ORDINANCE NO. 2025-017 -ADM

AN ORDINANCE TO AMEND AN OUTSTANDING LINE OF CREDIT AND AUTHORIZE ISSUANCE OF THE CITY'S $6,000,000 FIFTH AMENDED AND RESTATED GENERAL OBLIGATION WARRANT

BE IT ORDAINED by the City Council of the City of Trussville, Alabama (the "Council"), a municipal corporation under the laws of the State of Alabama (the "City"), as follows:

Section 1.1 Initial Findings. (a) The City heretofore adopted at a public meeting of the Council on December 13, 2016, Ordinance No. 2016-035-ADM (the "2016 Ordinance"), as amended by Ordinance No. 2019-007-ADM adopted at a public meeting of the Council on January 22, 2019, as amended by Ordinance No. 2021-007-ADM adopted at a public meeting of the Council on January 21, 2021, as amended by Ordinance No. 2023-012-ADM, adopted at a public meeting of the Council on _____, 2023, and as further amended by Ordinance No. 2023-015-ADM, adopted July 25, 2023 (the 2016 Ordinance, as so amended and restated is herein referred to as the "Prior Ordinance"), pursuant to which the City authorized the issuance of a General Obligation Warrant dated as of December 28, 2016, as amended and restated by the Amended and Restated General Obligation Warrant dated as of January 31, 2019, as amended and restated by the Amended and Restated General Obligation Warrant dated as of January 31, 2019, as amended and restated by the Second Amended and Restated General Obligation Warrant dated as of January 22, 2021, as amended and restated by the Third Amended and Restated General Obligation Warrant dated as of April 28, 2023, as amended and restated by a Fourth Amended and Restated General Obligation Warrant, dated July 28, 2023 (the "July 2023 Warrant") in a principal amount of not to exceed $6,000,000 to evidence the obligation of the City to repay sums advanced by Synovus Bank, a Georgia state banking corporation (formerly First Commercial Bank, a Division of Synovus Bank) (the "Lender"), to cover the costs of various public capital improvements in the City.

(b) The July 2023 Warrant was originally issued with a maturity date of July 28, 2025, and the City and the Lender have determined to extend such maturity by twenty-four (24) months to July 28, 2025, and to make certain other change as more particularly described herein and in the form of Warrant attached as Exhibit A hereto.

Section 1.2 Amendment of Prior Ordinance. (a) Section 2 of the Prior Ordinance is hereby deleted in its entirety, and the following shall be substituted therefor:

"Section 2. Authorization. Pursuant to the provisions of Section 11-47-2 of the Code of Alabama 1975, as amended, for the purpose of providing funds to pay the costs described in Section 1(b) hereof, the City is hereby authorized to borrow from Synovus Bank, a Georgia state banking corporation (formerly First Commercial Bank, a division of Synovus Bank) (together with its successors or assigns, herein sometimes called the "Bank"), not exceeding the principal sum of $6,000,000 and, in evidence of the money so borrowed, is authorized to issue and deliver to the Bank its Fifth Amended and Restated General Obligation Warrant, dated as of July 28, 2025 (herein called the "Warrant"), in the principal amount of $6,000,000. The Warrant shall be dated as of July 28, 2025, shall be payable to the Bank or registered assigns, shall mature and come due (as to principal and any accrued but unpaid interest) on July 28, 2027, and shall be payable at the office of the Bank in Birmingham, Alabama. The principal shall bear interest from the date of each advance, payable on the first business day of each calendar month and at maturity, at a per annum rate calculated at the Variable Interest Rate (as defined in the form of Warrant attached as Exhibit A hereto), all as more particularly set forth and described in the form of Warrant attached hereto as Exhibit A. The City understands that the Bank may make loans based on other rates and indexes than contained in the Warrant. If the base index set forth in the form of Warrant becomes unavailable during the term of this loan, the Bank may designate a substitute index after notice to the City. The Bank will advise the City of the current index rate upon the City's request. The interest rate on the Warrant will not change more often than each calendar month. Further, under no circumstances shall the interest rate on the Warrant be more than the maximum rate allowed by applicable law."

(b) The form of warrant contained in Section 6 of the Prior Ordinance is hereby deleted in its entirety and substituted with the form of the Warrant set forth as Exhibit A hereto. The Warrant, in the form set forth as Exhibit A hereto, shall be executed by the Mayor, and the seal of the City shall be affixed thereto and attested by the City Clerk, and the same shall be delivered to the Lender in exchange for the July 2023 Warrant, and, except as specifically set forth herein respecting the maturity date thereof, shall be treated in all respects as the warrant issued under the Prior Ordinance. The Mayor is hereby authorized and directed to execute such documents or certificates as may be necessary or desirable in order to carry out the transactions contemplated by this ordinance. The City Clerk is hereby authorized to attest the Warrant and any such other documents or certificates necessary or desirable to carry out the transactions contemplated by this ordinance, and is authorized to affix the seal of the City to any such documents or certificates.

(c) For the avoidance of doubt, proceeds from the Warrant may be used for the payment of capital improvements and operating expenses of the City, and to pay the costs of issuing the Warrant.

