



**CITY OF TUSCALOOSA, ALABAMA
GENERAL OBLIGATION WARRANT
SERIES 2023**

**REQUEST FOR PROPOSALS
FOR PRIVATE PLACEMENT FINANCING**

OCTOBER 10, 2023

Introduction

The City of Tuscaloosa, Alabama (the “City”) requests Proposals (“Proposals”) from financial institutions to purchase its General Obligation Warrant, Series 2023 (the “Series 2023 Warrant”), in a maximum principal amount of \$4,000,000.

The City will receive Proposals at the office of the Chief Financial Officer until 9:00 a.m. CDT on October 24, 2023 (the “Deadline”). The City will not consider any Proposals received after the Deadline for any reason. The City reserves the right to: (1) reject any and all Proposals, for any reason, and (2) waive any and all informalities and irregularities in the selection process.

General Information for Respondents

Issuer: The City of Tuscaloosa, Alabama. Located along the banks of the Black Warrior River in west-central Alabama, Tuscaloosa is led by a mayor/council form of government and is home to approximately 100,000 residents and a thriving business community. Tuscaloosa is the regional center of industry, commerce, healthcare and education for west Alabama, and the principal city of the Tuscaloosa Metropolitan Statistical Area, which includes Tuscaloosa, Hale and Pickens counties. It serves as the home to several institutions of higher education, including the University of Alabama.

Annual Comprehensive Financial Reports of the City. The City’s Fiscal Year 2022 ACFR may be found here: <https://www.tuscaloosa.com/government/annualreports>

Contacts. The City’s contact for this solicitation is Carly Standridge, Chief Financial Officer. All questions regarding this solicitation must be directed to her via email, as follows:

Carly Standridge
Chief Financial Officer
(205) 248-5094
cstandridge@tuscaloosa.com

All contact by Respondents with the City must be through the contact shown above or in response to requests for additional information from the City. Any unsolicited contact by a Respondent with any member of the City Council or other staff of the City regarding this RFP shall be grounds for disqualification of the Respondent.

Purpose. Proceeds of the Series 2023 Warrant will be used by the City to pay (1) the costs of the acquisition and construction of various capital improvements within the City, including, without limitation, a new fire station, and (2) the costs of issuance of the Series 2023 Warrant.

Single Debt Instrument. The Series 2023 Warrant will be issued as a single debt instrument, will be federally tax-exempt (non-bank-qualified), and will constitute a general obligation of the City to which the full faith and credit of the City will be pledged.

The City's Outstanding Debt. A comprehensive list of the City's outstanding indebtedness can be found in Note 5 to the City Fiscal Year 2022 ACFR and in the City's most recent Official Statement located on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website. The City maintains long term debt ratings of AAA (negative outlook) from Fitch Ratings, Inc. and Aa1 (negative outlook) from Moody's Investor Service, Inc. The City will not seek a rating with regard to the Series 2023 Warrant.

Proposed Principal Repayment Structure. The City would like an interest-only draw period for 24 months, followed by a 36-month amortization period. The City shall not be required to draw the entire \$4,000,000 and will only amortize the principal amount actually drawn. Interest on the outstanding principal amount of the Series 2023 Warrant will be paid on December 1, 2023 and on the first day of each month thereafter. Principal shall be payable in fully amortizing monthly installments beginning on December 1, 2025. Interest shall be computed on a 30/360 day count basis.

Rates. Respondents are requested to propose (1) a floating interest rate during the draw period, and (2) a fixed interest rate during the amortization period; provided, however, the City shall be able to close the draw period before 12/1/2025 and have the Series 2023 Warrant accrue interest at a fixed rate at its election. The Series 2023 Warrant will be subject to a taxable interest rate to go into effect upon a Determination of Taxability. See the form of Ordinance attached as Appendix B to this RFP for the definition of "Determination of Taxability" and amounts to be paid by the City upon the occurrence of a Determination of Taxability.

Overdue Rate. Overdue installments of principal of the Warrant, until paid, shall bear interest at the rate then applicable to the Warrant, plus 200 basis points. Interest shall not be due on overdue installments of interest.

Optional Redemption. Respondents are requested to propose a fixed interest rate for the Series 2023 Warrant based on optional redemption at the election of the City, for no penalty or premium, in whole or in part (and if in part, in inverse order of maturing installments) on December 1, 2025 and thereafter.

Deposit of Construction Proceeds: The winning bidder shall have the right to elect to be the initial depository of the construction account as more particularly described and set forth in the form of authorizing ordinance attached as Appendix B hereto. The City shall not pay any fees with regard to the establishment and operation of the construction account.

Lender Letter; Lender's Counsel. The City is not preparing an official statement or other type of disclosure document in connection with this transaction. The winning bidder will be required to execute a lender letter, the form of which is included as Appendix D hereto. Each proposal shall also indicate the name and contact information (including email address) for counsel to the bidder, if such counsel is to be used by the bidder. All fees of lender's counsel shall be the responsibility of the Respondent, and no respondent may propose that such fees be paid by the City.

Selection Process. After evaluation in accordance with the criteria set forth in herein, the City will select the response which best meets the requirements of the City.

General Requirements for Proposals

Deadline. The Proposal must be received by the City no later than the Deadline (as defined in the Introduction). The City will deem a Proposal received after the Deadline non-responsive and will reject all late-received Proposals, without review. The opening of a Proposal does not constitute approval by the City of such Respondent as a suitable and qualified Respondent.

Pre-Submittal Conference. The City will not hold a pre-submission conference relating to this solicitation.

Covenants/Terms for Series 2023 Warrant; Bond Counsel; Opinion of Bond Counsel. All covenants, terms and provisions respecting the Series 2023 Warrant and the transaction evidenced thereby are contained and set forth in the form of ordinance attached as Appendix B to this RFP. The City will consider, but may not accept, any additions, changes or modifications to the ordinance or the Series 2023 Warrant that may be requested by respondents in connection with this transaction. The City will not enter into any separate loan or other agreements incident to this transaction. If any proposal is contingent upon additional or different covenants or agreements than those contained in the ordinance, the same must be expressly set forth in the proposal.

