

**AN ORDINANCE
AUTHORIZING THE ISSUANCE AND SALE OF
\$2,500,000
GENERAL OBLIGATION REFUNDING WARRANT (FEDERALLY TAXABLE),
SERIES 2020**

ORDINANCE NO. 417

BE IT ORDAINED by the City Council (the "Council") of the City of Troy, Alabama (the "City"), as follows:

Section 1. Findings and Determinations. The Council has ascertained, found, and determined, and does hereby declare and resolve as follows:

(a) The Council has heretofore authorized the City's provision of certain incentives and support for the manufacturing facility owned by The Industrial Development Board of the City of Troy (the "Board"), and leased by the Board to Kimber Mfg., Inc., a Delaware corporation (the "Company"), for the manufacture of firearms and related products (the "Project");

(b) Pursuant to an ordinance heretofore adopted by the Council, the City issued its up to \$3,000,000 General Obligation Warrant (Federally Taxable), Series 2018-C, as extended, having a final maturity date of June 28, 2020 (the "Interim Warrant") to The First National Bank of Brundidge, the net proceeds of which were advanced to the Board for payment of part of the costs of the construction of the Project;

(c) In order to refinance the remaining outstanding principal balance of the Interim Warrant on a long term basis, the City has determined to borrow \$2,500,000 from The First National Bank of Brundidge (the "Warrantholder"), and to issue the City's \$2,500,000 General Obligation Refunding Warrant (Federally Taxable), Series 2020 (the "Warrant") to the Warrantholder in evidence of such indebtedness;

(d) The City has caused to be published a notice satisfying the requirements stated in Section 94.01 of the Constitution of Alabama of 1901, also known as Amendment No. 772 to the Alabama Constitution of 1901, as amended ("Amendment 772"), in order, to the extent Amendment 772 applies, to approve and authorize the use and grant of public funds and things of value in aid of, and the lending of the City's credit to, the Company and the Board in connection with the issuance of the Warrant;

(e) it is hereby found, determined, declared, and confirmed that it is necessary, proper and in the public interest, in accordance with Amendment 772, that the use and grant of public funds and things of value, and the lending of the City's credit in connection with the issuance of the Warrant and the grant of the proceeds thereof, to and for the benefit of the Board and the Company in connection with the Project, will serve a valid and sufficient public purpose under, and are authorized by, consistent with, and in furtherance of the objectives of Amendment 772, notwithstanding the benefits to the Company and any incidental benefit accruing to any other private person or entity; and

Section 2. Authorization and Description of the Warrant. 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 of 1975, as amended, and Amendment 772, and for the purposes herein specified, there is hereby authorized to be issued by the City its \$2,500,000 General Obligation Refunding Warrant (Federally Taxable), Series 2020. The Warrant shall be in substantially the form attached hereto as Exhibit A, the terms of which are hereby incorporated in this Ordinance as if set forth herein. The Warrant shall be dated its date of issuance, shall be issued in fully registered form, shall be transferrable as provided in the form thereof, and shall be issued to the Warrantholder in evidence of the City's obligation to repay the \$2,500,000 loan from the Warrantholder.

Section 3. Execution the Warrant. The Warrant shall be executed on behalf of the City by its Mayor. The corporate seal of the City shall be impressed on the Warrant, and the signature of the City Clerk of the City on the Warrant shall constitute attestation thereof. The Warrant shall be registered by the City Treasurer in the records maintained as claims against the City. Said officers are hereby directed so to execute, attest and register the Warrant and to cause the seal to be impressed on the Warrant.

Section 4. Warrant Constitutes General Obligation. The indebtedness evidenced and ordered paid by the Warrant is and shall be a general obligation of the City, to the payment of the principal of and premium, if any, and interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 5. Provisions Constitute Contract. The provisions of this Ordinance shall constitute a contract between the City and each owner of the Warrant. Furthermore, this Ordinance shall be deemed a resolution for purposes of Amendment 772.

Section 6. 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 provisions of this Ordinance.

Section 7. Sale of Warrant. The Warrant is hereby awarded and sold to the Warrantholder at a purchase price equal to the par amount thereof, to be satisfied in full by the Warrantholder's surrender of the Interim Warrant; provided that, on or prior to the date of issuance of the Warrant, the City shall pay all accrued interest on the Interim Warrant through the date of issuance of the Warrant and shall repay such principal of the Interim Warrant as will cause the outstanding principal balance of the Interim Warrant to be \$2,500,000 on the date of issuance of the Warrant. The Mayor and City Clerk are authorized and directed to make the necessary arrangements with Bond Counsel and the Warrantholder to establish the date, location, procedure and conditions for the delivery of the Warrant, and to take all steps necessary to effect due execution and delivery of the Warrant under the terms of this Ordinance.

