PRE-COUNCIL MEETING OF THE CITY OF TARRANT, ALABAMA

HELD ON MONDAY, APRIL 18, 2016

The City Council of the City of Tarrant, Alabama met in a regular Pre-council Meeting, on Monday, April 18, 2016 at 6:11 p.m. at City Hall.

The purpose of said meeting was to review the Monday, April 18, 2016 agenda of the 7:00 p.m. regularly scheduled City Council Meeting.

The following officials were present:

Catherine "Cathy" Anderson	Councilmember
John T. "Tommy" Bryant	Councilmember
Laura D. Horton	Mayor Pro Tem
Debra M. Matthews	Councilmember
Betty S. Middlebrooks	Councilmember
Loxcil B. Tuck	Mayor

The following department heads and/or representatives were present:

Patrick Coleman
Ken Jones
Chris O'Rear
Chief Dennis Reno
Chief Jason Rickels
Joe Schmitt
Lillian A. Keith

The following department heads were absent:

Lynn Juneau
James Phillips

Also in attendance:

Mr. Larry Ward of Morgan Keegan, Inc.
Attorney Nick Greenwood of Hand Arendall, LLC
Mr. James Dunaway of 2953 County Line Drive, Tarrant, Alabama
Mrs. Gail Hill, Administrative Assistant City of Tarrant

Mayor Tuck called the meeting to order. General discussion followed.

There being no other business to discuss, the meeting was adjourned. The Pre-council Meeting ended at 7:05 p.m.

READ AND APPROVED THIS THE 2ND DAY OF MAY, 2016.

APPROVED: Loxcil B Tuck
LOXCIL B. TUCK, MAYOR

ATTEST: Lillian A Keith
Lillian A. Keith, City Clerk

MINUTES OF THE REGULAR MEETING
OF THE CITY OF TARRANT, ALABAMA

HELD ON MONDAY, APRIL 18, 2016

The Honorable City Council of the City of Tarrant, Alabama met in regular session, on the 18th day of April, 2016 at 7:18 p.m., in the City Council Chambers at City Hall.

Mayor Loxcil B. Tuck called the meeting to order. Mayor Tuck requested that Attorney Benjamin S. Goldman open the meeting, with prayer. Mayor Tuck asked Chief Dennis Reno to lead the pledge of allegiance.

Lillian A. Keith, City Clerk, called the roll. Upon roll call, the following officials answered present:

Catherine "Cathy" Anderson	Councilmember
John T. "Tommy" Bryant	Councilmember
Laura D. Horton	Mayor Pro Tem
Debra M. Matthews	Councilmember
Betty S. Middlebrooks	Councilmember
Loxcil B. Tuck	Mayor

Mayor Loxcil B. Tuck stated that the Councilmembers had been provided with copies of the following minutes:

Pre-council Meeting held on Monday, April 4, 2016
Regular City Council Meeting held on Monday, April 4, 2016
City Council Work Session held on Thursday, April 14, 2016

Mayor Tuck asked if there were any additions or corrections. The motion was made by Mayor Pro Tem Horton and seconded by Councilmember Bryant, to approve said minutes as written, regularly put and upon roll call; the vote thereon was as follows:

AYES:	Councilmembers Anderson, Bryant, Horton, Matthews, Middlebrooks, and Mayor Tuck
NAYS:	None
ABSENT:	None

The Recording Secretary announced the vote, whereupon Mayor Tuck declared the minutes approved and legally adopted.

Mayor Tuck announced that *Media Days* would be held at Vulcan Materials, on May 4th, from 5:00 p.m. to 6:00 p.m. Mayor Tuck stated that Cedar House would provide the food, for the event. Mayor Tuck asked that everyone place May 4th, on their calendars.

Mayor Tuck announced that the City of Tarrant Ministerial Association would host the *Fourth Annual Mayor's Prayer Luncheon* on May 5, 2016, at Central Baptist Church. Mayor Tuck explained that an hour of prayer would be held beginning at 11:00 a.m., followed by lunch at 12:00 noon. Mayor Tuck stated that lunch would be hosted by the *Church of God of Prophecy.* Mayor Tuck invited everyone to attend.

Mayor Tuck stated that the Loss Control Division of the Alabama Municipal Insurance Corporation and the Municipal Workers Compensation Fund award members each year, in recognition of their efforts and success toward risk management/loss control. Mayor Tuck explained that the program is based on the loss ratios for the member's prior year. Mayor Tuck stated that the City of Tarrant Electric Department had received the Silver Risk Management Award, for the year 2015. Mayor Tuck explained that the Silver Award represents an accomplishment of a loss ratio, of 5% to 20%. Mayor Tuck presented the Silver Risk Management Award to Joe Schmitt. Mayor Tuck stated that the City of Tarrant had received the Bronze Risk Management Award, for the year 2015. Mayor Tuck explained that the Bronze Award represents an accomplishment of a loss ratio, of 20% to 40%. Mayor Tuck presented the Bronze Risk Management Award to Fire Chief Jason Rickels. Mayor Tuck stated that the Alabama League of Municipalities Annual Convention would be held May 14 – 17, 2016. Mayor Tuck stated that during the convention, the names of all recipients of Risk Management Awards, would be placed on a large screen for viewing.

Mayor Tuck stated that a City Council Work Session would held on Thursday, April 28, 2016 at 5:30 p.m., in the Conference Room located at City Hall. Mayor Tuck explained that the purpose of the Work Session, would be to discuss the City Landfill.

Mayor Tuck stated that she had met with Montgomery Transport L.L.C today. Mayor Tuck explained that a City Council Work Session would be held at Montgomery Transport L.L.C., 2563 Commerce Circle, Tarrant, Alabama on May 26th or 27th, at 5:00 p.m. Mayor Tuck explained that the date is pending, a confirmation from Montgomery Transport, L.L.C. Mayor Tuck stated the Work Session would be posted, following the confirmation of the meeting date.

Mayor Tuck stated that there is a long history regarding the *National Day of Prayer.* Mayor Tuck stated that the *National Day of Prayer* is an annual observance held on the first Thursday of May, inviting people of all faiths, to pray for our nation. Mayor Tuck explained that the *National Day of Prayer* was created in 1952, by a joint resolution of the United States Congress and signed into law by President Harry S. Truman. Mayor Tuck stated that the *National Day of Prayer* belongs to all Americans and is a day that transcends differences, bringing together citizens to celebrate our most beloved freedom;

the freedom to humbly come before God and seek his guidance in prayer. Mayor Tuck read the following proclamation:

CITY OF TARRANT, ALABAMA

PROCLAMATION

"NATIONAL DAY OF PRAYER"

May 5, 2016

WHEREAS, a National Day of Prayer was first proclaimed in 1775, as recognition by our Founding Fathers of the need for God to be central in the establishing and continuing of this great Nation, signed into Constitution Law for these United States in 1952; and

WHEREAS, the Founding Fathers of this Nation established public and private prayer as a valued declaration of a Nation who believes in God and who is freely allowed to and encouraged to exercise this belief in God through the means of practical prayer; and

WHEREAS, Americans come together in churches, temples, synagogues, and other places of worship to pray for peace, wisdom and guidance in their lives and in the lives of their loved ones; and

WHEREAS, today, people from across the country of different denominations and backgrounds come together in their shared vision of a better world and their belief in the power of prayer to make a positive impact on us all; and

WHEREAS, as a community, it is fitting that we gather together in a day of prayer and ask for God's guidance and to remember that a day of prayer is not a solemn day but a day of joy, renewal, and hope.

NOW, THEREFORE, I, Loxcil B. Tuck, the Mayor of the City of Tarrant, Alabama, do hereby proclaim May 5, 2016, as the "National Day of Prayer" in the City of Tarrant, Alabama and urge all citizens to join together in prayer that in the spirit of trust, cooperation and goodwill we may beseech God for the strength and wisdom to make our community an even better place to live.

Presented this 18th day of April, 2016

In witness whereof I have hereunto
Set my hand and caused the seal of
The City of Tarrant, Alabama

____
Mayor Loxcil B. Tuck

Councilmember and Public Safety Committee Chairperson Cathy Anderson stated that a Public Safety Committee Meeting had been held, on Thursday, April 14, 2016. Councilmember Anderson stated that the following officials were present: Councilmember Anderson, Councilmember Bryant and Councilmember Middlebrooks. Councilmember Anderson stated that the purpose of the Public Safety Committee Meeting had been for the consideration of a transfer of a 050 – Retail Beer License (Off Premises Only) and 070 – Retail Table Wine License (Off Premises Only) from Lilian Kiptoo DBA "Tarrant Marathon" to Amrose Kimitei DBA "Tarrant Marathon".

Councilmember Middlebrooks introduced Ordinance No. 1088, in writing, as the first reading of said ordinance and read the proposed ordinance at length:

ORDINANCE NO. 1088

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE OF $3,655,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION WARRANTS, SERIES 2016, OF THE CITY OF TARRANT, ALABAMA

BE IT ORDAINED by the Mayor and City Council of the City of Tarrant in the State of Alabama as follows:

Section 1. Definitions and Use of Phrases.

(a) **Definitions**. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations as used herein:

"**Additional Parity Warrants**" means any warrants of the City hereafter issued pursuant to Section 26 of this Ordinance on a parity of lien with the Warrants and any other Additional Parity Warrants as respects the pledge of the Pledged Tax.

"**Authorized Denominations**" means the sum of $5,000 or any integral multiple thereof.

"**Bank**" means Regions Bank, Birmingham, Alabama, in its capacity as registrar, transfer agent and paying agent with respect to the Warrants, and includes any successor Bank appointed pursuant to Section 19 hereof.

"**Callable Warrants**" means those of the Warrants having stated maturities on May 1, 2027, and thereafter.

"**City**" means the municipal corporation of Tarrant in the State of Alabama and includes its successors and assigns and any municipal corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"**City Clerk**" means the city clerk of the City.

"**Code**" means the Internal Revenue Code of 1986, as amended, or any successor code thereto.

"**Council**" means the governing body of the City as from time to time constituted.

"**Eligible Certificate**" means an interest-bearing certificate of deposit issued by the Bank or any bank, savings and loan association or trust company organized under the laws of the United States of America or any state thereof that is (to the extent not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation) collaterally secured by (a) a pledge of United States Securities (i) having at any date of calculation a market value (taking account of any accrued interest thereon) not less than the principal of and the accrued interest on the certificates of deposit secured thereby, (ii) deposited and pledged with any Federal Reserve Bank or with any bank or trust company organized under the laws of the United States or any state thereof, and having combined capital and surplus and undivided profits of not less than $100,000,000, and (iii) for which a receipt signed by the bank or trust company having custody of such collateral securities and containing a sufficient description thereof has been furnished to the Bank, or (b) the SAFE Program.

"**Eligible Investments**" means (a) United States Securities, (b) Eligible Certificates, (c) bank, savings and loan association or trust company deposits (i) fully insured by the Federal Deposit Insurance Corporation or by the Federal Savings and Loan Insurance Corporation or (ii) covered by the SAFE Program and (d) money market funds whose investments are restricted to United States Securities.

"**Escrow Agreement**" means that certain Escrow Trust Agreement dated as of May 1, 2016, among the City and the Escrow Trustee.

"**Escrow Trustee**" means Regions Bank, Alabama, in its capacity as trustee under the Escrow Agreement.

"**Holder**" means the person in whose name a Warrant is registered on the registry books of the Bank pertaining to the Warrants.

"**Insurance Policy**" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Warrants when due.

"**Insurer**" means Municipal Assurance Corp., a New York stock insurance company, or successor thereto or assignee thereof.

"**Interest Payment Date**" means each May 1 and November 1, commencing November 1, 2016.

"**Mayor**" means the mayor of the City.

"**Mayor Pro Tem**" means the mayor pro tempore of the City.

"**Overdue Interest**" means interest due but not paid on the Interest Payment Date on which such interest is required to be paid.

"**Overdue Interest Payment Date**" means the date fixed by the Bank, pursuant to the provisions of Section 14 hereof, for the payment of Overdue Interest.

"**Payment Date**" means each Interest Payment Date and each other date on which principal of the Warrants is required to be redeemed pursuant to Section 4 hereof.

"**Pledged Tax**" means that certain privilege or license tax levied at the rate of 4.00% on the gross receipts of all persons engaged in storing, using, otherwise consuming or selling at retail tangible personal property or conducting places of amusement in the City pursuant to Ordinance No. 938 adopted by the Council on October 7, 2002.

"**Project Agreement**" means that certain Project Development Agreement between the City and Birmingham Realty Company (pursuant to which the City has agreed to rebate to Birmingham Realty Company a portion of the City's receipts from the Pledged Tax over a period of seven (7) years, commencing in 2014.

"**Record Date**" means the April 15 or October 15, as the case may be, next preceding an Interest Payment Date.

"**Redemption Date**" means the date fixed for redemption of any of the Callable Warrants pursuant to the provisions of Section 4 hereof.

"**Redemption Price**" means the price at which the Callable Warrants may be redeemed.

"**Refunded Series 2008 Warrants**" means those of the Series 2008 Warrants maturing in 2020 and thereafter.

"**Resolution**" and "**Ordinance**" mean, respectively, a resolution or ordinance adopted by the Council.

"**SAFE Program**" means the program for securing public deposits created in the Security for Alabama Funds Enhancement Act, Chapter 14A of Title 41 of the Code of Alabama 1975, as amended.

"**Series 2008 Warrants**" means the City's General Obligation Warrants, Series 2008, dated May 1, 2008, which will, on the date of issuance of the Warrants, be outstanding in the aggregate principal amount of $3,925,000.

"**Term Warrants Due 2029**" means those of the Term Warrants having a stated maturity in 2029.

"**Underwriter**" means Raymond James & Associates, Inc.

"**United States Securities**" means any securities that are direct obligations of the United States of America and any securities with respect to which payment of the principal thereof and the interest thereon is unconditionally guaranteed by the said United States.

"**Unrefunded Series 2008 Warrants**" means those of the Series 2008 Warrants maturing prior to 2020.

"**Warrant Fund**" means the special fund of the City created in Section 6 hereof.

"**Warrants**," without other qualifying words, means the General Obligation Warrants, Series 2016, herein authorized.

(b) **Use of Words and Phrases. The following words and phrases, where used in** this Ordinance, shall be given the following respective interpretations:

"Herein," "hereby," "hereunder," "hereof," and other equivalent words refer to this Ordinance as an entirety and not solely to the particular portion hereof in which any such word is used.

The definitions set forth in Section 1(a) hereof shall be deemed applicable whether the words defined are herein used in the singular or the plural.

Wherever used herein any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

Section 2. Findings. The Council has ascertained and does hereby find and declare that (a) it is necessary and desirable and in the best interests of the City and in the public interest that the City refund the Refunded Series 2008 Warrants; and (b) in order to provide a portion of the funds necessary (i) to refund the Refunded Series 2008 Warrants and (ii) to pay the costs of issuing the Warrants hereinafter described, it is necessary, desirable and in the best interests of the City and in the public interest that the City issue, on its full faith and credit, the Warrants hereinafter authorized to be issued.

Section 3. Authorization of the Warrants.

(a) **Principal Amount, Maturities and Interest Rates**. Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Sections 11-47-2 and 11-81-4 of the Code of Alabama of 1975, as amended, and for the purposes hereinabove stated, there are hereby authorized to be issued by the City $3,655,000 aggregate principal amount of General Obligation Warrants, Series 2016, of the City. The Warrants shall be issued as fully registered warrants without coupons, shall be dated the date of their delivery, shall mature and become payable on May 1 in the years and in the amounts and shall bear interest at the per annum rates of interest as follows:

Year	Principal	Interest Rate
2017	$ 15,000.00	2.000%
2018	15,000.00	2.000
2019	200,000.00	2.000
2020	200,000.00	3.000
2021	200,000.00	3.000
2022	210,000.00	3.000
2023	215,000.00	3.000
2024	225,000.00	3.000
2025	230,000.00	3.000
2026	235,000.00	3.250
2027	245,000.00	3.250
2029	515,000.00	3.500
2030	270,000.00	4.000
2031	280,000.00	4.000
2032	300,000.00	4.000
2033	300,000.00	4.000

The Warrants shall be initially issued in the Authorized Denominations and registered in the names of the Holders as shall, pursuant to the provisions of Section 27 hereof, be designated by the purchaser thereof from the City.

