

INDEX OF DOCUMENTS

**\$11,570,000
BALDWIN COUNTY, ALABAMA
GENERAL OBLIGATION WARRANTS
SERIES 2020**

Dated and delivered January 23, 2020

1. Specimen Warrants and Opinion of Bond Counsel
2. Preliminary and final Official Statements
3. Authorizing Resolution adopted January 21, 2020
4. County Government Bond Financing Review Form, Certificate of Officers, and Debt Certificate
5. Non-Arbitrage Certificate and IRS Form 8038-G
6. Acceptance by Custodian and Certificate of Underwriter

ACCEPTANCE BY CUSTODIAN

The undersigned hereby acknowledges receipt of a copy of the resolution and order adopted by Baldwin County (the "County") on January 21, 2020 (the "Authorizing Resolution") authorizing the issuance of the County's \$11,570,000 principal amount of General Obligation Warrants, Series 2020, dated January 23, 2020 (the "Warrants") and designating the undersigned as Custodian for and with respect to the Warrants. The undersigned accepts such appointment as Custodian and agrees to serve as such in accordance with the provisions of the Authorizing Resolution.

As Custodian the undersigned Bank has registered the Warrants and delivered them on the date hereof to [underwriter] (the "Purchaser") thereof through Depository Trust Company, all in accordance with the directions and instructions of the Purchaser.

This 23rd day of January, 2020.

REGIONS BANK

By _____

Its _____

DEBT CERTIFICATE

The undersigned Chairman of the Baldwin County Commission and County Administrator of Baldwin County (the "County") hereby certify as follows:

1. The net assessed value of the taxable property in the County (including motor vehicles) as assessed for County ad valorem taxation and on which taxes were due and payable on October 1, 2019 was not less than \$5,248,526,796.00.

2. On the date hereof the following represents all warrant indebtedness of the County:

	<u>Principal Outstanding</u>	<u>Final Maturity</u>
General Obligation Warrants, Series 2020, dated the date of delivery	\$30,570,000	February 1, 2030
General Obligation Taxable Warrant, Series 2016, dated May 1, 2016	\$246,182.20	June 1, 2021
General Obligation Warrants, Series 2015, dated March 1, 2015	\$31,730,000	May 1, 2033
General Obligation Taxable Warrants, Series 2014, dated June 1, 2014	\$10,350,000	June 1, 2039
General Obligation Warrants, Series 2013, dated February 1, 2013	\$11,265,000	January 1, 2026
General Obligation Warrants, Series 2012, dated September 1, 2012	\$5,880,000	June 1, 2026
County Public Building Authority Series 2007-A DHR Project Lease	\$3,550,000	June 1, 2028
 TOTAL	 \$74,591,182.20	

The long-term indebtedness set forth above and under the preceding section does not include certain lease and other miscellaneous obligations such as landfill closure and post-closure liability and compensated absences. The County has the following estimated liabilities: compensated absences (\$3,960,550.44); capital leases of \$439,000; other postemployment benefits \$5,387,390; landfill closure and post-closure liability \$3,861,667.62; net pension liability \$27,797,890; and other miscellaneous obligations not exceeding \$500,000. These obligations do not necessarily count against the County's constitutional debt limit.

Debt Ratios

Assessed Value Oct. 1, 2019 (including motor vehicles)	\$5,248,526,796.00
Debt Limit (5%)	\$262,426,339.80
Chargeable Debt [1][2]	\$71,041,182.20
Debt Margin	\$191,385,157.60

[1] Includes the Long-Term Indebtedness hereinabove described and the other miscellaneous obligations
[1] Includes the Long-Term Indebtedness hereinabove described and the other miscellaneous obligations described above. These miscellaneous obligations do not necessarily count against the County's constitutional debt limit but are shown herein solely in the interest of full disclosure.

[2] Does not include the County's lease obligations to The Public Building Authority of Baldwin County for its outstanding Series 2007-A Warrants (DHR Project), and will not include the County's obligations to the PBA under the proposed approximately \$35 million Series 2020 Warrants (Jail Project).

3. The County has outstanding no other lease obligations, bonds, warrants, obligations, indebtedness, debts, notes, contracts, long term leases or loan purchase obligations of any nature whatsoever.

This 23rd day of January, 2020.

BALDWIN COUNTY

Chairman

County Administrator

CERTIFICATE OF OFFICERS

The undersigned officers of Baldwin County do hereby certify as follows:

1. The following terms, when used in this certificate, shall have the following meanings:

"Authorizing Resolution" means the resolution and order duly adopted by the County Commission of the County on January 21, 2020, authorizing the issuance and sale of the Series 2020 Warrants.

"County" means Baldwin County, an Alabama political subdivision.

"County Commission" means the Baldwin County Commission, the governing body of the County.

"Series 2020 Warrants" means the County's \$11,570,000 principal amount General Obligation Warrants, Series 2020, dated January 23, 2020.

