carried.

The Council received a request to advertise for bids on the 2024 CDBG Sewer Rehabilitation Project. A motion was made by Councilmember Kitchens, seconded by Cooper, with unanimous approval to move forward with advertising for bids for the 2024 Community Development Block Grant Sewer Rehabilitation Project. Motion carried.

The next item of business was the insurance policy renewal request with Blackmon Insurance – AMIC. Lewis Shealy, Chief Financial Officer, reviewed this information with the Council during the workshop meeting. The suggestion was to approve the three-year premium of \$334,108.00, with the inclusion of cybersecurity coverage for \$1,690.00. A motion was made by Councilmember Campbell, and seconded by Councilmember Cooper, to approve the three-year insurance policy premium of \$334,108.00, including cybersecurity coverage for \$1,690. 00 with Blackmon Insurance – AMIC. Mayor Murphy asked for any discussion regarding the motion. Councilmember Hollingsworth mentioned that he does question the need for a cybersecurity policy. With no other discussion, Mayor Murphy called for a vote on the motion, which was unanimous to approve the three-year insurance policy premium of \$334,108.00, including cybersecurity coverage for \$1,690. 00 with Blackmon Insurance – AMIC. Motion carried.

Mayor Murphy stated that the next item on the agenda was the Summer Camp Agreement for Coach Jones, and they are requesting to execute an agreement with the Baldwin County Board of Education under the same provisions as the previous coach. A motion was made by Councilmember Kitchens, and seconded by Councilmember Cooper, to approve the Summer Camp Agreement for Coach Jones, and to execute an agreement with the Baldwin County Board of Education under the same provisions as the previous coach. Mayor Murphy asked for any discussion on the motion. Councilmember Hollingsworth mentioned that there was a nice meet and greet with the new Robertsdale High School Football Coach, Justin Jones, and he was personally impressed with him and thinks they will be pleased with him working with the youth and running the football program. With no further discussion, Mayor Murphy called for a vote on the motion, which was unanimous to approve the Summer Camp Agreement for Coach Jones, and to execute an agreement with the Baldwin County Board of Education under the same provisions as the previous coach. Motion carried.

The next item of business was the bid award for the Fairground Road Improvement Project. Thompson Engineering's recommendation on the access improvements at Robertsdale High School and Fairground Road is to award the contract to the lowest responsive bidder, McElhenney Construction Company, in the total bid amount of \$1,837,166.30. A motion was made by Councilmember Cooper, and seconded by Councilmember Kitchens, to award the contract to the lowest responsive bidder, McElhenney Construction Company, in the total bid amount of \$1,837,166.30. Mayor Murphy asked for any discussion regarding the motion. Councilmember Hollingsworth stated that he is excited and commends those responsible for helping get this project started, because it is definitely needed to help with all the traffic congestion at the school. After the discussion, Mayor Murphy called for a vote on the motion, which was unanimous to award the contract to the lowest responsive bidder, McElhenney Construction Company, in the total bid amount of \$1,837,166.30. Motion carried.

The Council received a copy of Ordinance No. 001-2025, pertaining to the annexation request made by Enoch and Penny Cappy for their property located at 22655 Hauge Street, as R-1 zone. Motion was made by Councilmember Campbell, seconded by Councilmember Cooper, that all rules, unless suspended, would prevent the immediate passage and adoption of Ordinance No. 001-2025, at this meeting, and the same passed and adopted by unanimous vote of the Council. Mayor Murphy called for a roll call vote, and the results were as follows: Yea: Mayor Murphy, Councilmember Kitchens, Cooper, Campbell, Johnson, and Hollingsworth. Nay: None. Motion carried.

Motion was made by Councilmember Kitchens, seconded by Councilmember Campbell, that Ordinance No. 001-2025, regarding the annexation request made by Enoch and Penny Cappy for their property located at 22655 Hauge Street, as R-1 zone, be passed by vote of the Council. Mayor Murphy called for a roll call vote, and the results were as follows: Yea: Mayor Murphy, Councilmember Kitchens, Cooper, Campbell, Johnson, and Hollingsworth. Nay: None. Motion carried. APPENDIX II

The Council received a copy of Ordinance No. 002-2025, authorizing the Series 2025 Sewer Revenue Bond with USDA. Motion was made by Councilmember Cooper, seconded by Councilmember Campbell, that all rules, unless suspended, would prevent the immediate passage and adoption of Ordinance No. 002-2025, at this meeting, and the same passed and adopted by unanimous vote of the Council. Mayor Murphy called for a roll call vote, and the results were as follows: Yea: Mayor Murphy, Councilmember Kitchens, Cooper, Campbell, Johnson, and Hollingsworth. Nay: None. Motion carried.

Motion was made by Councilmember Campbell, seconded by Councilmember Cooper, that Ordinance No. 002-2025, authorizing the Series 2025 Revenue Bond with USDA, be passed by vote of the Council. Mayor Murphy called for a roll call vote, and the results were as follows: Yea: Mayor Murphy, Councilmember Kitchens, Cooper, Campbell, Johnson, and Hollingsworth. Nay: None. Motion carried. APPENDIX III

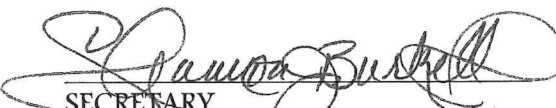
Mayor Murphy reminded the Council that the Top Ten Banquet will be next Monday night at Ivey's, and the Memorial Day Program is May 26th at Honeybee Park beginning at 9:00 a.m.

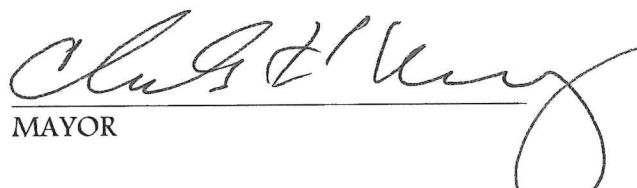
Hudson Bentley, a young citizen, requested a new basketball court at Garrett Park, which the Council responded to positively, with considerations for visibility and safety, due to some past issues. The Council was open to revisiting the idea.

Mayor Murphy updated Mr. and Mrs. Duckworth on the progress of the sewer upgrades and the replacement of the collection line that runs behind their house, possibly ready to bid out in June.

There being no further business to come before the Council, a motion was made by Councilmember Hollingsworth, seconded by Councilmember Kitchens, with unanimous approval to adjourn. Motion carried.

APPROVED THIS 19th DAY OF May, 2025.


SECRETARY


MAYOR

Vendor	Description	Open	Paid
ALABAMA PIPE & SUPPLY, INC.	24IN PLASTIC BANDS	455.65	0.00
ALERT-ALL	FIRE HATS	564.00	0.00
AMERICAN TENNIS COURTS, INC.	REPAIRS TO TENNIS COURT SURFACE	0.00	911.00
ANIXTER POWER SOLUTIONS, LLC	(12) 7200 V CAPACITORS	0.00	12522.36
ANIXTER POWER SOLUTIONS, LLC	ELECTRIC INVENTORY	738.50	4350.60
AQUA PRODUCTS, INC	REFRIGERATOR UNIT @ WWTP	0.00	1999.20
CARRIE J. BAGGETT	CITY HL-CLEANING SERV	200.00	200.00
BALDWIN EMC	LIFT STATION/SHADOWBROOK	56.00	0.00
BALDWIN EMC	STREET LIGHTS / ERRYBANE ACRES	323.90	0.00
BALDWIN EMC	GRINDER PUMP/GROVE PARC SUB	207.00	0.00
BALDWIN PORTABLE TOILETS	DENTAL EVENT	310.00	0.00
EVER E BEDOYA	IN-PERSON COURT INTERPRETATION	0.00	175.00
BENNY DARBY CONST. CO. INC.	2 LOADS PIT SAND, HAULING 2 LOADS B-BA	1100.00	0.00
BORDER STATES INDUSTRIES, INC.	ELECTRICAL INVENTORY	984.66	0.00
BSN SPORTS	(12) RUBBER ANCHOR PLUGS	52.90	0.00
C SPIRE	CITY HALL, PD, FD, SR, LB & UT / PHONE EXF	0.00	2369.21
CAMPBELL HARDWARE	UT,EL,WA,RC,SW, PW/ OPER SUPPLIES	0.00	633.78
CARICATURES BY KATHY	RHS SENIOR PICNIC	450.00	0.00
CENTRAL BALD CHAMBER OF COMME	2025 PRAYER BREAKFAST - 4 TABLES OF 8	1080.00	0.00
COASTAL INDUSTRIAL SUPPLY LLC	NUTS & BOLTS	0.00	33.00
COASTAL INDUSTRIAL SUPPLY LLC	PRESSURE WASHER HANDLE	0.00	17.59
COASTAL INDUSTRIAL SUPPLY LLC	PIPE FITTINGS	0.00	60.98
COASTAL INDUSTRIAL SUPPLY LLC	BARRICADE TAPE	0.00	10.71
COASTAL INDUSTRIAL SUPPLY LLC	SEWER SUPPLIES	421.50	0.00
COASTAL INDUSTRIAL SUPPLY LLC	PRESSURE WASHER TIPS	8.69	0.00
COASTAL INDUSTRIAL SUPPLY LLC	LENS CLEANING TOWELLETES	17.99	0.00
COASTAL INDUSTRIAL SUPPLY LLC	STREETS SUPPLIES	571.75	0.00
COASTAL INDUSTRIAL SUPPLY LLC	SHOP SUPPLIES	132.76	0.00
COASTAL WEATHER RESEARCH CENT	ANNUAL WEATHER SERVICE AGREEMENT	3000.00	0.00
JAMES PARRISH COLEMAN	APR/2025 COURT CONTRACT SERV	1800.00	0.00
CONSOLIDATED PIPE & SUPPLY	BBE WATER EXTENSION - 22-001	0.00	186444.00
CONSOLIDATED PIPE & SUPPLY	AID TO CONSTRUCT - ABC WAREHOUSE WA	0.00	300.00
KAY CUNNINGHAM	CPR / FIRST AID TRAINING	340.00	0.00
DAVISON FUELS & OIL COMPANY	FUEL FOR CITY VEHICLES	2682.22	3136.81
DE LAGE LANDEN FIN SERV (COPIER)	LB / COPIER CONTRACT	0.00	242.32
DE LAGE LANDEN FIN SERV (COPIER)	CTY HL/ COPIER CONTRACT	0.00	336.57
DIAMOND M&A ELECTRIC, LLC	ELECTRICAL WORK ON CHICAGO ST	350.00	0.00
DIAMOND M&A ELECTRIC, LLC	ELECTRICAL WORK @ WATER'S NURSERY	850.00	0.00
TODD ELLISON	ICE CREAM / EASTER IN THE PARK	0.00	1669.00
EMPIRE TRUCK SALES, LLC	TRUCK #38 REPAIRS	0.00	728.13
EMPIRE TRUCK SALES, LLC	GARBAGE TRUCK - SENSOR ABS KIT & INTA	0.00	68.38
EMPIRE TRUCK SALES, LLC	REPAIRS TO TRUCK 32	0.00	3367.23
EQUIPMENT CONTROLS CO	(7) AMR BRACKET FOR SONIX 45LT, (7) REMI	0.00	207.71
FERGUSON WATERWORKS #1204	HWY 104 PROJECT	0.00	2172.67
FERGUSON WATERWORKS #1204	WATER SUPPLIES	0.00	1393.58
FERGUSON WATERWORKS #1204	VALVE BOX RISERS	0.00	679.31
FERGUSON WATERWORKS #1204	FELT	0.00	125.00
FERGUSON WATERWORKS #1204	4IN LOCKINS	0.00	77.09
FERGUSON WATERWORKS #1204	SEWER SUPPLIES	0.00	38.84
FLOYD'S EXHAUST & PERFORMANCE	PIPE FOR A.ROBERT'S TRUCK	96.00	0.00
FORTILINE, INC.	SEWER SUPPLIES	0.00	207.82
FORTILINE, INC.	WATER SUPPLIES	50.44	159.44
FORTILINE, INC.	ST.PATRICK'S MATERIALS	0.00	959.50
FORTILINE, INC.	PLUMBING PART FOR JOB ON 104	123.35	0.00
GFOAA/GOV FINANCE OFFICERS ASS	ANNUAL DUES	100.00	0.00
SCOTT GILBERT	MILEAGE EXPENSE - HURRICANE CONFERE	0.00	260.40
GRAINGER	(2) CASES WASP SPRAY	0.00	413.24
GRAINGER	WATER COOLERS (2GAL, 3GAL, 5GAL)	0.00	275.52
GRAINGER	SHOWER/TOILET REPAIR AT THE PD	60.07	0.00
GRESKO SUPPLY, INC.	AID TO CONSTRUCT - FOREST PARK PHASE	0.00	49789.75
HACH COMPANY	3X100FT CABLES	1306.90	0.00
HARRIS FENCE COMPANY	FENCE REPAIR	695.00	0.00
HINKLE METALS & SUPPLY CO	THERMOSTAT	0.00	104.56
HINKLE METALS & SUPPLY CO	AC METER	330.00	0.00
EMILY HOBBS	LIB- CLEANING SERV	360.00	0.00
IMPERIAL DADE	16OZ STYROFOAM CUPS, (2) CASES PAPER	197.74	0.00
INDUSTRIAL CHEMICALS, INC.	(10) PALLETS HYDRATED LIME	0.00	8100.00
INTERSTATE PRINTING & GRAPHICS, I	CCR REPORT	0.00	4855.35
JACKSONVILLE STATE UNIVERSITY	TRAINING - APRIL 2025 CLEEP	198.00	0.00
JADE CONSULTING	FAIRGROUND ROAD EXPANSION	3644.25	0.00
JADE CONSULTING	2021 TA SIDEWALK PROJECT	27125.00	0.00