(b) **Place and Manner of Payment**. The principal of and the premium, if any, on the Warrants shall be payable at the designated corporate trust office in the City of Birmingham, Alabama, of the Bank, upon presentation and surrender of the Warrants as the same become due and payable. Except as provided in Section 14 hereof, interest on the Warrants shall be payable by check or draft mailed by the Bank to the registered Holders of the Warrants at the addresses shown on the registry books of the Bank pertaining to the Warrants as of the close of business on the Record Date next preceding the Interest Payment Date. Payment of such interest shall be deemed to have been timely made if such check or draft is mailed by the Bank on the due date of such interest (or, if such due date is not a business day, on the business day immediately following such due date). Notwithstanding the foregoing, the registered Holder of not less than $500,000 in aggregate principal amount of the Warrants may make arrangements with the Bank for the payment of the principal of and the interest and premium, if any, on such Warrants by wire transfer. The Bank shall cause all payments of the principal of and the interest and premium, if any, on the Warrants to be accompanied by CUSIP numbers with appropriate dollar amounts for each CUSIP number.

(c) **Computation of Interest and Interest Payment Dates**. The Warrants shall bear interest from their date until their respective maturities at the per annum rates of interest set forth above (computed on the basis of a 360-day year of twelve consecutive 30-day months). Such interest shall be payable semiannually on each May 1 and November 1, commencing November 1, 2016, until and at the maturity of the Warrants. The Warrants shall bear interest after their respective maturities until paid at the per annum rates of interest set forth above.

(d) **Book-Entry Only System**. The Warrants shall be initially issued in book-entry only form, registered in the name of Cede & Co., the nominee of the Depository Trust company. So long as the said book-entry only system remains in effect, the provisions of this Ordinance, including the provisions governing the registration and exchange of Warrants, places and manner of payment of Warrants, requirements for presentment of Warrants and manner and effect of redemption of Warrants shall be subject to the standard procedures of the Depository Trust Company.

Section 4. Redemption Provisions.

(a) **Optional Redemption**. Those of the Warrants having a stated maturity in 2027 and thereafter shall be subject to redemption prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in multiples of $5,000 with those of the maturities to be redeemed to be selected by the City in its discretion), on May 1, 2026, and on any date thereafter, at and for a Redemption Price for each Warrant (or portion thereof) redeemed, equal to the principal amount thereof, plus accrued interest thereon to the Redemption Date.

(b) **Mandatory Redemption**. (i) The Term Warrants Due 2029 shall be subject to redemption and prepayment prior to their maturity on May 1, 2028, in the following principal amount, at and for a Redemption Price, for each Term Warrant Due 2029 (or portion thereof) redeemed, equal to the principal amount thereof plus accrued interest thereon to the Redemption Date:

Year (May 1)	**Amount to be Redeemed**
2028	$250,000
2029	265,000 (maturity)

In the event that, pursuant to the provisions of Section 4(a) hereof, the City shall have redeemed Term Warrants of a particular maturity or shall have provided for a partial redemption of Term Warrants of a particular maturity in such a manner that, under the provisions of Section 29 hereof, such Term Warrants for the redemption of which provision is made are considered as fully paid, the City may, by written notice to the Bank, elect to apply all or any part (but only in integral multiples of $5,000) of (A) the principal amount of such Term Warrants so redeemed or to be redeemed to the reduction of the principal amount of the Term Warrants of that maturity required to be redeemed pursuant to the provisions of this Section 4(b), on any May 1 coterminous with or subsequent to the date such optional redemption actually occurs. Such notice shall be deemed effective only if it is given prior to the giving of notice of redemption contrary to the provisions of such notice pursuant to the provisions of Section 4(d).

(c) **Partial Redemption**. In the event that less than all the principal of the Warrants of a single maturity is to be redeemed and prepaid, the Bank shall, by random selection, determine the Warrants, or portions thereof, of such maturity to be redeemed and prepaid.

(d) **Manner of Effecting Redemption**. Any such redemption or prepayment of the Warrants shall be effected in the following manner:

(i) **Call**. The City shall by Resolution call for redemption on a stated date when they are by their terms subject to redemption Callable Warrants (or principal portions thereof) and shall recite in said Resolution (A) that the City is not in default in the payment of the principal of or the interest or premium, if any, on any of the Warrants or (B) that all of the Warrants then outstanding are to be retired on the Redemption Date; provided, however, that no such Resolution shall be required in the case of any redemption of Warrants if the redemption is one that is required by the provisions of subsection (b) of this Section 4. A certified copy of any such Resolution shall be furnished to the Bank.

(ii) **Notice by Registered or Certified Mail**. The Bank (on behalf of the City) shall cause to be forwarded by United States Registered or Certified Mail to the registered Holder of each of the Warrants the principal of which is to be redeemed, in whole or in part, at the address of such registered Holder as such address appears on the registry books of the Bank pertaining to the registration of the Warrants, a notice, dated the date such notice is mailed by the Bank, stating the following: that Warrants (identified by the complete name and date of the Warrants) in certain specified principal amounts (or portions thereof) bearing stated numbers, CUSIP numbers, interest rates and maturity dates, have been called for redemption and will become due and payable at the Redemption Price or Redemption Prices on a specified Redemption Date, and that all interest thereon will cease after the Redemption Date. Such notice shall contain the name and telephone number of a contact person at the Bank to whom inquiries can be addressed and shall be so mailed not more than sixty (60) nor less than thirty (30) days prior to the Redemption Date, but Holders of any Warrants may waive the requirements of this subsection with respect to the Warrants held by them without affecting the validity of the call for redemption of any other Warrants. Such notice shall be sent again promptly to the Holder of any Warrant so called for redemption and not presented for payment within sixty (60) days following the Redemption Date.

(iii) **Notice to Rating Agencies and Others**. The Bank (on behalf of the City) shall cause to be forwarded to Standard & Poor's Corporation, *The Bond Buyer*, two national information services and any registered bond depository holding any of the Warrants, at their respective last known addresses, a copy of the text of the notice referred to in the preceding subsection (d)(ii) of this Section 4. The copy of the notice sent to each registered bond depository shall be sent by tested telex, facsimile, express mail or other express delivery service so that such registered bond depository will receive the copy of such notices at least two days prior to the date such notice is received by other Holders of the Warrants. The failure of the Bank to mail or cause to be mailed or transmit or cause to be transmitted a copy of any such notice to any or all said firms shall not invalidate any such redemption.

(iv) **Payment of Redemption Price**. The City shall make available at the Bank, on or prior to the Redemption Date, in immediately available funds, the total Redemption Price of the Warrants (or portions thereof) that are to be prepaid and redeemed on the Redemption Date.

The City and the Bank will, to the extent deemed by them to be practicable under the circumstances and to the extent permitted by law, comply with the standards set forth in the Securities and Exchange Commission's Exchange Act Release No. 23856 dated December 3, 1986, regarding redemption notices, but their failure to do so shall not invalidate the redemption of any Warrants with respect to which the other requirements of this Section 4 have been satisfied. Upon compliance with the foregoing requirements on its part contained in this subsection (d), and if the City is not on the Redemption Date in default in the payment of the principal of or the interest or premium, if any, on any of the Warrants, the Warrants (or principal portions thereof) called for redemption shall become due and payable at the Redemption Price on the Redemption Date specified in such notice, anything herein or in the Warrants to the contrary notwithstanding, and the Holders thereof shall then and there surrender them for redemption; provided, however, that in the event that less than all of the outstanding principal of any Warrant is to be redeemed, the registered Holder thereof shall surrender the Warrant that is to be redeemed in part to the Bank in exchange, without expense to the Holder, for a new Warrant of like tenor except in a principal amount equal to the unredeemed portion of such Warrant. All future interest on the Warrants (or principal portions thereof) so called for redemption shall cease to accrue after the Redemption Date. Out of the moneys so deposited with it, the Bank shall make provision for payment of the Warrants (or principal portions thereof) so called for redemption at the Redemption Price and on the Redemption Date.

Section 5. General Obligation; Special Pledge.

(a) **General Obligation.** The indebtedness evidenced and ordered paid by the Warrants is and shall be a general obligation of the City for payment of the principal of and the interest and premium, if any, on which the full faith and credit of the City are hereby irrevocably pledged.

(b) **Special Pledge**. The City hereby irrevocably pledges to the payment of the principal of and the interest (and premium, if any) on the Warrants and any Additional Parity Warrants that may be hereafter issued pursuant to Section 26 of this Ordinance the proceeds of the Pledged Tax, and the City hereby orders that the proceeds of the Pledged Tax be appropriated and kept segregated and set apart for such purpose. The City hereby covenants with the holders of the Warrants and any Additional Parity Warrants hereafter issued that so long as the Warrants or any such Additional Parity Warrants remain outstanding, the City will continue to levy and collect the Pledged Tax. The City hereby represents and warrants that upon the issuance of the Warrants there will be no lien, encumbrance, pledge or assignment of the proceeds of the Pledged Tax other than the pledges thereof for the benefit of the Unrefunded Series 2008 Warrants and the Warrants and the agreements of the City with respect thereto in the Project Agreement. The City hereby covenants and agrees that except as provided in Section 26 hereof with respect to the issuance of Additional Parity Warrants, the City will not hereafter pledge the Pledged Tax as security for any obligation of the City unless such pledge is made subject to and subordinate in all respects to the pledge of the Pledged Tax heretofore made for the benefit of the Unrefunded Series 2008 Warrants and the parity pledge of the Pledged Tax herein made for the benefit of the Warrants and any Additional Parity Warrants hereafter issued.

Section 6. Warrant Fund.

(a) **Payments Therein and Use and Continuance Thereof**. There is hereby created a special fund to be designated "the City of Tarrant 2016 Warrant Fund," for the purpose of providing for the payment of the principal of and the interest (and premium, if any), on the Warrants, at the respective maturities of said principal and interest (and premium, if any), which special fund shall be maintained until the principal of and the interest (and premium, if any), on the Warrants have been paid in full. Payments into the Warrant Fund shall be made as follows:

(i) there shall be paid into the Warrant Fund, simultaneously with the issuance of the Warrants and out of the proceeds derived from the sale thereof, that portion of said proceeds which may be preferable to accrued interest, if any; and

(ii) on or before the second business day prior to June 1, 2016, and on or before the second business day prior to the first day of each calendar month thereafter the City will pay into the Warrant Fund an amount equal to one-sixth ($1/6^{th}$) of the interest that will mature on the Warrants on the next Interest Payment Date, and one-twelfth ($1/12^{th}$) of the principal that will mature on the Warrants or that is required to be redeemed, on the next succeeding May 1, if any.

The City will make the deposits to the Warrant Fund required to be made in the Ordinance out of the proceeds of the Pledged Tax or out of other funds of the City that may be available therefor. All moneys paid into the Warrant Fund shall be used only for payment of the principal of and the interest (and premium, if any), on the Warrants, upon or after the respective maturities of such principal, interest (and premium, if any); provided, that, if at the final maturity of the Warrants, howsoever the same may mature, there shall be in the Warrant Fund moneys in excess of the amount required to retire the Warrants, then any such excess shall thereupon be returned to the City. When the amount of money on deposit in the Warrant Fund equals or exceeds the aggregate of the principal and interest to their respective maturities on the Warrants at the time outstanding, no further payments need be made into the Warrant Fund except to make good the moneys paid therein which may become lost or which may not be immediately available for withdrawal under the provisions of this section.

(b) **Depository for Warrant Fund**. The City hereby designates the Bank as the depository for the Warrant Fund with respect to payment of principal of and the interest (and premium, if any), on the Warrants. In the event that the Bank should at any time decline to act as such depository, or should resign as such depository, or should cease to be a member of the Federal Deposit Insurance Corporation (or any agency which may succeed to its duties), or should cease to be duly qualified and doing business within the State of Alabama, then the Council shall by Resolution designate a successor to such depository; provided, that, any such successor depository shall be and remain a member of the Federal Deposit Insurance Corporation (or of any agency which may succeed to its duties) and shall be and remain duly qualified and doing business in the State of Alabama.

(c) **Trust Nature of and Security for the Warrant Fund**. The Warrant Fund shall be and at all times remain public funds impressed with a trust for the purpose for which the Warrant Fund is herein created. Each depository for the Warrant Fund shall at all times keep the moneys on deposit with it in the Warrant Fund continuously secured for the benefit of the City and the Holders of the Warrants either

(i) by holding on deposit as collateral security, United States Securities or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in the Warrant Fund, or

(ii) if the furnishing of security in the manner provided in the foregoing clause (i) of this sentence is not permitted by the then applicable law and regulations, then in such other manner as may be required or permitted by the applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of public funds;

provided, however, that it shall not be necessary for such depository so to secure any portion of the moneys on deposit in the Warrant Fund that may be insured by the Federal Deposit Insurance Corporation (or by any agency that may succeed to its duties) or any portion of the said moneys that may be invested pursuant to the provisions of subsection (d) of this Section 6.

(d) **Investment of Moneys in the Warrant Fund**. So long as the City shall not be in default hereunder it may, at any time and from time to time as it in its sole discretion shall deem advisable, cause to be invested in Eligible Investments any or all of the moneys in the Warrant Fund; provided, that, each such investment shall mature not later than the Payment Date next following the date such investment is made. In the event of any such investment, the securities in which the investment is made shall become a part of the Warrant Fund and shall be held by the depository for the moneys so invested to the same extent as if they were moneys on deposit in the Warrant Fund. The City may likewise at any time and from time to time cause any securities in which any such investment shall be made to be sold or otherwise converted into cash, whereupon the net proceeds derived from any such sale or conversion, after payment of all necessary expenses incident to such sale or conversion, shall become a part of the Warrant Fund. Each depository for the Warrant Fund shall be fully protected in making investments, sales, and conversions of any such securities upon direction given to it in a Resolution.

Section 7. Form of Warrants. The Warrants shall be in substantially the following form:

R-__ $__________

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF TARRANT

GENERAL OBLIGATION WARRANT

SERIES 2016

Interest Rate	**Maturity Date**	**CUSIP Number**

Subject to prior payment and other provisions as herein provided

The City Treasurer of the City of Tarrant, a municipal corporation under the laws of Alabama ("the City"), is hereby ordered and directed to pay to or registered assigns, the principal sum of

THOUSAND DOLLARS

on the date specified above with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable on November 1, 2016, and semiannually thereafter on each May 1 and November 1 until the due date hereof.

The principal of (and the premium, if any) on this Warrant shall be payable only upon presentation and surrender of this Warrant at the designated corporate trust office of Regions Bank ("the Bank"), in the City of Birmingham, Alabama, or its successor under the ordinance hereinafter referred to. Interest on this Warrant shall be remitted by the Bank to the then registered holder hereof at the address shown on the registry books of the Bank pertaining to the Warrants as of the close of business on the April 15 or October 15, as the case may be, next preceding the date of payment of such interest. The ordinance hereinafter referred to provides that all payments by the City or the Bank to the person in whose name a Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Payment of such interest shall be deemed to have been timely made if such check or draft is mailed by the Bank on the due date of such interest. The registered holder of $500,000 or more in aggregate principal amount of the Warrants hereinafter referred to may make arrangements with the Bank for the payment of the principal of and the interest and premium, if any, on such Warrants by wire transfer. Any transferee of this Warrant takes it subject to all payments of principal and interest in fact made with respect hereto.

This Warrant is one of a duly authorized issue of Warrants designated General Obligation Warrants, Series 2016, and aggregating $3,655,000 in principal amount ("the Warrants"). This Warrant is issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Sections 11-47-2 and 11-81-4 of the Code of Alabama of 1975, as amended, and an ordinance ("the Ordinance") of the City duly adopted by the governing body of the City.

Those of the Warrants having a stated maturity in 2027 and thereafter are subject to redemption prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in multiples of $5,000 with those of the maturities to be redeemed to be selected by the City in its discretion), on May 1, 2026, and on any date thereafter, at and for a respective redemption price, with respect to each Warrant (or portion thereof) redeemed, equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. In the event that less than all the principal of the Warrants of a single maturity is redeemed and prepaid, the Bank shall, by random selection, determine that portion of the principal of the Warrants of such maturity to be redeemed and prepaid.

Certain of the Warrants are subject to mandatory redemption on May 1 in certain years and in certain principal amounts, but only to the extent required by the Ordinance.

The Ordinance requires that written notice of the call for redemption of this Warrant (or portion of the principal thereof) be forwarded by United States Registered or Certified Mail to the registered owner hereof, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption. In the event that less than all the outstanding principal of this Warrant is to be redeemed, the registered holder hereof shall surrender this Warrant to the Bank in exchange for a new Warrant of like tenor herewith except in a principal amount equal to the unredeemed portion of this Warrant. Upon the giving of notice of redemption in accordance with the provisions of the Ordinance, the Warrants (or principal portions thereof) so called for redemption shall become due and payable on the date specified in such notice, anything herein or in the Ordinance to the contrary notwithstanding, and the holders thereof shall then and there surrender them for redemption, and all future interest on the Warrants (or principal portions thereof) so called for redemption shall cease to accrue after the date specified in such notice, whether or not the Warrants are so presented.