The City has engaged Maynard Nexsen PC (“Maynard”) as bond counsel to the City respecting the Series 2023 Warrant. By responding to this RFP, the Respondent consents to Maynard representing the City and not the Respondent on this transaction and waives any existing conflict of interest (notwithstanding the fact that Maynard may be representing the Respondent on other matters unrelated to the Series 2023 Warrant) to such representation. The form of opinion of bond counsel respecting the Series 2023 Warrant is attached as Appendix C and is not subject to change. Also attached as Appendix D is the form of lender letter that will be required to be delivered by the winning bidder for the Series 2023 Warrant at the closing of the transaction. The form of the lender letter shall not be subject to change.

Questions and Requests for Additional Information. Each Respondent should examine the RFP carefully. Any questions regarding this RFP must be submitted via email to Carly Standridge, Chief Financial Officer of the City. The City will attempt to provide responses to all Respondents receiving this solicitation within two (2) business days. The deadline for submission of any questions to the City will be 3:00 p.m. central time on October 16, 2023. Each question must specifically identify this solicitation.

Addenda. If it becomes necessary to revise any aspect of this solicitation or to provide additional information to Respondents, the City will issue one or more Addenda and will endeavor to deliver a copy of each Addendum to all persons on record with the City as having received a copy of the solicitation via email. No Addendum will be issued later than four (4) business days prior to the Deadline, except an Addendum withdrawing this solicitation or postponing the Deadline (which Addendum may be issued at any time up to the Deadline). Each Respondent is solely responsible for ensuring that it receives and understands all Addenda issued by the City.

Instructions for Submission. Each Respondent should submit their response including all attachments and exhibits via email as shown in the Contacts section of this solicitation. Each response will receive a response confirming receipt of the email. The subject line of the email submission, and the envelope for any hard copy response, should include the phrase “*Response to Series 2023 Warrant RFP*”.

Information to be Provided. Proposals must be responsive to all requirements of this solicitation and be sufficient for the City to evaluate the Respondent’s Proposal. The information provided in the Proposal must be complete and accurate. The Proposal must be signed by an officer of the Respondent authorized to bind the Respondent.

Representations of Respondent. Each Respondent, by submitting a Proposal, represents that: (a) it has read and understands the RFP; (b) is familiar with purchasing direct placement obligations similar to the Series 2023 Warrant; and (c) has all the professional qualifications, licenses, certifications and registrations necessary to acquire the Series 2023 Warrant. Additionally, by submitting a proposal the Respondent represents that the proposal is final and not subject to additional credit analysis, internal review or other conditions.

Rejection of Proposals. The City reserves the right, in its sole discretion, to reject any and all Proposals and to waive any technicality, informality or irregularity in any Proposals received, for any reason, at any time prior to acceptance or approval of the ordinance for the Series 2023 Warrant. Without limiting the foregoing, the City specifically reserves the right to reject a Proposal which is incomplete or irregular in any manner.

Estimated Schedule. The table below contains the City's estimated overall projected schedule for this selection process and the completion of this transaction, subject to change by the City:

Scheduled Item	Scheduled Date
Distribution of Request for Proposals	October 10, 2023
Deadlines for requests for clarifications / questions	October 16, 2023
City's Response to Questions, if any	October 18, 2023
Response deadline (9am CDT)	October 24, 2023
Technical evaluation; identification of apparent low-bidder meeting requirements (COB)	October 24, 2023
Final Ordinance completed by 12pm CDT	October 27, 2023
Council approval of transaction	November 14, 2023
Close transaction (on or about)	November 16, 2023

Information Required from Respondents

Category	Information Requested
<p style="text-align: center;">Draw Period: Floating Rate</p> <p style="text-align: center;">Amortization Period: Fixed Rate</p>	<p>Respondents are asked to propose: (1) a floating interest rate during the draw period, and (2) a fixed interest rate during the amortization period; provided, however, the City shall be able to close the draw period before 12/1/2025 and have the Series 2023 Warrant accrue interest at a fixed rate at its election. The floating rate should be based off of an index widely accepted in the tax-exempt market. The fixed rate may be calculated based upon a formula including a like-term US Treasury Rate.</p>
<p style="text-align: center;">Frequency of Principal and Interest Payments</p>	<p>Interest on the Series 2023 Warrant shall be paid on December 1, 2023 and on the 1st day of each month thereafter. Principal shall be paid in fully amortizing monthly installments, beginning on December 1, 2025. Interest shall be computed on a 30/360 day count basis.</p>
<p style="text-align: center;">Bank Counsel Contact Information</p>	<p>Firm Name, Contact Name, Phone and Email (if engaging outside counsel)</p>
<p style="text-align: center;">Fees or expenses</p>	<p>The City will be responsible for the cost of its bond counsel, however, the fees of lender's counsel shall be the obligation of the Respondent.</p>
<p style="text-align: center;">Key Terms and Conditions</p>	<p>All terms, conditions and covenants respecting the Series 2023 Warrant are contained in the form of ordinance attached hereto, and by submitting a proposal the Respondent is deemed to have agreed to the same. The City will consider, but may not agree to, any additions, changes or modifications to the ordinance that may be requested by respondents in connection with this transaction.</p> <p>The selected lender will be expected to sign and deliver a lender letter at closing, the form of which is attached as <u>Appendix D</u></p>
<p style="text-align: center;">Credit Approval</p>	<p>Respondents should have all necessary initial credit approval in place prior to submission, and by submitting a bid the Respondent is deemed to have agreed and represented to the City that all credit approval has been obtained.</p>

Criteria for Selection

Selection. The selection and approval of the selected Respondent will be made by the City in accordance with its competitive selection process herein described. Based on its review of the bid form, the City will identify a “preferred lender or respondent” and submit the ordinance, revised to reflect the final interest rate and related terms, to that Respondent.

