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**\$4,000,000
CITY OF GULF SHORES
GENERAL OBLIGATION TAXABLE WARRANT
SERIES 2016-A**

Dated and Delivered to BancorpSouth on April __, 2016

1. Specimen Warrant and Opinion of Bond Counsel
2. Authorizing Ordinance adopted on April 11, 2016
3. Certificate of Officers and Debt Certificate
4. Investment Letter and Receipt for Warrant

City of Gulf Shores
Gulf Shores, Alabama

Jones Walker LLP
Birmingham, Alabama

Re: \$4,000,000 General Obligation Taxable Warrant, Series 2016-A, dated the date of delivery

Ladies and Gentlemen:

We have purchased and do hereby acknowledge receipt on this date of the above-referenced Warrant (the "Warrant") issued by the City of Gulf Shores, an Alabama municipal corporation (the "Issuer"). We have been provided with and have reviewed the ordinance and proceedings adopted and taken by the governing body of the Issuer on April 11, 2016 authorizing the issuance of the Warrant (the "Authorizing Ordinance"). We understand and agree, under the Authorizing Ordinance (capitalized terms being used herein as in the Authorizing Ordinance) that the Warrant is a general obligation of the Issuer and constitutes a charge on the full faith and credit of the Issuer.

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

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

We are purchasing the Warrant for our own account and not for resale and we have no present intention of reselling or otherwise distributing the Warrant or any interest therein to any person or entity. In the event that in the future we decide to sell the Warrant or any interest therein, we are aware that the Warrant is a security and that the seller is obligated under both federal and state security laws, among other things, to fully and accurately disclose to all persons to whom he offers to sell securities all facts material to their decision to purchase such securities. Prior to making any sale of the Warrant or any interest therein, we intend to consult with our counsel knowledgeable in the requirements of such securities laws and to be guided by the advice of such counsel. We hereby represent that we will not sell, transfer, or otherwise distribute the Warrant or any interest in any thereof in violation of any applicable federal or state securities laws.

This __ day of April, 2016.

BANCORPSOUTH

By _____

Its _____

CERTIFICATE OF OFFICERS

The undersigned duly elected, qualified and acting Mayor, City Clerk, City Administrator and Finance and Administration Director of the City of Gulf Shores, Alabama (the "Municipality") hereby certify as of the ___ day of April, 2016, as follows:

1. The names of the officers and the members of the Council of the Municipality and the dates of the beginning and ending of their terms of office are respectively as follows:

<u>Name and Office</u>	<u>Term Began</u>	<u>Term Ends</u>
Robert Craft Mayor	October, 2012	October, 2016
Carolyn Doughty Councilman	October, 2012	October, 2016
Stephen E. Jones Councilman	October, 2012	October, 2016
Philip Harris Councilman	October, 2012	October, 2016
Jason Dyken Councilman	October, 2012	October, 2016
Joe Garris Councilman	October, 2012	October, 2016
Wanda Parris City Clerk		At Council's Pleasure
Steve Griffin City Administrator		At Council's Pleasure
Cindy King Dooley Finance and Administration Director		At Council's Pleasure

2. Each of the foregoing officers and members of the Council has duly filed his or her oath of office and each of them legally required to give bond or other undertaking has filed such bond or undertaking in form and amount and at the time required by law and has otherwise duly qualified and each is the acting officer holding the office stated immediately following his or her name for the period above indicated.

3. Regular meetings of the Council are held on the second and fourth Mondays in each month in the Municipality at 5:00 o'clock p.m. pursuant to ALA. CODE § 11-43-49 and 11-43-50 (1975), and as fixed by order of the Council and publicly announced by it.

4. The population of the Municipality according to the 2010 U.S. Decennial Census was 9,741.

5. The Municipality is now and has been for more than forty years a municipal corporation duly organized and existing and operating under the laws of Alabama. No proceedings for the dissolution of the Municipality have ever been taken.

6. The seal manually affixed hereto is the officially adopted corporate seal of the Municipality and the undersigned Clerk is the official custodian thereof and is duly authorized to affix the same to bonds, warrants, contracts, certificates and other obligations and documents of the Municipality and to certify copies of the minutes, proceedings and records of the Municipality and the Council.