By the execution of this Warrant, the City acknowledges that it is indebted to the payee hereof in the principal amount hereof in accordance with the terms thereof. The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the City for the payment of the principal of and the interest and premium, if any, on which the full faith and credit of the City have been irrevocably pledged. In the Ordinance the City has additionally pledged to the payment of the principal of and the interest (and premium, if any) on the Warrants so much as may be necessary therefor of a privilege or license tax levied against persons engaged in storing, using or otherwise consuming, or engaged in the business of selling at retail, tangible personal property or conducting places of amusement in the City ("the Pledged Tax"). In the Ordinance, the City has reserved the right to issue additional warrants secured by a pledge of the Pledged Tax on a parity with the Warrants, subject to the terms and conditions therein contained.

It is hereby certified and recited 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 conditions, actions 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 do exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this Warrant, together with all other indebtedness of the City, was at the time the same was created and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

The Warrants are issuable only as fully registered Warrants in the denomination of $5,000 or any integral multiple thereof. Provision is made in the Ordinance for the exchange of Warrants for a like aggregate principal amount of Warrants of the same maturity and in authorized denominations, all upon the terms and subject to the conditions set forth in the Ordinance.

This Warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Bank (the registrar and transfer agent of the City) and only upon surrender of this Warrant to the Bank for cancellation, and upon any such transfer a new Warrant of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Ordinance. Each holder, by receiving or accepting this Warrant shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, this Warrant may be transferred only in accordance with the provisions of the Ordinance.

In the event that this Warrant (or any principal portion hereof) is duly called for redemption, the Bank shall not be required to register, transfer or exchange this Warrant during the period of forty-five (45) days next preceding the date fixed for its redemption.

Execution by the Bank of its registration certificate hereon is essential to the validity hereof.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed by its Mayor, has caused its corporate seal to be hereunto affixed or imprinted, has caused this Warrant to be attested by its City Clerk, and has caused this Warrant to be dated ______________ 2016.

CITY OF TARRANT

By ______________________________________
Its [Mayor[[Mayor Pro Tem]

Attest:

____
Its City Clerk

Registration Certificate

Date of Registration: _____________, 2016

This Warrant was registered in the name of the above-registered owner on the date hereinabove set forth.

REGIONS BANK
Birmingham, Alabama

By ______________________________________
Its Authorized Officer

Assignment

For value received ______________________________ hereby sell(s), assign(s) and transfer(s) unto ______________________________ the within Warrant and hereby irrevocably constitute(s) and appoint(s) ______________________________, attorney, with full power of substitution in the premises, to transfer this Warrant on the books of the within-mentioned Bank.

Dated this _____ day of ____________, 20___.

____

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

Signature guaranteed:

____

(Bank, Trust Company or Firm)*

By ______________________________

(Authorized Officer)

Its Medallion Number: ______________

*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).

STATEMENT OF INSURANCE

Municipal Assurance Corp. ("MAC"), New York, New York, has delivered its municipal bond insurance policy ("the Policy") with respect to the scheduled payments due of principal of and interest on this Warrant to Regions Bank, Birmingham, Alabama, or its successor, as paying agent for the Warrants ("the Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from MAC or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Warrant acknowledges and consents to the subrogation rights of MAC as more fully set forth in the Policy.

Section 8. (a) **Execution of Warrants by City.** The Warrants shall be executed on behalf of the City by the Mayor or the Mayor Pro Tem and attested by the City Clerk, and the seal of the City shall be impressed on each of the Warrants. The signatures of the Mayor or the Mayor Pro Tem and the City Clerk may be facsimile signatures of said officers, and the seal of the City imprinted on the Warrants may be a facsimile of such seal (it being understood that a condition to the validity of each Warrant is the appearance on such Warrant of a Registration Certificate, substantially in the form hereinabove provided, executed by the manual signature of an authorized officer of the Bank). Signatures on the Warrants by persons who are officers of the City at the times such signatures were written or printed shall continue to be effective although such persons cease to be such officers prior to the delivery of the Warrants, whether initially issued or exchanged for Warrants of different denominations from those initially issued.

(b) **Registration Certificate on Warrants**. A Registration Certificate by the Bank, in substantially the form hereinabove recited, duly executed by the manual signature of an authorized officer of the Bank, shall be endorsed on each of the Warrants and shall be essential to its validity.

Section 9. Registration and Transfer of Warrants. All Warrants shall be registered as to both principal and interest, and shall be transferable only on the registry books of the Bank. The Bank shall be the registrar and transfer agent of the City and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Warrants as are presented for those purposes, all in the manner and to the extent hereinafter specified.

No transfer of a Warrant shall be valid hereunder except upon presentation and surrender of such Warrant at the office of the Bank with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Bank, whereupon the City shall execute, and the Bank shall register and deliver to the transferee, a new Warrant of the same series, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name a Warrant is registered on the books of the Bank shall be the sole person to whom or on whose order payments on account of the principal thereof and of the interest and premium, if any, thereon may be made. Each Holder of any of the Warrants, by receiving or accepting such Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, the Warrants may be transferred only in accordance with the provisions of this Ordinance.

Each transferee of a Warrant takes it subject to all payments of principal and interest in fact made with respect thereto.

Section 10. Exchange of Warrants. Upon the request of the Holder of one or more Warrants, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of such Warrant or Warrants in exchange therefor, a Warrant or Warrants in different Authorized Denominations of the same maturity and interest rate and together aggregating the same principal amount as the then unpaid principal of the Warrant or Warrants so surrendered, all as may be requested by the person surrendering such Warrant or Warrants. All Warrants surrendered for exchange pursuant to the provisions of this Section 10 shall be accompanied by a written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Bank.

Section 11. Expenses of Registration, Transfer and Exchange. Any registration, transfer or exchange of any of the Warrants shall be made without charge to the Holders thereof, except that (a) the Holder requesting any such registration, transfer or exchange shall pay all taxes and other governmental charges required to be paid in connection with such registration, transfer or exchange, and (b) the Holder shall pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant in accordance with Section 16 hereof.

Section 12. Time Limits on Registration, Transfer or Exchange. If any Warrant is called for redemption in whole or in part, the Bank shall not be required to register, transfer or exchange such Warrant during the period of forty-five (45) days next preceding the Redemption Date.

Section 13. Accrual of Interest on Warrants. All Warrants issued prior to November 1, 2016, in exchange for Warrants initially delivered, shall bear interest from the date of the Warrants, and all Warrants issued on or after November 1, 2016, shall bear interest from the May 1 or November 1, as the case may be, next preceding the date of its registration and delivery unless (a) such date of registration and delivery is a May 1 or November 1, in which event such Warrant shall bear interest from the date of its registration and delivery, or (b) at the time of such registration and delivery the City is in default in the payment of interest on the Warrant in lieu of which such new Warrant is issued, in which event such new Warrant shall bear interest from the last Interest Payment Date to which interest has previously been paid or made available for payment on the Warrant in lieu of which such new Warrant is issued. The preceding provision shall be construed to the end that the issuance of a Warrant shall not affect any gain or loss in interest to the Holder thereof.

Section 14. Persons to Whom Payment of Interest on Warrants Is to Be Made. Interest on the Warrants shall, except as provided in the next succeeding paragraph of this Section 14, be payable in lawful money of the United States of America by check or draft mailed by the Bank to the Holders of the Warrants at the addresses shown on the registry books of the

Bank pertaining to the Warrants as of the close of business on the Record Date next preceding the Interest Payment Date.

Any provision hereof to the contrary notwithstanding, Overdue Interest shall not be payable to the Holder of the Warrants solely by reason of such Holder having been the Holder on the Record Date next preceding the Interest Payment Date on which such interest became due and payable, but shall be payable by the Bank as follows:

(a) Not less than ten (10) days following receipt by the Bank of immediately available funds in an amount sufficient to enable the Bank to pay all Overdue Interest, the Bank shall fix an Overdue Interest Payment Date for payment of such Overdue Interest.

(b) Such Overdue Interest Payment Date fixed by the Bank shall be a date not more than twenty (20) days following the expiration of the period described in the foregoing subparagraph (a).

(c) Overdue Interest shall be paid by check or draft mailed by the Bank to the persons in whose names the Warrants were registered in the registry books of the Bank pertaining to the Warrants on the Overdue Interest Payment Date.

Payment of Overdue Interest in the manner herein prescribed to the persons in whose names the Warrants were registered on the Overdue Interest Payment Date shall fully discharge and satisfy all liability for the same.

Section 15. Persons Deemed Owners of Warrants. The City and the Bank may deem and treat the person in whose name a Warrant is registered as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by any of them to the person in whose name a Warrant is so registered, shall to the extent thereof fully discharge and satisfy all liability for the same.

Section 16. Replacement of Mutilated, Lost, Stolen or Destroyed Warrants. In the event any Warrant is mutilated, lost, stolen or destroyed, the City may execute and the Bank shall thereupon register and deliver a new Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Warrant, such Warrant is first surrendered to the City and the Bank, and (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the City and the Bank evidence of such loss, theft or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The City may charge the Holder with the expense of issuing any such new Warrant.

In lieu of issuing a new Warrant to replace any mutilated, lost, stolen or destroyed Warrant which shall have already matured or been called for redemption, the Bank may pay such Warrant at or after the maturity or Redemption Date applicable thereto if the Holder of such Warrant satisfies the same terms and conditions as those provided in the preceding provisions of this Section 16 for the replacement of such Warrant. Any mutilated Warrant surrendered to the Bank pursuant to the terms of this Section shall be destroyed by the Bank after a Warrant in replacement thereof has been issued.

Section 17. Retention of Moneys for Payment of Warrants. The amounts held by the Bank for the payment of the principal of and the interest and premium, if any, on any Warrants due on any date shall, pending such payment, be held in trust by the Bank of the holders of the Warrants entitled thereto, and for the purposes of this Ordinance the principal of and the interest and premium, if any, on such Warrants shall no longer be considered to be unpaid. All liability of the City to the Holders of such Warrants and all rights of such Holders against the City under the Warrants or under this Ordinance shall thereupon cease and terminate, and the sole right of such Holders shall thereafter be against such funds. If any Warrant shall not be presented for payment within a period of three (3) years following the date when such Warrant becomes due, whether by maturity, redemption or otherwise, or if the check or draft providing for any payment of interest on any Warrant shall not have been negotiated within such period, the Bank shall, subject to any of the provisions of any applicable escheat or other similar law, return to the City any moneys theretofore held by it for payment of such Warrant or such interest.

Section 18. Cancellation of Warrants. The Bank shall forthwith cancel all Warrants which have been paid by it, whether by maturity, redemption or otherwise, and shall destroy such Warrants and deliver a certificate to that effect to the City.

Section 19. (a) **Appointment of Bank and Acceptance or Duties**. The Bank is hereby designated and appointed and shall act as registrar, transfer agent and paying agent with respect to the Warrants. The Bank shall signify its acceptance of the duties of the Bank under this Ordinance by filing with the City a written acceptance thereof not later than the date of the issuance of the Warrants. In such acceptance the Bank shall accept and agree to perform the duties required by this Ordinance, either expressly or by reasonable implication, subject, however, to the following conditions:

(i) The Bank shall undertake to perform such duties and only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Bank.

(ii) In the absence of bad faith or negligence on its part, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bank and conforming to the requirements of this Ordinance.

(iii) No provision of this Ordinance shall be construed to relieve the Bank from liability for its own gross negligence or willful misconduct, except that no provision of this Ordinance shall require the Bank to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(iv) The Bank may consult counsel on any matters connected herewith and shall not be answerable for any action taken or failure to take any action in good faith on the advice of counsel, provided that its action or inaction is not contrary to any express provision hereof.

(v) The Bank need not recognize a Holder of a Warrant as such without the satisfactory establishment of his title to such Warrant.

(vi) Any action taken by the Bank at the request of and with the consent of the Holder of a Warrant will bind all subsequent Holders of the same Warrant and any Warrant issued hereunder in lieu thereof.

(vii) The Bank may be a Holder or a pledgee of any of the Warrants as if not the Bank hereunder.

(viii) The Bank shall not be liable for the proper application of any moneys other than those that may be paid to or deposited with it.

(ix) The Bank shall not be liable to pay or allow interest on any moneys to be held by it under this Ordinance or otherwise to invest any such moneys, except as specifically required by this Ordinance or as may be required by law or other written agreement between the City and the Bank.

(x) The Bank may make any investments permitted or required hereby through its own investment department, and any Eligible Investments issued or held by it hereunder shall be deemed investments and not deposits.

(xi) The Bank shall, upon reasonable request, inform the City of the amount at the time on deposit in any of the special funds or accounts created hereunder.

(xii) The recitals of fact herein and in the Warrants are statements by the City and not by the Bank, and the Bank is in no way responsible for the validity or security of the Warrants or the validity of the security afforded hereby.

(b) **Bank to Maintain Registration Books**. The Bank will keep on file at its principal corporate trust office registration books listing the names and addresses of the holders of the Warrants and proper records of account relating to the receipt, disbursement, investment, allocation and application of moneys under this Ordinance.

(c) **Resignation by Bank**. The Bank and any successor Bank may resign and be discharged from the duties under this Ordinance by causing written notice specifying the effective date, postage prepaid, to the City and to every Holder of a Warrant. Unless the effective date of the Bank's resignation shall coincide with the appointment of a successor Bank by the Holders of the Warrants as herein provided, such date shall be at least thirty (30) days after the date on which notice to the City and the Holders of the Warrants shall have been mailed.

(d) **Removal of Bank**. The Bank may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bank and to the City and signed by the Holders of a majority in aggregate principal amount of the Warrants then outstanding.

(e) **Appointment of Successor Bank; Interim Bank**. In case the Bank shall resign, be removed, be dissolved, be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the Holders of a majority in aggregate principal amount of Warrants then outstanding through an instrument or concurrent instruments in writing signed by such Holders. In case of any such resignation or event which causes the Bank to be incapable of acting, the City, by an instrument signed by the Mayor or the Mayor Pro Tem shall appoint an interim Bank to serve until a successor Bank shall be appointed by the Holders of a majority in aggregate principal amount of the Warrants, as provided above. Whenever necessary to avoid or fill a vacancy in the office of Bank, the City will appoint an interim Bank in order that there shall at all times be a Bank hereunder. Any interim Bank so appointed by the City shall immediately and without further act be superseded by the Bank appointed by the holders of the Warrants.

The City shall cause notice of the appointment of an interim Bank, in the event that such an appointment is made, to be forwarded by United States Registered or Certified Mail, postage prepaid, to every Holder of a Warrant. When the appointment of a successor Bank, as selected by the Holders of a majority in aggregate principal amount of the Warrants then outstanding, becomes effective, the City shall also cause notice of that fact to be given in the manner provided above for the notice required to be given upon the appointment of an interim Bank. Every interim or successor Bank appointed pursuant to this Section shall be a trust company or bank which is qualified to perform all duties of the Bank under this Ordinance and which has, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than $50,000,000, if there be such an institution willing, qualified and able to accept appointment as Bank upon reasonable or customary terms.

(f) **Concerning any Successor Bank**. Every successor Bank shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting its appointment as Bank hereunder, and thereupon such successor Bank, without any further act, deed or conveyance, shall become fully vested with all the rights, powers and duties of its predecessor. Such predecessor shall, nevertheless, on the written request of the City or such successor Bank, execute and deliver an instrument transferring to such successor Bank all rights, powers and interests of such predecessor hereunder; and every predecessor Bank shall deliver all securities and moneys held by it as Bank hereunder to its successor.

(g) **Merger or Consolidation of Bank**. Any corporation into which the Bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank, shall be the successor of the Bank hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case the registration certificates with respect to any Warrants shall have been executed by the Bank then in office, any successor by merger or consolidation to such Bank may adopt the registration of such Warrants and deliver such Warrants with the same effect as if such successor Bank had itself registered such Warrants.

(h) **Provisions for Payment at Par**. The Bank, and every other bank that may act as paying agent for any of the Warrants, by acceptance of their respective duties with respect to the payment of the Warrants, shall be deemed to have agreed thereby with the Holders of the Warrants that it will make, out of the funds supplied to it for that purpose, all remittances of principal and the interest and premium, if any, on the Warrants in bankable funds at par without any deduction for exchange or other costs, fees or expenses. The City agrees with the Holders of the Warrants that it will pay all charges for fees and expenses which may be made by the Bank or any other bank in the making of remittances in bankable funds of the principal of and the interest and premium, if any, on any of the Warrants.

(i) **Compensation of Bank**. Subject to the provisions of any separate agreement with the Bank, the City shall pay to the Bank from time to time reasonable compensation for all services rendered by it under this Ordinance, including its services as registrar and paying agent for the Warrants, and also all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its duties hereunder.

Section 20. Sale of Warrants. The execution and delivery by the Mayor Pro Tem of a Purchase Contract between the City and the Underwriter in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as Exhibit I to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance), is hereby ratified and confirmed. The Warrants are hereby awarded and sold to the Underwriter in accordance with the terms and conditions set forth in said Purchase Contract, at and for a purchase price equal to $3,948,645.80 (which reflects an underwriting discount of $54,825 and an original issue premium of $348,470.80).