Section 8. Registration; Transfer and Exchange of Warrant. The Warrant shall be registered as to both principal and interest in the name of the registered owner thereof on the books to be kept for that purpose by the City Clerk, who is hereby designated as Registrar. The City

covenants and agrees to cause to be kept and maintained proper registry books for recording accurately all registrations of the Warrant and to cause to be made accurate notations of such registration on the reverse of the Warrant, authenticated in each instance by the signature of the City Clerk. No transfer of the Warrant shall be valid unless made at the written request of the registered owner or his legal representative, and noted on the registration books by the Registrar. No charge shall be made to any registered owner for the privilege of registration and transfer hereinabove granted, but any registered owner requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto. The Warrant shall not be transferable except to an "accredited investor" as defined in the Securities Act of 1933 and the rules and regulations promulgated thereunder and only upon compliance with applicable State of Alabama and federal securities laws.

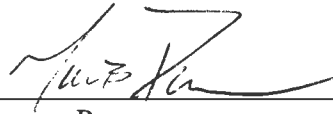
The City agrees that the Warrantholder may from time to time enter into a participation agreement or agreements with one or more persons (the "Participants"), pursuant to which the Participants shall be given participations in the Warrant, and that the Participants may from time to time similarly grant to one or more other persons (also included in the term "Participants") subparticipations in the Warrant, provided, that no participation shall increase any liability of the City, and the City shall not have any direct obligation to a Participant. The Warrantholder may divulge to any Participant all information, reports, financial statements, certificates and documents obtained by it from the City or any other person under any provisions of this Ordinance or otherwise.

Section 9. Replacement of Mutilated, Lost, Stolen or Destroyed Warrant. In the event the Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of mutilation, the mutilated Warrant is first surrendered to the Registrar, and (b) in the case of loss, theft, or destruction, there is first furnished to the City and the Registrar evidence satisfactory to each of them of such loss, theft or destruction, together with indemnity satisfactory to each of them. The City and Registrar may charge the named payee with the expense of issuing any such new promissory note.

Section 10. Other Documents. The City hereby authorizes Bond Counsel to prepare such other and further documents, certifications, assignments and instruments as the Warrantholder may require or as may be necessary or appropriate to consummate the transactions contemplated in this Ordinance, including without limitation any certificates or reports referred to herein. The Mayor and City Clerk are hereby authorized and directed to execute and deliver any and all such additional documents or certificates.

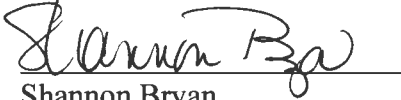
Section 11. Effective Date. This Ordinance shall become effective upon its approval as provided by law.

ADOPTED this 23rd day of June, 2020.



Marcus Paramore
Council President

ATTEST:



Shannon Bryan
City Clerk

APPROVED this 23rd day of June, 2020.



Jason A. Reeves
Mayor

ATTEST:

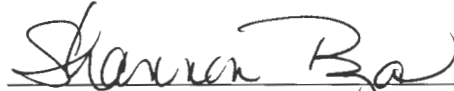


Shannon Bryan
City Clerk

EXHIBIT A
FORM OF WARRANT
(Attached)

As City Clerk of the City of Troy, Alabama, I hereby certify that the attached pages are a true, full, and complete copy of an ordinance duly adopted at a meeting of the City Council of the City of Troy, Alabama duly and legally held June 23, 2020, as the same appears in the permanent records of the City in my custody.

IN WITNESS WHEREOF, I have hereunto affixed my hand as City Clerk of the City of Troy and have affixed the official seal of the City this 24th day of June, 2020.



City Clerk, City of Troy, Alabama

[SEAL]

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF TROY
GENERAL OBLIGATION REFUNDING WARRANT (FEDERALLY TAXABLE)
SERIES 2020**

Dated Date:
June 24, 2020

Maturity Date:
June 24, 2025

Interest Rate:
4.60%

The City of Troy, Alabama, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Alabama (the "City"), for value received, hereby acknowledges itself indebted and directs and orders the payment to The First National Bank of Brundidge (the "Holder"), or its registered assigns noted hereon and on the registration books of the City maintained for that purpose at the City's principal office in Troy, Alabama, the aggregate principal sum of

**TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$2,500,000.00)**

on the Maturity Date specified above, together with interest thereon from the date hereof at the rate specified above. Payments of principal and interest shall be made in equal monthly installments beginning on July 24, 2020 and continuing on the 24th day of each consecutive month thereafter, through and including the Maturity Date set forth above in accordance with the amortization schedule attached hereto.

Except as otherwise required by law, payments received by the Holder shall be applied first to any fees and charges contemplated herein, then to accrued and unpaid interest and finally to principal. If any payment required hereunder is not made within 10 days of the due date, the City shall pay the Holder a late charge of 5.00% of the past due amount, with a minimum late charge of \$10 and maximum late charge of \$100 with respect to any single late payment.

Interest on this Warrant shall be calculated on an Actual/365 basis.

