
**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING OF
THE CITY COUNCIL OF THE CITY OF GULF SHORES**

The City Council of the City of Gulf Shores met in regular public session at Gulf Shores City Hall, 1905 West First Street, in Gulf Shores, Alabama, at 4:00 o'clock p.m. on Monday, March 23, 2026, the previously announced date and time for such meeting. The meeting was called to order by the Mayor. The roll was called with the following results:

Present: Robert Craft, Mayor
 Philip Harris, Mayor Pro Tempore
 Jennifer Guthrie
 Joe Garris
 Jason Dyken
 Steve Jones

Absent:

The Mayor stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

The Mayor presented the following Ordinance No. ____ to the Council:

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF THE CITY'S \$17,100,000 PRINCIPAL AMOUNT GENERAL OBLIGATION SCHOOL WARRANT, SERIES 2026-C, TO BE DATED THE DATE OF DELIVERY, TO SOUTHSTATE BANK

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES, ALABAMA AS FOLLOWS:

Section 1. Findings and Representations.

The City of Gulf Shores (the "City"), by and through the City Council, its governing body, does hereby find and determine and represent and warrant as follows:

(a) The City has found and determined that it is in the best public and financial interest of the City to acquire a tax-exempt term loan, the proceeds of which will be used for the completion of capital construction of Gulf Shores High School and the payment of issuance expenses.

(b) The obligation will be evidenced by a General Obligation School Warrant, Series 2026-C, to be dated the date of delivery (the "Warrant"), which will be executed and delivered to SouthState Bank (the "Bank") on or about April 1, 2026.

(c) The net assessed valuation of taxable property in the corporate limits of the City, as assessed for municipal taxation and on which taxes were due and payable on October 1, 2025, including motor vehicles, is not less than \$1,478,520,180, and the total indebtedness of the City following the issuance of the Warrant chargeable against the debt limitation for the City prescribed by the Constitution of Alabama of 2022, as amended, will not be more than twenty percent of said assessed valuation.

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

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

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

Section 2. Authorization and Description of Warrant; Payments of Warrant.

(a) The City shall borrow an aggregate amount not exceeding \$17,100,000 in such amounts and at such times as shall be necessary for the purposes set forth in Section 1 hereof, and the City shall issue the aforesaid Warrant therefor to the Bank, to evidence a term loan extended thereby to the City for such purposes.

(b) The Warrant shall (1) be dated the date of initial delivery and payment, (2) bear interest at the fixed per annum interest rate of 3.810%, (3) be payable in (i) semi-annual installments of interest on June 15 and December 15, beginning December 15, 2026 and ending December 15, 2045, and (ii) annual installments of principal on December 15, beginning December 15, 2026, and ending on December 15, 2045, (4) mature on December 15, 2045, (5) be subject to redemption prior to maturity at any time in any amount, without premium or penalty, and (6) be registered and transferred, all as provided therefor in the form of the Warrant in Section 4 herein.

(c) The principal of and interest on the Warrant shall be payable in lawful money of the United States of America, at the designated office of the registered owner thereof at par and without discount, exchange or deduction or charge therefor, pursuant to Exhibit A to the Warrant Form.

Section 3. Authorization of Advances and Payments.

The Mayor and the Director and Assistant Director of Finance and Administration are authorized and directed to request a single disbursement of the net proceeds of the Warrant in order to carry out the purposes of this Ordinance.

Section 4. Form of Warrant.

The Warrant shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF GULF SHORES
GENERAL OBLIGATION SCHOOL WARRANT
SERIES 2026-C**

No. R-1

\$17,100,000

THE CITY OF GULF SHORES, a municipal corporation organized and existing under and by virtue of the laws of the State of Alabama (the "City"), for value received, hereby acknowledges itself indebted to and does hereby order and direct the Finance and Administration Director of the City to pay, solely out of the special warrant fund hereinafter described, to SouthState Bank (herein called the "Payee"), its successors and assigns, the principal sum of

SEVENTEEN MILLION ONE HUNDRED THOUSAND DOLLARS (\$17,100,000)

as hereinafter provided, and to pay solely from said warrant fund interest on the unpaid balance of said principal amount advanced and outstanding hereunder from time to time, from the date advanced until payment in full, at a fixed per annum rate of interest equal to 3.810% (computed on a 30/360 basis), said principal and interest being payable as follows, as more particularly described on Exhibit A attached hereto and incorporated herein by reference:

(a) On December 15, 2026, and on each June 15 and December 15 thereafter, to and including December 15, 2045, the interest accrued on the outstanding principal balance of this Warrant to each such date of payment;

(b) On December 15, 2026, and on each December 15 thereafter, to and including December 15, 2045, the principal outstanding under this Warrant; and

(c) On December 15, 2045, the entire outstanding principal balance of this Warrant plus all accrued interest thereon.