The City will present essentially final documentation to the City Council for approval (i.e., the form of ordinance, revised to include the pricing information for the apparent winning proposal) at the City Council’s November 14, 2023 meeting. The closing date for the Series 2023 Warrant is expected to be November 16, 2023. The City reserves the right to modify this schedule during the solicitation process.

Criteria for Evaluating Proposals. In making its final decision regarding the selection of an apparent winner, the City will consider factors such as projected interest cost, the amount of the origination fee, if any, proposed, and any other relevant terms.

Appendix A

Bid Form

**The City of Tuscaloosa, Alabama
General Obligation Warrant
Series 2023**

This proposal is provided in response to the Request for Proposals (the “RFP”) dated October 10, 2023 distributed by the City of Tuscaloosa, Alabama (the “City”) relating to the issuance of its General Obligation Warrant, Series 2023 (the “Series 2023 Warrant”), as described in the RFP. Reference is made to the RFP for clarification with respect to any provision contained within this Form of Proposal.

The undersigned, [Insert name of Institution], hereby agrees to acquire the Series 2023 Warrant, as follows:

Tax-Exempt Floating Rate	Tax-exempt Fixed Rate

Respondent would like to be the depository of the construction account: Yes ____ No ____

Please identify the rate of interest, if any, that the amount on deposit in the Construction Account will earn:

_____.

Name and Contact Information, including email address of Counsel (if any): _____

We hereby confirm that we have received the form of the Ordinance and other documents contained in the Request for Proposals dated October 10, 2023, issued by the City of Tuscaloosa, and that the provisions contained therein are acceptable to the Respondent, except as follows: _____

We hereby further confirm that we have received full credit approval to submit this proposal, that this proposal is final and not subject to change, and that no additional reviews, documentation, credit or other approvals are needed as a condition to this proposal. The undersigned has full and complete authority to submit this proposal.

By submitting a proposal, the undersigned represents it has a present intent to hold the Series 2023 Warrant subject to this transaction to maturity, earlier redemption; and it has no present intention of reselling or otherwise disposing of all or a part of such Series 2023 Warrant. The undersigned acknowledges that Maynard Nexsen PC, as Bond Counsel, is relying on the foregoing representation.

Respectively submitted,

NAME OF INSTITUTION: _____

By: _____

Title: _____

Expiration: _____

Telephone: _____

Email: _____

Appendix B

**Form of Warrant Ordinance
The City of Tuscaloosa, Alabama
General Obligation Warrant
Series 2023**

ORDINANCE NO. ____

CITY OF TUSCALOOSA, ALABAMA

regarding

Maximum Principal Amount

\$4,000,000

GENERAL OBLIGATION WARRANT

SERIES 2023

Adopted:

November __, 2023

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF
\$4,000,000 MAXIMUM PRINCIPAL AMOUNT GENERAL OBLIGATION WARRANT OF THE
CITY OF TUSCALOOSA AND THE PAYMENT THEREOF

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TUSCALOOSA, ALABAMA (the
"Municipality") as follows:

Section 1. Definitions.

(a) **Act of Insolvency** shall mean the appointment of a receiver, liquidator or trustee of the Municipality or any of its property or assets; or a general assignment by the Municipality for the benefit of the creditors thereof; or the commencement of proceedings by the Municipality, or against the Municipality and not dismissed or unstayed for a period of 60 days, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or any jurisdiction, now or hereafter in effect.

(b) **Applicable Law** shall mean all applicable provisions of all constitutions, statutes, rules, regulations and all binding orders, judgments and decrees of any Governmental Authority.

(c) **Authorized Municipality Representative** shall mean the Mayor, Chief Financial Officer or Deputy Chief Financial Officer of the Municipality.

(d) **Code** shall mean the Internal Revenue Code of 1986, as amended.

(e) **First Interest Rate Period** shall mean that period commencing on the date of delivery of the Warrant and continuing until and including the first to occur of (i) October 31, 2025 or (ii) the date next preceding the Second Interest Rate Period.

(f) **Fiscal Year** shall mean the twelve (12) month period ending on September 30th of each year or the fiscal year of the Municipality as established from time to time.

(g) **Governmental Authority** shall mean any federal, state, county, municipal, or other government, domestic or foreign, and any agency, authority, department, commission, bureau, board, court or other instrumentality thereof.

(h) **Interest Payment Date** means December 1, 2023 and the first day of each month thereafter until the entire principal of and interest on the Warrant has been paid.

(i) **Project** shall mean the acquisition, construction and installation of certain municipal improvements, buildings and facilities, including, without limitation, a new fire station, all of which shall be owned by the Municipality and available for use by the general public.

(j) **Project Costs** shall mean all costs of the Project, including without limitation: (1) the costs of the acquisition, construction and installation of the Project, (2) expenses incurred by the Warrantholder and the Municipality in connection with issuing the Warrant, including legal, consulting and accounting fees, and (3) reimbursement to the Municipality for any of the foregoing costs, fees and expenses set forth in (1) and (2) above, paid with the Municipality's funds.

(k) **Project Fund** shall mean the fund established pursuant to Section 7(a).

(l) **Second Interest Rate Period** shall mean the period commencing on the first to occur of (i) November 1, 2025 or (ii) the Interest Payment Date next succeeding the date on which the Municipality shall provide written notice to the Warrantholder of its intent to enter into the Second Interest Rate Period and continuing until and including the date on which the entire principal of and interest on the Warrant has been paid.

(m) **Tax Certificate and Agreement** shall mean the Tax Certificate and Agreement, dated the date of delivery of the Warrant, delivered by the Municipality with respect thereto.

(n) **Warrant** shall have the meaning assigned in Section 2(a).

(o) **Warrant Fund** shall have the meaning assigned in Section 3(e).

Section 2. Findings and Representations.

The Municipality, by and through its governing body, does hereby find, determine, represent and warrant as follows:

(a) It is necessary and desirable and in the public interest for the Municipality to provide for the financing of the Project. For such purposes, the Municipality shall issue its General Obligation Warrant, Series 2023, in a maximum principal amount of \$4,000,000, as authorized and described herein (the "Warrant"), and shall use the proceeds thereof to pay the Project Costs.