The amount from time to time outstanding under this Warrant and each payment on this Warrant shall be evidenced by entries in the Holder's internal records, which shall be conclusive evidence absent manifest error of (a) the amount of principal and interest owing on this Warrant from time to time; and (b) the amount of each principal and/or interest payment received by the Holder on this Warrant. The failure of the Holder to make an accurate entry shall not limit or otherwise affect the obligation of the City to repay funds otherwise owed hereunder.

Both the principal of and interest on this Warrant are payable in lawful money of the United States of America, at par and without discount, exchange, deduction, or charge therefor to the then registered owner hereof at the address shown on the registration books of the City (except for the final payment of such principal and interest which shall be made only upon the surrender of this Warrant to the City for cancellation); provided, however, that so long as this Warrant shall be registered in the name of The First National Bank of Brundidge, any payment of principal or

interest with respect to this Warrant shall be made by check mailed to The First National Bank of Brundidge, P.O. Drawer 775, Brundidge, Alabama 36010-0775, or by wire transfer, automated clearinghouse, authorized bank account debit, or bank draft. Payment of principal of and interest on this Warrant shall be deemed timely made if mailed or paid by wire transfer, automated clearinghouse, authorized bank account debit, or bank draft to the registered owner on the applicable payment date with respect to which such payment is made or, if such payment date is not a business day, then on the first business day following the payment date.

The City may prepay this Warrant in whole or in part without prepayment penalty, but only upon payment of all interest accrued to the date of such prepayment.

This Warrant is duly authorized and issued by the City pursuant to the Constitution and laws of the State of Alabama, including, particularly, Section 11-47-2 of the Code of Alabama 1975, as amended, Amendment 772 of the Constitution of Alabama of 1901, and an ordinance of the City Council of the City duly adopted on June 23, 2020 (the "Ordinance") for the lawful purposes recited in the Ordinance.

The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the City, to the payment of the principal of and interest on which the full faith and credit of the City have been irrevocably pledged.

This Warrant is registered as to principal and interest in the name of the owner hereof on the registration books of the City maintained for that purpose at its principal office. Upon presentation hereof at such office, this Warrant may be transferred in whole (not in part) on such books by the registered owner in person or by duly authorized attorney, evidence of such transfer to be endorsed hereon; provided, however, that THIS WARRANT MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES 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. The City Clerk is the Registrar and execution of the Registration Certificate by the City Clerk as Registrar hereon is essential to the validity hereof.

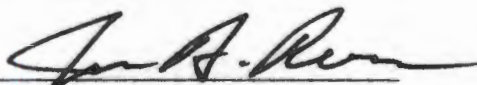
Reference is made to the Ordinance for additional provisions with respect to the rights, duties and obligations of the City, the Registrar, and the Holders, and the terms and conditions upon which this Warrant issued and secured. The Holder of this Warrant assents, by acceptance hereof, to all of the provisions of the Ordinance.

It is hereby recited, certified, and declared that the obligation evidenced by this Warrant will be lawfully due without condition, abatement, or offset of any description and that all conditions, acts, and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this Warrant and the adoption of the resolution authorizing its issuance exist, have been performed, and have happened in time, form, and manner as so required.

IN WITNESS WHEREOF, The City of Troy, Alabama, acting by and through its governing body, has caused this Warrant to be executed in its name and on its behalf by its Mayor, to be attested to by its City Clerk, and its official seal to be affixed this 24th day of June, 2020.

CITY OF TROY, ALABAMA

(SEAL)

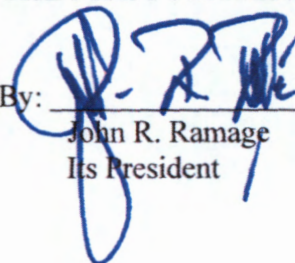
By: 
Jason A. Reeves
Mayor

ATTEST:


Shannon Bryan, City Clerk

Approved and Accepted this 24th day of June, 2020:

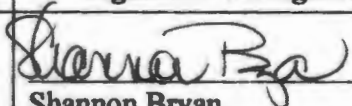
THE FIRST NATIONAL BANK OF BRUNDIDGE

By: 
John R. Ramage
Its President

REGISTRATION CERTIFICATE

(No Writing below except by the Registrar)

The within Warrant has been registered in the name of the last owner named below on the registration books of the City of Troy, Alabama maintained for that purpose at its principal office by the City Clerk, as the Registrar, and the principal of and interest on this Warrant shall be payable to such registered owner only at the address shown below or at such other address as such registered owner may direct in writing, and this Warrant may thereafter be transferred only upon an assignment duly executed by such registered owner, such transfer to be made on such books and endorsed hereon:

Date of Registration	Registered Owner	Signature of Registrar
June 24, 2020	The First National Bank of Brundidge 137 South Main Street P.O. Drawer 775 Brundidge, AL 36010-0775	 Shannon Bryan City Clerk

The following abbreviations, when used in the inscription on the face of this Warrant or in the Assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property

UNIF GIFT MIN ACT - _____ Custodian _____
(Custodian) (Minor)

under Uniform Gift to Minors Act _____
(State)

Additional abbreviations may also be used although not in the above list.