7. On April 11, 2016, the Council adopted an ordinance (the "Warrant Ordinance") authorizing the issuance of the Municipality's \$4,000,000 General Obligation Taxable Warrant, Series 2016-A, dated April __, 2016 to BancorpSouth (the "Warrant"). The Warrant Ordinance has not been repealed, amended, revoked or changed and is still in full force and effect. Capitalized terms not otherwise defined herein are used as defined therein.

8. The undersigned Mayor has manually executed the Warrant, and the undersigned City Clerk has manually attested the Warrant. The undersigned City Clerk has manually affixed the official corporate seal of the Municipality to the Warrant. The undersigned Finance and Administration Director has manually registered the Warrant as a claim against the Municipality and the Warrant Fund from which the Warrant is payable, and has manually executed the Registration Certificate appearing on the Warrant. The Warrant and the certificate of registration were in the forms provided therefor in the Warrant Ordinance and have been manually executed as provided therein. No obligations of the Municipality other than the Warrant have been issued pursuant to the Warrant Ordinance.

9. On the date of execution of the Warrant and on the date of adoption of the Warrant Ordinance, and on this date, we then were and now are the duly elected or appointed, qualified and acting officers of the Municipality indicated by our signatures thereon and hereon.

10. We have no knowledge or information of any agreement, representation, condition, understanding or stipulation, whether oral or written or expressed or implied, respecting the authorization of the Warrant or the terms of the sale thereof, or the disposition or other dealing with the proceeds of the Warrant, other than as set forth in the Warrant Ordinance, the closing papers of which this certificate forms a part, and in the other documents which have been furnished to bond counsel, Jones Walker LLP, for their examination preliminary to their approval of the legality of the Warrant. None of the proceedings, records or representations which have been certified to the purchaser to whom the Warrant shall be delivered or to bond counsel have been repealed, amended or changed, and there has been no change in the facts affecting the Warrant.

11. There is no litigation of any nature pending or threatened in any court restraining, enjoining or in any manner questioning the validity or legality of any of the following: the corporate existence of the Municipality; the territorial boundaries of the Municipality; the election or title of any of the aforesaid persons as officers of the Municipality; the Warrant; the Warrant Ordinance or any terms or provisions thereof; the purposes for which the Warrant is issued; the application of the proceeds of the sale of the Warrant; the constitutionality of any statute or the validity of any proceedings relative to the Warrant; the taxing power of the Municipality to pay the Warrant or any other matter referred to in this certificate.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official corporate seal of the Municipality, as of the date first written above.

Mayor

CITY SEAL

City Clerk

City Administrator

Finance and Administration Director

RECEIPT FOR WARRANT

The undersigned hereby acknowledges receipt of the \$4,000,000 General Obligation Taxable Warrant, Series 2016-A, dated April __, 2016 issued by the City of Gulf Shores.

This __ day of April, 2016.

BANCORPSOUTH

By _____
Its Duly Authorized Officer

DEBT CERTIFICATE

We, the undersigned, the duly elected, qualified and acting Mayor and Finance and Administration Director of the City of Gulf Shores, Alabama (the "Municipality") do hereby certify as of the ____ day of April, 2016, as follows:

1. The assessed valuation of taxable property in the corporate limits of the Municipality, as assessed for municipal taxation and on which taxes were due and payable on October 1, 2015, is not less than \$_____.

2. As of this date, the Municipality has outstanding the following described obligations which would be included in the limitation of the indebtedness of the Municipality under Section 225 of the Constitution, except where noted:

(a) Long-Term bond issues

<u>Issue</u>	<u>Principal Outstanding</u>
General Obligation Warrants, Series 2015, dated March 1, 2015 (final maturity December 15, 2028)	\$8,695,000
General Obligation Taxable Warrants, Series 2012-D, dated October 1, 2012 (final maturity December 15, 2021)	\$9,335,000
General Obligation Warrants, Series 2012-C, dated October 1, 2012 (final maturity December 15, 2025)	\$9,000,000
General Obligation Warrants, Series 2008-A, dated April 1, 2008 (last maturity December 15, 2028)	\$5,255,000
General Obligation Warrants Series 1996-B, dated November 1, 1996 (last maturity November 1, 2016)	<u>\$25,000</u>
SUBTOTAL	\$32,310,000

(b) Short-term notes and leases

General Obligation Taxable Warrant, Series 2016-A, dated April __, 2016 (matures January 13, 2019)	\$4,000,000
General Obligation Warrant, Series 2014, dated December 19, 2014 (final maturity December 15, 2018)	<u>\$9,000,000</u>
SUBTOTAL	\$13,000,000
TOTAL CHARGEABLE INDEBTEDNESS	<u>\$45,310,000</u> [1]

[1] Does not include lease obligations, post-employment benefits, annual pension cost, unfunded pension liability, accumulated absences or any obligations associated with the Municipality's Public Educational Building Authority.