(b) The Municipality is not in default with respect to any indebtedness of the Municipality, and no such default is imminent.

(c) (1) The net assessed valuation of the taxable property (including motor vehicles) in the Municipality for the preceding fiscal year (ending September 30, 2023 and on the basis of which taxes became due and payable on October 1, 2023) was not less than \$1,745,994,580.

(2) The total indebtedness of the Municipality chargeable against the debt limitation for the Municipality prescribed by Section 225 of the Constitution of Alabama of 1901, as amended, is not more than twenty percent of said assessed valuation.

(d) The population of the Municipality is 99,600 according to the 2020 United States Census.

Section 3. Authorization, Description, Payment and Form of Warrant.

(a) The Municipality shall borrow an amount not to exceed \$4,000,000 in such amounts and at such times as shall be necessary for the purposes set forth in Section 2 hereof, and the Municipality shall issue therefor its General Obligation Warrant, Series 2023, in the following principal amount and of the following number, to the following financial institution to evidence a loan extended by such institution to the Municipality for such purposes:

<u>Warrant No.</u>	<u>Principal Amount</u>	<u>Institution</u>
R-1	\$4,000,000	[Purchaser]

(b) The Warrant shall be dated the date of issuance; shall bear interest at the per annum rate or rates; shall be payable in installments of principal and interest in such amounts, at such times and in such manner; shall be subject to redemption prior to maturity; and shall be registered and subject to transfer; all as provided in the form of the Warrant in subsection (f).

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

(d) The indebtedness evidenced and ordered paid by the Warrant shall be a general obligation of the Municipality for the punctual payment of the principal of and interest on which the full faith, credit and taxing power of the Municipality are hereby irrevocably pledged.

(e) There is hereby established a regular fund designated the Series 2023 Warrant Fund (the "Warrant Fund") which shall be held by the bank named as paying agent for the Warrant. The Municipality shall pay or cause to be paid into the Warrant Fund from time to time such sums as shall be sufficient to provide for the payment of the principal of and interest on the Warrant as it matures and comes due.

(f) The Warrant shall be in substantially the following form and content, with such changes or additions thereto or deletions therefrom as the Mayor executing the Warrant shall approve, which approval shall be conclusively evidenced by his executing the Warrant as hereinafter provided:

THIS WARRANT MAY ONLY BE TRANSFERRED TO EITHER (A) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933 OR (B) AN “ACCREDITED INVESTOR” AS DEFINED IN 17CFR SECTION 230.501(A).

UNITED STATES OF AMERICA
STATE OF ALABAMA

CITY OF TUSCALOOSA
GENERAL OBLIGATION WARRANT
SERIES 2023

No. R-1

Dated Date:

Maturity Date:

November __, 2023

November 1, 2028

The **CITY OF TUSCALOOSA**, a municipal corporation organized and existing under and by virtue of the laws of the State of Alabama (the "Municipality"), for value received, hereby acknowledges itself indebted to, and does hereby order and direct the Chief Financial Officer of the Municipality to pay, solely from the Warrant Fund hereinafter referenced, to

[PURCHASER]

(the "Warrantholder") or registered assigns the principal amount of

FOUR MILLION DOLLARS
(\$4,000,000)

or so much thereof as may be advanced hereunder, as hereinafter provided, together with interest on the unpaid balance of said principal amount outstanding hereunder from time to time, from the date advanced until payment in full, at a per annum rate of interest (computed on an 30/360 Basis) equal to the Applicable Rate (as hereinafter defined), as adjusted from time to time as hereinafter provided, such principal and interest being payable in installments as follows:

(a) On December 1, 2023, and continuing on the 1st day of each month thereafter, until and including November 1, 2025, the interest accrued on the principal amount outstanding; and

(b) on December 1, 2025 and continuing on the 1st day of each month thereafter, until and including October 1, 2028, an amount equal to the amount necessary to be paid in equal monthly installments of principal and interest to fully amortize the outstanding principal amount of this Warrant on such payment date at the Applicable Rate then in effect over the then remaining term of this Warrant, each such amount to be applied first to the payment of interest accrued on such aggregate principal amount of this Warrant and then to the reduction thereof; and

(c) on the above Maturity Date, unless sooner paid, an amount equal to the entire unpaid principal balance of this Warrant plus interest accrued thereon to such date of payment.

Definitions

For purposes hereof, the following terms have the following meanings:

30/360 Basis shall mean a method of computing interest or other charges hereunder on the basis of an assumed year of 360 days (comprised of 12 months of 30 days each) on a daily accrual basis, meaning that interest or other charges accrued for each month will be computed by multiplying the rate applicable on the 1st day of each month by the unpaid principal balance (or other relevant sum) on that day and dividing the result by 30.

Applicable Rate shall mean:

- (a) the Tax-Exempt Rate for the period beginning on the date of delivery of this Warrant and ending on the date immediately preceding the Taxability Date; and
- (b) upon the occurrence of a Determination of Taxability, the Taxable Rate for the period beginning on the Taxability Date and continuing thereafter.

Business Day shall mean any day other than a Saturday, a Sunday, or a day on which the Warrantholder is authorized to be closed under general law or regulation applicable in the place where the Warrantholder performs its business with respect to this Warrant.

Default Rate shall mean a per annum rate of interest equal to the Applicable Rate plus two percent (2.0%), provided, however, the Default Rate shall never exceed the maximum rate of interest permitted by law.

Determination of Taxability shall mean, and shall occur when, (i) the Warrantholder receives written notice from the Municipality, supported by an Opinion of Counsel, that interest on the Warrant is Taxable or (ii) the Internal Revenue Service shall issue a final determination in writing that interest on the Warrant is Taxable; provided, that a Determination of Taxability shall not be deemed to have occurred until and unless Municipality is afforded reasonable opportunity (at the expense of the Municipality and for a period not to exceed 2 years) to pursue any judicial or administrative remedy available to the Municipality with respect to such determination and avail itself of such opportunity by appropriate proceedings diligently pursued.

