

RESOLUTION NO. 2022-310-R

A RESOLUTION AUTHORIZING PREPERATION OF A PRELIMINARY STATEMENT FOR WARRANTS AND REIMBURSEMENT PROVISIONS TO THE GENERAL FUND FROM BOND PROCEEDS

BE IT RESOLVED by the City Council (the "Council") of the City of Madison, Alabama (the "City"), as follows:

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

- a) The Council expects that the City will issue its General Obligation Economic Development Warrants, Series 2022 (the "Warrants"), in an aggregate principal amount not to exceed \$82,000,000. A portion of the proceeds of the Warrants are expected to be applied to the costs of two "flyover" ramps as part of the I-565 interchange at Town Madison (the "Capital Improvements").
- b) Prior to the offering and sale of the Warrants and adoption of an authorizing ordinance providing for the terms thereof it is necessary and appropriate that the Council approve certain actions taken or to be taken in connection with the issuance, sale and delivery of the Warrants.

Section 2. Authorization with respect to the Warrants. The preparation and distribution of a Preliminary Official Statement with respect to the Warrants is hereby authorized. The Mayor of the City is hereby authorized to take action to "deem final" such Preliminary Official Statement within the meaning of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission. The Mayor and Director of Finance of the City are hereby authorized to take or cause to be taken all such actions as are necessary and appropriate to present the Warrants to the Council for approval, including, without limitation, preparation of authorizing proceedings for presentation to and approval of the Council. The engagement of The Frazer Lanier Company, Incorporated [and Stifel, Nicolaus & Company, Incorporated] (the "Underwriters") as investment bankers and underwriters with respect to the issuance and sale of the Warrants is hereby authorized. In the event he determines that it is desirable to do so in order to obtain favorable interest rates with respect to the Warrants, the Mayor is hereby authorized to execute a Warrant Purchase Agreement between the City and the Underwriters with respect to the sale of the Warrants, which Warrant Purchase Agreement shall be expressly made subject, however, to final approval by the Council of an Authorizing Ordinance with respect to the Warrants approving the principal maturity amounts, interest rates and other terms thereof.

Section 3. Reimbursement Provisions. Prior to the issuance of the Warrants the Council expects that the City will issue a notice to proceed with respect to the construction of

the Capital Improvements and may expend up to \$10,000,000 paid out of the City's general fund, toward the cost of the Capital Improvements. The Council hereby declares its intent, upon issuance of the Warrants, to reimburse any such amounts as have been or are paid toward the cost of the Capital Improvements out of proceeds of the Warrants; provided, however, that no such expenses paid prior to the date that is sixty days prior to the date of adoption of this Resolution shall be so reimbursed unless they constitute "preliminary expenses" or do not exceed the lesser of \$100,000 or 5% of the amount of the Warrants, in each case determined in accordance with Section 1.150-2(f) of the Regulations promulgated by the United States Department of the Treasury pursuant to Section 150 of the Internal Revenue Code of 1986, as amended.

READ, PASSED AND ADOPTED THIS 14th DAY OF NOVEMBER 2022.

*Council President
Madison City Council
City of Madison, Alabama*

ATTEST:

*Lisa D. Thomas, City Clerk/Treasurer
City of Madison, Alabama*

APPROVED this _____ day of November 2022.

*Paul Finley, Mayor
City of Madison, Alabama*