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Warrant and irrevocably constitutes and appoints attorney to transfer this Warrant on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Bank, Trust Company or Firm*)

By: _____

Authorized Officer

Its Medallion Number

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

*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).

\$2,500,000
CITY OF TROY, ALABAMA
GENERAL OBLIGATION REFUNDING WARRANT (FEDERALLY TAXABLE)
SERIES 2020

CERTIFICATE OF OFFICERS OF CITY

We, the undersigned officers of the City of Troy, Alabama (the "Issuer"), hereby certify as follows:

(1) This Certificate is executed and delivered in connection with the issuance of the above-referenced warrant (the "Warrant") by the City of Troy, Alabama (the "Issuer") pursuant to that certain Ordinance adopted by the City Council of the Issuer on June 23, 2020 (the "Authorizing Ordinance"). Capitalized terms used herein without definition shall have the respective meanings set forth therefor in the Authorizing Ordinance herein defined.

(2) The officers of the Issuer named below are the duly elected, qualified, and acting officers of the Issuer as designated:

Mayor	Jason A. Reeves
Member, City Council	Robert Jones
Member, City Council	Greg Meeks
Member, City Council	Marcus Paramore
Member, City Council	Stephanie Baker
Member, City Council	Wanda Howard Moultry
City Clerk and Treasurer	Shannon Bryan

Each of the terms of office of the foregoing officers was current at all times that actions were taken relating to the approval of the above-captioned Warrant and none of those terms of office have expired. Those of said officers who are required to post bond as security for any funds handled by them have duly posted with the proper officers all bonds with sufficient surety required of them, which bonds have been duly approved by the officers required by law to approve the same. Those of said officers who are required by law to take an oath of office have duly taken such oath of office before the officers required by law. All of said officers shown above are now and have continuously been, since their respective terms of office began, performing the duties pertaining to their respective offices.

(3) The Issuer is a municipal corporation duly organized and existing under the general laws of the State of Alabama and is organized under the provisions of the Code of Alabama of 1975, as amended, pertaining to the mayor-council form of government for municipalities. To the best of our knowledge and belief, there are no local or special laws of the State pertaining to or having any bearing on or restricting the borrowing of money by the Issuer, or the execution, issuance, or sale of notes, warrants, or bonds by the Issuer in evidence of any money so borrowed. No proceedings for the dissolution of the Issuer have ever been taken. The seal affixed hereto is the officially adopted corporate seal of the Issuer and the clerk is the

official custodian thereof and is duly authorized to affix the same to bonds, warrants, contracts, certificates and other obligations and documents of the Issuer and to certify copies of the minutes, proceedings and records of the Issuer and the City Council.

(4) Regular meetings of the City Council of the Issuer are held on the second and fourth Tuesdays in each month, at 5:00 P.M. pursuant to Sections 11-43-49 and 11-43-50 of Code of Alabama 1975, and as fixed by order of the City Council and publicly announced by it.

(5) The regular meeting of the City Council fixed for June 23, 2020 was duly and legally held, in accordance with all applicable laws of the State of Alabama, on June 23, 2020, at 5:00 P.M., at which meeting the City Council duly adopted the Authorizing Ordinance, authorizing the issuance and sale of the Warrant and the execution and delivery of all of the documents, instruments, and certificates referred to in the Authorizing Ordinance (the "Financing Documents") and the transactions pursuant thereto. The Authorizing Ordinance was adopted after the City Council, by unanimous consent, suspended all rules that would otherwise permit immediate consideration of the Ordinance, in compliance with all applicable laws and rules of the Council.

(6) Pursuant to the authority of the Authorizing Ordinance, the undersigned Mayor has signed and acknowledged, and (as applicable) the undersigned City Clerk has attested and has manually affixed the official corporate seal of the Issuer on, the Financing Documents. Each of the Financing Documents, as executed, is substantially in the form and of the content as approved by the City Council of the Issuer with only such changes as were authorized to be agreed to by the officers of the Issuer executing the same and each of the Financing Documents was delivered on behalf of the Issuer to the respective parties to the Financing Documents on or before the date of this certificate.

(7) Pursuant to the authority of the Authorizing Ordinance, the undersigned Mayor and City Clerk have executed the Warrant. The Treasurer has registered the Warrant as a claim against the Issuer, for the payment of which the full faith and credit of the Issuer are pledged. The undersigned City Clerk has affixed the official corporate seal of the Issuer to the Warrant. The Warrant was in the form therefor provided in the Authorizing Ordinance and have been in all respects duly executed pursuant to the authority of the Authorizing Ordinance.