Dollars shall mean the lawful money of the United States of America.

First Interest Rate Period shall mean that period commencing on the date of delivery of the Warrant and continuing until and including the first to occur of (i) October 31, 2025 or (ii) the date next preceding the Second Interest Rate Period.

Interest Payment Date means December 1, 2023 and the first day of each month thereafter until the entire principal of and interest on this Warrant has been paid.

Second Interest Rate Period shall mean the period commencing on the first to occur of (i) November 1, 2025 or (ii) the Interest Payment Date next succeeding the date on which the Municipality shall provide written notice to the Warrantholder of its intent to enter into the Second Interest Rate Period and continuing until and including the date on which the entire principal of and interest on the Warrant has been paid.

Taxability Date shall mean the earliest date from which interest paid in respect of this Warrant is determined to be Taxable.

Taxable shall mean that, for purposes of federal income taxation, the interest accrued on this Warrant is includable in gross income for federal income tax purposes; provided, however, that this Warrant shall only be deemed taxable due to an action or omission of the City and not due to any change in law.

Taxable Rate shall mean an interest rate per annum (fixed, or variable subject to periodic adjustment) that would provide the Warrantholder an after-tax yield on the then outstanding principal amount of this Warrant equal to the after-tax yield the Warrantholder would have received if a Determination of Taxability had not been made.

Tax-Exempt Rate shall mean:

(1) during the First Interest Rate Period, a variable, per annum rate of interest equal to ____% of the [Index Rate] plus ____%; and

(2) during the Second Interest Rate Period, a fixed, per annum rate of interest equal to (i) the product of ____% of the ____-Year Treasury Rate plus (ii) ____, as determined on the last day of the First Interest Rate Period.

Determination of Interest Rate

The Applicable Rate shall apply only to the principal amount of this Warrant which shall have been advanced and be outstanding.

Any amount of principal of this Warrant that shall not be paid when due shall bear interest at a per annum rate equal to the Default Rate from the scheduled date of payment to the date such payment thereof is made.

Payment

Payment of the principal hereof and interest hereon shall be made at the office of the Warrantholder in Birmingham, Alabama or at such other place as shall be designated by the Warrantholder to the Municipality in writing. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This Warrant will be subject to prepayment and redemption on December 1, 2025 and thereafter at the option of the Municipality, in whole or part, on any Business Day at a redemption price equal to 100% of the principal amount of this Warrant to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium or penalty.

This Warrant evidences a draw-down loan extended by the Warrantholder to the Municipality. The proceeds of the loan evidenced hereby will be advanced by the Warrantholder to the Municipality in installments as requested by the Municipality (as to amount and date). So long as no Event of Default shall have occurred and be continuing, the Warrantholder shall make advances to or as directed by the Municipality in an aggregate amount not exceeding the principal amount of this Warrant.

Should any payment of the principal hereof or interest hereon be due and payable on any day that is not a Business Day, then such payment shall be due and payable on the next succeeding Business Day.

Authorization; Security

This Warrant is issued pursuant to the Constitution and laws of the state of Alabama, including, without limitation, Section 11-47-2 of the Code of Alabama (1975), to provide funds to be used in furtherance of the power and authority therein authorized, and an ordinance and proceedings of the governing body of the Municipality duly passed, held and conducted (the "Authorizing Proceedings").

The indebtedness evidenced by this Warrant is a general obligation of the Municipality, and the full faith and credit of the Municipality are hereby sacredly and irrevocably pledged to the punctual payment of the principal hereof and interest hereon.

The Municipality has established in the Authorizing Proceedings a regular fund designated the "Series 2023 Warrant Fund" (the "Warrant Fund") for the payment of the principal of, premium, if any, and interest on this Warrant and has obligated itself to pay or cause to be paid into the Warrant Fund sums sufficient to provide for the payment of the principal of and interest on this Warrant as the same shall become due and payable.

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.

Registration and Transfer

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 Municipality. 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 his legal representative, and neither the Municipality nor any agent of the Municipality 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 Municipality 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 his legal representative addressed to the Municipality, such transfer to be recorded on said book of registration and endorsed hereon by the Municipality. Upon presentation to the Municipality for transfer, this Warrant must be accompanied by a written instrument or instruments of transfer satisfactory to the Municipality, duly executed by the registered owner or his attorney duly authorized in writing, and the Municipality 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.

This Warrant may only be transferred to either (a) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933 or (b) an "accredited investor" as defined in 17 CFR Section 230.501(a) and upon compliance with state and federal securities laws.

General

No covenant or agreement contained in this Warrant or in the Authorizing Proceedings shall be deemed to be a covenant or agreement of any officer, agent, employee, or member of the governing body of the Municipality in the individual capacity thereof and none of such parties or persons nor any officer executing this

Warrant shall be liable personally on this Warrant or be subject to any personal liability or accountability by reason of the issuance of this Warrant.

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, that this Warrant has been registered in the manner provided by law, 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 as so required, and that the principal amount of this Warrant and all other indebtedness of the Municipality are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the Municipality, acting by and through its governing body, has caused this Warrant to be executed in its name and on its behalf, under seal, by its Mayor and attested by its City Clerk, and has caused this Warrant to be dated the Dated Date first above written.

CITY OF TUSCALOOSA, ALABAMA

By _____
Mayor

S E A L

Attest: _____
City Clerk

Registration Certificate

It is hereby certified that this Warrant and the interest thereon have been registered by the undersigned as a claim against the City of Tuscaloosa, Alabama and the Warrant Fund herein referenced.

Chief Financial Officer of the City of Tuscaloosa, Alabama

REGISTRATION OF OWNERSHIP

This Warrant is recorded and registered on the registry books of the City of Tuscaloosa 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 Chief Financial Officer of Municipality</u>
<u>Dated Date</u>	<u>[Purchaser]</u>	_____
_____	_____	_____
_____	_____	_____

ENDORSEMENT BY MUNICIPALITY 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 Chief Financial Officer of Municipality</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Section 4. Execution of the Warrant.