**CITY OF ROBERTSDALE
MAY 05, 2025**

**ACCOUNTS PAYABLE
BILL LIST**

APPENDIX _____

J.H. WRIGHT & ASSOCIATES, INC.	GRINDER PUMP (COLEMAN LAW FIRM)	2600.00	0.00
STEPHANIE A KROLL	MONTHLY MILEAGE-CELL PHONE-MISC	216.00	0.00
LOCAL GOVERNMENT SERVICES, LLC	Assist Negotiating Brightspeed Franchise Fee	0.00	412.50
LOWE'S BUSINESS ACCOUNT	OPERATING/JANITORIAL SUPPLIES	0.00	957.68
LYNN PEAVEY COMPANY	EVIDENCE BAGS	0.00	95.85
MAC'S AUTO GLASS	REPLACE WINDSHIELD ON TRUCK 34	525.00	0.00
MAMA LOU'S RESTAURANT	INMATE MEALS	0.00	1680.00
MEAGPOWER	POWER PURCHASED	0.00	248461.57
MEDIACOM	PW / SATELLITE EXPENSE	0.00	250.29
MEDIACOM	PD SATELLITE EXPENSE	258.15	258.15
TONY MITCHELL	SOUTHFIELD DR CONCRETE WORK	0.00	18130.00
THOMAS F MONK	APR/2025 COURT CONTRACT SERV	1800.00	0.00
OFFICE OF PROSECUTION SERVICES	PRETRIAL DIVERSION RECORDS	21.00	0.00
PAUL M OVERSTREET	TUITION REIMBURSEMENT	1458.00	0.00
PACE ANALYTICAL SERVICES, INC	TKN SAMPLE	0.00	372.80
PACE ANALYTICAL SERVICES, INC	8 REG WATER SAMPLES	0.00	337.40
PACE ANALYTICAL SERVICES, INC	1 SPECIAL SAMPLE	0.00	300.00
PARISH TRACTOR	LAWN MOWER BELT	0.00	86.42
PARISH TRACTOR	RENTAL JUMPING JACK PACKER	0.00	117.80
PARISH TRACTOR	AUGER RENTAL	0.00	291.84
PARISH TRACTOR	OIL PRESSURE GAUGE - ZT STREETS	0.00	92.34
PARTEN SMITH, INC.	REMOVING & RELOCATING MAILBOXES - SII	0.00	2800.00
PAYNE MANAGEMENT, INC.	PIPELINE COMP PRGR FEB 2022	2070.00	0.00
PIONEER ATHLETICS	(10) 5-GALLON BUCKETS BALLFIELD PAINT	0.00	913.75
PURCHASE POWER	POSTAGE FOR METER	0.00	1000.00
REGAN MECHANIX LLC	TRUCK #37	0.00	3588.22
RGA TINT SHOP LLC	WINDOW TINT - #34	200.00	0.00
RIVIERA UTILITIES (1)	TRAFFIC LIGHT @ CBMS & HWY 59	0.00	34.69
RIVIERA UTILITIES (1)	GAS PURCHASED- CITY GATES	0.00	5278.21
RIVIERA UTILITIES (1)	GAS @ NEW PUB WKS BLDG	0.00	105.88
RIVIERA UTILITIES (1)	GAS @ FAIRGROUND ROAD	0.00	148.25
RIVIERA UTILITIES (1)	PONDER PLACE-LIFT STATION	0.00	78.58
ROBERTSDALE DENTAL CARE	DENTAL CARE - RDALE INMATE	136.00	0.00
ROBERTSDALE HIGH SCH (FFA CHAPT	DONATION / RHS FFA - STATE TRIP	0.00	1500.00
ROBERTSDALE POWER EQUIP	BACK PACK SPRAYERS & SUPPLIES	300.08	0.00
RUBBER AND SPECIALTIES, INC	HOSE FOR VAC TRAILER	0.00	555.13
SAM'S CLUB / SYNCHRONY BANK	ALL CITY/ OPER SUPP, JANT SUP, REPAIR	554.78	0.00
S&E UNDERGROUND UTILITIES & DIRE	BULL SPRINGS RD EMERGENCY WATER BO	0.00	1500.00
SHELBY CONCRETE (BALDWIN CONCI	CONCRETE FOR ALLEYWAY WORK	1606.00	1956.00
SHEPPARD SERVICES, LLC	REPLACE MOTOR TRUCK #21	1702.12	0.00
SNAP-ON CREDIT LLC	SNAP ON SOFTWARE	0.00	58.25
SOUTHERN COMPANY SERVICES, INC	TRANSMISSION & ANCILLARY SERV	0.00	70834.92
SRM CONCRETE	CONCRETE	0.00	2878.00
SUMMERDALE WESTERN STORE	UNIFORMS	48.00	0.00
SUNBELT FIRE	FIRE HOSE & SPLITTER - WASH RACK & COL	802.00	0.00
SUNBELT SOLOMON SERVICES, LLC	1500KVA, 3 PHASE PADMOUNT REPAIRS	0.00	16747.00
TAYLOR CONSTRUCTION OF BALDWIN	(3) LOADS BROWN SAND	975.00	0.00
DEBORAH TOLER	MONTHLY MILEAGE EXPENSE	67.27	0.00
TOOL EXPO CONSTRUCTION SUPPLIE	KIDS PARK SUPPLIES	41.50	0.00
TRANSARMOUR	AID TO CONSTRUCT - ALEXANDER PARK PH	0.00	11600.00
TUBBYS TEES, INC	(910) SUMMER CAMP 2025 TSHIRT ORDER	8824.02	0.00
UNITED RENTALS (NORTH AMERICA),	APPLIANCE MOVER FOR PD	0.00	85.00
UNITED RENTALS (NORTH AMERICA),	APPLIANCE LIFT - PD	85.00	0.00
USA BLUEBOOK, LTD	SEWER SUPPLIES	814.58	0.00
WALMART COMMUNITY/ CAPITAL ONE	OPERATING/JANITORIAL SUPPLIES	841.44	0.00
WM CORPORATE SERVICES, INC.	WASTE DISPOSAL COLISEUM	1394.61	0.00
WM CORPORATE SERVICES, INC.	WASTE DISPOSAL WWTP 2ND DUMP	592.21	0.00
WM CORPORATE SERVICES, INC.	WASTE DISPOSAL WWTP	856.84	0.00
WM CORPORATE SERVICES, INC.	WASTE DISPOSAL CITY PARK	780.48	0.00
WM CORPORATE SERVICES, INC.	WASTE DISPOSAL PZK	204.25	0.00
ALICIA L WILLIAMS	MONTHLY COURT MILEAGE	0.00	41.86
PAULA L WIRTH	MILEAGE EXPENSE	46.90	0.00
Open & Paid Invoice Totals:		\$80,805.50	\$682,944.03
Grand Total of Open & Paid Invoices:			\$763,749.53

2188367

BALDWIN COUNTY, ALABAMA
HARRY D'OLIVE, JR. PROBATE JUDGE
Filed/cert. 05/21/2025 11:08 AM
TOTAL \$19.00 3 Pages



ORDINANCE NO. 001-2025

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROBERTSDALE, ALABAMA, AS FOLLOWS:

WHEREAS, the City Council of the City of Robertsdale, Alabama, has received a petition of annexation from Enoch and Penny Capps for the property located at 22655 Huguen Street, as a R-1 zone, and

WHEREAS, the Planning Commission of the City of Robertsdale has reviewed the proposed annexation of said petition and has recommended that the Council proceed with the annexation, and

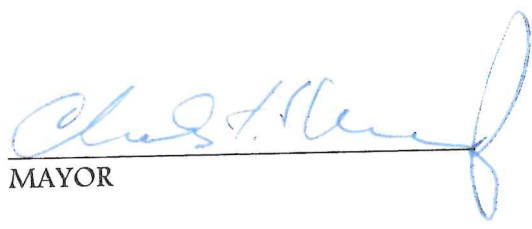
WHEREAS, the property being considered for annexation is contiguous with the current city limits, and

WHEREAS, the following is a legal description of the property:

BEGINNING at an iron pin marker purported to be the Southeast corner of the East Half of the Northeast Quarter of the Northwest Quarter of Section 1, Township 6 South, Range 3 East, St. Stephens Meridian, Baldwin County, Alabama run South 89 degrees 35 minutes 45 second West, a distance of 667.30 feet to an iron pin marker being the Northeast corner of lot 18 of Nanafield Phase 1 as per its plat recorded on Slide 2344-F in the Judge of Probate's Office, Baldwin County, Alabama; thence run North 01 degrees 01 minutes 15 seconds West, a distance of 1,292.06 feet to an iron pin marker lying on the South Right-of-way line of Resnik Boulevard; thence run North 89 degrees 49 minutes 23 seconds East, along said South Right-of-way line a distance of 157.82 feet to an iron pin marker; thence run South 00 degrees 29 minutes 03 seconds East, a distance of 66.00 feet to a point; thence run South 89 degrees 41 minutes 00 seconds East, a distance of 508.91 feet to a point; thence run South 01 degrees 05 minutes 30 seconds East, a distance of 1,219.05 feet to the POINT OF BEGINNING. Said parcel contains 18.95 acres, more or less.

BE IT FURTHER ORDAINED THAT THE OFFICIAL ZONING MAP, AS AMENDED, BE FURTHER AMENDED TO REFLECT THIS CHANGE.

Adopted and approved by the City Council of the City of Robertsdale, Alabama, on this 5th day of May, 2025.


MAYOR

ATTEST:

CITY CLERK

CERTIFICATION:

I, Shannon Burkett, as City Clerk of the City of Robertsdale, Alabama, hereby certify that the above and foregoing copy of 1 (one) Ordinance Number 001-2025 is a true and correct copy of such Ordinance that was duly adopted by the City Council of the City of Robertsdale on the 5th day of May, 2025, as same appears in the official records of said City.