Section 21. Ratification of Preliminary Official Statement. The action of the Underwriter in circulating a Preliminary Official Statement with respect to the Warrants, in the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as Exhibit II to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance) is hereby ratified and confirmed.

Section 22. Authorization of Official Statement. The Mayor or the Mayor Pro Tem is hereby authorized and directed to execute and deliver, on behalf of the City, an Official Statement respecting the Warrants, said official statement to be in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as Exhibit III to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance).

Section 23. Authorization of Continuing Disclosure Agreement. The Mayor or the Mayor Pro Tem is hereby authorized and directed to execute and deliver, on behalf of the City, a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Warrants, in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as Exhibit IV to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance), and the City Clerk is hereby authorized and directed to affix to the said Continuing Disclosure Agreement the seal of the City and to attest the same. The said Continuing Disclosure Agreement is to be entered into contemporaneously with the issuance of the Warrants in order to assist the Underwriter of the Warrants in complying with Rule 15c2-12 of the Securities and Exchange Commission. The rights of enforcement under the said Continuing Disclosure Agreement shall be as provided therein, and in no event shall a default by the City thereunder constitute a default hereunder.

Section 24. Authorization of Related Documents and Actions. The Mayor, the Mayor Pro Tem and all other officers of the City are hereby authorized and directed to execute, seal, attest and deliver such other documents and certificates and to take such other actions on behalf of the City as may be necessary to consummate the sale and issuance of the Warrants and to carry out fully the transactions contemplated by this Ordinance.

Section 25. Use of Proceeds from Sale of Warrants. The entire principal proceeds of the Warrants shall be applied as follows:

(a) the sum of $16,479.79 shall be paid to the Insurer as the premium for the issuance of the Insurance Policy;

(b) the sum of $3,881,129.56 shall be paid to the Escrow Trustee to be deposited into the Refunded Series 2008 Warrants Escrow Fund created in the Escrow Agreement; and

(c) the balance of the principal of the Warrants shall be paid to the City and applied to the costs of issuance of the Warrants.

Section 26. Additional Parity Warrants. The City hereby reserves the right to issue other warrants secured by a pledge of the proceeds from the Pledged Tax on a parity with the pledge thereof for the benefit of the Warrants and any other Additional Parity Warrants theretofore issued, subject to the following conditions:

(a) The Council shall have adopted an ordinance (i) reciting that the City is not at the time in default under this Ordinance and any other ordinance pursuant to which Additional Parity Warrants shall have been issued and that no such default is imminent, (ii) authorizing the sale, issuance, execution and delivery of such Additional Parity Warrants, (iii) setting forth the maximum principal amount thereof, the maturities, the rates of interest, the dates of payment and the redemption provisions with respect to such Additional Parity Warrants and (iv) containing any other or additional provisions, covenants and agreements of the City with respect thereto.

(b) The City shall have delivered to the Bank a certificate of the City Treasurer that the net proceeds received by the City from the Pledged Tax during the most recent fiscal year of the City, after deducting any amounts paid or payable to Birmingham Realty Company pursuant to the Project Agreement with respect to such fiscal year, were not less than 125% of the maximum principal and interest payable, or subject to mandatory redemption, with respect to the Warrants, any Additional Parity Warrants theretofore issued by the City and the Additional Parity Warrants proposed to be issued.

Section 27. Denominations of Warrants as Initially Issued. The Warrants of each maturity of each series shall be initially issued in Authorized Denominations as requested by the Underwriter and registered in the names of the persons, firms or corporations specified by the Underwriter. If, for any reason, the City is unable to prepare or cause to be prepared Warrants in the Authorized Denominations requested by the Underwriter and registered in the names specified by the Underwriter, the City may deliver one Warrant for each maturity in the principal amount of such maturity, each registered in a name designated by the Underwriter.

Section 28. Provisions for Payment at Par. Each bank at which the Warrants shall at any time be payable, by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the Holders of the Warrants that it will make, out of the funds supplied to it for that purpose, all remittances of principal, interest and premium, if any, on the Warrants in bankable funds at par without any deduction for exchange or other costs, fees or expenses. The City agrees with the Holders of the Warrants that it will pay all charges for fees and expenses which may be made by such bank in the making of remittances in bankable funds of the principal of and interest on any of the Warrants.

Section 29. Escrow for Warrants. In addition to all other circumstances under which the Warrants are to be deemed paid, any of the Warrants shall be considered as fully paid if there shall be filed with the City Clerk and the Bank each of the following:

(a) a trust agreement between the City and a banking corporation or national banking association making provision for the retirement of such Warrants by creating for that purpose an irrevocable trust fund sufficient to provide for payment and retirement of such Warrants (including payment of the interest that will mature thereon until and on the dates they are retired, as such interest becomes due and payable), either by redemption prior to their respective maturities, by payment at their respective maturities or by payment of part thereof at their respective maturities and redemption of the remainder prior to their respective maturities, which said trust fund shall consist of (i) United States Securities which are not subject to redemption prior to their respective maturities at the option of the issuer and which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of all such Warrants, or (ii) both cash and such United States Securities which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose;

(b) a certified copy of a resolution of the Council calling for redemption those of the Warrants, if any, that, according to said trust agreement, are to be redeemed prior to their respective maturities; and

(c) in the event that such trust agreement provides for the "advance refunding" (as defined in the Code and any applicable Treasury Regulations) of any of the Warrants, an opinion of nationally recognized bond counsel to the effect that the execution and effectuation of the trust agreement referred to in the preceding clause (a) will not result in subjecting the interest income on the Warrants to Federal income taxation.

Section 30. Refunding of Refunded Series 2008 Warrants. In order to provide for the payment of all interest that will mature with respect to the Refunded 2008 Warrants on and before May 1, 2018, and in order to effect the redemption of the Refunded Series 2008 Warrants on May 1, 2018:

(a) Simultaneously with the delivery of the Warrants to the Underwriter, the Mayor or the Mayor Pro Tem is hereby authorized and directed to execute and deliver for and in the name and behalf of the City, an Escrow Trust Agreement between the City and the Escrow Trustee, in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached to the minutes of such meeting as Exhibit V thereto and which is hereby adopted in all respects as if set out in full in this ordinance), and the City Clerk is hereby authorized and directed to affix the seal of the city to said Escrow Trust Agreement and to attest the same.

(b) The City calls for redemption on May 1, 2018, all of the Refunded Series 2008 Warrants. The Bank is hereby authorized and directed to effect the redemption on May 1, 2018, of the Refunded Series 2008 Warrants, in the manner provided in the ordinance pursuant to which the Series 2008 Warrants were issued.

Section 31. Concerning Compliance with the Internal Revenue Code of 1986. The City covenants and agrees that it will, to the extent permitted by law, comply with the provisions of the Code that constitute conditions to or requirements for (1) the exclusion of the interest income on the Warrants from the gross income of the recipients thereof for Federal income tax purposes pursuant to the provisions of Section 103 of the Code and (2) the exclusion of such interest income received by taxpayers other than corporations from alternative minimum taxable income for purposes of the computation of the alternative minimum tax applicable to such taxpayers pursuant to the provisions of Section 55 of the Code. Without limiting the generality of the foregoing, the City will (a) rebate to the United States such amounts from investment earnings on proceeds of the Warrants at such times, and restrict the yield on the investment of such proceeds in such manner, as shall be necessary to prevent the Warrants from being or becoming "arbitrage bonds" within the meaning of Section 148 of the Code, (b) maintain such records respecting the investment and expenditure of proceeds of the Warrants as may be needed to calculate the amounts of any such required payments and (c) not apply the proceeds derived from the sale of the Warrants in a manner that would cause the Warrants to be or become "private activity bonds" within the meaning of Section 141 of the Code. The Mayor or the Mayor Pro Tem is hereby authorized and directed to execute a Tax Certificate and Agreement in connection with the issuance of the Warrants. The City hereby covenants to comply with all representations, warranties and covenants on its part contained in such Tax Certificate and Agreement.

Section 32. Designation Under Section 265 of the Code. The City hereby designates the Warrants as "qualified tax-exempt obligations" for purposes of paragraph (b)(3)(A) of Section 265 of the Code and, in connection therewith and after due investigation and consideration, finds, determines and declares that the amount of tax-exempt obligations (other than "private activity bonds") that, during the calendar year in which the Warrants will be issued, will have been issued by the City (and its subordinate entities) and the reasonably anticipated amount of tax-exempt obligations (other than "private activity bonds") that will be issued by the City and by its subordinate entities during the calendar year in which the Warrants will be issued will not exceed the sum of $10,000,000.

Section 33. Concerning the Insurance Policy and the Insurer. Anything in this Ordinance to the contrary notwithstanding:

(a) As long as the Insurer is not then in default on the Insurance Policy, the Insurer shall be deemed to be the sole holder of the Warrants for all purposes of this Ordinance and under Alabama law, including, without limitation, exercising the rights and remedies of the Holders.

(b) The rights granted to the Insurer under this Ordinance to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Holders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Holders or any other person is required in addition to the consent of the Insurer.

(c) Claims Upon the Insurance Policy and Payments by and to the Insurer.

(i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Bank, after making all transfers and deposits required under this Ordinance, moneys sufficient to pay the principal of and interest on the Warrants due on such Payment Date, the Bank shall give notice to the Insurer and to its designated agent (if any) ("the Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Warrants due on such Payment Date, the Bank shall make a claim under the Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Warrants and the amount required to pay principal of the Warrants, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Policy.

(ii) The Bank shall designate any portion of payment of principal on Warrants paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Warrants registered to the then current Holder, whether DTC or its nominee or otherwise, and shall issue a replacement Warrant to the Insurer, registered in the name of Municipal Assurance Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Bank's failure to so designate any payment or issue any replacement Warrant shall have no effect on the amount of principal or interest payable by the City on any Warrant or the subrogation rights of the Insurer.

(iii) The Bank shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Warrant. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Bank.

(iv) Upon payment of a claim under the Policy, the Bank shall establish a separate special purpose trust account for the benefit of Holders referred to herein as "the Policy Payments Account" and over which the Bank shall have exclusive control and sole right of withdrawal. The Bank shall receive any amount paid under the Policy in trust on behalf of Holders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Bank to the Holders in the same manner as principal and interest payments are to be made with respect to the Warrants under the sections hereof regarding payment of Warrants. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the City agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy ("the Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, "the Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (A) the greater of (1) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus three percent (3%), and (2) the then applicable highest rate of interest on the Warrants and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days. The City hereby covenants and agrees that the principal of and the interest on the Warrants paid to the Insurer as the subrogee of the Holders of the Warrants are secured by the pledge of the Pledged Tax under Section 5(b) hereof.

(v) Funds held in the Policy Payments Account shall not be invested by the Bank and may not be applied to satisfy any costs, expenses or liabilities of the Bank. Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Insurer.

(vi) The Insurer shall, to the extent it makes any payment of principal of or interest on the Warrants, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the City to the Insurer under this Ordinance shall survive the final payment of the Warrants.

(vii) The City shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (A) the administration, enforcement, defense or preservation of any rights or security in this Ordinance; (B) the pursuit of any remedies under this Ordinance or otherwise afforded by law or equity, (C) any amendment, waiver or other action with respect to, or related to, this Ordinance whether or not executed or completed, or (D) any litigation or other dispute in connection with this Ordinance or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Ordinance.

(d) The notice address of the Insurer is: Municipal Assurance Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director - Surveillance, Re: Policy No. 700345-N, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the Deputy General Counsel - Public Finance and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(e) All information furnished pursuant to the City's Continuing Disclosure Agreement with respect to the Warrants shall also be provided to the Insurer, simultaneously with the furnishing of such information. The Insurer shall have the right to receive such additional information as it may reasonably request. The City will permit the Insurer to discuss the affairs, finances and accounts of the City or any information the Insurer may reasonably request regarding the security for the Warrants with appropriate officers of the City and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the City on any business day upon reasonable prior notice.

(f) The City shall notify the Insurer of any failure of the City to provide notices, certificates and other information under this Ordinance or the Continuing Disclosure Agreement of the City with respect to the Warrants.

(g) So long as any Warrants insured by the Insurer remain outstanding or any amounts are owed to the Insurer by the City, the City shall not enter into any interest rate exchange agreement, cap, collar, floor ceiling or other agreement or instrument involving reciprocal payment obligations between the City and a counterparty based on interest rates applied to a notional amount of principal secured by and payable from the Pledged Tax, without the prior written consent of the Insurer.

Section 34. Annual Audit. The City will cause a copy of its annual audit for each fiscal year to be furnished to the Underwriter and the Insurer within thirty (30) days of the date such audit is furnished to the City.

Section 35. Creation of Contract. The provisions of this Ordinance shall constitute a contract between the City and each Holder of the Warrants.

Section 36. Provisions of Ordinance Severable. The provisions of this Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

ADOPTED AND APPROVED this 18th day of April, 2016.

/s/ Loxcil Tuck
Mayor

ATTEST:

/s/ Lillian Keith
City Clerk

[S E A L]

Councilmember Middlebrooks moved that unanimous consent be given for immediate consideration of and action on said Ordinance Number 1088, which motion was seconded by Councilmember Matthews and upon the said motion being put to vote, the following vote was recorded:

YEAS		NAYS
Mayor	Loxcil Tuck	
Councilmembers:	Cathy Anderson	
	John T. Bryant	
	Laura Horton	
	Deborah M. Matthews	
	Betty S. Middlebrooks	

Whereupon, Mayor Tuck thereupon declared that the motion for unanimous consent for immediate consideration of and action on said ordinance had been unanimously carried. Councilmember Middlebrooks thereupon moved that the said ordinance be finally adopted, which motion was seconded by Councilmember Matthews and, upon the said motion being put to vote, the following vote was recorded:

YEAS		NAYS
Mayor	Loxcil Tuck	
Councilmembers:	Cathy Anderson	
	John T. Bryant	
	Laura Horton	
	Deborah M. Matthews	
	Betty S. Middlebrooks	

Whereupon, Mayor Tuck then announced that the motion for adoption of said Ordinance Number 1088 had been unanimously carried.

I, Lillian Keith, as City Clerk of the **CITY OF TARRANT, ALABAMA**, hereby certify that the attached pages numbered consecutively from 1 to 31, inclusive, together with

(a) the form of Purchase Contract designated Exhibit I,

(b) the form of Preliminary Official Statement designated Exhibit II,

(c) the form of Official Statement designated Exhibit III,

(d) the form of Continuing Disclosure Agreement designated Exhibit IV,

and

(e) the form of Escrow Trust Agreement designated Exhibit V

constitute a true, correct and complete copy of all those portions of the minutes of a regular meeting of the Mayor and City Council of said City held on April 18, 2016, that pertain to the matters therein referred to, as the same appear in the records of said City.

WITNESS my signature as said City Clerk, under the seal of said City, this 5th day of May, 2016.

____

City Clerk
CITY OF TARRANT, ALABAMA

[S E A L]

PURCHASE CONTRACT

with respect to

$3,655,000
CITY OF TARRANT, ALABAMA
General Obligation Warrants
Series 2016

April 14, 2016

City of Tarrant
Tarrant, Alabama

Ladies and Gentlemen:

The undersigned Raymond James & Associates, Inc. ("the Underwriter"), hereby offers to enter into this Purchase Contract with the City of Tarrant ("the City") for the purchase by the Underwriter and the sale by the City of the Warrants of the City referred to in Section 1 hereof. This offer is made subject to acceptance by the City of this Purchase Contract, which acceptance shall be evidenced by the execution of this Purchase Contract by duly authorized officials of the City on the date hereof. Upon such acceptance and execution, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter.

(1) Upon the terms and conditions and in reliance upon the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the City's $3,655,000 aggregate principal amount of General Obligation Warrants, Series 2016 ("the Warrants"). The Warrants shall be dated the date of their initial delivery and shall mature on the dates and in the amounts shown on the inside cover of the Official Statement and shall have the redemption provisions bear interest from their date at the per annum rates as shown on Exhibit I attached hereto. The purchase price for the Warrants shall be $3,948,645.80 (representing the principal amount of the Warrants, plus original issue premium of $348,470.80, less an Underwriter's discount of $54,825). The purchase price for the Warrants shall be paid on the date of delivery of the Warrants ("the Closing").

(2) The Warrants shall be as described in the Preliminary Official Statement and Official Statement hereinafter referred to. The Warrants shall be issued under and pursuant to an ordinance to be adopted by the Mayor and City Council of the City on April 18, 2016 ("the Authorizing Ordinance"). The proceeds from the sale of the Warrants shall be applied as described in the Authorizing Ordinance and the Official Statement hereinafter referred to.