The Warrant shall be executed in the name and on behalf of the Municipality by the Mayor and shall be attested by the Clerk of the Municipality, and the official seal of the Municipality shall be imprinted thereon. The Warrant and the interest thereon shall be registered by the Chief Financial Officer of the Municipality in the records maintained by said Chief Financial Officer as a charge against the Municipality and the Warrant Fund. The registration of ownership of the Warrant shall be executed by the Chief Financial Officer of the Municipality, who shall also make the endorsements required at the time of any transfer of the Warrant. Said officers are hereby directed to so execute, attest and register the Warrant and to make the appropriate endorsements and notations thereon.

Section 5. Sale and Delivery of Warrant.

The Mayor and the Clerk are hereby authorized and directed to effect delivery of the Warrant and in connection therewith deliver such closing papers containing such representations as are required to demonstrate the legality and validity of the Warrant, the absence of pending or threatened litigation with respect thereto, and the exemption of the interest on the Warrant from federal and state income tax.

Section 6. Mutilated, Lost, Stolen or Destroyed Warrant.

(a) In the event the Warrant is mutilated, lost, stolen or destroyed, the Municipality shall execute and deliver a new warrant of like date and denomination, provided that, in the case of a mutilated warrant, such mutilated warrant shall first be surrendered to the Municipality, and in the case of a lost, stolen or destroyed Warrant, there first shall be furnished to the Municipality (i) evidence of such loss, theft or destruction satisfactory to the Municipality and (ii) certain indemnity satisfactory to the Municipality. In the event the Warrant shall have matured, the Municipality, instead of issuing a duplicate warrant, may pay the same without surrender thereof, making such requirements as it deems fit. The Municipality may charge the Warrantholder with the reasonable fees and expenses for any such service.

(b) In the event that the Warrantholder fails to present the Warrant at maturity, the Warrantholder shall not be entitled to any payment other than the outstanding principal thereof and the interest accrued to such maturity date, and the Warrant shall no longer be entitled to the benefits of this Ordinance, except for the payment of the principal thereof and the interest thereon.

Section 7. The Project Fund; Application of Proceeds of the Warrant

(a) There is hereby established an account of the Municipality held at a financial institution designated by the Municipality, designated the "Project Fund".

(b) The Warrantholder shall deposit in the Project Fund the principal proceeds of the Warrant as provided in Section 7(c). The Municipality shall use the proceeds of the Warrant solely for the purposes of paying Project Costs.

(c) (1) So long as no Event of Default occurs and is continuing, the Warrantholder shall, in accordance with the Warrantholder's practices in effect from time to time, make advances of funds (separately, an "Advance" and collectively, the "Advances") into the Project Fund, for the Project Costs upon receipt of a requisition or payment request in substantially the form as Appendix A hereto completed and signed by any Authorized Municipality Representative.

(2) The Warrantholder shall record on its internal records (which may be kept by computer or other means) the principal amount of each Advance and the determination and certification by the Warrantholder of the outstanding aggregate principal amount of the Advances from time to time shall be conclusive for all purposes absent manifest error.

(d) Upon the payment of all Project Costs, and if no Event of Default shall have then occurred and be continuing, any amounts remaining in the Project Fund may be applied by the Municipality to the prepayment of the principal of the Warrant in accordance with the terms thereof and without premium or penalty.

Section 8. Amendment of Description of Project or Uses of Warrant Proceeds.

The Municipality may amend or change the description of the Project or the uses of Warrant proceeds contained in this ordinance, provided that: (1) the governing body of the Municipality adopts a resolution or ordinance setting forth such amendment or change, (2) the uses, as so amended or changed, are eligible for financing with proceeds of warrants issued pursuant to Section 11-47-2 of the Code of Alabama 1975, (3) such amendment or change will not cause the amount of the Warrant chargeable against the Municipality's constitutional limitation on indebtedness to increase, and (4) such change or amendment will not violate the covenants or agreements of the Municipality set forth in Section 11 hereof.

Section 9. Expenses of Collection.

The Municipality 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.

Section 10. Covenants With Respect to Federal Tax Exemption for Interest.

(a) The Municipality hereby covenants and agrees with the Warrantholder that it will duly and punctually observe and perform all agreements and covenants thereof under the Tax Certificate and Agreement.

(b) The Municipality hereby covenants and agrees with the registered owner of the Warrant that, to the extent permitted by law, it will not take any action, or omit to take any action, with respect to the Warrant that would cause the interest on the Warrant not to be and remain excludable from gross income pursuant to the provisions of Section 103 of the Code.

Section 11. Reporting Requirements of the Municipality

(a) The Municipality shall furnish to the Warrantholder each of the following:

(i) Annual Financial Statements. As soon as available, and in any event within 270 days after the close of each Fiscal Year of the Municipality, the complete financial statements of the Municipality, including the balance sheet as of the end of such Fiscal Year and the related statements of revenues, expenditures and changes in fund balances, government-wide statement of net position, and government-wide statement of activities and changes in net position for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the preceding Fiscal Year, all in reasonable detail, audited and prepared by an independent certified public accountant (reasonably satisfactory to the Warrantholder) in accordance with generally accepted accounting principles, consistently applied and fairly presenting the financial condition of the Municipality, as of the end of such Fiscal Year, and stating that in making the examination necessary to such audit such independent certified public accountant shall have obtained no knowledge, except as specifically stated, of any Event of Default.

(ii) Other Information. Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the Municipality, as the Warrantholder may from time to time reasonably request.

(b) The Municipality may satisfy the requirements of Section 11(a) by posting the required information on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") by the required date. Once posted by the Municipality in compliance with Section 11(a), it shall be the sole responsibility of the Warrantholder to obtain the information from EMMA.

Section 12. Events of Default

The occurrence of any one or more of the following shall constitute an event of default (an "Event of Default") under this Ordinance (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any governmental authority:

(a) failure of the Municipality to pay any amount of the principal of or interest on the Warrant, as and when the same shall become due and payable; or

(b) an Act of Insolvency occurs.