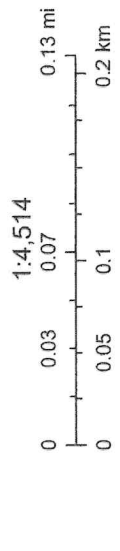
Viewer Map



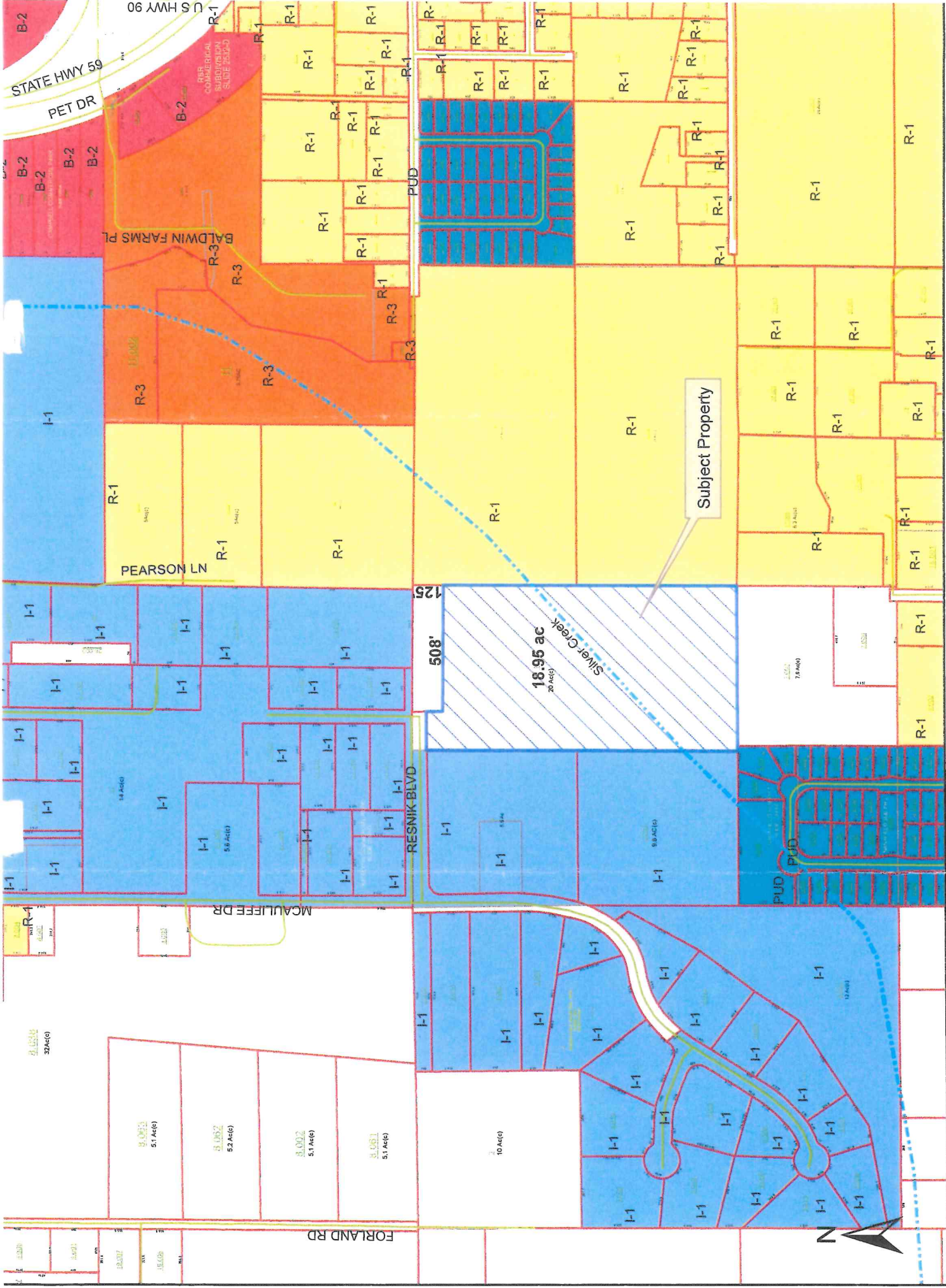
May 5, 2025

- █ Override 1
- █ County Boundary
- █ Lot Lines
- Centerlines
- █ ConveyanceDivisions
- █ Parcels

COGO



KCS, Pictometry, KCS



1 inch = 500 feet

CAPPS ANNEXATION

US HWY 96

STATE HWY 59

PET DR

BALDWIN FARMS PL

PEARSON LN

MCAULIFFE DR

FORAND RD

RESNIK BLVD

508'

18.95 ac
20 ACG

Silver Creek

Subject Property



ORDINANCE NO. 002-2025

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$7,811,000
PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2025

BE IT ORDAINED by the Mayor and City Council (together, the "Council") of the City of Robertsdale, Alabama (the "City"), in the State of Alabama, as follows:

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 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 herein:

"Additional Prior Lien Obligations" means any Additional Warrants (as defined in the Prior Lien Indenture) issued under or in accordance with the provisions of the Prior Lien Indenture or any Additional Subordinate Lien Obligations (as defined in the 2020 SRF Ordinance) issued under or in accordance with the provisions of the 2020 SRF Ordinance.

"Bank" means the bank or trust company hereinafter designated in an Ordinance to be the registrar, transfer agent and paying agent with respect to the Bonds if at any time the Initially Issued Bond is exchanged, pursuant to the provisions of Section 5.3 hereof, for bonds in the denomination of \$1,000.

"Bond Fund" means the 2025 Sewer System Bond and Interest Redemption Fund created in Section 8.2 hereof.

"Bonds" means the Bonds hereinafter authorized to be issued.

"Callable Bonds" means those of the Bonds which under the terms thereof may be redeemed at the option of the City prior to their respective maturities.

"Capital Improvements" means improvements, extensions and additions to the System that are properly chargeable to fixed capital account by generally accepted accounting practice and includes real estate (and easements and other interests therein) on, under or over which any such improvements, extensions or additions are, or are proposed to be, located.

"City" means the City of Robertsdale, Alabama, and, subject to the provisions of Section 9.5 hereof, includes its successors in title and assigns and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Council" means the Mayor and City Council of the City, or other governing body of the City, as the said governing body may from time to time be constituted.

"Counsel" means an attorney who is duly licensed to practice before the Supreme Court of Alabama.

"Federal Securities" means any securities that are direct obligations of the United States of America and any securities with respect to which payment of the principal thereof and the interest thereon is unconditionally guaranteed by the United States of America; and, when used in connection with the investment provisions of Section 8.8 hereof, any interests in any fund described in subparagraph (5) of Section 11-81-21 of the Code of Alabama 1975, as amended.

"Fiscal Year" means the period beginning on October 1 of one calendar year and ending on September 30 on the next succeeding calendar year.

"Holder" means the person in whose name a bond is registered.

"Improvements" means the extensions, additions and improvements to the System referred to in Section 2.2 hereof.

"Replacement Fund" means the 2025 Sewer System Replacement and Extension Fund created in Section 8.5 hereof.

"Independent Engineer" means an engineer who is duly registered and qualified to practice the profession of engineering under the laws of Alabama and who is not a full-time employee of the City.

"Initially Issued Bond" means the single fully-registered bond (or bonds) initially issued to evidence the Bonds.

"Maximum Required Reserve" means the sum of \$273,229.

"Operation and Maintenance Fund" means the Sewer System Operation and Maintenance Fund created in Section 8.3 hereof.

"Permitted Encumbrances" means, as of any particular time, (a) liens for ad valorem taxes not then delinquent, (b) easements, restrictions and exceptions that an Independent Engineer certifies will not interfere with or impair the operation of the System, (c) minor clouds, encumbrances, defects and restrictions of the type that customarily exist with respect to properties of a size and character similar to those comprising the System and that do not, in the opinion of Counsel, in the aggregate, materially impair the use of such properties in the operation of the System, and (d) pledges of revenues made with respect to the Prior Lien Obligations.

"Prior Lien Indenture" means the Trust Indenture dated as of September 1, 1993, as heretofore supplemented and amended, between the City and Regions Bank, as successor trustee, under and pursuant to which the Series 2014 Warrants, the Series 2015-A Warrants, the Series 2015-B Warrants and the Series 2018 Warrants were issued.

"Prior Lien Obligations" means, collectively, the Series 2014 Warrants, the Series 2015-A Warrants, the Series 2015-B Warrants, the Series 2018 Warrants, the Series 2020 SRF Warrant and any Additional Prior Lien Obligations hereafter issued.

"Redemption Date" means the date fixed for redemption of Callable Bonds in any notice of redemption.

"Redemption Price" means the price at which the Callable Bonds called for redemption may be redeemed on the Redemption Date.

"Registrar" means (a) in the case of the Initially Issued Bond, the City Clerk of the City in his or her capacity as registrar and transfer agent for the Initially Issued Bond, and (b) in the case of all other Bonds, the Bank in its capacity as registrar, transfer agent and paying agent with respect to the Bonds.

"Reserve Fund" means the 2025 Sewer System Debt Service Reserve Fund created in Section 8.4 hereof.

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

"Revenue Account" means the Gross Revenue Account described in Section 8.1 hereof.

"Series 2014 Warrants" means the City's Water, Sewer and Electric Revenue Warrants, Series 2014, dated August 1, 2014, originally issued in the aggregate principal amount of \$3,590,000.

"Series 2015-A Warrants" means the City's Water, Sewer and Electric Revenue Warrants, Series 2015-A, dated October 1, 2015, originally issued in the aggregate principal amount of \$2,440,000.

"Series 2015-B Warrants" means the City's Water, Sewer and Electric Revenue Warrants, Series 2015-B, dated October 1, 2015, originally issued in the aggregate principal amount of \$5,845,000.

"Series 2018 Warrants" means the City's Water, Sewer and Electric Revenue Warrants, Series 2018, dated June 1, 2018, originally issued in the aggregate principal amount of \$1,655,000.

"Series 2020 SRF Warrant" means the City's Subordinated Water, Sewer and Electric Revenue Warrant, Series 2020-DWSRF-DL (Partial Principal Forgiveness), dated February 1, 2020, originally issued in the aggregate principal amount of \$1,525,000.

"System" means the entire sanitary sewer collection and treatment system of the City, as it now exists and as it may hereafter be extended and improved.

"2020 SRF Ordinance" means Ordinance No. 004-2020 of the City adopted on March 2, 2020, by the Council, pursuant to which the Series 2020 SRF Warrant was issued.

Section 1.2 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Ordinance as an entirety and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.1 hereof include both

singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders. Any percentage of Bonds, specified herein for any purpose, is to be figured on the unpaid principal amount thereof then outstanding.

ARTICLE II

REPRESENTATIONS AND FINDINGS

Section 2.1 Representations. The City represents, as a basis for the undertakings herein contained, as follows: it is a municipal corporation under the laws of the State of Alabama; it is not in default with respect to any of the Prior Lien Obligations or under any of the laws of said state; and it owns and operates the only public sanitary sewer system in the City.