Section 1.3 Amendment of Section 12. Section 12 of the Prior Ordinance is hereby deleted in its entirety and the following inserted therefor:

> "Section 12. For as long as any principal of or interest on the Warrant remains outstanding and unpaid, the City hereby covenants that it will, within 270 days of each fiscal year end, provide to Lender the audited financial statements of the City, prepared in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Additionally, the City shall provide Lender with a copy of its annual budget for each fiscal year not later than 45 days after the commencement thereof."

Section 1.4 Lender Fee. In connection with the issuance of the Warrant, the City agrees to pay the Lender a renewal fee of $15,000.

Section 1.5 Additional Documents Authorized. The Mayor is hereby authorized and directed to execute such documents or certificates as may be necessary or desirable in order to

Exhibit A

Form of Fifth Amended and Restated General Obligation Warrant

THIS WARRANT MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE AUTHORIZING ORDINANCE REFERRED TO HEREIN.

$6,000,000 $6,000,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF TRUSSVILLE

FIFTH AMENDED AND RESTATED
GENERAL OBLIGATION WARRANT

On July 28, 2027, the City Treasurer of the CITY OF TRUSSVILLE (herein called the "City"), a municipal corporation in the State of Alabama, is hereby ordered to pay to Synovus Bank, a Georgia state banking corporation, or its assigns (herein called the "Lender"), the principal sum of

SIX MILLION DOLLARS ($6,000,000)

or so much as may be advanced and then outstanding hereunder by the registered holder hereof, with interest thereon from the date advanced, payable at a per annum rate equal to the Variable Interest Rate. The Variable Interest Rate will be established by Lender for each Interest Period effective as of the first day of each Interest Period. Furthermore, notwithstanding anything herein to the contrary, as of and after the Modification Effective Date, interest shall be computed for each day by multiplying the outstanding principal balance of the loan at the close of such day (as determined by Lender) by a daily interest factor which daily interest factor shall be calculated by dividing the Variable Interest Rate by 360 days. The interest amount owed for each Interest Period shall be the sum of the interest for each day in the relevant Interest Period as calculated in accordance with the preceding sentence. Interest so computed shall accrue for each and every day on which any indebtedness remains outstanding under the loan. For the purposes of this paragraph, the capitalized terms are defined in Exhibit A attached hereto.

This Warrant is payable in lawful money of the United States of America at the office of Synovus Bank, a Georgia state banking corporation, in Birmingham, Alabama.

The City reserves the privilege of prepaying all or any part of the principal on this Warrant on any date, without penalty or premium and without prior written notice, provided that at the time of each such prepayment the City pays the interest which shall have accrued, to the date of such prepayment, on the principal to be so prepaid with respect to this Warrant and provided, further, that any principal prepayments shall be in amounts not less than $10,000 (except in instances when the outstanding principal is less than $10,000).

This Warrant has been issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 11-47-2 of the Code of Alabama 1975, as amended, and an ordinance of the governing body of the City duly and legally adopted on December 13, 2016, as amended by an ordinance duly and legally adopted by the governing body of the City on January 22, 2019, as further amended by an ordinance duly and legally adopted by the governing body of the City on January 21, 2021, as further amended by an ordinance duly and legally adopted by the governing body of the City on May 23, 2023, as further amended by an ordinance duly and legally adopted by the governing body of the City on July 25, 2023, and as further amended by an ordinance duly and legally adopted by the governing body of the City on August 12, 2025, to provide funds for purposes for which the City is authorized to borrow money under said section.

This Warrant evidences a valid general obligation of the City for payment of the principal of and the interest on which the City has irrevocably pledged its full faith and credit.

Amounts advanced under this Warrant may be prepaid from time to time by the City and subsequently readvanced by the holder, up to a maximum principal amount, at any one time outstanding, not exceeding the sum of $6,000,000. It is understood that, by reason of prepayments hereon, there may be times when no indebtedness is owing hereunder and, notwithstanding any such occurrence, this Warrant shall remain valid and shall be in full force and effect as to each subsequent principal advance made hereunder. Each advance and each payment on this Warrant shall be reflected by notations made by the holder hereon. The failure of the holder so to record any advance or payment shall not limit or otherwise affect the obligation of the City hereunder with respect to any advance and no payment of principal by the City shall be affected by the failure of the holder so to record the same.

Advances shall be paid, for requests duly made in writing by not later than 12:00 noon, Birmingham, Alabama, time, on the business day immediately following the business day on which the request for the advance is received by the Lender.

It is hereby certified that the indebtedness evidenced hereby has been duly and legally incurred and will at the maturity hereof become lawfully due without condition, abatement or offset of any description; 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 and in the issuance of this Warrant, exist, have been performed and have happened; and that the indebtedness evidenced by this Warrant, together with all other indebtedness of the City, was at the time the same was incurred and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed and its official seal to be hereunto affixed by the Mayor and has caused the same to be attested by its City Clerk, both of whom have hereunto subscribed their signatures and are hereunto duly authorized, and has caused this Warrant to be dated July 28, 2025.