(8) On the date the undersigned executed the Warrant and the Financing Documents, we were and now are the duly elected, qualified and acting officers of the Issuer indicated by our signatures thereon and hereon.

(9) The execution and delivery of the Financing Documents and the related documents by the Issuer, the consummation of the transactions therein contemplated, and the fulfillment of the respective terms thereof will not violate or constitute a default under any indenture, mortgage, deed of trust or other contract, agreement or instrument or any statute or rule of law to which the Issuer is now a party or is subject, or any resolution, order, rule or regulation, writ, injunction, decree or judgment of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Issuer.

(10) The Warrant has been delivered to The First National Bank of Brundidge, the purchaser thereof, in accordance with the Authorizing Ordinance.

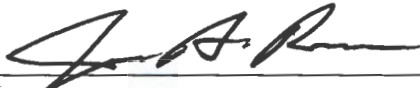
(11) There is no litigation or proceeding pending with respect to which service of process or notice on the Issuer or the undersigned has been perfected or given, and to the best of our knowledge, information and belief, there is no litigation or proceeding threatened, in any court or administrative body, whether state or federal, attacking or in any way questioning the corporate existence of the Issuer or the territorial boundaries of the Issuer, or the election or title of any of the officers of the Issuer named above, or the power of the Council to authorize the sale, execution, and issuance of the Warrant, or the validity of the Authorizing Ordinance, or the validity of the sale and award of the Warrant to The First National Bank of Brundidge, or the power of the Mayor to execute the Warrant, or the power or duty of the City Clerk of the Issuer to impress the official seal of the Issuer thereon and to attest the same by signing the Warrant, or the power or duty of the Mayor to deliver or cause to be delivered the Warrant to said purchaser, or the validity of or security for the Warrant or any thereof, or the power of the Issuer to use the proceeds from the sale of the Warrant for purposes for which it was issued, or the power or duty of the City Treasurer to pay the principal of and premium, if any, and interest on the Warrant at the respective maturities thereof. The Authorizing Ordinance has not been amended, repealed, revoked, or rescinded, and is still in full force and effect.

(12) On and as of the date hereof, the Issuer is in compliance with all terms and provisions of the Financing Documents to be observed and performed thereof, and no event of default specified therein, nor any condition or event which, upon notice or lapse of time or both, would constitute such an event of default, has occurred and is continuing.

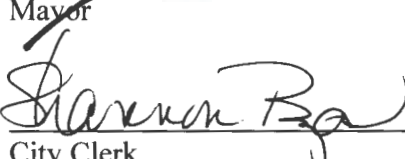
(13) The undersigned have not executed any warrant pursuant to the authority conferred on them by the Authorizing Ordinance other than that hereinabove defined as the "Warrant."

[Signatures follow on next page]

WITNESS our signatures in our respective capacities hereunder noted this 24th day of June, 2020.



Mayor



City Clerk

SEAL

June 24, 2020

City of Troy, Alabama

The First National Bank of Brundidge
Brundidge, Alabama

Re: \$2,500,000 General Obligation Refunding Warrant (Federally Taxable),
Series 2020, dated and delivered June 24, 2020, issued by the
City of Troy, Alabama to The First National Bank of Brundidge

We have acted as bond counsel to the City of Troy, Alabama (the "Issuer") in connection with the issuance and delivery of the above-referenced warrant (the "Warrant") by the Issuer to The First National Bank of Brundidge (the "Bank").

In rendering this opinion, we have (a) examined a certified copy of the Warrant and such other certificates, proceedings, proofs and documents ("Financing Documents"), and made such studies of matters of law, as we have deemed necessary, and (b) relied, without independent investigation or inquiry, upon (1) the representations and covenants made in the Financing Documents, and (2) certificates of certain public officials and officers of the Issuer, and other certificates, proceedings, proofs and papers considered by us to be pertinent.

The opinions expressed herein are limited to the laws of the State of Alabama and the federal laws of the United States of America.

Based on the foregoing, and subject to the below qualifications, we are of the opinion, as of the date hereof and under existing law, that:

(1) The Issuer has power and authority under applicable law to execute and deliver the Warrant.

(2) The Issuer has duly authorized, executed, and delivered the Warrant and the Warrant constitutes the legal, valid and binding obligation of the Issuer and is enforceable against the Issuer in accordance with its terms.

June 24, 2020

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(3) The indebtedness evidenced by the Warrant is a general obligation of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit.

(4) Interest on the Warrant is exempt from State of Alabama income taxation,

We express no opinion concerning the tax consequences arising with respect to the Warrant, other than the opinion expressed in paragraph (4) above.

The rights of the Bank and the enforceability of the Financing Documents are subject to and may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights and (b) the exercise of judicial discretion (whether in a proceeding in equity or at law) and (c) the valid exercise of the constitutional powers of the United States of America and the sovereign and police powers of the State of Alabama.