Section 2.2 Findings Respecting Need for Construction of the Improvements. The Council has heretofore ascertained and declared that there is a great need for the acquisition and construction of certain improvements and extensions to the System, which improvements and extensions, consisting principally of upgrades to the City's wastewater treatment facilities, shall further enable the City to provide sewer service in the service area of the System; that the City has caused an estimate to be made of the cost of the Improvements, and the estimated total cost of acquiring, providing and constructing the Improvements will be not less than \$13,911,000; that long-term financing of the Improvements is expected to be provided through a combination of loans and grants to be made by the United States Department of Agriculture, Rural Development ("USDA"); that, as a condition to and in anticipation of such long-term financing, the City has heretofore borrowed the sum of up to \$7,811,000 from United Bank to finance a portion of the costs of constructing the Improvements, and in evidence of the amount so borrowed, has issued its \$7,811,000 Temporary General Obligation Warrant (USDA Sewer Project) dated March 12, 2024 (the "Temporary Warrant"); that the Temporary Warrant is a "draw down" warrant, under which the City is authorized to make periodic requests for advances up to the principal amount of the Temporary Warrant; that the City has drawn approximately \$7,452,535 under the Temporary Warrant; that the City has commenced and made substantial progress in the construction and acquisition of the Improvements; that the City and USDA now desire to prepay and retire the Temporary Warrant; that the Temporary Warrant is subject to prepayment and retirement at any time and at the option of the City; and that, in order to provide a portion of the funds needed to retire the Temporary Warrant and to provide additional funds for the acquisition and construction of the Improvements, it will be necessary for the City to borrow from USDA the sum of \$7,811,000 and in evidence thereof to issue its \$7,811,000 Sewer Revenue Bonds, Series 2025.

ARTICLE III

THE BONDS

Section 3.1 Authorization and Description of the Bonds. Pursuant to the applicable provisions of Article 5 of Chapter 81 of Title 11 of the Code of Alabama 1975, as amended, and for the purpose of providing for the permanent financing of a portion of the costs of constructing the Improvements, there are hereby authorized to be issued by the City \$7,811,000 principal amount of Sewer Revenue Bonds, Series 2025. The Bonds shall be initially issued as one fully-registered bond in the form prescribed in Section 3.3 hereof and exchangeable for bonds in the denomination of \$1,000 each in the form prescribed in Section 3.2 hereof as specified in Section 5.3 hereof. The Initially Issued Bond shall be dated the date of its issuance. The Bonds issued in the denomination of \$1,000 each shall be dated January 1, 2025, and shall bear interest from the January 1 next preceding the date of their issuance. The principal of the Bonds shall mature and become payable on January 1 as follows:

Year of Maturity	Aggregate Principal Amount Maturing	Year of Maturity	Aggregate Principal Amount Maturing
2026	\$136,536	2046	\$193,169
2027	138,926	2047	196,549
2028	141,357	2048	199,989
2029	143,831	2049	203,488
2030	146,348	2050	207,049
2031	148,909	2051	210,673
2032	151,515	2052	214,360
2033	154,166	2053	218,111
2034	156,864	2054	221,928
2035	159,609	2055	225,812
2036	162,402	2056	229,763
2037	165,244	2057	233,784
2038	168,136	2058	237,875
2039	171,079	2059	242,038
2040	174,072	2060	246,274

2041	177,119	2061	250,584
2042	180,218	2062	254,969
2043	183,372	2063	259,431
2044	186,581	2064	263,971
2045	189,846	2065	265,053

The Bonds shall bear interest from their date until their respective maturities at the rate of 1.75% per annum, calculated on the basis of a 365-day year. Such interest shall be payable on January 1, 2026, and annually on each January 1 thereafter until and at the respective maturities of the Bonds. The principal on the Bonds shall bear interest at the rate set forth above, after the respective maturities of such principal and interest. Except as hereinafter provided with respect to the Initially Issued Bond, interest on the Bonds shall (except for the final payment of such interest with respect to each Bond which shall be made only upon surrender of such Bond) be payable in lawful money of the United States of America by check or draft mailed by the Bank to the Holders of the Bonds at the addresses shown on the registry books of the Bank pertaining to the Bonds. Except as hereinafter provided with respect to the Initially Issued Bond, the principal of the Bonds shall be payable at the principal office of the Bank upon presentation and surrender of the Bonds as the same become due and payable. The principal of and the interest on the Initially Issued Bond shall be paid to United States of America, Department of Agriculture, Rural Development, 4300 Goodfellow Boulevard, Building 104, St. Louis, Missouri 63120-1703, or at such other place in the United States of America as may be thereafter designated by written notice furnished to the City by the then Holder of the Initially Issued Bond.

Section 3.2 Form of Bonds. The Bonds (other than the Initially Issued Bond) and the Certificate of Registration and the Form of Assignment applicable thereto shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

[Form of Bond]

No. _____

(CUSIP NUMBER)

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF ROBERTSDALE

SEWER REVENUE BOND
SERIES 2025

On the 1st day of January, 2026, for value received the CITY OF ROBERTSDALE, a municipal corporation under the laws of Alabama (herein called the "City"), unless due payment has heretofore been made, will pay to _____, or registered assigns, solely out of the revenues hereinafter referred to, the sum of

_____ DOLLARS

with interest thereon from the date hereof until the maturity hereof at the rate of 1.75% per annum, calculated on the basis of a 365-day year, payable annually on January 1 in each year until and at the maturity hereof. The principal of this bond shall be payable only upon presentation and surrender of this bond at the principal office of _____, _____, _____ (herein called the "Bank"). Interest on this bond shall (except for final payment of such interest which shall be made only upon the surrender of this bond) be remitted by the Bank to the then registered holder hereof at the address shown on the registry books of the Bank. All installments of the principal of this bond shall bear interest after their respective due dates until paid at the per annum rate set forth above.

This bond is one of a duly authorized issue of bonds designated Sewer Revenue Bonds, Series 2025, in the aggregate principal amount of \$7,811,000 (herein called the "Bonds") issued pursuant to the provisions of Article 5 of Chapter 81 of Title 11 of the Code of Alabama 1975, as amended, and an ordinance duly adopted by the City (the "Authorizing Ordinance"). The principal of and the interest on the Bonds are payable solely out of the revenues from the sanitary sewer collection and treatment system of the City (which, as presently or hereafter constituted, is herein called the "System") and are secured, pro rata and without priority of one Bond over another or of one series over the other, by a valid pledge of the revenues out of which they are payable. The said pledge of revenues from the System in favor of the Bonds is subject to the prior and senior pledge of such revenues heretofore made by the City for the Prior Lien Obligations (as such term is defined in the Authorizing Ordinance). Neither the Bonds nor any of the agreements contained in the Authorizing Ordinance shall constitute a general indebtedness of the City or of any county or municipality within the meaning of any state constitutional or statutory provision or limitation. The general faith and credit of the City are not pledged for payment of the Bonds, and the Bonds

shall not be general obligations of the City. Neither the Bonds nor the Authorizing Ordinance shall be deemed to impose upon the City any obligation to pay the principal of or the interest on the Bonds, or any other sum, except with revenues derived from the operation of the System remaining after payment of the Prior Lien Obligations. None of the agreements, representations or warranties made or implied in the Bonds or the Authorizing Ordinance shall ever impose any personal or pecuniary liability or charge upon the City, whether before or after any breach by the City of any such agreement, representation or warranty, except with respect to the revenues derived from the operation of the System remaining after payment of the Prior Lien Obligations.

The Bonds are subject to redemption, without penalty or premium, prior to their respective maturities, at the option of the City, on any date, as a whole or in part (but if redeemed in part, (i) those maturities to be redeemed to be selected by the City at its discretion, and if less than all the Bonds of a single maturity are to be redeemed, those to be redeemed to be selected by the Bank by lot, and (ii) only in installments of \$1,000 or any integral multiple thereof), after not less than thirty days prior notice by United States First Class Mail to the registered owner of each such Bond redeemed, at and for a redemption price, with respect to each such bond redeemed, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

It is hereby certified that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed and happen precedent to or in the issuance of this bond exist, have been performed and have happened in due and legal form.

This bond 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 bond to the Bank for cancellation, and upon any such transfer a new bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Authorizing Ordinance. Any assignee or transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto.

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

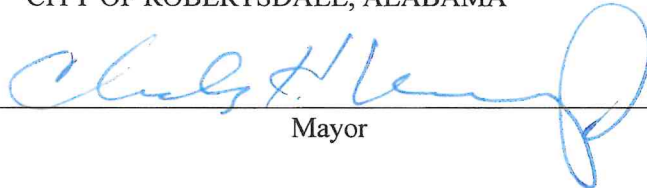
The Bank shall not be required to register, transfer or exchange this bond during the period of fifteen (15) days next preceding any January 1; and, in the event that this bond (or any portion of the principal hereof) is duly called for redemption and prepayment, the Bank shall not be required to register, transfer or exchange this bond during the period of forty-five (45) days next preceding the date fixed for such redemption and prepayment.

The principal of and interest on this bond are exempted from any and all state, county and municipal and other taxation whatsoever under the laws of the State of Alabama.

IN WITNESS WHEREOF, the City has caused this bond to be executed in its name and behalf by the Mayor of the City, has caused its corporate seal to be hereunto affixed and attested by its City Clerk, both of said officers being hereunto duly authorized, and has caused this bond to be dated January 1, 2025.

CITY OF ROBERTSDALE, ALABAMA

By



Mayor

Attest:



City Clerk

(Form of Registration Certificate)

Date of Registration: _____, _____

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

By _____

Its _____

(Form of Assignment)

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

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 bond 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).

Section 3.3 Form of Initially Issued Bond. The Initially Issued Bond, the Certificate of Registration and the Form of Assignment applicable thereto shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

[Form of Initially Issued Bond]

\$7,811,000

\$7,811,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF ROBERTSDALE

SEWER REVENUE BOND
SERIES 2025

For value received, the CITY OF ROBERTSDALE, a municipal corporation under the laws of Alabama (herein called the "City"), unless due payment has heretofore been made, will pay to the United States of America, Department of Agriculture, Rural Development, 4300 Goodfellow Boulevard, Building 104, St. Louis, Missouri 63120-1703, or registered assigns, solely out of the revenues hereinafter referred to, the aggregate principal sum of

SEVEN MILLION EIGHT HUNDRED ELEVEN THOUSAND DOLLARS

in installments on January 1 in the following respective years and principal amounts:

Year of Maturity	Principal Amount Maturing	Year of Maturity	Principal Amount Maturing
2026	\$136,536	2046	\$193,169
2027	138,926	2047	196,549
2028	141,357	2048	199,989
2029	143,831	2049	203,488
2030	146,348	2050	207,049
2031	148,909	2051	210,673
2032	151,515	2052	214,360
2033	154,166	2053	218,111
2034	156,864	2054	221,928
2035	159,609	2055	225,812
2036	162,402	2056	229,763
2037	165,244	2057	233,784
2038	168,136	2058	237,875
2039	171,079	2059	242,038
2040	174,072	2060	246,274
2041	177,119	2061	250,584
2042	180,218	2062	254,969
2043	183,372	2063	259,431
2044	186,581	2064	263,971
2045	189,846	2065	265,053

with interest on the then unpaid principal balance hereof from the date hereof at the rate of 1.75% per annum, calculated on the basis of a 365-day year, payable on January 1, 2026, and annually on each January 1 thereafter until the due date of the last maturing installment of principal hereof. Both the principal of and the interest on this bond are payable in lawful money of the United States of America at United States of America, Department of Agriculture, Rural Development, 4300 Goodfellow Boulevard, Building 104, St. Louis, Missouri 63120-1703, or at such other place in the United States of America as may be designated by written notice furnished to the City by the then registered holder hereof. All installments of the principal of this bond shall bear interest after their respective due dates until paid at the per annum rate set forth above.