CITY OF TRUSSVILLE, ALABAMA

____
Mayor

[SEAL]

Attest:

____
City Clerk

Certificate of Registration by City Clerk

I hereby certify that this Warrant was at the time of issuance thereof duly registered by me as a claim against the City of Trussville, Alabama.

____
City Clerk of the
CITY OF TRUSSVILLE, ALABAMA

Exhibit A
Definitions

"Daily SOFR" means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

"Interest Determination Date" means the second U.S. Government Securities Business Day prior to the first day of the applicable Interest Period for which Term SOFR is being determined.

"Interest Payment Date" means the first business day of each month, with the first such Interest Payment Date following the Modification Effective Date on August 1, 2025, and the final such Interest Payment Date on the Maturity Date.

"Interest Period" means, initially the period commencing on and including the Modification Effective Date through and including the calendar day immediately prior to the first Interest Payment Date, and thereafter means each period from and including each Interest Payment Date through and including the calendar day immediately prior to each subsequent Interest Payment Date (or in the case of the final Interest Period, the calendar day immediately prior to the Maturity Date).

"Maturity Date" shall mean July 28, 2027.

"Modification Effective Date" shall mean July 28 2025.

"Term SOFR" means, for any Interest Period, the Term SOFR Reference Rate on the related Interest Determination Date, as such rate is published by the Term SOFR Administrator at approximately 5:00 a.m., Chicago time; provided, however, that if as of 5:00 p.m. (New York City time) on any Interest Determination Date the Term SOFR Reference Rate has not been published by the Term SOFR Administrator, then Term SOFR shall be the Term SOFR Reference Rate as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the Term SOFR Administrator.

"Term SOFR Administrator" means the CME Group Benchmark Administration Limited (or a successor administrator of the Term SOFR Reference Rate determined by the Lender in its reasonable discretion).

"Term SOFR Reference Rate" means the rate per annum of a one-month forward-looking term rate based on Daily SOFR that is published by the Term SOFR Administrator.

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

"Variable Interest Rate" shall mean for any Interest Period (and each day in such Interest Period), a per annum variable rate of the sum of the margin of 2.33% (the "Margin") added to the Term SOFR. The Variable Interest Rate shall never be less than 4.34% per annum (referred to as the "Floor"; if no agreed upon higher Floor is specified, then the Floor shall be deemed to be zero) or more than the lesser of (i) 18% per annum or (ii) the maximum non-usurious interest rate allowed under applicable law (the lesser of (i) and (ii) is referred to as the "Ceiling"). With respect to the Interest Period commencing on the Modification Effective Date, the parties agree that the index rate applicable to such Interest Period is ________% and accordingly, the Variable Interest Rate for such Interest Period is ________% per annum. If at any time Lender determines, in Lender's reasonable discretion, that Term SOFR is no longer readily available or is no longer appropriate for use in connection with its commercial loans generally, whether due to unavailability, lack of reliability as a measure of cost of funds, cessation of use in the general commercial lending market, or the requirements of any regulatory authority having jurisdiction over Lender or over the administration of Term SOFR, then, at Lender's option, Lender may establish a new applicable rate. Upon such determination, the use of Term SOFR as an index shall be replaced with a replacement benchmark rate or index as determined by Lender, in Lender's reasonable discretion, which may be adjusted by Lender to include an additional spread or margin (as so adjusted, the "Replacement Index"), such that when the Margin (as defined above) is added to the Replacement Index, the new rate of interest pursuant to this Warrant will be substantially equivalent to the rate of interest pursuant to this Warrant in effect for periods prior to the Term SOFR Transition Date (hereinafter defined), all as reasonably determined by Lender. Lender will notify Borrower in writing (a "Transition Notice") setting forth the Replacement Index, the new applicable rate, the date the same will become effective (the "Term SOFR Transition Date") and the manner in which the applicable rate will be periodically reset (which shall be no less than once each month) based upon changes in the Replacement Index. The Term SOFR Transition Date will be no sooner than ten (10) days following the Transition Notice. Notwithstanding the foregoing, if at any time Term SOFR or the Replacement Index, whichever is then applicable, is less than zero, then during such time Term SOFR or the Replacement Index, as applicable, shall be deemed to be zero (the "Minimum Index Rate") for purposes of the applicable rate, unless the Lender, in its discretion, in consideration of a swap agreement, other rate management contract or other agreement between Lender and Borrower elects to eliminate the Minimum Index Rate and so notifies Borrower in writing. The foregoing provisions shall not in any way alter, modify, replace or otherwise affect any minimum interest rate or maximum interest rate (howsoever described) otherwise applicable to or provided for in this Warrant or any related loan document.

carry out the transactions contemplated by this ordinance. The City Clerk is hereby authorized to attest any and all warrants, documents or certificates necessary or desirable to carry out the transactions contemplated by this ordinance and is authorized to affix the seal of the City to any such warrants, documents or certificates.

ADOPTED this 12th day of August, 2025.

____

Council President

ATTEST:

____

City Clerk

APPROVED this 12th day of August, 2025.

____

Mayor