The opinion is (a) limited to matters stated herein and no opinion may be inferred beyond the matters expressly stated, (b) given as of the date hereof and with the express understanding that we have no obligation to advise you or any of your successors or assigns of any changes in law or fact subsequent to the date hereof, even though such changes may affect the opinions expressed herein, (c) rendered to you solely in connection with the subject transactions and may not be relied upon by you or by any other person for any other purpose, and (d) rendered as an expression of our professional judgment as to the legal issues explicitly addressed herein, by the rendering of which we do not become an insurer or guarantor of that expression of professional judgment or of the outcome of any legal dispute that may arise with respect to any of the matters herein contained.

Sincerely yours,

INVESTMENT LETTER

June 24, 2020

City of Troy, Alabama

Capell & Howard, P.C.
Montgomery, Alabama

Re: **City of Troy, Alabama \$2,500,000 General Obligation Refunding
Warrant (Federally Taxable), Series 2020**

Gentlemen:

In connection with the purchase by the undersigned of the captioned obligation (the "Warrant"), the undersigned hereby represents and warrants as follows:

1. The undersigned is a commercial bank with extensive experience in, among other things, the business of investing in securities such as the Warrant, and as such, the undersigned is a sophisticated and well-informed investor, capable of evaluating the merits and economic risks which may be associated with the purchase and ownership of the Warrant.

2. We understand that no official statement, prospectus, or offering circular containing material information with respect to the issuer or the Warrant has been prepared and we acknowledge that we have otherwise acquired from sources we deem reliable all the necessary information that we desire and deem adequate in order to enable us to make an informed decision concerning investment in the Warrant. We have made such inspections and investigations as we deem necessary to determine the investment quality of the Warrant, and we hereby acknowledge that we have fully evaluated all risk factors involved in the purchase and ownership of the Warrant and are able and willing to bear the economic risk of the purchase and ownership of the Warrant.

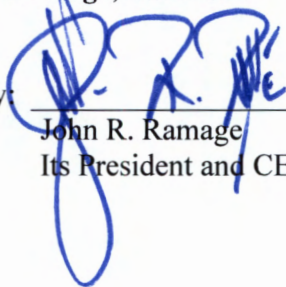
3. We have not offered any portion of the Warrant for sale to, or solicited offers to buy any thereof from, or otherwise approached or negotiated with respect thereto with, any prospective purchasers nor have we employed any person to act as agent, broker, dealer or otherwise to offer the Warrant for us or to solicit offers to buy the Warrant from us.

City of Troy, Alabama
Capell & Howard, P.C.
June 24, 2020
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4. We are purchasing the Warrant for our own account for investment (and not on behalf of another) and have no present intention of reselling the Warrant or dividing our interest therein, either currently or after passage of a fixed or determinable period of time or upon the occurrence or nonoccurrence of any predetermined event or circumstance; but we reserve the right to sell, pledge, transfer, convey, hypothecate, mortgage, or dispose of the Warrant at some future date determined by us.

THE FIRST NATIONAL BANK OF BRUNDIDGE
Brundidge, Alabama

By



John R. Ramage
Its President and CEO

CITY OF TROY, ALABAMA
\$2,500,000
GENERAL OBLIGATION REFUNDING WARRANT (FEDERALLY TAXABLE)
SERIES 2020

CLOSING MEMORANDUM

Closing on June 24, 2020

A. Purpose and Defined Terms

This Closing Memorandum is being delivered in connection with the issuance and delivery of \$2,500,000 principal amount General Obligation Refunding Warrant (Federally Taxable), Series 2020, dated June 24, 2020 (the "Warrant"), issued by the City of Troy, Alabama, a municipal corporation organized under the laws of the State of Alabama (the "Issuer"), pursuant to an ordinance adopted on June 23, 2020 (the "Ordinance") to The First National Bank of Brundidge (the "Warrantholder"). The Warrant is being issued for the purpose of partially refunding the City's \$3,000,000 General Obligation Warrant (Federally Taxable), Series 2018-C (the "Interim Warrant"), which is held by the Warrantholder. Capitalized terms used but not otherwise defined in this Closing Memorandum shall have the meanings ascribed thereto in the Ordinance or the Warrant.

B. Transaction Parties

City of Troy, Alabama (the "Issuer")
The First National Bank of Brundidge (the "Warrantholder")

C. Transfers, Payments and Deposits at Closing

On the date of Closing the Issuer has made a payment to the Warrantholder in the amount of \$508,672.13, consisting of (i) accrued, unpaid interest on the Interim Warrant through the date of Closing in the amount of \$8,672.13, and (ii) a payment of part of the outstanding principal of the Interim Warrant in the amount of \$500,000, such that the redemption price of the Interim Warrant as of Closing is \$2,500,000. The Warrant is being issued in exchange for the Warrantholder's surrender of the Interim Warrant.