2. The following are, and have been since prior to January 23, 2020, the duly elected, qualified and acting officers of the County:

<u>Name</u>	<u>Office</u>
Billie Jo Underwood	Chairman
Charles F. "Skip" Gruber	Member
Joe Davis III	Member
James E. Ball	Member
Wayne A. Dyess	County Administrator

3. Each of the aforesaid officers of the County has duly qualified and each is the acting officer holding the office stated immediately following his or her name.

4. The seal affixed hereto is the official corporate seal of the County and the undersigned Chairman is the official custodian thereof and is duly authorized to affix the same to deeds, bonds, contracts, proceedings, warrants and other documents of the County. The undersigned Chairman has access to all original records of the County and is duly authorized to make certified copies of its records on its behalf.

5. The County Commission of the County adopted the Authorizing Resolution at a scheduled regular meeting of said Commission duly called and held in strict compliance with the laws of Alabama, a quorum having been present at said meeting and all members present having voted in favor of the Authorizing Resolution. The Authorizing Resolution is in full force and effect and has not been repealed, amended or changed. Regular meetings of the County Commission are held on the first and third Tuesday of each month at 8:30 a.m. in the County Courthouse.

6. Pursuant to the authority of the Authorizing Resolution, the undersigned Chairman and County Administrator have manually executed each of the Series 2020 Warrants. The undersigned Chairman has manually imprinted the corporate seal of the County on each of the Series 2020 Warrants. The Series 2020 Warrants were in the form therefor provided in the Authorizing Resolution and have been in all respects duly executed pursuant to the authority of the Authorizing Resolution. No bonds or warrants other than the Series 2020 Warrants are outstanding under or are secured by the Authorizing Resolution.

7. On the dates we executed the Series 2020 Warrants, we then were and now are the duly elected, qualified and acting officers of the County indicated by our signatures thereon and hereon. The seal affixed on such instrument is the official corporate seal of the County.

8. We have no knowledge or information of any agreement, representation, condition, understanding or stipulation, whether oral or written or expressed or implied, respecting the authorization by the County of the Series 2020 Warrants or the disposition or other dealing with the proceeds of the sale of the Series 2020 Warrants, other than as set forth in the closing papers in connection with the Series 2020 Warrants and the other documents which have been furnished to Bradley Arant Boult Cummings LLP, Bond Counsel, for their examination preliminary to their approval of the legality of the Series 2020 Warrants and their opinion with respect to the exemption of interest on the Series 2020 Warrants from federal and State of Alabama income taxation. None of the proceedings or records which have been certified to the attorneys approving the legality of the Series 2020 Warrants have been repealed, amended or changed. There has been no change in the facts affecting the Series 2020 Warrants.

9. On the date of this certificate the Series 2020 Warrants were authenticated and registered by the County and delivered to the purchaser of such Series 2020 Warrants. The undersigned Chairman received from Raymond James & Associates, Inc. of the Series 2020 Warrants at the time of such delivery, on behalf of the County, the agreed purchase price therefor consisting of the following:

Par Amount	\$11,570,000.00
Plus Original Issue Premium	1,554,706.25
Less Underwriter's Discount	<u>(40,496.00)</u>
 AMOUNT DUE AT CLOSING	 <u>\$13,084,210.50</u>

10. There is no litigation pending or threatened, restraining or enjoining, or in any manner questioning or affecting any one or more of the following matters:

- (a) the corporate existence or organization of the County, or any of its powers exercised pursuant to the Authorizing Resolution or the election or title of any officer or member of the governing body of the County;
- (b) the title of any of the officers of the County to their respective offices;
- (c) the Authorizing Resolution or any other proceedings of the County Commission of the County relative to any matter referred to in this certificate;
- (d) the Series 2020 Warrants, the authority of the County to issue the Series 2020 Warrants, the validity, issuance, execution and sale of the Series 2020 Warrants, the taxing powers of the County to pay the Series 2020 Warrants or the purposes for which the proceeds of the Series 2020 Warrants are to be used; or
- (e) any other matters referred to in this certificate.

IN WITNESS WHEREOF, we have hereunto set our hands and the official corporate seal of the County, this 23rd day of January, 2020.

Chairman

COUNTY SEAL

County Administrator

NON-ARBITRAGE CERTIFICATE

We, the undersigned Chairman of the Clay County Commission and County Administrator of Clay County (the "County"), do hereby certify as follows:

1. The County is issuing and delivering, simultaneously with the issuance of this certificate, \$11,570,000 principal amount of its General Obligation Warrants, Series 2020, dated January 23, 2020 (the "Warrants") pursuant to a resolution and order duly adopted by the County on April 9, 2018 (the "Authorizing Resolution"). The Warrants are issued for the purposes of (1) acquiring, constructing, and equipping certain capital improvements within the County, to consist of renovations to the County Courthouse and the construction of highway and road equipment facilities (the "Series 2020 Improvements"), (2) currently refunding and redeeming the County's outstanding General Obligation Warrants, Series 2010, dated January 1, 2010, on or about February 22, 2020, and (3) paying issuance expenses.

