

STATE OF ALABAMA)

COUNTY OF BALDWIN)

**RESOLUTION NO. 2021-063
OF THE
BALDWIN COUNTY COMMISSION**

**A RESOLUTION AND ORDER AUTHORIZING THE ISSUANCE, SALE,
DELIVERY, AND PAYMENT OF A \$30,000,000 MAXIMUM PRINCIPAL
AMOUNT GENERAL OBLIGATION TAXABLE WARRANT, SERIES 2021-A,
TO BE DATED THE DATE OF DELIVERY, TO [LENDER]**

BE IT RESOLVED AND ORDERED BY THE COUNTY COMMISSION (the "Commission") OF BALDWIN COUNTY, ALABAMA (the "County") as follows:

Section 1. Findings and Representations.

The County, by and through its Commission, does hereby find and determine as follows:

(a) Hurricane Sally made landfall in the County on September 16, 2020 as a Category 2 Hurricane ("Sally") and caused significant damage. Sally's slow speed caused significant rain and flooding which resulted in even more severe tree, landscape, and vegetative damage to the County than expected.

(b) The additional estimated clean-up costs to be borne by the County, at least temporarily, are approximately \$30 million. The Federal Emergency Management Agency (FEMA), and other state and federal agencies, are expected to reimburse the County for approximately 87.5% of such costs. However, the County will not receive such funds for approximately 3-9 months.

(c) In anticipation of the receipt of such funds, the Commission has further found and determined that it is in the best financial interest of the County to obtain a revolving line of credit in the maximum principal amount of \$30,000,000 in order to pay such costs until the reimbursement funds are received, and to evidence such line of credit with the issuance and sale of its General Obligation Taxable Warrant, Series 2021-A, to be dated the date of delivery (the "Warrant"), to [LENDER] (the "Bank").

(c) The assessed valuation of the taxable property in the County for the preceding fiscal year (ending September 30, 2020) is not less than \$4,774,758,180 (excluding motor vehicles). The total indebtedness of the County following the issuance of the Warrant chargeable against the debt limitation for the County prescribed by the Constitution of Alabama of 1901, as amended, will not be more than five percent thereof.

Section 2. Authorization and Description of Warrant; Payments of Warrant.

(a) The County is hereby authorized to deliver the Warrant to the Bank. The Warrant shall (1) be dated the date of delivery, (2) bear interest at a fixed interest rate equal to [rate]%, (3) be payable quarterly as to interest, with principal payable at maturity, (4) be subject to redemption prior to maturity at any time at the option of the County, and (5) be registered and transferred as provided in the form of the Warrant in Section 3 hereafter.

(b) The principal of and interest on the Warrant shall be payable in lawful money of the United States of America, at the designated office of the registered owner thereof at par and without discount, exchange or deduction or charge therefor.

Section 3. Form of Warrant.

(a) The Warrant shall be in substantially the following form:

THIS WARRANT IS A RESTRICTED SECURITY WITHIN THE MEANING OF SECURITIES AND EXCHANGE COMMISSION ("SEC") RULE 144(a)(3) UNDER THE SECURITIES ACT OF 1933 ("1933 ACT") AND ANY SALE OR TRANSFER OF THIS WARRANT MUST BE MADE IN COMPLIANCE WITH THE CONDITIONS OF SEC RULE 144 OR RULE 144A UNDER THE 1933 ACT OR IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

**UNITED STATES OF AMERICA
STATE OF ALABAMA
BALDWIN COUNTY
GENERAL OBLIGATION TAXABLE WARRANT
SERIES 2021-A**

Date of Delivery: April 29, 2021

No. R-1

\$30,000,000

BALDWIN COUNTY, a political subdivision organized and existing under and by virtue of the laws of the State of Alabama (herein called the "County"), for value received, hereby acknowledges itself indebted to and does hereby order and direct the County Administrator of the County to pay, solely out of the special warrant fund hereinafter described, to [LENDER], and its successors and assigns (the "Payee"), the principal sum of

THIRTY MILLION DOLLARS (\$30,000,000)

or so much thereof as may be advanced or paid and re-advanced hereunder, as hereinafter provided, and to pay solely from said warrant fund interest on the unpaid balance of said principal amount advanced and outstanding hereunder from time to time, from the date advanced until payment in full, at a fixed per annum rate of interest equal to [rate]% (computed on the basis of the actual number of days elapsed over a 360-day year), said principal and interest being payable as follows:

(a) On July 1, 2021, and on each January 1, April 1, July 1, and October 1 thereafter, through and including April 1, 2023, the interest accrued on the outstanding principal balance of this Warrant to each such date of payment; and

(b) On April 29, 2023, the entire outstanding principal balance of this Warrant plus all accrued interest thereon.

Payment of the principal hereof and interest hereon shall be made at the office of the Payee or at such other place as shall be designated to the County in writing by the Payee, provided the final payment of principal of and interest on this Warrant shall be made only upon presentation and surrender of this Warrant to the County for cancellation.