The City will pay the costs of issuance of the Warrant, consisting of bond counsel fee and expenses, from funds other than proceeds of the Warrant.

D. Delivery and Receipt for Warrant.

Execution and Delivery of Warrant by the Issuer. The Issuer has duly executed the Warrant and has delivered the executed Warrant to the Warrantholder.

Registration of Warrant by Issuer (as registrar). The Issuer has registered the Warrant on the registration books maintained by the Issuer.

Receipt for Warrant by Warrantholder. The Warrantholder acknowledges and confirms that the Warrant was delivered to the Warrantholder in exchange for the surrender of the Interim Warrant.

E. Counterparts

This Closing Memorandum may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Warrantholder and the Issuer do hereby certify that this Closing Memorandum describes correctly actions taken by them in connection with the issuance of the Warrant and that they have caused this Closing Memorandum to be executed on their behalf by their duly authorized officers or agents.

June 24, 2020

THE FIRST NATIONAL BANK OF BRUNDIDGE
Brundidge, Alabama, as Warrantholder

By: _____

John R. Ramage
Its President and CEO

CITY OF TROY, ALABAMA

By: _____

Jason A. Reeves
Mayor

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF TROY
GENERAL OBLIGATION REFUNDING WARRANT (FEDERALLY TAXABLE)
SERIES 2020**

Dated Date:
June 24, 2020

Maturity Date:
June 24, 2025

Interest Rate:
4.00%

The City of Troy, Alabama, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Alabama (the "City"), for value received, hereby acknowledges itself indebted and directs and orders the payment to The First National Bank of Brundidge (the "Holder"), or its registered assigns noted hereon and on the registration books of the City maintained for that purpose at the City's principal office in Troy, Alabama, the aggregate principal sum of

**TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$2,500,000.00)**

on the Maturity Date specified above, together with interest thereon from the date hereof at the rate specified above. Payments of principal and interest shall be made in equal monthly installments beginning on July 24, 2020 and continuing on the 24th day of each consecutive month thereafter, through and including the Maturity Date set forth above in accordance with the amortization schedule attached hereto.

Except as otherwise required by law, payments received by the Holder shall be applied first to any fees and charges contemplated herein, then to accrued and unpaid interest and finally to principal. If any payment required hereunder is not made within 10 days of the due date, the City shall pay the Holder a late charge of 5.00% of the past due amount, with a minimum late charge of \$10 and maximum late charge of \$100 with respect to any single late payment.

Interest on this Warrant shall be calculated on an Actual/365 basis.

The amount from time to time outstanding under this Warrant and each payment on this Warrant shall be evidenced by entries in the Holder's internal records, which shall be conclusive evidence absent manifest error of (a) the amount of principal and interest owing on this Warrant from time to time; and (b) the amount of each principal and/or interest payment received by the Holder on this Warrant. The failure of the Holder to make an accurate entry shall not limit or otherwise affect the obligation of the City to repay funds otherwise owed hereunder.

Both the principal of and interest on this Warrant are payable in lawful money of the United States of America, at par and without discount, exchange, deduction, or charge therefor to the then registered owner hereof at the address shown on the registration books of the City (except for the final payment of such principal and interest which shall be made only upon the surrender of this Warrant to the City for cancellation); provided, however, that so long as this Warrant shall be registered in the name of The First National Bank of Brundidge, any payment of principal or

interest with respect to this Warrant shall be made by check mailed to The First National Bank of Brundidge, P.O. Drawer 775, Brundidge, Alabama 36010-0775, or by wire transfer, automated clearinghouse, authorized bank account debit, or bank draft. Payment of principal of and interest on this Warrant shall be deemed timely made if mailed or paid by wire transfer, automated clearinghouse, authorized bank account debit, or bank draft to the registered owner on the applicable payment date with respect to which such payment is made or, if such payment date is not a business day, then on the first business day following the payment date.

The City may prepay this Warrant in whole or in part without prepayment penalty, but only upon payment of all interest accrued to the date of such prepayment.

This Warrant is duly authorized and issued by the City pursuant to the Constitution and laws of the State of Alabama, including, particularly, Section 11-47-2 of the Code of Alabama 1975, as amended, Amendment 772 of the Constitution of Alabama of 1901, and an ordinance of the City Council of the City duly adopted on June 23, 2020 (the "Ordinance") for the lawful purposes recited in the Ordinance.

The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the City, to the payment of the principal of and interest on which the full faith and credit of the City have been irrevocably pledged.

This Warrant is registered as to principal and interest in the name of the owner hereof on the registration books of the City maintained for that purpose at its principal office. Upon presentation hereof at such office, this Warrant may be transferred in whole (not in part) on such books by the registered owner in person or by duly authorized attorney, evidence of such transfer to be endorsed hereon; provided, however, that THIS WARRANT MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES 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. The City Clerk is the Registrar and execution of the Registration Certificate by the City Clerk as Registrar hereon is essential to the validity hereof.