(3) The Underwriter intends to make a public offering of all of the Warrants at the offering prices (or yields) respecting each maturity of the Warrants set forth on the inside cover

page of the Official Statement hereinafter referred to. The Underwriter, however, reserves the right to change such offering price or prices (or yields) as the Underwriter shall deem necessary in connection with the marketing of the Warrants. The Underwriter may offer and sell Warrants to certain dealers (including dealers depositing the Warrants into investment trusts) and others at prices (or yields) different than the public offering prices (or yields) stated on the inside cover page of the Official Statement. The Underwriter also reserves the right (i) to over-allot or effect transactions which stabilize or maintain the market price of the Warrants at levels above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

(4) The City has caused to be prepared and circulated by the Underwriter a Preliminary Official Statement dated April 8, 2016, with respect to the Warrants (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the City for use with respect to the Warrants being herein called "the Preliminary Official Statement"). The City deems the Preliminary Official Statement final as of its date, except for certain omissions in connection with the pricing of the Warrants. Such form of Official Statement with only such changes therein as shall have been accepted by the Underwriter, and including the cover page, the inside of the cover page and all appendices attached thereto, together with such amendments and supplements thereto as are adopted by the City in accordance herewith subsequent to the date hereof, is called "the Official Statement." The City shall provide, or cause to be provided, at its expense, to the Underwriter at the time of the City's acceptance of this Purchase Contract or as soon as practicable thereafter (but, in any event, not later than seven business days after the City's acceptance of this Purchase Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement, complete as of its date of delivery to the Underwriter and in form reasonably satisfactory to the Underwriter, in sufficient quantity to comply with the rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The City authorizes the use of the Official Statement in connection with the public offering and sale of the Warrants. The City also ratifies and approves the distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement.

(5) In order to induce the Underwriter to enter into this Purchase Contract, the City represents and warrants to and covenants with the Underwriter as follows:

(a) The City has full legal capacity, right, power and authority and is authorized under the laws of the State of Alabama (i) to issue the Warrants for the purposes described in the Official Statement, (ii) to execute and deliver this Purchase Contract, the Warrants, and the Official Statement, and (iii) to carry out and consummate all of the transactions contemplated by each of the aforesaid documents.

(b) The information relating to the City contained in the Preliminary Official Statement was and the Official Statement is, true and correct in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(c) The financial information with respect to the City included in the Official Statement presents fairly the receipts, expenditures and fund and account balances of the funds and accounts presented as of the dates and for the periods indicated and such financial information has been prepared in conformity with generally accepted accounting principles applicable to governments as described therein and subject to such exceptions as are therein noted.

(d) The City has taken, or at the time of the Closing will have taken, all actions required to be taken by it to authorize and approve (i) the issuance and sale of the Warrants upon the terms set forth herein and in the Official Statement; (ii) the execution, delivery, receipt and due performance of this Purchase Contract, and any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and (iii) the effectuation and consummation of the transactions contemplated hereby and by the Official Statement.

(e) This Purchase Contract constitutes a valid and legally binding obligation of the City enforceable in accordance with its terms (subject to the discretion of a court or other tribunal as to the availability or exercise of equitable remedies or equitable defenses and subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect). The Warrants, if issued, delivered and paid for as herein provided, will have been duly authorized, executed, authenticated, issued and delivered in accordance with the provisions of the Authorizing Ordinance and will constitute valid and legally binding general obligations of the City for the payment of which the City has pledged its full faith and credit and additionally pledged as security therefor so much as may be necessary therefor.

(f) The adoption of the Authorizing Ordinance and the execution and delivery by the City of the Official Statement, this Purchase Contract, the Warrants and the other documents contemplated hereby and by the Official Statement, and the compliance with the provisions thereof, will not conflict with or constitute on the part of the City a violation of, breach of or default under (i) any constitutional provision or statute, or any ordinance, resolution, indenture, mortgage, lease, note agreement or other agreement or instrument to which the City is a party or by which the City is bound, or (ii) any order, rule or regulation of any court, governmental agency or body having jurisdiction over the City or any of its activities or property. All consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, that are required on the part of the City for the consummation of the transactions contemplated hereby and by the Official Statement have been obtained and remain in full force and effect or will be obtained prior to the Closing. No election or referendum of voters is required in connection with the actions of the City as described in this Purchase Contract.

(g) The City will apply the proceeds from the sale of the Warrants as specified in the Official Statement and the Authorizing Ordinance.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to the knowledge of the City, threatened against or affecting the City (or to the knowledge of the City, any meritorious basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the existence or powers of the City, (ii) the financial condition or revenues of the City, (iii) the transactions contemplated hereby or by the Official Statement, (iv) the validity or enforceability of the Warrants, this Purchase Contract, or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, or (v) the exemption of the interest on the Warrants from gross income for federal income tax purposes and from Alabama income taxation.

(i) The City will cooperate with the Underwriter in any endeavor to qualify or register the Warrants for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States of America as the Underwriter may request.

(j) Neither the City nor anyone acting on its behalf has, directly or indirectly, offered the Warrants or any similar securities of the City for the sale to, or solicited any offer to buy the same from, anyone other than the Underwriter nor will the City, or any such person, prior to the Closing, offer or sell any material amount of indebtedness of the City, other than the Warrants.

(k) Any certificate signed by an authorized officer of the City delivered to the Underwriter shall be deemed a representation and warranty by the City to such parties as to the statements made therein.

(l) The City acknowledges and agrees that (i) the purchase and sale of the Warrants pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and the Underwriter; (ii) in connection therewith, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the City; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering of the Warrants or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the City on other matters) nor has it assumed any other obligation to the City except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriter has financial and other interests that differ from those of the City; and (v) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Warrants.

(6) At 10:00 o'clock, a.m., Central Standard Time, on May 5, 2016, or at such other time or on such other date as shall have been mutually agreed upon by the City and the Underwriter, the City will deliver, or cause to be delivered, to the Underwriter, the Warrants, in definitive form, duly executed, together with the other documents herein required; and the Underwriter will accept such delivery and pay the purchase price of the Warrants in immediately available funds. If at the Closing the City fails to deliver the Warrants to the Underwriter as provided herein, or if at the Closing any of the conditions specified in Section 7 hereof shall not have been fulfilled to the satisfaction of the Underwriter, the Underwriter may elect to be relieved of any further obligations under this Purchase Contract without thereby waiving any other rights the Underwriter may have by reason of such failure or nonfulfillment.

Payment and delivery of the Warrants as aforesaid shall be made at the City Hall in Tarrant, Alabama, or at such other place as shall have been mutually agreed upon by the City and the Underwriter.

(7) The obligations of the Underwriter hereunder shall be subject (A) to the performance by the City of its obligations to be performed hereunder at and prior to the Closing, (B) to the accuracy of the representations and warranties of the City herein as of the date hereof and as of the time of the Closing, and (C) to the following conditions, including the delivery by the City of such documents as are contemplated hereby in form and substance satisfactory to Hand Arendall LLC, Birmingham, Alabama, Bond Counsel ("Bond Counsel"):

(a) At the time of the Closing (i) the Official Statement and the Authorizing Ordinance shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, provided that if any such amendments, modifications or supplements shall not be acceptable to the Underwriter, the Underwriter shall have the right to cancel their obligations to purchase the Warrants hereunder, and (ii) the City shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) At or prior to the Closing, the Underwriter shall receive the following documents:

(i) The approving opinion of Bond Counsel, dated the date of the Closing, substantially in the form attached to the Preliminary Official Statement;

(ii) Copies of the Official Statement of the City executed on behalf of the City by the Mayor;

(iii) Certified copies of the Authorizing Ordinance;

(iv) A specimen Warrant;

(v) Evidence that Standard & Poor's ("the Rating Agency") has issued a rating of "AA" for the Warrants on the basis of delivery, upon issuance of the Warrants, of the municipal bond insurance policy for the Warrants issued by Municipal Assurance Corp. ("the Policy");

(vi) Evidence that the Rating Agency has issued an underlying rating of "A" for the Warrants;

(vii) A specimen Policy;

(viii) A certificate executed by an appropriate officer of the City, dated the date of Closing, in form and substance satisfactory to Bond Counsel, with respect to facts and circumstances affecting the tax-exempt status of the Warrants under Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder;

(ix) Such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriter may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the City herein contained and the due performance or satisfaction by the City at or prior to such time of all agreements then required to be performed and all conditions then required to be satisfied by the City.

(8) The Underwriter shall have the right to cancel its obligations to purchase the Warrants hereunder by notifying the City in writing of its election to do so between the date hereof and the Closing if, on or after the date hereof and prior to the Closing:

(a) legislation shall be enacted or be actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by a committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or the United States Tax Court shall be rendered or a ruling, regulation or official statement (including a press release) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made with respect to federal taxation upon interest on obligations of the general character of the Warrants, or other action or events shall have transpired which have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith which, in the opinion of the Underwriter, could materially adversely affect the market price of the Warrants or the market price generally of obligations of the general character of the Warrants; or

(b) any legislation, ordinance or regulation shall be enacted or be actively considered for enactment by any governmental body, department or agency of the

State of Alabama or of the City, or a decision by any court of competent jurisdiction within the State of Alabama shall be rendered which, in the opinion of the Underwriter, could materially adversely affect the market price of the Warrants or the market price generally of obligations of the general character of the Warrants; or

(c) there shall have occurred any material adverse change in the affairs of the City or any event shall have occurred or shall exist which, in the opinion of the Underwriter, either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (ii) is not reflected in the Official Statement and should be reflected therein in order to make the statements and information contained therein not misleading in any material respect; or

(d) the rating of the Warrants by the Rating Agency in effect on the date hereof shall have been altered or withdrawn or the Rating Agency shall have initiated any action which may result in a reduction in its rating assigned to the Warrants; or

(e) trading shall be suspended, or new or additional trading or loan restrictions shall be imposed by the New York Stock Exchange or other national securities exchange or governmental authority with respect to obligations of the general character of the Warrants or a general banking moratorium shall be declared by either federal, Alabama or New York authorities, or there shall have occurred any outbreak of hostilities or other national or international calamity or crisis or a financial crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as, in the opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Warrants or to enforce contracts for the sale of the Warrants; or

(f) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Warrants or in any way contesting or affecting any authority for or the validity of the Warrants; or

(g) there shall have occurred a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any municipality located in the United States having a population of over 1,000,000, the effect of which, in the opinion of the Underwriter, would materially adversely affect the ability of the Underwriter to market the Warrants; or

(h) the marketability of the Warrants or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(i) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the City's obligations.

(9) If either the City shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter to purchase and accept delivery of the Warrants shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder; except that the obligations to pay expenses, as provided in Section 11 hereof, shall continue in full force and effect. The Underwriter may, in its discretion, waive any one or more of the conditions imposed by this Purchase Contract for the protection of the Underwriter and proceed with the Closing.

The City agrees to notify the Underwriter of any material adverse change in its business, properties or financial condition occurring before the Closing that would require a revision of the information in the Official Statement in order to make the representations set forth in Section 5 hereof true and correct.

(10) All representations, warranties and agreements of the City set forth in or made pursuant to this Purchase Contract shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, and shall survive delivery of and payment for the Warrants.

(11) The City shall pay, out of the proceeds of the Warrants, all expenses incident to the performance of its obligations hereunder and the issuance and sale of the Warrants, including but not limited to: (i) the cost of the preparation, reproduction, printing, distribution, mailing, execution, delivery, filing and recording, as the case may be, of the Preliminary Official Statement, the Official Statement, and all other agreements and documents required in connection with the consummation of the transactions contemplated hereby; (ii) the cost of the preparation, engraving, printing, execution and delivery of the definitive Warrants; (iii) the fees and disbursements of Bond Counsel; (iv) the costs or fees associated with any applications made to rating agencies to assign ratings to the Warrants; (v) the cost of transportation for officials and representatives of the City in connection with attending meetings and the Closing; and (vi) the cost of obtaining a CUSIP number assignment for the Warrants.

The City shall pay any expenses incident to the performance of its obligations hereunder and the issuance and sale of the Warrants, whether or not the Warrants are sold by the City to the Underwriter.

(12) The City ("the Obligated Person") will agree in a separate document to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 ("the Rule") promulgated by the Securities and Exchange Commission, (a) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement, (b) timely notice of the occurrence of certain events with respect to the Warrants and (c) timely notice of a failure by an obligated person (of which the Obligated Person has knowledge) to provide the required annual financial information on or before the date specified

in said separate document. The Underwriter's obligation to purchase the Warrants shall be conditioned upon its receiving, at or prior to the delivery of the Warrants, in form and substance reasonably satisfactory to the Underwriter, evidence that the Obligated Person has made the continuing disclosure undertaking set forth above in a written agreement or contract for the benefit of the holders of the Warrants.

(13) This Purchase Contract shall inure to the benefit of and be binding upon the City and the Underwriter and their respective successors.

(14) This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Alabama.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.,
Underwriter

By ______________________
Its Vice President

ACCEPTED and **AGREED** to as of the date first above written.

Very truly yours,

CITY OF TARRANT, ALABAMA

By Laura L. Norton
Its Mayor Pro Tempore

EXHIBIT I

$3,655,000
CITY OF TARRANT, ALABAMA
General Obligation Warrants
Series 2016

Maturity Date (May 1)	Principal	Interest Rate
2017	$ 15,000.00	2.000%
2018	15,000.00	2.000
2019	200,000.00	2.000
2020	200,000.00	3.000
2021	200,000.00	3.000
2022	210,000.00	3.000
2023	215,000.00	3.000
2024	225,000.00	3.000
2025	230,000.00	3.000
2026	235,000.00	3.250
2027	245,000.00	3.250
2029	515,000.00	3.500
2030	270,000.00	4.000
2031	280,000.00	4.000
2032	300,000.00	4.000
2033	300,000.00	4.000

Mandatory Redemption. Term Warrants Due May 1, 2029*: $250,000 Callable by Mandatory Redemption at par on May 1, 2028.*

Optional Redemption. *The Warrants maturing on May 1, 2027, and thereafter shall be callable on May 1, 2026, and on any date thereafter, at 100% of the principal amount called for redemption plus accrued interest to the date fixed for redemption.*

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 8, 2016

Ratings:*
Standard & Poor's: Underlying A (stable outlook);
MAC Insured: AA (stable outlook)

NEW ISSUE - Book Entry Only

In the opinion of Bond Counsel, assuming compliance by the City with certain covenants set forth in the Ordinance herein referred to with respect to certain conditions imposed by Section 103 of the Internal Revenue Code of 1986, as amended ("the Code"), the interest income on the Warrants (a) will be excludable from gross income of the recipients thereof for Federal income tax purposes, and (b) will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the alternative minimum tax on individuals and corporations under the Code. However, see "Tax Exemption" herein for certain other federal tax consequences to the recipients of the interest income on the Warrants. Bond Counsel is of the opinion that the interest income on the Warrants is, under existing statutes and regulations, exempt from Alabama income taxation.

$3,750,000**
CITY OF TARRANT, ALABAMA
General Obligation Warrants
Series 2016

Dated: Date of Delivery | **Due: May 1**
As shown on inside cover

The Warrants will be general obligations of the City of Tarrant, Alabama, for the payment of which the full faith and credit of the City are irrevocably pledged. The Warrants will be additionally secured by a pledge of so much as may be necessary therefor of the gross receipts tax levied by the City on a parity with the Unrefunded Series 2008 Warrants herein described and any additional parity warrants hereafter issued by the City, subject to certain conditions herein set forth.

The Warrants will be issued as fully registered warrants in the denomination of $5,000 or any integral multiple thereof. Interest on the Warrants will be payable semiannually on each May 1 and November 1, commencing November 1, 2016. The Warrants will be registered in the name of CEDE & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Warrants will be made in book-entry form only and purchasers of a beneficial interest in the Warrants ("Beneficial Owners") will not receive physical delivery of the certificates representing their interests in the Warrants. The principal of and interest on the Warrants will be paid directly by Regions Bank, Birmingham, Alabama ("the Paying Agent") to DTC, so long as DTC or its nominee is the registered owner of the Warrants. The final disbursements of such payments to the Beneficial Owners of the Warrants will be the responsibility of DTC Participants and Indirect Participants, all as defined and more fully described in this Official Statement under the caption "THE WARRANTS — Book-Entry Only System."

The scheduled payment of principal of and interest on the Warrants when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Warrants by MUNICIPAL ASSURANCE CORP.

MUNICIPAL ASSURANCE CORP.
AN ASSURED GUARANTY COMPANY

The Warrants are subject to redemption prior to maturity at the times, in the manner and on the terms specified herein.

The Warrants are issuable in the denomination of $5,000 or any integral multiple thereof.