Section 13. Availability of Remedies

(a) The Municipality agrees (i) the registered owners of the Warrant shall have all rights and remedies for the enforcement of the Warrant and this Ordinance as may be provided by the laws of the State of Alabama, and (ii) the Chief Financial Officer of the Municipality is subject to mandamus in the event such officer has money available for payment of principal of and interest on the Warrant and does not, as required by this Ordinance, deposit such money in the Warrant Fund, when and as required by Section 3(e) of this Ordinance in each Fiscal Year, and apply such proceeds (and investment earnings thereon) to the payment of the principal of and interest on the Warrant when and as the same become due and payable in each Fiscal Year in amounts sufficient for such purposes.

(b) No remedy herein conferred upon or reserved to the Municipality or the Warrantholder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall, to the extent permitted by law, be cumulative and in addition to every other remedy given under this Ordinance or now or hereafter existing at law or in equity or otherwise. No delay or omission by the Municipality or the Warrantholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(c) All rights, remedies and powers provided by this Section may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Section are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Ordinance invalid or unenforceable.

Section 14. Participations.

The Municipality 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 (i) no participation shall increase any liability of the Municipality, and (ii) the Municipality shall have no direct obligation or responsibility to a Participant and shall correspond and deal only with the Warrantholder for the observance and performance of the respective obligations of the Municipality and the Warrantholder under this Ordinance. Any Warrantholder may divulge to any Participant all information, reports, financial statements, certificates and documents obtained by it from the Municipality or any other person under any provisions of this Ordinance or otherwise.

Section 15. Privately Negotiated Loan; Role of Warrantholder.

(a) The Municipality acknowledges and agrees that the Warrantholder is purchasing the Warrant in evidence of a privately negotiated loan, and, in that connection, the Warrant shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with DTC or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

(b) The Municipality acknowledges that [Purchaser] ("[Purchaser]") and their representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Ordinance and any information, materials or communications provided by [Purchaser]: (a) [Purchaser] and its representatives are not recommending an action to any municipal entity or obligated person; (b) [Purchaser] and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to such Ordinance, information, materials or communications; (c) [Purchaser] and its representatives are acting for their own interests; and (d) the Municipality has been informed that Municipality should discuss this Ordinance and any such other information, materials or communications with any and all internal and external advisors and experts that the Municipality deems appropriate before acting on this Ordinance or any such other information, materials or communications.

Section 16. Patriot Act.

The Municipality represents and warrants to the Warrantholder that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Municipality further represents and warrants to the Warrantholder that the Municipality and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any person named as a Specially Designated National and Blocked Person.

Section 17. Waiver of Jury Trial.

To the extent permitted by applicable law, the Municipality irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the Municipality and the Warrantholder, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Ordinance, the Warrant or any other document related to the issuance thereof. This provision is a material inducement for the Warrantholder's determination to acquire the Warrant and for the parties to enter into the documents related thereto, including, without limitation adoption of this Ordinance.

Section 18. Governing Law.

The provisions of this Ordinance shall be governed by the laws of the State of Alabama.

Section 19. Severability.

The provisions of this ordinance 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 ordinance or of the Warrant, and this ordinance and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 20. Repeal of Conflicting Provisions.

All ordinances, resolutions and orders or parts thereof in conflict or inconsistent with this ordinance are, to the extent of such conflict or inconsistency, hereby repealed.

Section 21. Provisions of Ordinance a Contract.

The terms, provisions and conditions set forth in this ordinance constitute a contract between the Municipality 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.

Appendix A

To: [Purchaser],
as Warrantholder under
an Ordinance duly adopted by
the City Council of the City of Tuscaloosa
on November 14, 2023

No. _____

A requisition or payment request is hereby made to you, as holder of the Project Fund under an Ordinance No. ____ duly adopted by the City Council of the City of Tuscaloosa on November 14, 2023, regarding the City's General Obligation Warrant, Series 2023, for the payment of

\$_____ to _____
(Name of Person, firm or corporation to whom payment is to be made)

whose address is _____

for payment of the following Project Costs:

The Municipality does hereby certify that (a) the purpose for which such advance is to be made is one for Project Costs, (b) no Event of Default exists, and (c) such Advance will not cause or result in an Event of Default.

This _____ day of _____, 20__.

CITY OF TUSCALOOSA, ALABAMA

By _____

Its _____

The foregoing Ordinance is adopted on this 14th day of November, 2023.

Council President

S E A L

Attest: _____
City Clerk

Transmitted to and approved by the Mayor this _____ day of November, 2023.

Mayor of the City of Tuscaloosa, Alabama

Appendix C

**Form of Bond Opinion
The City of Tuscaloosa, Alabama
General Obligation Warrant
Series 2023**

November __, 2023

City of Tuscaloosa
Tuscaloosa, Alabama

[Purchaser]

_____, _____

**Re: \$4,000,000 General Obligation Warrant, Series 2023, of even date, issued by the
 City of Tuscaloosa, Alabama**

We have acted as bond counsel to the City of Tuscaloosa, Alabama (the “City”) for the purpose of rendering the within opinions in connection with the issuance of the above-referenced warrant (the “Warrant”) by the City pursuant to an ordinance duly adopted by the governing body of the City (the “Authorizing Ordinance”).

For purposes hereof, we have incorporated and used herein certain capitalized terms as such terms are defined in the Authorizing Ordinance.

The within opinions are based upon our (a) examination of (i) the executed Warrant, (ii) the Authorizing Ordinance and proceedings of the City for adoption thereof, as certified by the City, (iii) the Tax Certificate and Agreement, and (iv) such other certificates, documents, proceedings and records (collectively, the “Supporting Documents”) provided to us for purposes hereof and as we have deemed necessary; (b) such review of the applicable laws of the State of Alabama and of the United States of America as are in effect on the date hereof and as we have deemed necessary; (c) reliance, without independent investigation or inquiry, upon the representations of fact made in the Authorizing Ordinance, the Tax Certificate and Agreement, and the Supporting Documents; and (d) assumption that the City will comply with the Tax Certificate and Agreement.