2. The County expects the following with respect to the issuance of the Warrants:

(a) The Warrants will be issued on the date of this certificate, and the County will receive from the sale of the Warrants the amount of \$13,084,211.75 (which represents the par amount of \$11,570,000 less an underwriter's discount of \$40,495 and plus an original issue premium of \$1,554,706.75).

(b) The estimated total sources and uses of funds is as follows:

Sources

Principal	\$11,570,000.00
Original Issue Premium	<u>1,554,706.75</u>
Total	<u>\$13,124,706.75</u>

Uses

Current Refunding of Series 2010 Warrants	5,353,538.36
Series 2020 Improvements	7,600,000.00
Issuance Expenses (including underwriter's discount)	<u>171,168.39</u>
Total	<u>\$13,124,706.75</u>

(c) The weighted average maturity of the Warrants is 4.083 years. The arbitrage yield on the Warrants is 1.1535210%.

(d) \$7,600,000 shall be applied to the acquisition and construction of the Series 2020 Improvements. The Series 2020 Improvements will be acquired and constructed with all due diligence. The Series 2020 Improvements (1) will have reasonably anticipated economic lives of not less than fifteen years, (2) will be completed within thirty-six months of the date hereof, and (3) will be constructed with all

due diligence. The County will incur within six months of the date hereof a substantial binding obligation to a third party to expend at least ten percent of the net sale proceeds on the Series 2020 Improvements.

(e) \$5,353,538.36 shall be deposited into the Series 2010 Warrant Fund and applied to the current refunding and redemption of the outstanding Series 2010 Warrants on or about February 22, 2020, by purchasing \$5,353,533.00 of State and Local Government Series (SLGS) securities and retaining the sum of \$5.36 as an initial cash deposit, as set forth in the Verification Report. The Series 2010 Warrants have a remaining weighted average maturity of less than 5 years.

(f) \$130,673.39 shall be used to pay approved issuance expenses.

(g) The original proceeds of the Warrants (net amount remaining after payment of all expenses of issuance) will not exceed the amount necessary for the purposes of the issue.

(h) Except for the Warrant Fund established under the Authorizing Resolution, the County has not created or established, and does not expect to create or establish, any sinking fund or other similar fund for the benefit of the Warrants.

(i) Any money deposited in the Warrant Fund will be spent within a 13-month period beginning on the date of deposit, and any money received from the investment of money held in the Warrant Fund will be spent within a 12-month period beginning on the date of receipt.

4. This certificate is being executed and delivered pursuant to the applicable regulations under the Internal Revenue Code of 1986, as amended (the "Code"), and the undersigned are the officers of the County charged, pursuant to the Authorizing Resolution, with the responsibility of issuing the Warrants.

5. To the best of the knowledge and belief of the undersigned, the County's expectations set forth in this certificate are reasonable.

6. The County has covenanted in the Authorizing Resolution that it will make no use or application of the proceeds of the Warrants, and that the County's revenues and taxes shall not be accumulated in the Warrant Fund in such a manner and no investment thereof shall be made, that would cause any of the Warrants to be or become "arbitrage bonds" under Section 148 of the Code and the applicable regulations under that Section.

7. No artifice or device has been employed by the County in the issuance of the Warrants that attempts to circumvent the provisions of Section 148 of the Code, relating to "arbitrage bonds." The terms of issuance of the Warrants are not designed to enable the County to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage. Furthermore, the County's issuance of the Warrants will not increase the burden on the market for tax-exempt obligations by selling obligations that would not otherwise be sold, by selling more obligations than would otherwise be necessary, or by selling obligations sooner or allowing the obligations to remain outstanding longer than would otherwise be necessary.

8. On the basis of the foregoing, it is not expected that the proceeds of the Warrants will be used, and it is not expected that the County's taxes or revenues will be accumulated in the Warrant Fund, in a manner that would cause the Warrants to be or become "arbitrage bonds" under Section 148 of the Code and the applicable regulations thereunder. To the best of our knowledge and belief, there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

9. The County has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its obligations under the applicable regulations on "arbitrage bonds" under Section 148 of the Code.

10. The County shall cause timely payments to be made to the United States of America of all rebate amounts required to be so paid in accordance with the Code and shall maintain all records required to be maintained with respect thereto pursuant to all applicable federal laws and regulations.

This 23rd day of January, 2020.

Chairman

County Administrator

STATE OF ALABAMA)
BALDWIN COUNTY)

CERTIFICATE OF CHAIRMAN

I, the undersigned, do hereby certify that I am the duly elected, qualified and acting Chairman of the Baldwin County Commission. I do further certify that as Chairman of the Baldwin County Commission I have access to all original records of the County and I am duly authorized to make certified copies of its records on its behalf, and that included in this transcript are true and correct copies of the County's resolution and order adopted on January 21, 2020 and the Official Statement dated January 17, 2020 "deemed final" and approved by the Commission.

IN WITNESS WHEREOF, I have hereunto set my hand as Chairman of the Baldwin County Commission and have affixed the official seal of the County, this 23rd day of January, 2020.

COUNTY SEAL

Chairman