The Warrants are offered when, as and if issued by the City subject to the approval of the validity thereof by Hand Arendall LLC, Birmingham, Alabama, Bond Counsel, and certain other conditions. It is expected that the Warrants will be available for delivery in New York, New York, on or about __________, 2016.

RAYMOND JAMES

Dated: ____________, 2016

* For an explanation of Ratings, see "Ratings" herein.
** Preliminary. Subject to change.

$3,750,000*

CITY OF TARRANT, ALABAMA
General Obligation Warrants
Series 2016

Year (May 1)	Principal Amount*	Interest Rate	Yield	CUSIP No.
2017	$ 25,000			876298
2018	20,000			876298
2019	195,000			876298
2020	200,000			876298
2021	210,000			876298
2022	210,000			876298
2023	220,000			876298
2024	225,000			876298
2025	235,000			876298
2026	240,000			876298
2027	250,000			876298
2028	260,000			876298
2029	270,000			876298
2030	280,000			876298
2031	290,000			876298
2032	305,000			876298
2033	315,000			876298

$_______ _____% Term Warrants Due May 1, ____ Yield: _____% CUSIP No.: 876298

$_______ _____% Term Warrants Due May 1, ____ Yield: _____% CUSIP No.: 876298

Municipal Assurance Corp. ("MAC") makes no representation regarding the Warrants or the advisability of investing in the Warrants. In addition, MAC has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding MAC supplied by MAC and presented under the heading "Bond Insurance" and "Appendix D- Specimen Municipal Bond Insurance Policy".

* Preliminary. Subject to change.

CITY OF TARRANT, ALABAMA

Mayor
and
Members of the City Council

Loxcil Tuck, Mayor
Laura Horton
Cathy Anderson
Deborah M. Matthews
Betty S. Middlebrooks
John T. Bryant

City Clerk
Lillian Keith

City Attorney
Benjamin S. Goldman

Underwriter
Raymond James & Associates, Inc.

Bond Counsel
Hand Arendall LLC
Birmingham, Alabama

No dealer, broker, salesman or any other person has been authorized by the City or the Underwriter to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Warrants by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been furnished by the City and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

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OFFICIAL STATEMENT

$3,750,000*
CITY OF TARRANT, ALABAMA
General Obligation Warrants
Series 2016

INTRODUCTION

The City of Tarrant, Alabama ("the City") is furnishing this Official Statement, including the Appendices, in connection with the sale of $3,750,000* principal amount of its General Obligation Warrants, Series 2016, to be dated the date of delivery ("the Warrants"). The City is issuing the Warrants for the purposes described under the heading "Purpose of Issuance" herein. The Warrants are being issued pursuant to the provisions of Sections 11-47-2 and 11-81-4 of the Code of Alabama 1975, as amended and an ordinance ("the Ordinance") adopted by the governing body of the City. The City is pledging its full faith and credit for payment of the principal of and interest on the Warrants. The Warrants are additionally secured by a pledge of so much as may be necessary therefor of the City's privilege or license tax (commonly called a "sales tax") on a parity of lien with the Unrefunded Series 2008 Warrants hereinafter defined and any additional parity warrants hereafter issued. See "Security and Source of Payment" herein.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Warrants shall under any circumstances create any implication that there has been no change in the affairs of the City since the respective dates as of which such information is given.

The principal office and the mailing address of the City is 1604 Pinson Valley Parkway, Tarrant, Alabama 35217. Inquiries with respect to information contained in this Official Statement should be directed to the Underwriter, Raymond James & Associates, Inc., 2900 Highway 280, Suite 100, Birmingham, Alabama 35223, telephone (205) 879-0016, Attention: Brad Green.

THE WARRANTS

Amount, Maturities, Interest Rates and Form

The Warrants will be issued in the principal amount shown on the cover of this Official Statement. The Warrants will be dated the date of their delivery, will mature on and May 1 in the years and principal amounts and bear interest at the per annum rates (computed on the basis of a 360-day basis of twelve consecutive 30-day months) set forth on the inside of the cover page hereof. The Warrants are being issued as fully registered Warrants in the denomination of $5,000 or any integral multiple thereof.

Place and Manner of Payment

The Warrants will initially be registered under the book-entry only system described under the caption "Book-Entry Only System" ("the Book-Entry Only System") and the method of payment of the Warrants and matters pertaining to transfers and exchanges while the Warrants are held in the Book-Entry Only System are described under that caption. During any period in which the Warrants are not held in the Book-Entry Only System,

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* Preliminary. Subject to change.

the payment and other provisions described below under "Discontinuation of Book-Entry Only System" will apply to the Warrants.

Redemption Prior to Maturity

(a) **Optional Redemption.** Those of the Warrants having stated maturities on May 1, _____, and thereafter will be subject to redemption, at the option of the City, prior to their respective maturities, as a whole or in part (but if in part, in integral multiples of $5,000 and of such maturities as the City shall designate) on any date on and after _________ 1, _____, at and for a redemption price, for each Warrant (or principal portion thereof) redeemed, equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption.

(b) **Mandatory Redemption of Term Warrants Due May 1, _____.** Those of the Warrants having a stated maturity in _____ will be subject to mandatory redemption on May 1, _____, and on each May 1 thereafter, in the following aggregate principal amounts at a redemption price for each Warrant redeemed equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption:

Year (May 1)	**Amount to be Redeemed**

(c) **Mandatory Redemption of Term Warrants Due May 1, _____.** Those of the Warrants having a stated maturity in _____ will be subject to mandatory redemption on May 1, _____ and on each May 1 thereafter, in the following aggregate principal amounts at a redemption price for each Warrant redeemed equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption:

Year (May 1)	**Amount to be Redeemed**

In the event that the City shall have partially redeemed the Warrants having a stated maturity in _____ or _____, or shall have provided for a partial redemption of such Warrants in such a manner that the Warrants for the redemption of which provision is made are considered as fully paid, the City may elect to apply all or any part (but only in integral multiples of $5,000) of the principal amount of such Warrants so redeemed or to be redeemed to the reduction of the principal amount of Warrants required to be redeemed pursuant to the schedules set forth above on any May 1, coterminous with or subsequent to the date such optional redemption actually occurs. Such notice shall be deemed effective only if it is given prior to the Paying Agent's having given notice of redemption contrary to the provisions of such notice pursuant to the provisions of the Ordinance.

(a) **Partial Redemption and Notice of Redemption.** In the event that less than all of the principal of the Warrants of a single maturity is to be redeemed and prepaid, the Paying Agent shall select by lot that portion of the principal of the Warrants of such maturity to be redeemed and prepaid. Notice of each such redemption must be given one time, not more than sixty (60) nor less than thirty (30) days before the date fixed for redemption, to the holders of each of the Warrants by registered or certified mail, at the address shown on the registry books of the Paying Agent pertaining to the Warrants. No further interest will accrue after the date fixed for redemption on the principal of any Warrants called for redemption if notice has been duly given as provided in the Ordinance and payment duly provided for.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Warrants. The Warrants will be issued as fully-registered warrants registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Warrant certificate will be issued for each maturity of the Warrants, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Warrants under the DTC system must be made by or through Direct Participants, which will receive a credit for the Warrants on DTC's records. The ownership interest of each actual purchaser of each Warrant ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Warrants are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Warrants, except in the event that use of the book-entry system for the Warrants is discontinued.

To facilitate subsequent transfers, all Warrants deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Warrants with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Warrants; DTC's records reflect only the identity of the Direct Participants to whose accounts such Warrants are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Warrants may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Warrants, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Warrants may wish to ascertain that the nominee holding the Warrants for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Warrants of a single maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Warrants unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Warrants are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the Warrants will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City , subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium (if any) and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

THE CITY AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE WARRANTS (1) PAYMENTS OF PRINCIPAL, REDEMPTION PRICE OR INTEREST ON THE WARRANTS; (2) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN WARRANTS OR (3) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE WARRANTS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE WARRANTS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE WARRANTS; (4) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE WARRANTS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS A BONDHOLDER.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its services with respect to the Warrants at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. Upon the giving of such notice, the book-entry only system for the Warrants will be discontinued unless a successor securities depository is appointed by the City. In addition, the City may discontinue the book-entry only system for the Warrants at any time by giving reasonable notice to DTC.

In the event that the book-entry only system for the Warrants is discontinued, the following provisions would apply, subject to the further conditions set forth in the Indenture:

The principal of the Warrants is payable at the corporate trust office of the Paying Agent in Birmingham, Alabama, only upon presentation and surrender of the Warrants. Interest on the Warrants is payable by check or draft mailed on the interest payment date by the Paying Agent to the registered holders of the Warrants at their respective addresses as shown on the registry books of the Paying Agent pertaining to the Warrants as of the close of business on the April 15 or October 15, as the case may be, next preceding the interest payment date ("the Record Date"). Any holder of not less than $500,000 in principal amount of Warrants of one series then outstanding may make arrangements with the Paying Agent for the payment of interest thereon by wire transfer. Any principal or interest with respect to any Warrant that becomes due on a day other than a Business Day (as defined in the Indenture) shall be payable on the next succeeding Business Day and no interest shall accrue in the interim.

The Ordinance makes special provision for payment of overdue interest which may be paid to a holder other than the registered holder of a Warrant on the Record Date next preceding the interest payment date on which such interest became due and payable.

PURPOSE OF ISSUANCE

The principal proceeds of the Warrants will be applied to (a) the advance refunding of a portion of the City's General Obligation Warrants, Series 2008 ("the Series 2008 Warrants"), which will be outstanding on the date of issuance of the Warrants in the aggregate principal amount of $3,925,000 and (b) paying the expenses of issuing the Warrants. Simultaneously with the issuance of the Warrants, the City and Regions Bank will enter into an Escrow Trust Agreement dated as of May 1, 2016, wherein there will be created an Escrow Fund (the "Escrow Fund") into which a portion of the proceeds of the Warrants, will be deposited. The amount deposited into the Escrow Fund will be invested in obligations of the United States of America or which are guaranteed by the United States of America (the "Escrow Investments"). The Escrow Investments will mature at such times and in such amounts as will provide, when added to any uninvested cash in the Escrow Fund, sufficient funds to pay (A) all principal and interest maturing or subject to mandatory redemption with respect to the Series 2008 Warrants in 2019 and thereafter ("the Refunded Series 2008 Warrants") due on and before May 1, 2018, and the redemption price payable on May 1, 2018, with respect to the Refunded Series 2008 Warrants. Prior to the issuance of the Warrants, the City has called the Refunded Series 2008 Warrants for redemption on May 1, 2018. Those of the Series 2008 Warrants maturing prior to 2019 ("the Unrefunded Series 2008 Warrants") are not being refunded.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by Underwriter on behalf of the City relating to (a) the computation of the forecasted receipts of the principal of and the interest on the Escrow Investments and the forecasted payment of the principal and interest maturing or subject to mandatory redemption with respect to the Refunded Series 2008 Warrants on and before May 1, 2018, and the redemption price payable on May 1, 2018, with respect to the Refunded Series 2008 Warrants, and (b) the computation of the yields on the Warrants and the Escrow Investments, will be examined by The Arbitrage Group, Inc. Such computations are based solely upon assumptions and information supplied by the Underwriter on behalf of the City. The Arbitrage Group, Inc. has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

SOURCES AND USES OF PROCEEDS

The proceeds to be derived from the sale of the Warrants are to be applied as follows:

SOURCES	
Principal Amount of the Warrants	
TOTAL	
USES	
Refund the Refunded Series 2008 Warrants	
Underwriting Discount and Costs of Issuance	
TOTAL	

SECURITY AND SOURCES OF PAYMENT

The Warrants will constitute direct general obligations of the City, for the prompt payment of the principal of and interest on which its full faith and credit will be irrevocably pledged.

The Warrants are additionally secured, on a parity of lien with the Unrefunded Series 2008 Warrants and any Additional Parity Warrants hereafter issued, by a pledge of so much as may be necessary of the City's privilege or license tax (commonly called a sales tax) levied at the rate of 4.0% on the gross receipts of all persons selling tangible personal property or conducting places of amusement in the City or on the sales price of stored, used or consumed personal property (provided that certain transactions within the City's corporate limits are taxed at lower rates) ("the Pledged Tax").

Pursuant to a Project Development Agreement ("the Project Agreement"), between the City and Birmingham Realty Company ("BRC"), the City has agreed to rebate a portion of the City's receipts from the Pledged Tax levied on sales at certain property owned by BRC over a period of seven (7) years, commencing in 2014. The amounts heretofore paid to BRC out of the proceeds of the Pledged Tax are shown below under "ACCOUNTING AND FINANCIAL INFORMATION – Certain Sources of Revenue of the City – The Pledged Tax." While it is not entirely free from doubt, prospective purchasers of the Warrants should assume that the City's obligations under the Project Agreement are a charge or lien on the proceeds of the Pledged Tax that is prior to the lien thereon in favor of the Warrants.

In the proceedings authorizing the issuance of the Warrants, the City has reserved the right to issue additional warrants ("Additional Parity Warrants") secured by a pledge of the proceeds from the Pledged Tax on a parity with the pledge thereof for the benefit of the Unrefunded Series 2008 Warrants and the Warrants, subject to certain conditions, including the delivery to the Paying Agent of a certificate of the City Treasurer that the proceeds of the Pledged Tax received by the City for the preceding fiscal year, after deducting the amount paid during such fiscal year to BRC pursuant to the Project Agreement, were not less than 125% of the maximum principal and interest maturing, or subject to mandatory redemption, in the current or any then subsequent fiscal year with respect to the Unrefunded Series 2008 Warrants, the Warrants, any Additional Parity Warrants theretofore issued and the Additional Parity Warrants then proposed to be issued.

The City has agreed in the Ordinance that any pledge of the proceeds of the Pledged Tax hereafter made as security for any obligations of the City other than Additional Parity Warrants shall be subject and subordinate in all respects to the pledge thereof made in the Ordinance for the benefit of the Warrants.

In addition to the proceeds of the Pledged Tax, revenues of the City legally available for payment of the principal of and the interest on the Warrants include ad valorem, sales, lodging, business and other license taxes, revenues from the operation of certain City-owned enterprises and other general revenues of the City. Information describing the taxes collected by the City and certain other revenues of the City is set forth in this Official Statement under the caption "CERTAIN SOURCES OF REVENUE OF THE CITY". See also "DEBT INFORMATION."

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Warrants, Municipal Assurance Corp. ("MAC") will issue its Municipal Bond Insurance Policy for the Warrants ("the Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Warrants when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York or Connecticut insurance law.

Municipal Assurance Corp.

MAC is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of the shareholders or affiliates of AGL, other than MAC, is obligated to pay any debts of MAC or any claims under any insurance policy issued by MAC.

MAC is wholly owned by Municipal Assurance Holdings Inc., which, in turn, is owned sixty-one percent (61%) by Assured Guaranty Municipal Corp. and thirty-nine percent (39%) by Assured Guaranty Corp.

MAC's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA"). Each rating of MAC should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of MAC in its sole discretion. In addition, the rating agencies may at any time change MAC's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by MAC. MAC only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by MAC on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On June 29, 2015, S&P issued a credit rating report in which it affirmed MAC's financial strength rating of "AA" (stable outlook). MAC can give no assurance as to any further ratings action that S&P may take.

On August 3, 2015, KBRA issued a credit rating report in which it affirmed MAC's insurance financial strength rating of "AA+" (stable outlook). MAC can give no assurance as to any further ratings action that KBRA may take.

For more information regarding MAC's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Capitalization of MAC. As of December 31, 2015, MAC's policyholders' surplus and contingency reserve were approximately $1,012 million and its unearned premium reserve was approximately $469 million, in each case, determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference. Portions of the following document filed by AGL with the Securities and Exchange Commission ("the SEC") that relate to MAC are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (filed by AGL with the SEC on February 26, 2016).

All financial statements of MAC and all other information relating to MAC included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Municipal Assurance Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding MAC included herein under the caption "BOND INSURANCE – Municipal Assurance Corp." or included in a document incorporated by reference herein (collectively, "the MAC Information") shall be modified or superseded to the extent that any subsequently included MAC Information (either directly or through incorporation by reference) modifies or supersedes such previously included MAC Information. Any MAC Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. MAC makes no representation regarding the Warrants or the advisability of investing in the Warrants. In addition, MAC has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding MAC supplied by MAC and presented under the heading "BOND INSURANCE".