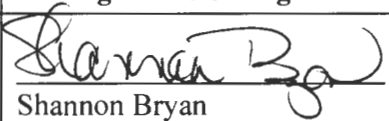
Reference is made to the Ordinance for additional provisions with respect to the rights, duties and obligations of the City, the Registrar, and the Holders, and the terms and conditions upon which this Warrant issued and secured. The Holder of this Warrant assents, by acceptance hereof, to all of the provisions of the Ordinance.

It is hereby recited, certified, and declared that the obligation evidenced by this Warrant will be lawfully due without condition, abatement, or offset of any description and that all conditions, acts, and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this Warrant and the adoption of the resolution authorizing its issuance exist, have been performed, and have happened in time, form, and manner as so required.

REGISTRATION CERTIFICATE

(No Writing below except by the Registrar)

The within Warrant has been registered in the name of the last owner named below on the registration books of the City of Troy, Alabama maintained for that purpose at its principal office by the City Clerk, as the Registrar, and the principal of and interest on this Warrant shall be payable to such registered owner only at the address shown below or at such other address as such registered owner may direct in writing, and this Warrant may thereafter be transferred only upon an assignment duly executed by such registered owner, such transfer to be made on such books and endorsed hereon:

Date of Registration	Registered Owner	Signature of Registrar
June 24, 2020	The First National Bank of Brundidge 137 South Main Street P.O. Drawer 775 Brundidge, AL 36010-0775	 Shannon Bryan City Clerk

IN WITNESS WHEREOF, The City of Troy, Alabama, acting by and through its governing body, has caused this Warrant to be executed in its name and on its behalf by its Mayor, to be attested to by its City Clerk, and its official seal to be affixed this 24th day of June, 2020.


CITY OF TROY, ALABAMA

(SEAL)

By: _____

Jason A. Reeves
Mayor

ATTEST:



Shannon Bryan, City Clerk

Approved and Accepted this 24th day of June, 2020:

THE FIRST NATIONAL BANK OF BRUNDIDGE

By: _____

John R. Ramage
Its President

The following abbreviations, when used in the inscription on the face of this Warrant or in the Assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property

UNIF GIFT MIN ACT - _____ Custodian _____
(Custodian) (Minor)

under Uniform Gift to Minors Act _____
(State)

Additional abbreviations may also be used although not in the above list.

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Warrant and irrevocably constitutes and appoints attorney to transfer this Warrant on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Bank, Trust Company or Firm*)
By: _____
Authorized Officer

Its Medallion Number

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

*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).

AGREEMENT REGARDING CORRECTION OF ERROR

THIS AGREEMENT is made and entered into effective as of June 24, 2020, by and between the City of Troy, Alabama, a municipal corporation organized and existing under the laws of the State of Alabama (the "Issuer"), and The First National Bank of Brundidge, a national banking association (the "Holder").

WHEREAS, pursuant to that certain Ordinance of adopted on June 23, 2020 (the "Ordinance"), the City Council authorized the issuance of the City's General Obligation Refunding Warrant (Federally Taxable), Series 2020, in the original principal amount \$2,500,000 (the "Warrant"), to the Holder;

WHEREAS, the Holder's reference number for the loan evidenced by the Warrant is loan 50483;

WHEREAS, the City and the Holder have realized that the interest rate set forth in the form of the Warrant included in the Ordinance is erroneously high; and

WHEREAS, the City and the Holder desire to agree and confirm that the correct interest rate of the Warrant is 4.00%.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Holder agree as follows:


1. Notwithstanding the 4.60% interest rate set forth in the form of Warrant included in the Ordinance, the Warrant's rate of interest is and shall be 4.00% in accordance with the actual Warrant delivered to the Holder.
2. This Agreement shall not constitute a modification or novation of the Warrant or the indebtedness evidenced thereby.

[Signatures begin on following page]

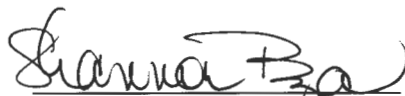
IN WITNESS WHEREOF, the City and the Holder have caused this instrument to be duly executed, and their respective corporate seals to be hereunto affixed and attested.

CITY OF TROY, ALABAMA

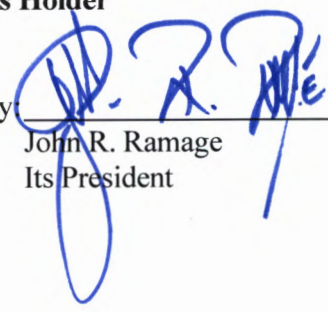
(SEAL)

By: 
Jason A. Reeves
Its Mayor

ATTEST:


Shannon Bryan, City Clerk

**THE FIRST NATIONAL BANK OF
BRUNDIDGE**
As Holder

By: 
John R. Ramage
Its President