This bond evidences a duly authorized issue of bonds designated Sewer Revenue Bonds, Series 2025, in the aggregate principal amount of \$7,811,000 (herein called the "Bonds") issued pursuant to the provisions of Article 5 of Chapter 81 of Title 11 of the Code of Alabama 1975, as amended, and an

ordinance duly adopted by the City (the "Authorizing Ordinance"). The principal of and the interest on the Bonds are payable solely out of the revenues from the sanitary sewer collection and treatment system of the City (which, as presently or hereafter constituted, is herein called the "System") and are secured, pro rata and without priority of one Bond over another or of one series over the other, by a valid pledge of the revenues out of which they are payable. The said pledge of revenues from the System in favor of the Bonds is subject to the prior and senior pledge of such revenues heretofore made by the City for the Prior Lien Obligations (as such term is defined in the Authorizing Ordinance). Neither the Bonds nor any of the agreements contained in the Authorizing Ordinance shall constitute a general indebtedness of the City or of any county or municipality within the meaning of any state constitutional or statutory provision or limitation. The general faith and credit of the City are not pledged for payment of the Bonds, and the Bonds shall not be general obligations of the City. Neither the Bonds nor the Authorizing Ordinance shall be deemed to impose upon the City any obligation to pay the principal of or the interest on the Bonds, or any other sum, except with revenues derived from the operation of the System remaining after payment of the Prior Lien Obligations. None of the agreements, representations or warranties made or implied in the Bonds or the Authorizing Ordinance shall ever impose any personal or pecuniary liability or charge upon the City, whether before or after any breach by the City of any such agreement, representation or warranty, except with respect to the revenues derived from the operation of the System remaining after payment of the Prior Lien Obligations.

The principal installments hereof are subject to prepayment, without penalty or premium, prior to their respective maturities, at the option of the City, on any date, as a whole or in part (but if redeemed in part, (i) those maturities, or portions thereof, to be redeemed to be selected by the City at its discretion, and (ii) only in multiples of \$1,000), after not less than thirty days prior notice by United States First Class Mail to the registered owner of this bond.

It is hereby certified that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed and happen precedent to or in the issuance of this bond exist, have been performed and have happened in due and legal form.

This bond is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the City Clerk of the City (the registrar and transfer agent of the City with respect to this bond) and only upon surrender of this bond to the City for cancellation, and upon any such transfer a new bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Authorizing Ordinance. Any assignee or transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto.

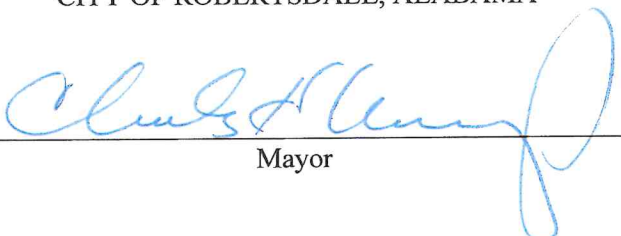
The Bonds are also issuable in the denomination of \$1,000 each. Provision is made in the Authorizing Ordinance for the exchange of this bond for \$1,000 denomination bonds in an aggregate principal amount equal to the then unpaid principal amount of this bond, all as requested by the holder surrendering this bond and upon the terms and conditions specified in the Authorizing Ordinance.

The said registrar and transfer agent shall not be required to register, transfer or exchange this bond during the period of fifteen (15) days next preceding any January 1; and, in the event that any installment of principal (or portion of installment of principal) hereof is duly called for prepayment, the said registrar and transfer agent shall not be required to register, transfer or exchange this fully registered bond during the period of forty-five (45) days next preceding the date fixed for such prepayment.

The principal of and interest on this bond are exempted from any and all state, county and municipal and other taxation whatsoever under the laws of the State of Alabama.

IN WITNESS WHEREOF, the City has caused this bond to be executed in its name and behalf by the Mayor of the City, has caused its corporate seal to be hereunto affixed and attested by its City Clerk, both of said officers being hereunto duly authorized, and has caused this bond to be dated May 9, 2025.

CITY OF ROBERTSDALE, ALABAMA

By  _____
Mayor

Attest:

 _____
City Clerk

(Form of Registration Certificate)

Date of Registration: May 9, 2025

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

CITY OF ROBERTSDALE, ALABAMA

By  _____
Its City Clerk

(Form of Assignment)

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

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 bond 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).

Section 3.4 Redemption Provisions. The Bonds may be redeemed and paid prior to their respective maturities, at the option of the City, as a whole or in part (but if redeemed in part, (i) those maturities to be redeemed to be selected by the City at its discretion, and if less than all the Bonds of a single maturity are to be redeemed, those to be redeemed to be selected by the Bank by lot, and (ii) only in installments of \$1,000 or any integral multiple thereof), on any date, at and for a redemption price, with respect to each such Bond redeemed, equal to the principal amount thereof plus accrued interest thereon to the redemption date. The preceding provisions of this Section 3.4 shall be applicable, with the necessary changes in detail, to the installments of principal of the Initially Issued Bond, it being understood that such installments are subject to such redemption and prepayment at the option of the City in multiples of \$1,000. Any such redemption or prepayment shall be subject to the provisions of and shall be effected in the manner provided by Article VI hereof.

ARTICLE IV

EXECUTION OF THE BONDS

Section 4.1 Execution of Bonds. The Bonds shall be executed by the Mayor of the City, and the seal of the City shall be affixed thereto and attested by the City Clerk of the City; provided that in the case of \$1,000 denomination bonds, the signatures of the Mayor and the City Clerk thereon may be facsimiles of the signatures of such officers and the seal of the City may be imprinted thereon rather than manually affixed thereto. Signatures on the Bonds by persons who were officers of the City at the time such signatures were written or printed shall continue effective although such persons cease to be such officers prior to the delivery of the Bonds.

Section 4.2 Replacement of Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Bond of like tenor and denomination as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Bond, such Bond is first surrendered to the City, and (b) in the case of any such lost, stolen or destroyed Bond, there is first furnished to the City evidence of such loss, theft or destruction satisfactory to it, together with indemnity satisfactory to it. The City may charge the Holder with the expense of issuing any such new Bond.

ARTICLE V

REGISTRATION AND NEGOTIABILITY OF THE BONDS

Section 5.1 Registration of Bonds. The City Clerk of the City shall be the registrar and transfer agent of the City with respect to the Initially Issued Bond and shall keep at the city hall of the City proper registry and transfer books in which he or she will note the registration and transfer of the Initially Issued Bond, all in the manner and to the extent hereinafter specified. The Bank shall be the registrar and transfer agent of the City with respect to all Bonds other than the Initially Issued Bond and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Bonds as are presented for those purposes, all in the manner and to the extent hereinafter specified.

No transfer of a Bond shall be valid hereunder except upon presentation and surrender of such Bond at the office of the Registrar 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 Registrar, whereupon the City shall execute, and the Registrar shall register and deliver to the transferee, a new Bond, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name a bond is registered on the books of the Registrar 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.

The Registrar shall not be required to register, transfer or exchange any Bond during the period of fifteen (15) days next preceding any January 1; and if any Bond (or any portion of the Initially Issued Bond) is duly called for redemption (in whole or in part), the Registrar shall not be required to register, transfer or exchange such Bond during the period of forty-five (45) days next preceding the date fixed for its redemption.

Section 5.2 Persons Deemed Owners of Bonds. The Registrar and the Bank may deem and treat the person in whose name a registered Bond is registered as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by it to the person in whose name a Bond is registered shall to the extent thereof fully discharge and satisfy all liability for the same.

Section 5.3 Exchange of Bonds. Upon the request of the Holder of the Initially Issued Bond, the City shall execute and deliver, upon surrender to the City of such bond and in exchange therefor, \$1,000 denomination bonds (in the applicable form prescribed in Section 3.2 hereof) of like tenor, having stated maturities and aggregating the same principal amount as the then unpaid installments of principal of the Initially Issued Bond so surrendered and being subject to redemption prior to their respective stated

maturities on the respective date or dates and at the respective price or prices as are applicable to the corresponding principal installments of such Initially Issued Bond. In the event of any such surrender of the Initially Issued Bond pursuant to the provisions of this section, it shall be accompanied by 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 Registrar.

ARTICLE VI

GENERAL PROVISIONS RESPECTING REDEMPTION OF CALLABLE BONDS

Section 6.1 Manner of Effecting Redemption of Callable Bonds. Any redemption of any Callable Bonds shall be effected in the following manner:

(a) Call. The Council shall adopt an Ordinance or Resolution containing the following: (1) a call for redemption, on a specified date when they are by their terms subject to redemption, of Callable Bonds (or portions thereof) having stated maturities; (2) a statement that the City is not in default hereunder; and (3) a summary of any applicable restrictions upon or conditions precedent to such redemption and the provisions made to comply therewith.

(b) Notice by First Class Mail. The City shall forward by United States First Class Mail to the registered owner thereof, at the address of such registered owner as such address appears on the registry books of the Registrar pertaining to the registration of the Bonds, a notice stating the following: that Callable Bonds (or portions thereof) having stated maturities have been called for redemption and will become due and payable at the Redemption Price or Redemption Prices on a specified Redemption Date [which shall be the date provided for such redemption in the Ordinance or Resolution required in subsection (a) of this section]; and that all interest thereon will cease after the Redemption Date. Such notice shall be so mailed not less than thirty (30) days prior to the Redemption Date, but the Holders of any Bonds may waive the requirements of this subsection with respect to the Bonds held by them without affecting the validity of the call for redemption of any other Callable Bonds.

(c) Deposit of Funds. On or prior to the Redemption Date, the City shall make available at the bank or other financial institution at which the Bonds are payable the total Redemption Price of the Callable Bonds so called and shall further place on file in the office of the City for inspection by any registered owner of a Callable Bond the following: a certified copy of the Ordinance or Resolution required in subsection (a) of this section; appropriate affidavits showing compliance with the requirements of subsection (b) of this section; and, in the case of the redemption of any Callable Bond when such Callable Bond may then be redeemed only with funds from a specified source or is subject to some other restriction or requirement, evidence satisfactory to such bank or other financial institution showing compliance with such restriction or requirement; provided, however, that in the event of the prepayment of all or a portion of the then unpaid principal of the Initially Issued Bond, said funds shall be made available, at the place at which said bond is payable, to the Holder thereof on the Redemption Date and said documents shall be furnished to such Holder on or before such date.

Section 6.2 Presentation of Callable Bonds for Redemption; Bonds to Cease to Bear Interest. Upon compliance by the City with the requirements contained in Section 6.1 hereof, and if the City is not on the Redemption Date in default in payment of the principal of or the interest on any of the Bonds, the Callable Bonds so called for redemption shall become due and payable at the place at which the same shall be payable, at the Redemption Price or Redemption Prices and on the Redemption Date specified in such notice, anything herein or in the Callable Bonds to the contrary notwithstanding; the Holders thereof shall then and there surrender them for redemption; all future interest on the Callable Bonds so called for redemption shall cease to accrue after the Redemption Date; the said Holders shall no longer be entitled to the benefit hereof but shall look solely to the moneys made available under the provisions of this article; and out of the moneys so deposited with it, the bank or other financial institution at which the Bonds are payable shall make provision for payment of the Callable Bonds so called for redemption at the Redemption Price on the Redemption Date.

Section 6.3 Provisions Respecting Prepayments of Principal Installments of the Initially Issued Bond. The preceding provisions of this Article VI with respect to redemption of Bonds prior to their respective maturities shall apply, with the necessary changes in detail, to the Initially Issued Bond, the principal installments of which shall therefore be subject to prepayment and redemption prior to their respective due dates on the same respective Redemption Dates and at the same respective Redemption Prices as the \$1,000 denomination bonds; provided however, that in the event of the prepayment and redemption of less than all the installments of principal of the Initially Issued Bond that at the time are subject to such prepayment and redemption, (a) the Ordinance or Resolution and notice referred to in

Section 6.1 hereof shall, with respect to the principal installments of the Initially Issued Bond to be so prepaid, state that any such prepayment and redemption shall apply in inverse order of maturity and shall not affect the obligation of the City to pay the remaining installments as scheduled, and (b) the Holder of such Initially Issued Bond shall, in lieu of surrendering it for cancellation, surrender it to the City for notation thereon of the date of such prepayment and of the principal installments so prepaid.