The County may, on any date, pay in advance the entire unpaid principal balance of this Warrant or any lesser portion or portions thereof by paying to the Payee the principal amount to be prepaid, plus interest accrued on such principal amount to the date of such prepayment, without premium or penalty.

This Warrant is a master Warrant under a revolving line of credit extended by the Payee to the County, and it is contemplated that the proceeds of the loan evidenced hereby will be advanced, or paid and re-advanced, by the Payee to the County in installments, as requested by the County (as to amount and date), and it is further contemplated that by reason of prepayments hereon there may be times when no indebtedness is owing hereunder; notwithstanding any such occurrence, this Warrant shall remain valid and shall be in full force and effect as to each principal advance made hereunder subsequent to each such occurrence. Each principal advance and each payment made on this Warrant shall be reflected by the notations made by the Payee on its internal records (which may be kept by computer or by other means determined by the Payee) and the Payee is hereby authorized so to record thereon all such principal advances and payments. The aggregate unpaid principal amount of this Warrant reflected on the internal records of the Payee (whether by computer or otherwise) shall be rebuttably presumptive evidence of the principal amount of this Warrant outstanding and unpaid. No failure of the Payee so to record any advance or payment shall limit or otherwise affect the obligation of the County hereunder with respect to any advance, and no payment of the principal by the County shall be affected by the failure of the Payee so to record the same.

THIS WARRANT SHALL BE VALID AND ENFORCEABLE AS TO THE AGGREGATE PRINCIPAL AMOUNT ADVANCED AT ANY TIME HEREUNDER, WHETHER OR NOT THE FULL-FACE AMOUNT HEREOF IS ADVANCED.

This Warrant is issued pursuant to the Constitution and laws of the State of Alabama, including Section 11-28-1 et seq. of the ALA. CODE (1975), as amended, and a resolution and proceedings of the governing body of the County duly passed, held and conducted on April 20, 2021 (the “Authorizing Proceedings”).

The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the County and the full faith and credit of the County are pledged to the payment of the principal and interest hereon.

The County established a special fund in the Authorizing Proceedings designated as the “Series 2021-A General Obligation Taxable Warrant Fund” for the payment of the principal of and interest on this Warrant and has obligated itself to pay or cause to be paid into said Fund from the taxes and revenues of the County sums sufficient to provide for the payment of the principal of and interest on this Warrant as the same matures and comes due.

This Warrant is recorded and registered as to principal and interest in the name of the owner on the book of registration maintained for that purpose by the County. The person in whose name this Warrant is registered shall be deemed and regarded as the absolute owner hereof for all purposes and payment of the principal of and interest on this Warrant shall be made only to or upon the order of the registered owner hereof or its legal representative, and neither the County nor any agent of the County shall be affected by

any notice to the contrary. Payment of principal of and interest on this Warrant shall be valid and effectual to satisfy and discharge the liability of the County upon this Warrant to the extent of the amounts so paid.

This Warrant may be transferred only upon written request of the registered owner or its legal representative addressed to the County, such transfer to be recorded on said book of registration and endorsed hereon by the County. Upon presentation to the County for transfer, this Warrant must be accompanied by a written instrument or instruments of transfer satisfactory to the County, duly executed by the registered owner or its attorney duly authorized in writing, and the County shall endorse on the schedule attached hereto for such purpose the principal amount of this Warrant unpaid and the interest accrued hereon to the date of transfer. No charge shall be made for the privilege of transfer, but the registered owner of this Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

It is hereby recited, certified and declared that the indebtedness evidenced and ordered paid by this Warrant is lawfully due without condition, abatement or offset of any description and that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the execution, registration and issuance of this Warrant and the adoption of the Authorizing Proceedings have happened, do exist and have been performed in time, form and manner as so required.

IN WITNESS WHEREOF, the County, acting by and through its governing body, has caused this Warrant to be executed in its name and on its behalf by its Chairman and its county seal to be hereunto affixed and attested by its County Administrator, and has caused this Warrant to be dated April 29, 2021.

BALDWIN COUNTY

COUNTY SEAL

By _____
Its Chairman

Attest: _____
County Administrator

REGISTRATION CERTIFICATE

I hereby certify that this Warrant has been duly registered by me as a claim against Baldwin County and the Warrant Fund referred to herein.

County Administrator of Baldwin County

REGISTRATION OF OWNERSHIP

This Warrant is recorded and registered on the registry books of Baldwin County in the name of the last owner named below. The principal of and interest on this Warrant shall be payable only to or upon the order of such registered owner.

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Authorized Officer of County</u>
<u>April 29, 2021</u>	<u>[LENDER]</u>	_____, County Administrator
_____	_____	_____
_____	_____	_____

ENDORSEMENT BY COUNTY OF UNPAID PRINCIPAL
AND ACCRUED INTEREST ON DATE OF TRANSFER

<u>Date of Transfer</u>	<u>Principal Unpaid</u>	<u>Accrued Interest on Date of Transfer</u>	<u>Signature of Authorized Officer of County</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Section 4. Execution of the Warrant.