THE FEDERAL BANKRUPTCY ACT

The rights and remedies of the holders of the Warrants are subject to the provisions of Chapter 9 of Title 11 of the United States Code ("the Bankruptcy Act"), which was enacted on November 6, 1978, and took effect on October 1, 1979. Chapter 9 permits, under certain specified circumstances (but only after authorization by the legislature or by a governmental officer or organization empowered by state law to give such authorization), a political subdivision of a state -- such as the City -- to file a petition for relief in the Federal Bankruptcy Court if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts. Under the statute, the filing of such a petition operates, with certain limited exceptions, as an "automatic" stay of the commencement or the continuation of any judicial or other proceedings against the petitioner, its property, or any officer or inhabitant thereof and as an "automatic" stay of any act or proceeding which seeks to enforce a lien on the property of the petitioner or a lien on any taxes or assessments due to the petitioner. Chapter 9 also permits a political subdivision that files a petition under the Bankruptcy Act to issue, with the approval of the Court, certificates of indebtedness having priority of payment over pre-existing obligations.

Any political subdivision filing a petition for relief under Chapter 9 must in due course file a plan for the adjustment of its debts, and such plan may include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. Such plan, when confirmed by the Court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the petitioning political subdivision provided for in the plan when (a) the petitioning subdivision has deposited, with a duly appointed disbursing agent, all money, securities or other consideration required by the plan to be distributed, and (b) the Court is satisfied that any securities to be so distributed are valid obligations of the petitioning political subdivision and that any provision to pay or secure such obligations is also valid. No plan may, however, be confirmed by the Court unless certain conditions occur, among which are (1) that the plan has been accepted in writing by two-thirds (2/3) in amount and fifty per cent (50%) in number of the allowed claims of each class which are affected by the plan, and (2) that the plan is fair, equitable and feasible and does not discriminate unfairly in favor of any creditor or class of creditors.

Prospective purchasers of the Warrants should assume that existing Alabama statutes presently authorize the City and other incorporated municipalities in Alabama to file petitions for relief under Chapter 9.

DEBT INFORMATION

Payment Record

The City has never defaulted on the payment of interest or principal on any indebtedness.

Outstanding General Obligation Debt

The City will have the following general obligation indebtedness outstanding after the issuance of the Warrants:

Alabama Land Recycling General Obligation Warrants, Series 2008 and 2010	$ 102,500
The Unrefunded Series 2008 Warrants	325,000
The Series 2009 Warrants	535,000
The Series 2010 Warrants	2,075,000
The Warrants	3,750,000
Total	**$6,787,500**

Constitutional Limitation of Debt of City

The Constitution of Alabama provides that cities having a population of six thousand or more may not become indebted in an amount in excess of twenty percent (20%) of the assessed valuation of the property situated therein. The Constitution excepts from this debt limitation several categories of indebtedness, including (a) temporary loans to be paid in one year made in anticipation of the collection of taxes and not exceeding one-fourth of the general revenues; (b) bonds or other obligations already issued or which may hereafter be issued for the purpose of acquiring, providing or constructing schoolhouses, water works and sewers; and (c) obligations incurred and bonds issued for street or sidewalk improvements where the cost of the same, in whole or in part, is to be assessed against the property abutting said improvements.

The aggregate principal amount of outstanding debt of the City subject to the debt limitation, after the issuance of the Warrants, will be approximately $2,712,500. The assessed value of property in the City as of September 30, 2015 (excluding motor vehicles), was $65,649,760.

The debt limitation is computed as follows:

20% of assessed value	$13,129,952
Debt subject to debt limitation after issuance of Warrants	-2,712,500
Debt margin	$10,417,452

Outstanding and Proposed General Obligation Debt Service

The debt service on the City's Alabama Land Recycling General Obligation Warrants, Series 2008 and 2010, the Unrefunded Series 2008 Warrants, the Series 2009 Warrants, the Series 2010 Warrants and the Warrants, being the total debt service for all of the City's general obligation indebtedness following the issuance of the Warrants, will be as follows:

Fiscal Year Ending September 30	Debt Service on Outstanding General Obligation Warrants[1]	Debt Service on the Warrants[2]		Total Debt Service Requirements
		Principal	Interest[3]	
2017	577,494.00	25,000.00	$129,990.28	$732,484.28
2018	545,927.00	20,000.00	134,750.00	700,677.00
2019	371,427.00	195,000.00	134,350.00	700,777.00
2020	362,657.00	200,000.00	128,500.00	691,157.00
2021	363,807.00	210,000.00	122,500.00	696,307.00
2022	363,894.00	210,000.00	116,200.00	690,094.00
2023	363,263.00	220,000.00	109,900.00	693,163.00
2024	280,388.00	225,000.00	103,300.00	608,688.00
2025	281,944.00	235,000.00	95,425.00	612,369.00
2026	-	240,000.00	87,200.00	327,200.00
2027	-	250,000.00	78,800.00	328,800.00
2028	-	260,000.00	68,800.00	328,800.00
2029	-	270,000.00	58,400.00	328,400.00
2030	-	280,000.00	47,600.00	327,600.00
2031	-	290,000.00	36,400.00	326,400.00
2032	-	305,000.00	24,800.00	329,800.00
2033	-	315,000.00	12,600.00	327,600.00

(1) Includes the Alabama Land Recycling General Obligation Warrants, Series 2008 and 2010, the Unrefunded Series 2008 Warrants, the General Obligation Warrants, Series 2009, and the General Obligation Warrants, Series 2010.

(2) Preliminary. Subject to change.

(3) Based upon an assumed true interest cost of approximately 3.20%.

Estimated Coverage on the Warrants

The amount received by the City from the Pledged Tax in the fiscal year ended September 30, 2015, after deducting the amount paid to Birmingham Realty Company pursuant to the Project Agreement ($3,023,933) was approximately 9.09 times the estimated maximum principal and interest maturing in any fiscal year of the City with respect to the Unrefunded Series 2008 Warrants and the Warrants ($332,500), being the amount that will mature in the fiscal year ending September 30, 2021.

Estimated Indebtedness Ratios of the City

The following tables illustrate the City's estimated debt per capita, ratio of debt to assessed value of property, and ratio of debt to estimated full value of property after the issuance of the Warrants:

Fiscal Year Ending September 30	Population[1]	General Obligation Debt[2]	Debt Per Capita[2]
2015	6,397	$6,787,500	$1,061

Tax Year	Assessed Valuation[3]	General Obligation Debt[2]	Ratio of Debt to Assessed Valuation
2015	$65,649,760	$6,787,500	10.3%

Tax Year	Estimated Full Value[4]	General Obligation Debt[2]	Ratio of Debt to Estimated Full Value
2015	$394,056,182	$6,787,500	1.7

[1]Source: United States Census Bureau 2010.

[2]After the issuance of the Warrants. Estimated.

[3]As of September 30, 2015, excluding motor vehicles.

[4]This valuation assumes that property in the City is assessed, on the average, at approximately 1/6th (16.66%) of its market value, and is as of September 30, 2015.

Overlapping Indebtedness as of September 30, 2015

Jefferson County has $162,420,000 in outstanding general obligation indebtedness.

	City's Share of Debt		
Issuer	Outstanding General Obligation Debt	City's Percentage[1]	Amount
Jefferson County	$162,420,000	.63%	$1,023,246

[1]Based on the percentage of the City's assessed value excluding motor vehicles ($65,649,760) to that of Jefferson County excluding motor vehicles ($10,430,153,560).

ACCOUNTING AND FINANCIAL INFORMATION

Accounting

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when measurable and available, and expenditures being recorded when incurred.

General fixed assets purchased are recorded as expenditures in the fund from which the money is expended at the time of purchase. The City does not maintain a list of fixed assets nor a general fixed asset group of accounts.

Financial

The audited financial statements of the City for the fiscal years ending September 30, 2011, through 2015, show revenues and expenditures for the General Fund as follows:

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND - FOR FISCAL YEARS ENDED SEPTEMBER 30, 2011 THROUGH 2015

	2015	2014	2013	2012	2011
Revenues					
Taxes	$6,237,222	$6,355,963	$6,363,165	$6,615,104	$6,232,681
Licenses and Permits	1,272,684	1,268,209	1,226,392	1,188,844	1,016,736
Fines and forfeitures	125,552	149,014	134,710	157,078	177,383
Fees	55,402	69,350	65,011	65,254	51,064
Proceeds from sale of fixed assets	-	-	-	1,644	-
Grant Revenue	123,988	70,629	52,445	33,185	1,180
Investment Revenue	593	3,071	95	1,843	2,157
Other Revenue	137,136	98,823	75,440	59,304	361,479
Total revenues	**$7,952,577**	**$8,015,059**	**$7,917,258**	**$8,122,256**	**$7,842,680**
Expenditures					
Current (operating)					
General government Administration	$1,414,013	$1,291,140	$1,309,229	$1,274,915	$1,339,006
Public safety	2,845,646	3,274,925	3,284,465	3,226,865	3,117,711
Public works	1,171,733	1,393,595	1,420,825	1,568,801	1,168,878
Library	143,694	168,854	166,363	135,671	130,366
Parks and recreation	330,748	390,987	409,252	385,756	352,426
Debt service:					
Principal	15,304	14,852	4,870	-	-
Interest	1,543	1,994	746	-	-
Capital outlay	112,223	21,454	166,165	137,973	55,127
Total expenditures	**$6,034,904**	**$6,557,801**	**$6,761,915**	**$6,729,981**	**$6,163,514**
Excess of revenues over (under) expenditures	$1,917,665	$1,457,258	$1,155,343	$1,392,275	$1,679,166
Other financing sources (uses)					
Transfer to Board of Education	(567,483)	(637,470)	(614,337)	(585,222)	(564,727)
Other financing sources	38,000	-	-	-	-
Transfers to other governments	(106,835)	(104,202)	(95,377)	(119,708)	(118,266)
Proceeds from note payable	-	-	151,569	117,392	-
Sale of assets	165,037	-	-	-	-
Operating transfers in	34,376	154,174	42,039	68,732	4,567
Operating transfers out	(929,581)	(852,780)	(773,349)	(745,121)	(763,326)
Total other financing sources (uses)	**$(1,366,486)**	**$(1,440,278)**	**$(1,289,455)**	**$(1,263,927)**	**$(1,441,752)**
Excess of revenues and other sources over (under)expenditures and other uses	$ 551,187	$ 16,980	$ (134,112)	$ 123,348	$ 237,414
Fund balance, beginning of year	274,312	257,332	391,444	263,096	25,682
Fund balance, end of year	825,499	274,312	257,332	391,444	263,096

Budgetary Process

The preparation of the municipal budget begins on or about June 1 of each year. At that time each department head is provided with budget worksheets to be used for that department's budget request. After all departmental budget requests are complete, each department returns the worksheets to the Principal Accountant, and summary budget worksheets are prepared combining the requests of all departments. The total requests are adjusted in relation to projected income. Projected revenues are based on historical trends. All budget requests are required to be in final form by September 15 so that public hearings may be conducted. Following the hearings, the final budget is officially adopted at the last meeting of the Council that is held in September.

Current Budget Information

The General Fund Budget for the fiscal year ending September 30, 2016, was adopted as follows:

Revenues:		$7,904,785
Expenditures:		
Administration	$1,360,684	
Police Department	1,876,140	
Fire Department	1,264,471	
Public Works	1,293,216	
Park & Recreation	323,833	
Library	141,397	
Board of Education	609,800	
Debt Retirement	747,740	
Intergovernmental App.	112,833	
School Resource Officer	51,070	
Transfer Out – Warrant Fund	123,600	
Total Expenditures		**$7,904,785***

*$7,904,784 prior to rounding

Certain Sources of Revenue of the City

The Pledged Tax. The City levies the Pledged Tax at a rate of four percent (4%) of gross sales conducted within its corporate limits. The Pledged Tax is the largest source of income to the City.

Receipts from the Pledged Tax were, for the fiscal years indicated, as follows:

Fiscal Year Ending September 30	Amount
2015	$3,204,969
2014	3,255,640
2013	3,337,902
2012	3,487,141
2011	3,185,052

The portion of the Pledged Tax rebate to Birmingham Realty Company pursuant to the Project Agreement were as follows for the years indicated:

Fiscal Year Ending September 30	Amount
2015	$181,036
2014	124,539

General License Taxes. The City levies, in accordance with a schedule of varying rates, license taxes on persons, corporations and others engaged in businesses, occupations and professions in the City. The receipts from the general license taxes are not now earmarked or pledged but are available for general governmental purposes.

Receipts from the City's business licenses taxes were, for the fiscal years indicated, as follows:

Fiscal Year Ending September 30	Amount
2015	$1,210,946
2014	1,241,594
2013	1,198,254
2012	1,163,725
2011	993,564

Gasoline Taxes. The City receives a proportional share of the State's four cent (4¢), five cent (5¢) and seven cent (7¢) Gasoline Taxes based on the City's population as a percentage of the total population of the municipalities in Jefferson County. The City receives the Jefferson County one cent (1¢) Gasoline Tax for the taxes collected at the gasoline and/or diesel stations located in the City. Collections for the 1¢, 4¢, 5¢, and 7¢ gasoline tax were, for the fiscal years indicated, as follows:

Fiscal Year Ending	Amount			
September 30	1¢	4¢	5¢	7¢
2015	$65,875	$38,795	$18,909	$61,956
2014	49,329	39,607	21,392	65,769
2013	61,070	39,102	16,590	59,623
2012	71,017	37,917	18,462	60,403
2011	50,635	43,484	21,129	69,410

Occupational Tax. The City levies an Occupational Tax at a rate of one-half of one percent (0.5%) of gross income and compensation earned in the City. Unless renewed by the City Council, this tax expires by its terms on September 30, 2020.

Receipts from the City's Occupational Tax were, for the fiscal years indicated, as follows:

Fiscal Year Ending September 30	Amount
2015	$556,703
2014	548,976
2013	539,120
2012	547,012
2011	473,641

Tax Equivalents. The City's General Fund receives payments in the nature of "in lieu of tax payments" from the City's Electric Department and the Tennessee Valley Authority ("TVA").

Receipts from the City's Electric Department were, for the fiscal years indicated, as follows:

Fiscal Year Ending September 30	Amount
2015	$437,551
2014	376,685
2013	342,027
2012	376,709
2011	336,304

Receipts from the TVA were, for the fiscal years indicated, as follows:

Fiscal Year Ending September 30	Amount
2015	$408,162
2014	437,839
2013	441,635
2012	500,628
2011	465,297

Franchise Taxes. The City levies a franchise tax on utilities serving customers in the City. The receipts from Franchise Taxes for the last five (5) fiscal years of the City were as follows;

Fiscal Year Ending September 30	Amount
2015	$169,707
2014	161,006
2013	155,095
2012	161,545
2011	164,322

AD VALOREM TAXES

The levy and collection of ad valorem taxes in Alabama are subject to limitations imposed by the Alabama Constitution. The Alabama Constitution limits the rates at which property may be assessed, specifies the maximum millage rates at which taxes may be levied on property, and limits total ad valorem taxes on any property in any year.

Ratios of Assessed Value to Fair Market Value

At its 1978 Regular Session, the Legislature of Alabama proposed a Constitutional Amendment and adopted numerous laws contingent upon ratification of the proposed Amendment, all of which, taken together, effect substantial changes in ratios of assessment, exemptions and levels of ad valorem taxation in the State. The Amendment and, indirectly, the related statutes (together "the 1978 Amendments") were ratified by the electorate of the State at the general election on November 7, 1978. Certain salient features of the 1978 Amendments are set out below.

The following new classifications of taxable property and corresponding ratios of assessed value to fair and reasonable market value are established for all ad valorem taxation (State and local), subject to certain exceptions stated below:

Class I	Property of utilities used in their business	30%;
Class II	Property not otherwise classified (generally, business or commercial property)	20%;
Class III	Agricultural; forest; single-family, owner-occupied residential property; and historical buildings and sites	10%; and
Class IV	Private passenger automobiles and small trucks (pickups) for personal use	15%

Under the 1978 Amendments, Class III property (primarily agricultural, forest and single-family residential property) is permitted to be assessed, upon application of the owner, on the basis of its current use value with no consideration to be taken of prospective value if the property were put to some other possible use.

Under the 1978 Amendments, any local taxing authority was authorized, under certain circumstances, to make millage adjustments prior to September 30, 1979. The City did not increase the rates of ad valorem taxes pursuant to that authorization.

Under the 1978 Amendments, any local taxing authority may increase or decrease any assessment ratio subject to approval by the Legislature and by the majority of the electorate of such authority at a special election. In no case may an assessment ratio be less than five percent (5%) or more than thirty-five percent (35%). Legislative (as opposed to constitutional) provisions of the 1978 Amendments further restrict any increase of an assessment ratio (i) to a class of property constituting less than twenty percent (20%) of all taxable property in the taxing authority or (ii) in the case of a taxing authority having more than seventy-five percent (75%) of its property in a single class, to the other classes of property. Furthermore, any local taxing authority may increase the rate at which any ad valorem tax is levied above the limit specified in the Constitution subject (i) to the approval by the Legislature and by the majority of the electorate of such authority at a special election and (ii) to the limitations on the total rate of taxation hereinafter stated.