ARTICLE VII

SOURCE OF PAYMENT OF THE BONDS, PLEDGE FOR PAYMENT THEREOF, AND SEVERANCE OF REVENUES FROM PHYSICAL PROPERTIES

Section 7.1 Source of Payment of the Bonds. The principal of and the interest on the Bonds shall be payable solely out of revenues derived from the operation of the System remaining after payment of the Prior Lien Obligations. Neither the Bonds nor any of the agreements herein contained shall constitute a general indebtedness of the City or of any county or municipality within the meaning of any state constitutional or statutory provision or limitation. The general faith and credit of the City are not pledged for payment of the Bonds, and the Bonds shall not be general obligations of the City. Neither this Ordinance nor any of the Bonds shall be deemed to impose upon the City any obligation to pay the principal of or the interest on the Bonds, or any other sum, except with revenues derived from the operation of the System remaining after payment of the Prior Lien Obligations. None of the agreements, representations or warranties made or implied in this Ordinance, or in the issuance of the Bonds, shall ever impose any personal or pecuniary liability or charge upon the City, whether before or after any breach by the City of any such agreement, representation or warranty, except with respect to the revenues derived from the operation of the System remaining after payment of the Prior Lien Obligations. Nothing contained in this section shall, however, relieve the City from the performance of the several agreements and representations on its part herein contained.

Section 7.2 Pledge of Revenues. The revenues derived from the operation of the System are hereby irrevocably pledged for payment of the principal of and the interest on the Bonds, pro rata and without preference or priority of one Bond over another by reason of priority in issuance or acquisition or series designation or otherwise, and for the payments into the special funds created in Article VIII hereof, to the extent herein provided; provided, that such pledge is subject and subordinate to the prior pledge of revenues from the System made in favor of the Prior Lien Obligations and the agreements with respect thereto set forth in the Prior Lien Indenture and the 2020 SRF Ordinance. The City represents that the pledge and agreements herein made for the benefit of the Bonds constitute the only outstanding pledge and agreements with respect to the revenues derived from the operation of the System other than the pledge and agreements made in the Prior Lien Indenture and the 2020 SRF Ordinance for the benefit of the Prior Lien Obligations.

Section 7.3 Severance of Revenues. In order to safeguard the aforesaid pledge and the performance and observance of the agreements and covenants of the City herein contained, the City does hereby declare its intention that the revenues derived from the operation of the System shall be and the same hereby are severed from the physical properties comprising the System to such extent as shall be necessary to fulfill and preserve inviolate the said pledge and to fulfill the said agreements and covenants.

ARTICLE VIII

DISPOSITION OF REVENUES FROM THE SYSTEM AND CREATION OF SPECIAL FUNDS

Section 8.1 Revenue Account. The special fund, the full name of which is the "Gross Revenue Account," created in Section 10.1 of the Prior Lien Indenture, shall be continued until the principal of and the interest on the Bonds are paid in full. The City will deposit in the Revenue Account, daily as received by it, all revenues derived from the operation of the System. On or before the last day of each month the City will apply the moneys on deposit in the Revenue Account for the following purposes, in the order stated, to the extent necessary and to the extent that the moneys on deposit in the Revenue Account are sufficient therefor:

(a) Payment of such amounts and at such times as are set forth in the Prior Lien Indenture and the 2020 SRF Ordinance, and

(b) Payment into the special funds created in Sections 8.2 to 8.5, inclusive, hereof, of such amounts as are required hereby to be paid therein on or before such date, in the order in which said funds were created, to the respective extents herein provided and to the extent that moneys on deposit in the Revenue Account are sufficient therefor.

No payments or withdrawals shall at any time be made from the Revenue Account except for the payments, withdrawals and uses provided for in subsections (a) and (b) of this Section 8.1 and Sections 8.2 to 8.6,

inclusive, of this Ordinance.

Section 8.2 Bond Fund. There is hereby created a special fund, the full name of which shall be the "2025 Sewer System Bond and Interest Redemption Fund" and which shall be continued until the principal of and the interest on the Bonds shall have been paid in full. There shall be paid into the Bond Fund the following:

(a) Simultaneously with the issuance and sale of the Bonds and out of the proceeds derived from such sale, the City will pay into the Bond Fund such part of the proceeds from said sale as is allocable to premium (if any) and accrued interest.

(b) On or before the last day of the month during which the Bonds are issued and on or before the last day of each succeeding month thereafter until the principal of and the interest on the Bonds shall have been paid in full, the City will pay into the Bond Fund, out of the moneys in the Revenue Account, an amount equal to the sum of (i) one twelfth (1/12) of the annual installment of interest that will mature on the then outstanding Bonds on the then next succeeding January 1, plus (ii) one-twelfth (1/12) of the principal (if any) that will mature on the then outstanding Bonds on the then next succeeding January 1 [(1/8) in the case of interest and principal maturing on January 1, 2026]; provided, however, that there shall be credited on the payments due under the preceding clause (i) all amounts paid into the Bond Fund pursuant to the provisions of subsection (a) of this section that have not theretofore been credited on previous payments due into the Bond Fund hereunder.

(c) In the event that the moneys paid or transferred into the Bond Fund with respect to any calendar month shall be less than the amount required by the provisions of this section to be paid therein with respect to such calendar month, then on or before the last day of the next succeeding calendar month and on or before the last day of each calendar month thereafter until such time as the payments into the Bond Fund are current, the City will pay into the Bond Fund [in addition to the monthly payments provided for in subsection (b) of this section] all moneys remaining in the Revenue Account on the last day of each of said months after compliance with the then applicable provisions of Section 8.1 hereof and after payment of the amount required in subsection (b) of this section to be paid into the Bond Fund with respect to such month.

All moneys paid into the Bond Fund shall be used only for payment of the principal of and the interest on the Bonds upon or after the respective maturities of such principal and interest; provided that if at the final maturity of the Bonds, however the same may mature, there shall be in the Bond Fund moneys in excess of what shall be required to pay in full the principal of and the interest on the Bonds, then any such excess shall thereupon be returned to the City. When the amount of money on deposit in the Bond Fund equals or exceeds the aggregate of the principal and interest then remaining unpaid with respect to the Bonds, no further payments need thereafter be made into the Bond Fund except to make good moneys paid therein which may become lost or which may not be immediately available for withdrawal under the provisions of this section.

Section 8.3 Operation and Maintenance Fund. There is hereby created a special fund, the full name of which shall be the "Sewer System Operation and Maintenance Fund" and which shall be continued until the principal of and the interest on the Bonds shall have been paid in full. After compliance with the applicable provisions of subsection (a) of Section 8.1 hereof, and only to the extent not provided for in the Prior Lien Indenture and the 2020 SRF Ordinance to pay the expenses of the administration, operation and maintenance of the System, the City shall transfer from the Revenue Account into the Operation and Maintenance Fund such amount as is necessary and the City shall pay, out of moneys on deposit in the Operation and Maintenance Fund, the expenses of the administration and operation of and such expenses for maintenance as may be necessary to preserve in good repair the System.

Section 8.4 Reserve Fund. There is hereby created a special fund, the full name of which shall be the "2025 Sewer System Debt Service Reserve Fund" and which shall be continued until the principal of and the interest on the Bonds shall have been paid in full. On or before the last day of each successive calendar month beginning with the month during which the Bonds are issued and continuing thereafter until such time as there is on deposit in the Reserve Fund an amount equal to the Maximum Required Reserve, the City will pay into the Reserve Fund, out of the moneys on deposit in the Revenue Account, the sum of \$2,276.91.

The moneys forming a part of the Reserve Fund shall be transferred to the Bond Fund for payment of the principal of and the interest on the Bonds, but only when the moneys on deposit in the Bond Fund shall not be sufficient to pay a maturing installment of such principal or interest and only for payment of principal or interest so maturing as to which there would otherwise be a default. Whenever any of the moneys forming a part of the Reserve Fund shall be so used, the City will restore the same by thereafter paying into the Reserve Fund (in addition to the monthly payments provided for in the second sentence of the first paragraph of this section), on or before the last day of each successive month, beginning with the month during which such transfer was made and continuing until the sum transferred shall have been restored, all moneys then remaining in the Revenue Account after compliance with the then applicable

provisions of Sections 8.1, 8.2 and 8.3 hereof and the first and second sentences of the first paragraph of this section. When the amount of moneys in the Reserve Fund plus the amount of moneys in the Bond Fund equals or exceeds the aggregate principal and interest then remaining unpaid with respect to the Bonds, no further payments need be made into the Reserve Fund.

Section 8.5 Replacement Fund. There is hereby created a special fund, the full name of which shall be the "2025 Sewer System Replacement and Extension Fund" and which shall be continued until the principal of and the interest on the Bonds shall have been paid in full. On or before the last day of each successive calendar month beginning with the month during which the Bonds are issued and continuing thereafter until such time as the amount on deposit in the Replacement Fund equals or exceeds the sum of \$213,000, the City will pay into the Replacement Fund, out of the moneys in the Revenue Account, the sum of \$1,775.

The moneys on deposit in the Replacement Fund shall be used solely for the purpose of making repairs to and replacing any portion of the System that has become worn out or inadequate for the rendition of efficient service and of constructing or acquiring Capital Improvements. Whenever the moneys on deposit in the Replacement Fund shall equal or exceed the sum of \$213,000, the City may discontinue making further payments therein, but whenever and as often as any of said moneys are used to such an extent that the amount thereof remaining on deposit therein shall be less than \$213,000, then the City shall resume the payment therein, on the last day of each calendar month, of the amount required to be paid therein pursuant to the first paragraph of this Section 8.5, after compliance with the then applicable provisions of Sections 8.1, 8.2, 8.3 and 8.4 hereof, until such time as the total of the moneys on deposit in the Replacement Fund shall again equal or exceed \$213,000. So long as the City shall not be in default hereunder, the moneys forming a part of the Replacement Fund may be withdrawn by the City from time to time as the Council in its sound discretion deem it advantageous to the System that such withdrawal be made for use for any purpose for which the Replacement Fund was created.

Section 8.6 Disposition of Surplus Revenues. After compliance with the then applicable provisions of Sections 8.1 to 8.5 hereof, the balance remaining in the Revenue Account on the last day of each calendar month shall, to the extent necessary, be paid into the Bond Fund and the Reserve Fund, in the order named, for the purpose of making good any delinquency or deficit existing in any of said funds by reason of the failure to pay therein any amounts required to be paid therein by the provisions of Sections 8.2, 8.3, 8.4 and 8.5 hereof, respectively, of this Ordinance. Thereafter and while all monthly payments herein provided to be made are current and each of said funds is in a current condition, the balance remaining on deposit in the Revenue Account on the last day of each calendar month may be withdrawn by the City and used for any lawful purpose.

Section 8.7 Security for Special Funds. The moneys at any time on deposit in the Revenue Account, the Bond Fund, the Operation and Maintenance Fund, the Reserve Fund and the Replacement Fund shall be and at all times remain public funds impressed with a trust for the purposes for which said account and funds were respectively created. The depository for each such fund and account shall at all times keep the moneys on deposit in the account or fund for which it is depository continuously secured, for the benefit of the City and the Holders of the Bonds, either

(a) by holding on deposit, as collateral security, Federal Securities, or other marketable securities eligible as security for the deposit of trust funds under regulation of the Comptroller of the Currency, having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in the account or fund being secured, or

(b) if the furnishing of security in the manner provided by the foregoing clause (a) of this section is not permitted by the then applicable laws and regulations, then in such other manner as may be required or permitted by the then applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for any such depository so to secure any portion of the moneys on deposit in any such account or fund that is insured by the Federal Deposit Insurance Corporation or by any agency of the United States of America that may succeed to its functions.