We are of the opinion, on the date hereof and subject to the within qualifications, that:

(1) The Authorizing Ordinance has been duly adopted by the City and constitutes a valid and binding obligation of the City enforceable against the City in accordance with the terms thereof.

(2) The Warrant is a valid and binding order upon the Chief Financial Officer of the City for the payment of the principal thereof and interest thereon and evidence and order paid the valid general obligation indebtedness of the City.

(3) Interest on the Warrant is presently excludable from gross income for federal income tax purposes under Section 103 of the Code, regulations and rulings of the Commissioner of Internal Revenue issued or pertinent thereunder, and court decisions heretofore rendered, and is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, as a result of amendments to the Code enacted pursuant to the Inflation Reduction Act of 2022, interest on the Warrants may be taken into account for purposes of the alternative minimum tax imposed by Section 55(b)(2) of the Code on “applicable corporations”, as defined in Section 59(k) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Warrant in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Warrant to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Warrant.

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

The rights of the registered owner of the Warrant and the enforceability of the Authorizing Ordinance are subject to and may be limited by (a) the exercise of judicial discretion (in a proceeding at law or in equity), (b) the valid exercise of the constitutional powers of the United States of America and the sovereign and police powers of the State of Alabama, and (c) bankruptcy, insolvency, reorganization, moratoria, fraudulent conveyance and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

We have not been engaged, and therefore have not undertaken, to review or determine, and consequently provide no assurance, and express no opinion, as to: (a) the tax treatment of interest on the Warrant under or pursuant to (i) any provision or section of the Internal Revenue Code of 1986, as amended, other than Section 103 thereof or any other law of the United States of America, or (ii) any law of the State of Alabama enacted subsequently to the date hereof, or (iii) the laws of any state other than the State of Alabama; (b) the validity of the Warrant and the Authorizing Ordinance under the laws of any state other than State of Alabama; (c) the title of the City to any property or revenues; (d) the adequacy of the sources of payment of the Warrant; or (e) the adequacy, completeness, sufficiency or veracity of any statement or information in any official statement or other offering document, or other information regarding the City and the Warrant, with respect to the offering or sale of the Warrant.

[Purchaser] (the "Purchaser") has represented that (1) our engagement as bond counsel did not include services relating to the compilation, verification or furnishing to the Purchaser of information regarding the merits and risks of purchasing the Warrant and the Purchaser has knowledge and experience in financial and business matters sufficient to enable the Purchaser to evaluate such merits and risks; (2) the Purchaser has had full and free access to all books, records, and audits of the City and has been provided with and has evaluated such financial, corporate and general information respecting the City and the Warrant as the Purchaser deems necessary to make an informed judgment with respect to the purchase of the Warrant; (3) the Purchaser is purchasing the Warrant for its own account; and (4) the Purchaser will not sell, transfer, or otherwise distribute the Warrant or any interest therein except in compliance with applicable Federal or state securities laws and except as provided in the Warrant Ordinance.

By acceptance hereof, you have agreed (a) the within opinions are (i) limited to the subjects expressly stated herein and no other opinion is implied or may be inferred therefrom, (ii) given on the date hereof whereupon our engagement with respect to the subjects stated herein terminated and we have no continuing obligation to advise any of you (or any successor or assign thereof) of any change in relevant fact or law subsequent to the date hereof even if such change may affect an opinion herein, (iii) delivered to you solely in connection with the subject transactions and cannot be relied upon by you or any other person for any other purpose, and (iv) an expression of our professional judgement as to the legal issues expressly stated herein and in consequence thereof we are not a guarantor or insurer of such expression of professional judgement or of the outcome of any legal dispute that may arise with respect to any subject matter herein contained; and (b) the Owner of the Warrant has not had any attorney-client relationship with Maynard Nexsen PC with respect to the subject transaction or any matter referenced herein.

Faithfully yours,

Appendix D

**Form of Lender Letter
The City of Tuscaloosa, Alabama
General Obligation Warrant
Series 2023**

November __, 2023

City of Tuscaloosa
Tuscaloosa, Alabama

Maynard Nexsen PC
Birmingham, Alabama

**Re: \$4,000,000 General Obligation Warrant, Series 2023, of the City of Tuscaloosa,
Alabama**

Ladies and Gentlemen:

We have made a loan to the City of Tuscaloosa, a municipal corporation under the laws of the State of Alabama (the "Municipality"), in the amount of \$4,000,000 pursuant to and as evidenced by the above referenced warrant (the "Warrant"). We hereby acknowledge purchase and receipt of the Warrant on the date hereof.

We have been provided with and have reviewed and evaluated Ordinance No. __ duly adopted by the governing body of the Municipality on November 14, 2023 which authorizes the issuance of the Warrant and describes the security therefor (the "Warrant Ordinance"). We understand that, under the Warrant Ordinance, the Warrant is a general obligation of the Municipality.

We have had full and free access to all books, records and audits of the Municipality and have been provided with and have evaluated such financial, corporate and general information respecting the Municipality and the Warrant as we deem necessary to enable us to make an informed judgment with respect to the making of the said loan and the purchase of the Warrant.

The undersigned acknowledges that it is (a) a "qualified institutional buyer" as defined in Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), or (b) an "accredited investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act.

The engagement of Maynard Nexsen PC, as bond counsel, did not include services related to the compilation, verification or furnishing to us of information regarding the merits and risks of purchasing the Warrant. We have regularly bought and sold securities similar to the Warrant for our account and have knowledge and experience in financial and business matters sufficient to enable us to evaluate such merits and risks.

We are purchasing the Warrant for our own account and not for resale and we have no present intention of reselling or otherwise distributing the Warrant or any interest therein. We reserve the right to assign, to transfer, to sell participation interests in or to otherwise dispose of the Warrant as we choose, except as may be limited by the next succeeding sentence. We hereby represent that we will not sell, transfer, or otherwise distribute the Warrant or any interest therein except in compliance with applicable Federal or state securities laws and except as provided in the Warrant Ordinance.

[PURCHASER]

By _____

Its _____