Constitutional Limit on Ad Valorem Taxes and Certain Exemptions

The 1978 Amendments provide that all ad valorem taxes payable to the State and to all counties, municipalities and other taxing authorities with respect to any item of taxable property shall not exceed the following percentage of the fair and reasonable market value of such property: two percent (2%) in the case of Class I property; one and on-half percent (1-1/2%) in the case of Class II property; one percent (1%) in the case of Class III property; and one and one-quarter percent (1-1/4%) in the case of Class IV property. The limitations are not now exceeded as to any class of property in the City.

A Constitutional Amendment forming a part of the 1978 Amendments exempts from ad valorem taxation household and kitchen furniture, all farm tractors, all farming implements, and all stocks of goods, wares and merchandise (inventories). Under prior law, those classes of property were subject to taxation. The 1978 Amendments also increase certain exemptions from ad valorem taxation of residences of persons over 65 years of age.

Act No. 82-789 adopted at the 1982 Second Special Session of the Legislature of Alabama authorizes any municipality in the State to increase the present 2,000 homestead exemption from municipal ad valorem taxes to an amount not greater than 4,000. The City does not intend to increase or extend the homestead exemption pursuant to the provisions of Act No. 82-789.

Assessed Valuation

According to information obtained from the Jefferson County Tax Assessor, the assessed value of taxable properties located within the corporate limits of the City for the fiscal years indicated was as follows:

Fiscal Year Ending September 30	Amount
2015	$65,649,760
2014	64,986,220
2013	66,383,380
2012	63,404,035
2011	61,354,274

Largest Ad Valorem Taxpayers

The ten largest ad valorem taxpayers in the City, and the assessed value for each, for fiscal year 2015 were as follows:

Company	Assessed Value	Total Municipal Taxes Paid
Drummond Co. Inc.	$7,507,500.00	$127,627.50
Thompson Tractor Co. Inc.	5,764,380.00	92,368.75
Southern Natural Gas Co.	4,400,940.00	63,003.02
Drummond Company Inc.	1,869,600.00	31,783.20
Cowin Equipment Co Inc.	1,522,600.00	25,884.20
Bellsouth Telecommunications LLC	933,800.00	15,874.60
Vulcan Construction Materials LP	926,320.00	15,747.44
Tarrant Tractor Partners Ltd.	914,120.00	15,540.04
Vulcan Lands Inc.	872,860.00	14,838.62
Montgomery Transport LLC	731,920.00	12,442.64

Millage Rates on Taxable Property in the City

Pursuant to the applicable provisions of the Constitution of Alabama and general laws of the State, the City levies ad valorem taxes of 17 mills on property situated in the City.

The following taxes are levied on property situated in the City but are levied by other taxing authorities:

State of Alabama	-	6.5 mills
Jefferson County	-	21.7 mills

There are, therefore, 45.2 mills currently being levied on taxable property situated in the City.

Ad valorem taxes levied by the City are collected on behalf of the City by the Jefferson County Tax Collector. A charge for collection equal to two percent (2%) is withheld by the County Tax Collector prior to the remittance to the City.

Of the 17 mills of ad valorem taxes levied by the City, 10.2 mills goes into the General Fund. The amounts collected from the 10.2 mills of ad valorem taxes levied by the City and deposited into the general fund for the fiscal years indicated are as follows:

Fiscal Year Ending September 30	Amount
2015	$672,869
2014	581,565
2013	646,789
2012	647,311
2011	657,356

GENERAL INFORMATION RESPECTING THE CITY

Geographic Information

The City of Tarrant is located in Jefferson County, Alabama and is contiguous to, and northeast of, the City of Birmingham. The City is a residential/industrial community. Manufacturing is, and has been for many years, the most important segment of the City of Tarrant economy. Manufacturers in the City produce, among other things, by-products of coal, heavy machinery and other metal products.

Population

The following table sets forth certain historical population statistics relating to the City:

Census Year	City of Tarrant Population
1950	7,571
1960	7,810
1970	6,835
1980	8,148
1990	8,046
2000	7,022
2010	6,397

Source: United States Census Bureau 2010.

Income Levels

There are three basic methods of measuring annual income: per capita income, which is the total income of all families and individuals in a given area divided by the total population of the area; mean family income, which is the total income of all families in a given area divided by the total number of families in the area; and median family income above and below which there are an equal number of family incomes.

Per Capita Income

Per capita income levels have been as follows in the City and the State of Alabama for the periods indicated:

	Per Capital Income				
	2010	2011	2012	2013	2014
City	13,990	14,652	15,231	15,202	16,037
State of Alabama	22,984	23,483	23,587	23,680	23,936

Source: 2010-2014 American Community Survey

Median Family Income

Median family income levels have been as follows in the City and the State of Alabama for the periods indicated:

	Median Family Income				
	2010	2011	2012	2013	2014
City	28,385	25,833	27,705	27,165	26,740
State of Alabama	52,863	42,934	43,160	43,253	54,724

Source: 2010-2014 American Community Survey

Governmental Organization and Administration

The City is a municipal corporation incorporated under the Constitution and laws of the State of Alabama. The City is governed by a City Council consisting of a Mayor and five councilmembers (the "City Council") elected for terms of four years. Members of the City Council serve part-time and are responsible for adopting ordinances, resolutions and setting the policies of the City, including the appropriation of money. The Mayor, who is a member of the City Council, is elected for a four-year term and is the chief administrative officer of the City. The Mayor is responsible for the day-to-day management of the City. The City Clerk and Treasurer are appointed by the City Council and, among other duties, are respectively charged with the planning and execution of the financial affairs of the City. The managers of the City's several departments are responsible for the day-to-day operations of their respective departments.

The City's governing body consists of the following members:

Name	Position	Term Expires
Loxcil Tuck	Mayor	November 7, 2016
Cathy Anderson	Council Member	November 7, 2016
Laura Horton	Council Member	November 7, 2016
John T. Bryant	Council Member	November 7, 2016
Deborah M. Mathews	Council Member	November 7, 2016
Betty s. Middlebrooks	Council Member	November 7, 2016
Lillian Keith	City Clerk	At Pleasure of Council
Janet Barnett	City Treasurer	At Pleasure of Council

Personnel

The City provides, among other things, police protection, fire protection, and park and recreational facilities. The benefits and compensation for all employees in the City's several departments are established by the City Council.

All of the full-time employees of the City, except laborers, are merit system employees and are employed and classified pursuant to the rules and regulations of the Jefferson County Personal Board and the Merit System Act of the Legislation applicable to Jefferson County and the municipalities thereof.

No employees of the City are represented by labor unions or similar employee organizations. The City does not bargain collectively with any labor union or employee organization. The City has enjoyed good relations with all City employees and the City believes that good relations will continue.

Retirement Plan

See Note 7, Page 33 of the City's Financial Statements attached hereto as Appendix A, for a description of the City's retirement plan.

LITIGATION

There is no litigation pending or, to the knowledge of the City, threatened questioning the validity of the Warrants, the proceedings under which they are to be issued, the security for the Warrants provided by the Ordinance, the consummation of the transactions contemplated by the Ordinance, the organization of the City, or the election or qualification of the City's officers. At the time of the delivery of the Warrants, the City will furnish its certificate stating that there is no litigation pending or threatened or in any way questioning the proceedings or authority under which the Warrants are to be issued or which affects in any way the validity of the Warrants.

Recent court decisions have substantially eroded the immunity from tort liability formerly enjoyed by local governmental units in Alabama; however, Chapter 93 of Title 11 of the Code of Alabama 1975 now prescribes certain limits on the liability of local governmental units for bodily injury or death and for damage or loss of property. The limits are presently $100,000 in the case of bodily injury or death of one person in any single occurrence, $300,000 in the aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence (although the $300,000 limit does not apply to Property damage claims), and $100,000 for damage or loss of property arising out of any single occurrence. The Alabama Supreme Court has held that the limitations prescribed by Chapter 93 are constitutional.

Local governmental units throughout the country increasingly have been subjected to lawsuits, many of which claim damages in large amounts for alleged denials of civil rights under the provisions of Section 1983 of Title 42 of the United States Code. Existing Alabama statutory limitations on liability for personal injury do not limit liability under Section 1983.

RATINGS

Standard & Poor's ("S&P") is expected to assign a rating of "AA" (stable outlook) to the Warrants with the understanding that upon delivery of the Warrants, a policy insuring the payment when due of the principal of and interest on the Warrants will be issued by MAC. S&P has also given the Warrants an underlying rating of "A" (stable outlook). An explanation of these ratings may be obtained only from S&P. There is no assurance that the ratings on the Warrants will remain in effect for any given period of time or that any rating will not be revised downward or withdrawn entirely by S&P, if, in its judgment, the circumstances so warrant. Any explanation of the significance of the ratings on the Warrants may be obtained from S&P.

The ratings are not a recommendation to buy, sell or hold the Warrants, and such ratings may be subject to revision or withdrawal at any time by S&P. A revision or withdrawal of any such rating may have an adverse effect on the market price of the Warrants.

APPROVAL OF LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Warrants are subject to the approval of Hand Arendall LLC, Birmingham, Alabama, Bond Counsel to the City, whose approving legal opinion will be available at the time of the delivery of the Warrants. The proposed form of such opinion is included in this Official Statement as Appendix B.

AUDIT

The audited financial statement of the City for the fiscal year that ended September 30, 2015 is attached hereto as Appendix A.

TAX MATTERS

General

In the Ordinance, the City has covenanted in effect that it will, to the extent permitted by law, comply with the provisions of the Code that constitute conditions to or requirements for (1) the exclusion of the interest income of the Warrants from gross income of the recipients thereof for Federal income tax purposes pursuant to the provisions of Section 103 of the Code and (2) the exclusion of such interest income from the computation of the alternative minimum tax applicable to taxpayers other than corporations that is imposed by Section 55 of the Code ("the Compliance Covenants").

Hand Arendall LLC, Bond Counsel, is of the opinion that, under the Code, as presently construed and administered, and assuming compliance by the City with the Compliance Covenants, the interest income on the Warrants will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code and will not constitute an item of tax preference for the purpose of computing the liability of individuals and corporations for the alternative minimum tax imposed by Section 55 of the Code.

Bond Counsel will express no opinion regarding federal tax consequences arising with regard to the Series Warrants other than the opinions expressed in the preceding paragraph. The form of Bond Counsel's opinion with respect to the Warrants is expected to be substantially as set forth in Appendix B to this Official Statement.

Prospective purchasers of the Warrants should be aware that ownership of the Warrants may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income", foreign corporations subject to a branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Warrants. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Warrants should consult their tax advisors as to collateral federal income tax consequences.

Section 265 of the Code provides that, as a general rule, banks, thrifts, and other financial institutions may not deduct that portion of their interest expense that is allocable to tax-exempt obligations acquired after August 7, 1986. There is a specific exception in Section 265 for interest income from a "qualified tax-exempt obligation" which is defined as an obligation (other than a private activity bond) that has been designated by the issuer for purposes of the Code as a "qualified tax-exempt obligation." Under the exception, interest allocable to qualified tax-exempt obligations is subject to the twenty percent (20%) disallowance rule effective prior to the Tax Reform Act of 1986. Section 265 provides that not more than $10,000,000 of obligations may be designated by an issuer as "qualified tax-exempt obligations" during any calendar year and that obligations may not be designated as "qualified tax-exempt obligations" unless the issuer reasonably anticipates that the amount of qualified tax-exempt obligations issued by such issuer during such calendar year will not exceed $10,000,000.

In the proceedings authorizing the issuance of the Warrants, the City has designated the Warrants as "qualified tax-exempt obligations" for purposes of Section 265 and has, in connection therewith, specifically found that the amount of tax-exempt obligations that have heretofore been issued during the current calendar year and the reasonably anticipated amount of tax-exempt obligations that will be issued by the City and all "subordinate entities" during the calendar year in which the Warrants will be issued will not exceed $10,000,000. Contemporaneously with the delivery of the Warrants, Bond Counsel will furnish to the Underwriter a supplemental opinion regarding the status of the Warrants as "qualified tax-exempt obligations" under Section 265(b)(3)(B) of the Code.

Bond Counsel is also of the opinion that under existing law interest on the Warrants will be exempt from State of Alabama income taxation.

Original Issue Discount

The initial public offering price to be paid for certain of the Warrants ("the Original Issue Discount Warrants") is less than the principal amount thereof. Under existing law, the difference between (i) the amount payable at the maturity of each Original Issue Discount Warrant, and (ii) the initial offering price to the public of such Original Issue Discount Warrant constitutes original issue discount with respect to such Original Issue Discount Warrant in the hands of any owner who has purchased such Original Issue Discount Warrant in the initial public offering of the Warrants. Such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Warrant equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Warrant continues to be owned by such owner.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Warrant prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Warrant in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Warrant was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Warrant is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the Warrants and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Warrant for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other taxable disposition thereof. The amount (if any) to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods (if any) multiplied by the yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Warrants.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Warrants which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Warrants should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Warrants and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Discount Warrants.

Original Issue Premium

The initial public offering price to be paid for certain of the Warrants ("the Original Issue Premium Warrants") is greater than the principal amount thereof. Under existing law, any owner who has purchased an Original Issue Premium Warrant in the initial public offering of the Warrants is required to reduce his basis in such Original Issue Premium Warrant by the amount of premium allocable to periods during which he holds such Original Issue Premium Warrant, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Warrants should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Warrant and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Warrant.

CONTINUING DISCLOSURE AGREEMENT

The City has entered into a Continuing Disclosure Agreement for the benefit of holders of the Warrants wherein the City has agreed to provide annually certain financial information and operating data relating to the City ("the Annual Reports"), to provide notices of the occurrence of certain enumerated events. The Annual Reports will be filed by the City with the Municipal Securities Rulemaking Board) through its Electronic Municipal Market Access ("EMMA") website at http://emma.msrb.org. and with any other Nationally Recognized Municipal Securities Information Repository designated by the United States Securities and Exchange Commission for the purposes of Rule 15c2-12(b)(5) of the Securities and Exchange Commission ("the Rule"). The specific nature of the information to be contained in the Annual Reports or the notices of material events and other provisions of the Continuing Disclosure Agreement are summarized in "Appendix C - Summary of Continuing Disclosure Agreement." The Continuing Disclosure Agreement has been entered into in order to assist the Underwriter in complying with Rule.

The City has previously entered into continuing disclosure agreements ("the Prior Agreements") for the benefit of the holders of the City's General Obligation Warrants, Series 2008, Series 2009 and Series 2010, which are similar to the Continuing Disclosure Agreement for the benefit of the holders of the Warrants. Prior to August of 2014, the City was not in compliance with its obligations under the Prior Agreements and did not post its failure to comply with the Prior Agreements. However, between August and November of 2014, the City filed the necessary reports on EMMA to bring its filings under the Prior Agreements up to date, and since that time, the City has been in material compliance with its obligations under the Prior Agreements.

The City's underlying rating on its general obligation debt was upgraded by Standard and Poor's Rating Service to "A" on April 4, 2016, and a Notice of Material Event was filed on EMMA.

In addition, to the City's general obligation warrants, it has heretofore issued its Electric Revenue Warrants, Series 2009 and Series 2011. The City entered into Continuing Disclosure Agreements in connection with the issuance of the Electric Revenue Warrants ("the Prior Electric Revenue Agreements"). The City was not in compliance with the requirements of the Prior Electric Revenue Agreements for its 2010, 2011 and 2013 fiscal years and did not file a Notice of a Material Event on EMMA that it was not in compliance with those Agreements. Since that time, the City has been in compliance with the Prior Electric Revenue Agreements.

The City's underlying rating for the Electric Revenue Warrants was downgraded from "A" to "BBB+" (negative outlook) on February 5, 2014, which was revised to "stable outlook" on January 11, 2016. The City did not file a Notice of Material Event at the time of the downgrade or at the time of the revision to stable outlook. However, it has now filed a Notice of Material Event with respect to both on EMMA.

UNDERWRITING

The Warrants are being purchased by Raymond James & Associates, Inc. ("the Underwriter"), at a price equal to $____________, which price reflects an underwriting discount of $_________ and a net original issue ___________ of $_________. The Underwriter intends to offer the Warrants to the public at the prices or yields stated on the inside cover page hereof. The Warrants may be sold and offered to certain dealers (including dealers depositing such warrants into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriter.

MISCELLANEOUS

So far as any statements are made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, they are set forth as such and not as representations of fact, and no representation is made that any such estimates will be realized.

References herein to the Constitution of the State of Alabama and to all acts referred to herein are intended to be only brief outlines of certain provisions of each thereof and do not purport to summarize or describe all provisions thereof.

CITY OF TARRANT, ALABAMA

By ____________________________________
Its Mayor

_______________, 2016

APPENDIX A

CITY OF TARRANT
TARRANT, ALABAMA

AUDITED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED
SEPTEMBER 30, 2015