The Warrant shall be manually executed in the name and on behalf of the County by the Chairman and shall be manually attested by the County Administrator of the County, and the official seal of the County shall be manually imprinted thereon. The Registration Certificate shall be manually executed by the County Administrator. The Registration of Ownership of the Warrant shall be manually executed by the County Administrator of the County who shall make the endorsements provided at the time of any transfer. Said officers are hereby directed to so manually execute, attest and register the Warrant and to make the appropriate endorsements and notations, if any, thereon.

Section 5. General Obligation; Warrant Fund.

(a) The Warrant and the interest thereon shall constitute a general obligation debt of the County. The Warrant is an obligation of the County to which the full faith and credit of the County is pledged.

(b) To secure the payment of the principal of and interest on the Warrant and to secure for the benefit of the registered owner of the Warrant the faithful performance of all of the covenants and provisions contained herein, in the manner and to the extent so provided, the County (1) does hereby pledge unto the registered owner of the Warrant and its registered assigns the full faith and credit of the County, (2) does hereby create and establish a special fund designated the "Series 2021-A General Obligation Taxable Warrant Fund" (the "Warrant Fund"), which shall be held by the Bank as custodian and paying agent of the Warrant, and will make the payments required to be made into the Warrant Fund established under this Authorizing Resolution, with the understanding that the interest payments shall be based on the new interest rate established herein, and (3) does hereby covenant and agree to pay or cause to be paid into the Warrant Fund a sufficient amount of the revenues and taxes of the County to pay the principal of and interest on the Warrant.

(c) The County further covenants and agrees to collect or cause to be collected all taxes and revenues when due and to apply the same as provided in this Resolution.

Section 6. Expenses of Collection; Interest After Maturity.

The County covenants and agrees that, if the principal of and interest on the Warrant are not paid promptly as such principal and interest matures and comes due, it will pay to the registered owner of the Warrant or its registered assignees all expenses incident to the collection of any unpaid portion thereof, including a reasonable attorney's fee. If any amount of principal of and, to the extent legally enforceable, interest on, this Warrant shall not be paid when due, such amount shall bear interest at the same rate as the rate on the Warrant from the scheduled date of payment to the date such payment thereof is made.

Section 7. No Federal Tax Exemption for Interest or "Bank-Qualified" Designation

The interest received by the registered owner of the Warrant is includable as gross income for federal income taxation purposes under the Internal Revenue Code of 1986, as amended (the "Code"). The Warrant is not federally "tax-exempt" and will not be designated as "bank-qualified" under Section 265 of the Code.

Section 8. Delivery of Warrant; Advances

(a) The Chairman and the County Administrator, or either of them, are hereby authorized and directed to effect delivery of the Warrant to the Bank. The Chairman and the County Administrator, or either of them, are hereby further authorized and directed to execute and deliver such closing papers containing such representations as are required to demonstrate the legality and validity of the Warrant and the absence of pending or threatened litigation with respect thereto. The Chairman and the County Administrator are hereby authorized and directed to execute such other agreements as may reasonably be requested.

(b) The Chairman and the County Administrator, or the County Clerk/Treasurer, may request advances on the Warrant in writing to the Bank. Proceeds of the Warrant shall be wire-transferred to the account(s) designated by the County in writing to the Bank.

Section 9. Events of Default

The County agrees that its failure to pay the principal of or interest on the Warrant on any date on which any installment of principal of or interest on the Warrant shall become due and payable shall be an event of default with respect to the Warrant whereupon the registered owner of the Warrant may seek a writ of mandamus from a court of competent jurisdiction on such matter.

Section 10. Severability.

The provisions of this Resolution are severable. In the event that any one or more of such provisions or the provisions of the Warrant shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this Resolution or of the Warrant, and this Resolution and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 11. Repeal of Conflicting Provisions.

All resolutions, proceedings and orders or parts thereof in conflict with this Resolution are, to the extent of such conflict, hereby repealed.

Section 12. Provisions of Resolution a Contract.

The terms, provisions and conditions set forth in this Resolution constitute a contract between the County and the registered owner of the Warrant and shall remain in effect until the principal of and interest on the Warrant shall have been paid in full.

Section 13. Approval of County Government Bond Financing Review Form.

The County Government Bond Financing Review Form in substantially the form and of substantially the content as that which is presented to and considered by the Commission, is hereby authorized, approved and adopted. The Chairman and the County Administrator are hereby authorized and directed to complete, execute and deliver such form as required by the terms thereof and to provide therein such answers and responses as are consistent with this resolution and order.

After said resolution and order had been discussed and considered in full by the Commission, it was moved by Commissioner _____ that said resolution and order be now adopted. The motion was seconded by Commissioner _____. The question being put as to the adoption of said motion and the passage and adoption of said resolution and order, the roll was called with the following results:

Ayes: Joe Davis, III, Chairman
James E. Ball, Vice-Chairman
Billie Jo Underwood
Charles F. "Skip" Gruber

Nays: None

The Chairman thereupon declared said motion carried and the resolution and order passed and adopted as introduced and read.

Adopted this 20th day of April 2021.

Chairman

SEAL

Authenticated and Attested:

County Administrator