3. The Municipality has outstanding the following temporary loans to be paid within one year, made in anticipation of the collection of taxes and not exceeding one-fourth of the general revenues of the Municipality:

None

4. The Municipality has outstanding the following described bonds and other obligations issued for the purpose of acquiring, providing or constructing water works:

None

5. The Municipality has outstanding the following described bonds and other obligations issued for sewer, 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:

None

6. The Municipality has outstanding the following described warrants or obligations which will be payable solely from the revenues derived from the operation of a water, sewer, gas or electric system or any one or more of such systems:

None

7. The Municipality owes current accounts payable in the following amounts:

Regular accounts payable, not more than	\$500,000.00
Payroll taxes, not more than	\$150,000.00
Others, not more than	\$250,000.00

8. The Municipality has outstanding no other bonds, warrants, obligations, indebtedness, notes, contracts, long term leases, lease-purchase obligations, installment purchase obligations, or pecuniary obligations of any nature whatsoever except as follows (herein describe in detail any other

obligations not set forth above and specify with respect to each such obligation the principal amount or total liability or obligation of the Municipality thereunder):

Accumulated Compensated Absences, not more than	\$1,000,000
Miscellaneous Short Term Loans and Lease/Purchase Obligations, not more than	\$2,500,000

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official corporate seal of the Municipality as of the date first written above.

Mayor

CITY SEAL

Finance and Administration Director

JONES WALKER LLP
One Federal Place
1819 Fifth Avenue North, Suite 1100
Birmingham, Alabama

April __, 2016

BancorpSouth
Foley, Alabama

City of Gulf Shores
Gulf Shores, Alabama

Re: \$4,000,000 General Obligation Taxable Warrant, Series 2016-A, dated the date of delivery,
issued by the City of Gulf Shores

Ladies and Gentlemen:

This opinion is rendered in connection with the issuance of the above-referenced warrant (the "Warrant") by the City of Gulf Shores, Alabama (the "Municipality"). The Warrant is issued pursuant to an ordinance adopted by the governing body of the Municipality on April 11, 2016 (the "Warrant Ordinance").

We have examined the following: the proceedings of the Municipality for adoption of the Warrant Ordinance and other certificates, documents and proofs considered by us to be pertinent. In rendering this opinion we have also relied upon statements set forth in certificates executed by public officials and by officers of the Municipality.

Based upon the foregoing and upon our examination of the aforesaid proceedings and other papers submitted to us, and in reliance on the aforesaid certificates and assuming compliance with the covenants and representations in the Warrant Ordinance, we are of the opinion, as of the date hereof and under existing law, that:

- (1) The Warrant is a valid and binding order upon the Finance and Administration Director of the Municipality for the payment of the principal thereof and interest thereon and evidence and order paid the valid general obligation indebtedness of the Municipality.
- (2) Interest on the Warrant is includable as gross income for federal income taxation.
- (3) Interest on the Warrant is exempt from present income taxation in the State of Alabama.

The rights of the registered owners of the Warrant and the enforceability thereof are subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the constitutional powers of the United States of America and the sovereign police powers of the State of Alabama, and to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights heretofore or hereafter enacted.

BancorpSouth (the "Bank"), as purchaser of the Warrant, has represented that (1) our engagement as bond counsel did not include services relating to the compilation, verification or furnishing to the Bank of information regarding the merits and risks of investment in the Warrant and the Bank has knowledge and experience in financial and business matters sufficient to evaluate such merits and risks; (2) the Bank has been provided with and has evaluated such financial, corporate and general information respecting the Municipality and the Warrant as the Bank deems necessary to make an informed investment judgment with respect to the purchase of the Warrant; (3) the Bank is purchasing the Warrant for its own account and not for resale, and the Bank has no present intention of reselling or otherwise distributing the Warrant or any interest therein to any person or entity which is not owned by the Bank; and (4) the Bank will not sell, transfer or otherwise distribute the Warrant or any interest in any thereof in violation of any applicable federal or state securities laws.

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

Faithfully yours,