

Certification of Town Clerk

STATE OF ALABAMA)
BLOUNT COUNTY)

I, Sheena Adams, Town of Cleveland, Alabama, do hereby certify that the above and foregoing is a true and correct copy of an ordinance duly adopted by the Town Council of the Town of Cleveland, Alabama, on the 14th day of October, 2021.

I, the undersigned clerk of the Town of Cleveland, Alabama, do hereby certify that the above and foregoing resolution was properly advertised in accordance with the State of Alabama Section 11-45-8, at three said places of publication being Cleveland Post Office, Cleveland Town Hall and Cleveland Pharmacy, and is in full force.

Witness my hand and seal of office this 14th day of October, 2021.



Sheena A Adams, Town Clerk

ORDINANCE NO. 2021-03

AN ORDINANCE AUTHORIZING THE TOWN'S
WATER AND SEWER REVENUE WARRANTS, SERIES 2021,
DATED OCTOBER 22, 2021

BE IT ORDAINED by the Mayor and the Town Council (herein together called the "Council") of the Town of Cleveland (herein called the "Town") in the State of Alabama as follows:

Section 1. Findings. The Council hereby finds and declares that the following facts are true and correct:

(a) The Town has heretofore issued its Water and Sewer Revenue Warrants, Series 2014-A (the "Series 2014-A Warrants") under the Trust Indenture dated as of December 1, 2014 (the "2014 Indenture") between the Town and The Bank of New York Mellon Trust Company, N.A., which are currently outstanding in the aggregate principal amount of \$3,385,000;

(b) The Council deems it necessary and desirable and in the public interest (i) that the Town refund and redeem, on a current basis, the Series 2014-A Warrants in order to reduce the debt service payable by the Town and (ii) that funds be provided to acquire, construct, equip and make certain capital improvements (the "Series 2021 Improvements") to the waterworks distribution system and the sanitary sewer system of the Town; and

(c) The Council deems it necessary and desirable and in the public interest that the Town issue the Warrants hereinafter described for the purpose of refunding and redeeming the Series 2014-A Warrants as aforesaid, providing funds for making the Series 2021 Improvements, providing a municipal bond insurance policy for the Warrants hereinafter described, providing a surety bond for the debt service reserve fund of the Trust Indenture hereinafter described, and paying the costs of issuing the Warrants hereinafter described.

Section 2. Authorization. Pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Section 11-47-2 and Section 11-81-4 of the Code of Alabama 1975, as amended, and for the purposes set forth hereinabove, there are hereby authorized to be issued \$3,840,000 principal amount of Water and Sewer Revenue Warrants, Series 2021 (herein called the "Warrants"), of the Town under the terms, conditions and provisions set out in the Trust Indenture (herein called the "Indenture") provided for in Section 4 of this ordinance. All of the provisions thereof respecting the Warrants applicable thereto are hereby adopted as a part of this ordinance.

Section 3. Source of Payment. The principal of and interest on the Warrants shall be payable solely from the revenues derived from operation of the waterworks distribution system and the sanitary sewer system owned and operated by the Town, as they may be at any time constituted (collectively, the "System"). Neither the Warrants nor any of the agreements herein contained shall

ever constitute an indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitation. The general faith and credit of the Town are not pledged to the payment of the Warrants, and the Warrants shall not be general obligations of the Town. None of the agreements, representations or warranties made or implied in this ordinance, or in the issuance of the Warrants, shall ever impose any personal or pecuniary liability or charge upon the Town, whether before or after any breach by the Town of any such agreement, representation or warranty, except with the moneys herein provided. Nothing contained in this section, however, shall relieve the Town from the performance of the several covenants and representations on its part herein contained.

Section 4. Authorization of Trust Indenture. The Town does hereby authorize and direct the Mayor to execute and deliver, in the name and on behalf of the Town, to The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama, a Trust Indenture in substantially the form presented to the meeting of the Council at which this ordinance is adopted, and does hereby authorize and direct the Town Clerk of the Town to affix to such Trust Indenture the corporate seal of the Town and to attest the same.

Section 5. Sale. The Warrants have been and are hereby sold to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") at and for a purchase price equal to \$3,877,723.75 (which price reflects the principal amount of \$3,840,000 plus a net original issue premium of \$85,723.75 and less an underwriter's discount of \$48,000.00), as set forth in the Purchase Contract, the execution and delivery of which is hereby ratified and confirmed in all respects. None of the Warrants shall be issued by exchange. The Mayor is hereby authorized and directed to execute, in the name and on behalf of the Town, the Warrants and the Trust Indenture referred to in Section 4 hereof, and the Town Clerk is hereby directed to affix to the Warrants and to said Trust Indenture the corporate seal of the Town and to attest the same; and the said Mayor is hereby directed thereupon to deliver the Warrants and the said Trust Indenture to The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama, the trustee under the said Trust Indenture, and to direct the said trustee to certify and deliver the Warrants to the said purchaser thereof upon payment to the Town of the aforesaid purchase price thereof.