Section 8.8 Investment of Bond Fund, Operation and Maintenance Fund, Reserve Fund and Replacement Fund. So long as the City shall not be in default hereunder, it may at any time and from time to time at its option cause any or all of the moneys in the Bond Fund, the Operation and Maintenance Fund, the Reserve Fund and the Replacement Fund to be invested in Federal Securities. In the event of any such investment, such securities, together with all income therefrom, shall become a part of the fund from which moneys were used to make such investment and shall be held by the depository therefor to the same extent as if they were moneys on deposit therein. The City may likewise from time to time cause any such securities to be sold or otherwise converted into cash, and the depository for the Reserve Fund may cause any such securities forming a part of the Reserve Fund to be sold or otherwise converted into cash if and to the extent that such sale or conversion is necessary to obtain funds to prevent a default in payment of the principal of or the interest on the Bonds. In the event of any such sale or conversion, the net proceeds derived therefrom shall become a part of the fund of which such securities formed a part. The depository for any such fund shall be fully protected in making any such investment, sale or conversion of any such

securities upon directions given in an ordinance, and the depository for the Reserve Fund shall be fully protected in making any sale or conversion into cash of securities forming a part of the Reserve Fund without such an ordinance if in its sole discretion it deems such sale or conversion necessary to obtain funds to prevent a default in payment of the principal of or the interest on the Bonds. In the event any of said moneys shall be so invested it shall not be necessary for the depository therefor to secure any such investment (in any case where security for such moneys might otherwise be required) so long as such moneys shall remain so invested. In any determination of the amount of moneys at any time forming a part of the Bond Fund, the Reserve Fund or the Replacement Fund, all such securities in which any portion of said funds is at the time so invested shall be included in the appropriate fund at their then market value.

Section 8.9 Continuance of Special Funds; Conditions under which Maintenance of Special Funds May Be Suspended. The special funds created (or continued) in this article shall be continued until all the principal of and the interest on the Bonds have been paid; provided that the City may withdraw the moneys and securities at the time in the Revenue Account, the Bond Fund, the Reserve Fund and the Replacement Fund and use the same for any lawful purpose if there shall be placed on file in the office of the City, at the time of or prior to such withdrawal, each of the following:

- (a) A trust agreement making provision for the retirement of all the Bonds then outstanding by creating for such purpose an irrevocable trust fund sufficient to provide for payment and retirement of all such Bonds (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 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) Federal 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 the Bonds, or (ii) both cash and such Federal Securities which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose;
- (b) A certified copy of an Ordinance or Resolution calling for redemption those of the Bonds that, according to said trust agreement, are to be redeemed prior to their respective maturities, and
- (c) Evidence that notice of such redemption has been given pursuant to the requirements of Article VI hereof or that irrevocable powers for the giving of such redemption notice have been conferred on the bank or trust company holding the said trust fund.

So long as the said trust fund shall continue sufficient for the said purposes for which it is created, the City may discontinue making any further payments into the said special funds. Any such trust agreement shall be between the City and a bank or trust company which is qualified to administer trusts and is also a member of the Federal Reserve System or of any other agency of the United States of America, if there be any such agency, that may succeed to its functions.

Section 8.10 Depositories for Special Funds. The Council may at any time and from time to time designate any banking institution or institutions as depository or depositories for the Revenue Account, the Bond Fund, the Operation and Maintenance Fund, the Reserve Fund and the Replacement Fund, provided that each such depository so designated shall at all times while acting as such be and remain a member of the Federal Deposit Insurance Corporation or of any agency of the United States of America that may succeed to its functions, if there be any such, and shall be and remain duly qualified and doing business in the State of Alabama. Each such depository shall be fully protected in paying out moneys from the account or fund for which it is the depository on checks, vouchers or drafts signed by any duly authorized officer, employee or agent of the City, and no such depository shall be liable for the misapplication by the City of any moneys so withdrawn if such moneys shall be so withdrawn without knowledge or reason on the part of such depository to believe that such disbursement constitutes a misapplication of funds.

ARTICLE IX

PARTICULAR COVENANTS OF THE CITY

Section 9.1 To Maintain Proper Books and Records and to Furnish Annual Audits. The City will maintain complete books and records pertaining to the System and all receipts and disbursements with respect thereto, which shall be kept separate and apart from all other records of the City. The City will operate the System on a Fiscal Year basis, each Fiscal Year to comprise the period beginning on October 1 of one calendar year and continuing until and including September 30 in the following calendar year. The

City will, within sixty (60) days following the close of each Fiscal Year, cause an audit of its books for such Fiscal Year to be made by an independent auditor. Each such audit, in addition to whatever matters may be thought proper by the auditor to be included therein, shall include the following matters with respect to the System: (a) a statement in reasonable detail of the revenues and expenditures during such Fiscal Year; (b) a balance sheet as of the end of such Fiscal Year; (c) a statement analyzing each of the special funds created or referred to herein, including all deposits and withdrawals therefrom and the balances in each account and fund at the beginning and ending of the Fiscal Year; (d) the auditor's comments regarding the manner in which the City has carried out the requirements hereof, and the auditor's recommendations for any changes or improvements in the operation of the System; (e) a statement showing the schedule of rates charged for each class of service at the end of such Fiscal Year; (f) a list of the names and titles of the officers of the City at the end of such Fiscal Year; (g) a general comment concerning any event or circumstance that might materially affect the financial status of the System; (h) a list of the insurance policies and fidelity bonds in force with respect to the System at the end of the Fiscal Year, setting out with respect to each such policy the amount thereof, the risk covered, the name of the insurer and the expiration date of the policy; and (i) the following information as of the end of the Fiscal Year as the same shall be disclosed by the records of the City without any requirement for physical verification thereof: the number of properties connected to and served by the System; and the number of customers of the System. Within two hundred seventy (270) days following the end of each Fiscal Year, the City will furnish a copy of such an audit with respect to that Fiscal Year to the original purchaser of the Bonds from the City and to the Holder of any of the Bonds who may request the same, and each of them is granted the right to discuss the contents of the audit with the auditor making the same and to secure from the auditor such additional information respecting the matters herein or therein set out as may be reasonably required.

Section 9.2 To Furnish No Free Service. The City will not furnish or permit to be furnished by or from the System any free sewer service or free service of any kind to any incorporated municipality, to any county or to any agency, instrumentality, person, firm or corporation whatsoever. All sewer service and other service of any kind furnished from the System shall be charged for at the rates at the time established therefor.

Section 9.3 To Maintain Adequate Rates. The City will make and maintain such rates and charges for water and other services supplied from the System and will make collections from the users thereof in such manner as shall produce revenues sufficient to make all monthly payments provided herein to be made into the Bond Fund, the Operation and Maintenance Fund, the Reserve Fund and the Replacement Fund, all at the times and in the manner required by Sections 8.2, 8.3, 8.4 and 8.5, respectively, of this Ordinance. The City will make from time to time such increases and other changes in such rates and charges as may be necessary to produce said amounts. Each schedule of rates shall provide that all charges for sewer and other service supplied from the System shall become due not less often than once during each calendar month.

Section 9.4 To Discontinue Service on Nonpayment of Bills. If the account of any user of the System shall remain unpaid for a period of thirty (30) days after such account shall become due, the City thereupon will promptly discontinue furnishing service to such user whose account shall so remain unpaid, but upon subsequent payment of such account, including any penalties or charges for connection or disconnection, or either of them, which may be provided for in the schedule of rates of the City may thereafter furnish service to such user until such time as his said account shall again remain unpaid for a period of thirty (30) days after it becomes due, whereupon the furnishing of service shall again be discontinued.

Section 9.5 To Continue Operation of the System. The City will continuously operate the System or cause the same to be operated so long as the principal of or the interest on any of the Bonds remain unpaid, and it will keep the same in good repair and in efficient operating condition, making from time to time all needful repairs and replacements thereto and thereof. If the laws of Alabama at the time shall permit such action to be taken, nothing contained in this section shall prevent the consolidation of the City with, or merger of the City into, or the transfer of the System as an entirety to, any public corporation having corporate authority to carry on the business of operating the System, provided that upon any such consolidation, merger or transfer, the due and punctual payment of the principal of and the interest on the Bonds according to their tenor and the due and punctual performance and observance of all the agreements and conditions provided in this Ordinance to be kept and performed by the City shall be expressly assumed in writing by the corporation formed by such consolidation or into which such merger shall have been made or to which the System shall be transferred as an entirety, as the case may be, and provided further, that such consolidation, merger or transfer shall not cause or result in any mortgage or other lien being affixed to or imposed on or becoming a lien on the System or on the revenues therefrom that will be prior to the lien of the pledge herein made for the benefit of the Bonds. Nothing herein contained shall prevent the City from hereafter disposing of any property (or interest therein) forming a part of the System if such property (or interest therein) is worn out, obsolete or unnecessary or undesirable in the operation of the System.

Section 9.6 To Respect Priority of Pledge of Revenues. The pledge of revenues from the operation of the System herein made shall be prior and superior to any pledge thereof hereafter made for the benefit of any securities hereafter issued or any contract hereafter made by the City, and the City agrees that in the event it should hereafter issue any securities or make any contract payable out of the revenues from the operation of the System or for which any part of said revenues may be pledged or any part of the System may be mortgaged, the City will recognize in the proceedings under which any such securities or

contract are hereafter authorized the priority of the pledge of said revenues made herein for the benefit of the Bonds.

Section 9.7 To Keep System Free from Prior Liens. The City will keep the System free from all liens and encumbrances prior to the pledge herein made (other than Permitted Encumbrances) but it may defer payment pending the bona fide contest of any claim unless by such action any part of the System shall be subject to loss or forfeiture, in which event any such payment then due shall not be deferred. Nothing herein contained shall be construed to prevent the City from hereafter purchasing additional property on conditional or lease sale contract or subject to vendor's lien or purchase money mortgage, and as to all property so purchased the pledge herein made shall be subject and subordinate to such conditional or lease sale contract, vendor's lien or purchase money mortgage.

Section 9.8 To Permit Inspection of the System by Bondholders. The City will permit the Holders of any of the Bonds to inspect, at any reasonable time, any and every part of the System and the books and records of the City appertaining thereto and will assist in furnishing facilities for such inspection.

Section 9.9 To Warrant Title. The City warrants its title to each and every part of the System presently in existence as being free and clear of every lien, encumbrance, trust or charge prior hereto, other than Permitted Encumbrances, warrants that it has power and authority to subject the System and the revenues therefrom to the lien of the pledge herein made and that it has done so hereby, and warrants that said revenues are not subject to any lien or charge that is prior to the charge thereon created herein for the benefit of the Bonds except for the pledge of the revenues from the System made in favor of the Prior Lien Obligations.

Section 9.10 Par Clearance. All remittances of principal of and interest on the Bonds and to the Holders thereof shall be made at par without any deduction for exchange or other costs, fees or expenses. Each bank or other financial institution at which the Bonds shall at any time be payable shall be considered, by acceptance of their duties hereunder, to have agreed that they will make or cause to be made, out of the moneys supplied to them for that purpose, remittances of principal and interest on the Bonds to the Holders thereof in bankable funds at par without any deduction for exchange or other costs, fees or expenses. The City will pay to such bank or other financial institutions all reasonable charges made and expenses incurred by them in making such remittances in bankable funds at par.

Section 9.11 Compliance with Certain Requirements of the Internal Revenue Code of 1986. The City will comply with all conditions to and requirements for the exemption from gross income for federal income taxation of the interest income on the Bonds imposed by Section 103 of the Internal Revenue Code of 1986, as amended. Without limiting the generality of the foregoing, (a) the City will not cause the proceeds from the Bonds to be applied in any manner that would cause the Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code, and (b) the City will comply with the requirements of Section 148 of the Code in order that the Bonds will not be "arbitrage bonds" within the meaning of said Section 148.

