

ORDINANCE NO. 1804

AN ORDINANCE APPROVING THE SUBLEASE AGREEMENT BETWEEN THE CITY OF TALLADEGA AND THE DEPARTMENT OF HUMAN RESOURCES OF THE STATE OF ALABAMA BE IT ORDAINED by the City Council (herein called the "Council") of the **CITY OF TALLADEGA, ALABAMA** (herein called the "City"), as follows:

Section 1. Findings. The Council has ascertained and does hereby determine and declare as follows:

(a) pursuant to the laws of the State of Alabama, the City has the power and the duty to make provision for the poor and needy of the City and the surrounding area;

(b) the City deems it necessary, desirable and in the public interest that the City assist in the provision of a facility for use by the Department of Human Resources of the State of Alabama ("DHR") in providing services for the poor and the needy of the City and Talladega County, Alabama;

(c) The Public Building Authority of the City of Talladega (the "Authority") has agreed to issue its \$4,045,000 principal amount of Building Revenue Bonds (Department of Human Resources Project), Series 2015 (the "Bonds"), for the purpose of providing funds to acquire, construct, install and equip a building (the "Building") and related capital improvements for use by DHR in providing services to the poor and needy in the said City and County;

(d) the City has heretofore conveyed to the Authority certain real property on which the Building and said capital improvements are to be located; and

(e) the City has heretofore executed and delivered to DHR a Sublease Agreement with respect to the Building and the real property on which it is to be located; and

(f) the Council deems it necessary, desirable and in the public interest that (1) the City lease the Building from the Authority for lease to DHR, (2) the City ratify the conveyance to the Authority of its interest in the real property on which the Building is to be located, and (3) the City approve certain other matters in connection with the construction of the Building and issuance of the Bonds.

Section 2. Authorization of Lease Agreement. The City Manager of the City is hereby authorized to execute a Lease Agreement (which Lease Agreement shall be in substantially the form attached hereto as Exhibit I and made a part hereof as if set forth in full herein) for and in the name and behalf of the City and the City Clerk of the City is hereby authorized and directed to affix the seal of the City to the said Lease Agreement and to attest the

same; provided however, that the Lease Agreement shall not be delivered on behalf of the City unless simultaneously with the delivery thereof there shall be executed and delivered on behalf of the respective parties a Trust Indenture to be dated as of October 1, 2015 (herein called the "Indenture") between the Authority and Regions Bank, providing for the issuance of the Bonds, which Indenture shall be in substantially the form presented to the meeting of the Council at which this ordinance is adopted (which form shall be attached to the minutes of said meeting as Exhibit II and is hereby adopted in all respects as if set out in full herein).

Section 3. Approval of Bonds. The Council hereby approves in all respects the terms and conditions (including, without limitation, the maturities, interest rates and provisions for redemption prior to maturity) of the Bonds which are contained in the Indenture. The Council hereby acknowledges its understanding of all provisions of the aforementioned Lease Agreement and the Indenture and the Council hereby approves the provisions of all such documents.

Section 4. Approval of Construction Contract. The Council hereby approves in all respects the execution and delivery by the Authority of a contract with First Team Construction Company, Inc., for construction of the Building (which Construction Contract shall be in substantially the form attached hereto as Exhibit III and is hereby adopted in all respects as if set out in full herein).

Section 5. Ratification of Conveyance. The execution and delivery by the City Manager of the City, for and in the name and on behalf of the City, of a deed conveying to the Authority the interest of the City in the real property on which the Building is to be located (a true and correct copy of which deed is attached hereto as Exhibit IV and made a part hereof as if set forth in full herein), is hereby ratified. The use of the real property for the purpose provided in the Indenture will fulfill a municipal function of the City by providing a facility for rendition of services to the poor and needy of the City and Talladega County, Alabama.

Section 6. Authorization of Sublease Agreement. The City Manager of the City is hereby authorized to execute a Sublease Agreement between the City and the Alabama Department of Human Resources with respect to the Building and the real property on which it is to be located (which Sublease shall be in substantially the form attached hereto as Exhibit V and made a part hereof as if set forth in full herein), for and in the name and on behalf of the City, and the City Clerk of the City is hereby authorized and directed to affix the seal of the City to the said Sublease Agreement and to attest the same.

Section 7. Additional Documents. The City Manager of the City and the City Clerk of the City, or either of them, are each hereby authorized and directed to execute such other documents or certificates necessary in order to carry out the transactions contemplated by this Ordinance and by the Indenture.

Section 8. Disclaimer of Liability. Neither the Bonds of the Authority issued under the Indenture nor any of the agreements and covenants on the part of the Authority contained in such bonds or in such documents shall constitute or give rise to an obligation or

debt of the City or a charge against the credit or taxing powers of the City, and nothing contained in this Ordinance shall ever be construed to the contrary.

APPROVED AND ADOPTED this the 5th day of October, 2015.

Council President Ricky Simpson
Councilman Horace Patterson
Councilman Donnie Miller
Councilman Jarvis Elston
City Manager Patrick Bryant

Attested to: Elizabeth Cheeks, City Clerk