Section 6. Ratification of Preliminary Official Statement. The action of the Underwriter in circulating a Preliminary Official Statement with respect to the Warrants, in the form presented to the meeting at which this Ordinance is adopted, is hereby ratified and confirmed in all respects. The actions of the Mayor and Council in causing the Preliminary Official Statement to be "deemed final" as of its dated date for purposes of Rule 15c2-12 of the Securities Exchange Commission are hereby ratified and confirmed in all respects.

Section 7. Official Statement. The Mayor is hereby authorized and directed to execute and deliver on behalf of the Town an Official Statement respecting the Warrants, said Official Statement to be in substantially the form presented to the meeting at which this ordinance is adopted. The Mayor is hereby authorized and directed to cause the Official Statement to be delivered to the purchaser of the Warrants.

Section 8. Call for Redemption of Series 2014-A Warrants. Acting pursuant to the provisions of the 2014 Indenture, the Town does hereby elect to redeem and pay, and does hereby

call the Series 2014-A Warrants for redemption and payment on November 22, 2021, at and for a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the said date. The Bank of New York Mellon Trust Company, N.A. is hereby directed, in its capacity as Trustee under the 2014 Indenture, to cause required notice of the redemption and prepayment of the Series 2014-A Warrants to be given in the manner and at the time prescribed in the 2014 Indenture and in accordance with the Book-Entry System, and to take all such other action as shall be necessary to carry out the foregoing. The Town is not in default under the 2014 Indenture and is not in default in payment of the principal of or the interest on any of the Series 2014-A Warrants.

Section 9. Tax Covenants; Tax Certificate and Agreement. The Town warrants that the interest on the Warrants is and will continue to be excludable from the gross income of the recipients thereof under federal income tax law in effect as of the date of issuance of the Warrants. The Town covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Warrants under Section 103 of the Code. The Town will not directly or indirectly use or permit the use of any proceeds of the Warrants or any other funds of the Town or take or omit to take any action that would cause the Warrants to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the Town will comply with all requirements of Section 148 of the Code to the extent applicable to the Warrants. Without limiting the generality of the foregoing, the Town covenants that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Warrants from time to time. The Town hereby covenants for the benefit of the Holders of the Warrants to comply with all the covenants contained in the Tax Certificate and Agreement executed by the Town in connection with the issuance of the Warrants. This covenant shall survive payment in full or defeasance of the Warrants.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Town does hereby find and determine that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Town and all subordinate entities thereof during the current calendar year, namely the 2021 calendar year, does not exceed \$10,000,000. Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), the Town does hereby designate the Warrants as "qualified tax-exempt obligations" for purposes of said Section 265(b)(3) of the Code.

Section 11. Payment at Par. All remittances of principal of and interest on the Warrants to the holders thereof shall be made at par without any deduction for exchange or other costs, fees or expenses. The bank or banks at which the Warrants 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 remittances of principal of and interest on the Warrants out of the moneys provided for that purpose, in bankable funds at par without any deduction for exchange or other costs, fees or expenses. The Town will pay to such bank or banks all reasonable charges made and expenses incurred by them in making such remittances in bankable funds at par.


Section 12. Constitutes Contract. The provisions of this ordinance shall constitute a contract between the Town and each holder of the Warrants issued hereunder. Whenever all the Warrants and the interest thereon shall have been paid in full or provision made for the payment

thereof as provided in the Trust Indenture referred to in Section 4 hereof, and all the agreements on the part of the Town herein and therein contained with respect thereto shall have been performed, then upon the happening of such events the obligations of the Town hereunder shall thereupon cease.

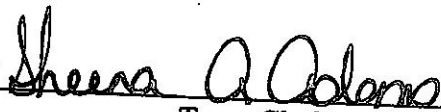
Section 13. Additional Documents Authorized. The Mayor and the Town Clerk, or either of them, are each hereby authorized and directed to execute such other documents or certificates necessary in order to carry out the transactions contemplated by this ordinance.

Section 14. Severability. The various provisions of this ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this ordinance.

ADOPTED this 14th day of October, 2021.

/s/ 
Mayor

Attest:

/s/ 
Town Clerk

Councilmember ~~James Sullivan~~ moved that the rules be suspended and unanimous consent be given for immediate consideration of and action on the said resolution, which motion was seconded by Councilmember ~~Tommy Swindle~~ and, upon the same being put to vote, the following vote was recorded:

YEAS:

Mayor: Jerry Jones
Councilmembers: James Bynum
Donna McDougal
Doug Hill
Tommy Swindle
James Sullivan

NAYS:

None

The chairman thereupon declared that the motion for unanimous consent for immediate consideration of and action on the said resolution had been unanimously carried.

Councilmember ~~Tommy Swindle~~ thereupon moved that the said ordinance be finally adopted, which motion was seconded by Councilmember ~~James Sullivan~~ and, upon the said motion being put to vote, the following vote was recorded:

YEAS:

Mayor: Jerry Jones
Councilmembers: James Bynum
Donna McDougal
Doug Hill
Tommy Swindle
James Sullivan


NAYS:

None

The chairman thereupon announced that the motion for adoption of said ordinance had been carried.

* * *

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

 /s/
Mayor


Town Clerk