Further, the City designates the Bonds as "qualified tax-exempt obligations" for the purpose of paragraph (b)(3)(B) of Section 265 of the Code and, in connection therewith and after due investigation and consideration, finds, determines and declares that the amount of tax-exempt obligations (other than private activity bonds) that have heretofore during the current calendar year been issued by the City and the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds) that will be issued by the City during the current calendar year will not exceed the sum of \$10,000,000.

ARTICLE X

PROVISIONS RESPECTING INSURANCE

Section 10.1 Insurance on the System. The City will keep all above-ground structures forming a part of the System, as well as all other insurable portions of the System that are of a character and type customarily insured by organizations operating a business similar to the System, insured in responsible insurance companies against loss by fire, including extended coverage, tornado and windstorm, to the extent of the full insurable value thereof. All proceeds of such insurance shall be applied by the City to the repairing or restoration of the property damaged or destroyed or to the acquisition or construction of other property useful in the operation of the System.

Section 10.2 Other Insurance. The City will also carry

- (a) insurance against liability for the death of or injury to persons, and for damage to property of others, resulting from the operation of the System (in the amount of not less than \$1,000,000),
- (b) workmen's compensation insurance, and
- (c) to the extent that the City owns or requires the operation of any vehicles, vehicular public liability insurance (in amounts of not less than \$500,000 per occurrence),

in such amounts (in no event, less than the amounts stated above) and to such extent as is customarily carried by like organizations engaged in the business of operating properties similar to the System in size and character.

Section 10.3 Fidelity Bonds. The City will at all times carry fidelity bonds or purchase employee dishonesty insurance coverage on all of its officers and employees who may handle funds of the City appertaining to the System, such bonds or insurance to be in the amount of \$273,229 each or the amount of funds and property under their control, whichever is larger.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 11.1 Events of Default Defined. Any of the following shall constitute default hereunder by the City:

(a) Failure by the City to pay the principal of or the interest on any of the Bonds when such principal and interest respectively become due and payable, whether by maturity or otherwise;

(b) Failure by the City to perform any of the agreements on its part herein contained (other than payment of the principal of and interest on the Bonds) after thirty (30) days' written notice to it of such failure made by the Holders of twenty-five per cent (25%) of the Bonds then outstanding;

(c) Determination by a court having jurisdiction that the City is insolvent or bankrupt, or appointment by a court having jurisdiction of a receiver for the City or for all or a substantial part of the System, or the approval by a court of competent jurisdiction of any petition for reorganization of the City or rearrangement or readjustment of its obligations under any provisions of the bankruptcy laws of the United States; or

(d) The occurrence of an event of default, as therein defined, under the Prior Lien Indenture or the 2020 SRF Ordinance and the expiration of the applicable grace period, if any, specified therein.

Section 11.2 Remedies on Default. Upon any default by the City in any one of the ways defined in Section 11.1 hereof, the Holders of the Bonds shall have the following rights and remedies:

(a) Acceleration. The Holders of a majority in principal amount of the Bonds then outstanding may, by written notice to the City, declare the principal of all the Bonds forthwith due and payable, and thereupon they shall so be, anything herein or therein to the contrary notwithstanding. If, however, the City shall make good that default and every other default hereunder (except the principal so declared payable), with interest on all overdue payments of principal and interest, then the Holders of a majority in principal amount of the then outstanding Bonds, by written notice to the City, may waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto.

(b) Suits at Law or in Equity. The Holder of any Bond is empowered (i) to sue on such bond, (ii) by mandamus, suit or other proceeding, to enforce all agreements of the City herein contained, including the fixing of rates, the collection and proper segregation and application of the revenues from the System, (iii) by action or suit in equity, to require the City to account as if it were the trustee of an express trust for the Holders of the Bonds, and (iv) by action or suit in equity, to enjoin any act or things which may be unlawful or a violation of the rights of the Holders of the Bonds.

(c) Receivership. The Holder of any Bond shall be entitled to and shall have, regardless of the sufficiency of any security or the availability of any other remedy, the appointment of a receiver to administer and operate the System and perform the covenants on the part of the City herein contained. Any receiver so appointed shall be entitled to take over and administer all of the following then on hand which shall be applicable to the System: cash on hand or on deposit, accounts and notes receivable, stocks, evidences of indebtedness, choses in action, customers' service and extension deposits, and other property held for sale in the ordinary course of business or for consumption in the operation of the System.

Nothing herein contained, however, shall be construed to give any authority to the Holders of any of the Bonds to compel a sale of the System or any part thereof, and no foreclosure proceedings or sale shall ever be had with respect to the System or any part thereof under the authority of this Ordinance.

Section 11.3 Disposition of Receivership Moneys. Any moneys received from the operation of the System by a receiver appointed pursuant to the provisions of subsection (c) of Section 11.2 hereof shall, after applying such moneys to any charges thereon prior to the charge thereon for the benefit of the Bonds, be applied to the payment of the following items in the following order:

(a) All costs of the receivership, including receiver's fees and the fees and charges of his attorneys and the costs of administration and operation of the System and the maintenance thereof in good repair and good working order;

(b) All due and unpaid installments of interest on the Bonds, in the order of the maturity of such installments, with interest on overdue installments of interest;

(c) All amounts of the principal of the Bonds which are due (whether by maturity or otherwise) and unpaid, with interest on all overdue principal, payment thereof to be made to the Holders of the Bonds then outstanding pro rata and without any preference or priority whatever;

(d) All amounts required by this Ordinance to be paid into the special funds created or referred to in Article VIII hereof, in order that there shall be on deposit in each of said funds the amount at the time required to be maintained therein and that each of said funds shall be in a current condition; and

(e) The surplus, if any there be, to the City.

Section 11.4 Waiver of Rights against Officers and Others. As a condition hereof, the Bondholders waive and release any right, cause of action or remedy now or hereafter existing or imposed in any jurisdiction against any past, present or future officer of the City for the payment of the principal of or the interest on the Bonds or for the performance of any agreements by the City herein contained. Nothing contained in this section, however, shall relieve any such officer from the obligation of performing all the duties of his office and of taking all actions that may be necessary to enable the City to perform the agreements on its part herein contained.

Section 11.5 Delay No Waiver. No delay or omission by any bondholder to exercise any available right, power or remedy hereunder shall impair or be construed a waiver thereof or an acquiescence in the circumstances giving rise thereto; every right, power or remedy given herein to the Bondholders may be exercised from time to time and as often as deemed expedient.

ARTICLE XII

AGREEMENTS RESPECTING CONSTRUCTION AND ACQUISITION OF IMPROVEMENTS AND SALE OF BONDS

Section 12.1 Construction and Acquisition of the Improvements. The City has, as specified in Section 2.2 hereof, commenced and substantially completed the construction and acquisition of the Improvements in accordance with the plans and specifications therefor. The City will complete such construction and acquisition, including the acquisition of such real estate (or easements or other interests therein) as may be necessary therefor, as soon as may be practicable, delays incident to strikes, riots, acts of God and the public enemy and similar acts beyond the reasonable control of the City only excepted. The City will, to the extent that it has not previously paid such expenses, promptly pay, as and when due, all expenses incurred in and about the construction and acquisition of the System, and it will not suffer or permit any mechanics' or materialmen's liens which might be filed or otherwise claimed or established upon or against the System or any part thereof, and which might be or become a lien thereon, to remain unsatisfied and undischarged for a period exceeding thirty (30) days after the filing or establishment thereof; provided, however, that the City may in good faith contest any such mechanics' or materialmen's lien claims so filed or established and, in the event that such lien claims are so contested, may permit the mechanics' or materialmen's liens so contested to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom, irrespective of whether such period extends beyond the thirty (30) day period after the filing or establishment of such liens, unless by such action the title of the City to any part of the System shall be materially endangered or the System (or any part thereof) shall be subject to loss or forfeiture, in which event such mechanics' or materialmen's liens shall be satisfied prior to the expiration of said thirty (30) day period.

Section 12.2 Sale of Bonds. The Bonds are hereby sold and awarded to the United States of America, at and for a purchase price equal to their face value (\$7,811,000). The Bonds shall be initially issued in the form of the Initially Issued Bond as provided in Section 3.1 hereof.

Section 12.3 Application of Proceeds from Sale of the Bonds. The entire proceeds derived from the sale of the Bonds shall be applied, promptly following the receipt by the City of such proceeds, for the following purposes and in the following order:

- (a) payment into the Bond Fund of any accrued interest and premium received on the sale of the Bonds; and
- (b) application of the balance of said proceeds to payment of the costs of the construction of the Improvements, the retirement of the Temporary Warrant, which was issued to provide temporary construction financing, and payment of the costs of issuing the Bonds.

To the extent funds are not available from the proceeds derived from the sale of the Bonds to pay any unpaid interest accrued under the Temporary Warrant, costs of issuance of the Bonds, and other lawful amounts necessary to cause the full and final repayment and satisfaction of all amounts outstanding under the Temporary Warrant and issuance of the Bonds, the City shall pay such amounts from funds of the City other than proceeds of the Bonds.

Section 12.4 Contractors' Surety Bonds. The City will cause each contractor with whom it hereafter enters into a contract for construction or acquisition of all or any part of the Improvements to deposit with it a surety bond signed by a surety company authorized to do business in the State of Alabama and guaranteeing to the City the performance of such contract, the completion of the work provided for therein and the payment of all bills incurred thereunder for materials and labor.

Section 12.5 Redemption with Consent of Bondholder. Any Bond may be redeemed by the City, with the consent of the Holder and without the necessity of compliance with the provisions of Article VI hereof, on any interest payment date prior to maturity, at and for a Redemption Price with respect to each such Bond redeemed, equal to the principal amount thereof plus accrued interest thereon to the Redemption Date.

Section 12.6 Statutory Mortgage Lien. The City hereby creates, in accordance with the provisions of Section 11-81-178 of the Code of Alabama 1975, a statutory mortgage lien on the System in favor of the holder or holders of the Bonds. The City will cause to be executed and recorded in the office of the Judge of Probate of Baldwin County a notice containing a brief description of the System, a brief description of the Bonds and a declaration that said statutory mortgage lien has been created for the benefit of the holders of the Bonds upon the System, including any additions thereto and extensions thereof.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

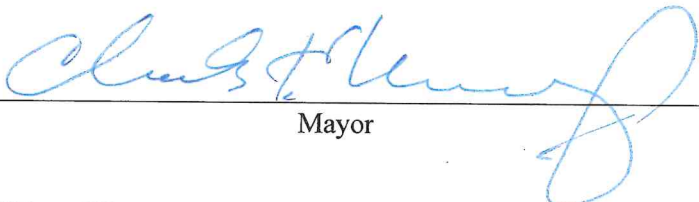
Section 13.1 Disclaimer of General Liability. It is hereby expressly made a condition of this Ordinance that any agreements or representations herein contained or contained in the Bonds do not and shall never constitute a personal or pecuniary liability or charge against the general credit of the City, and in the event of a breach of any such agreement or representation no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the City shall arise therefrom. Nothing contained in this section, however, shall relieve the City from the observance and performance of the several covenants, representations and agreements on its part herein contained.

Section 13.2 Provisions Constitute Contract. The provisions of this Ordinance shall constitute a contract between the City and each Holder of the Bonds.

Section 13.3 Severability. The provisions of this Ordinance are hereby declared to be severable. In the event any court of competent jurisdiction should hold any provision hereof to be invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Ordinance.

* * *

There being no further business to come before the meeting, it was duly adjourned.



Mayor



City Clerk