Payment of the principal hereof and interest hereon shall be made at the office of the Payee or at such other place as shall be designated to the City in writing by the Payee, provided the final payment of principal of and interest on this Warrant shall be made only upon presentation and surrender of this Warrant to the City for cancellation.

The City may, on any date, pay in advance the entire unpaid principal balance of this Warrant or any lesser portion or portions thereof by paying to the Payee the principal amount to be prepaid, plus interest accrued on such principal amount to the date of such prepayment, without premium or penalty.

THIS WARRANT SHALL BE VALID AND ENFORCEABLE AS TO THE AGGREGATE PRINCIPAL AMOUNT ADVANCED AT ANY TIME HEREUNDER, WHETHER OR NOT THE FULL FACE AMOUNT HEREOF IS ADVANCED.

This Warrant is issued pursuant to the Constitution and laws of the State of Alabama, including the provisions of Section 11-47-2 et seq. of the CODE OF ALABAMA 1975, as amended, and an Ordinance and proceedings of the governing body of the City adopted March 23, 2026 (the "Authorizing Proceedings") for the purposes described in the Authorizing Proceedings.

The principal of and interest on this Warrant is a general obligation of the City and the full faith and credit of the City are pledged to the payment of the principal of and interest on the Warrant.

The City has established in the Authorizing Proceedings a special fund designated "Series 2026-C General Obligation School Warrant Fund" for the payment of the principal of and interest on the Warrant, and has obligated itself to pay or cause to be paid into said Fund from the taxes and revenues of the City sums sufficient to provide for the payment of the principal of and interest on this Warrant as the same matures and comes due.

This Warrant and the interest hereon constitutes a charge on the general credit of the City and an indebtedness of the City within the meaning of state constitutional provisions and or statutory limitations.

This Warrant is recorded and registered as to principal and interest in the name of the owner on the book of registration maintained for that purpose by the City. The person in whose name this Warrant is registered shall be deemed and regarded as the absolute owner hereof for all purposes and payment of

12/15/2036	857,000	3.810%	194,281.43	1,051,281.43	
12/31/2036					1,245,562.86
06/15/2037			177,955.58	177,955.58	
12/15/2037	889,500	3.810%	177,955.58	1,067,455.58	
12/31/2037					1,245,411.16
06/15/2038			161,010.60	161,010.60	
12/15/2038	923,500	3.810%	161,010.60	1,084,510.60	
12/31/2038					1,245,521.20
06/15/2039			143,417.93	143,417.93	
12/15/2039	958,500	3.810%	143,417.93	1,101,917.93	
12/31/2039					1,245,335.86
06/15/2040			125,158.50	125,158.50	
12/15/2040	995,000	3.810%	125,158.50	1,120,158.50	
12/31/2040					1,245,317.00
06/15/2041			106,203.75	106,203.75	
12/15/2041	1,033,000	3.810%	106,203.75	1,139,203.75	
12/31/2041					1,245,407.50
06/15/2042			86,525.10	86,525.10	
12/15/2042	1,072,500	3.810%	86,525.10	1,159,025.10	
12/31/2042					1,245,550.20
06/15/2043			66,093.98	66,093.98	
12/15/2043	1,113,500	3.810%	66,093.98	1,179,593.98	
12/31/2043					1,245,687.96
06/15/2044			44,881.80	44,881.80	
12/15/2044	1,156,000	3.810%	44,881.80	1,200,881.80	
12/31/2044					1,245,763.60
06/15/2045			22,860.00	22,860.00	
12/15/2045	1,200,000	3.810%	22,860.00	1,222,860.00	
12/31/2045					1,245,720.00
	17,100,000		7,498,784.92	24,598,784.92	24,598,784.92

Section 5. Execution of the Warrant.

The Warrant shall be manually executed in the name and on behalf of the City by the Mayor and shall be manually attested by the City Clerk of the City, and the official seal of the City shall be manually imprinted thereon. The Registration Certificate shall be executed by the Director of Finance and Administration. The Registration of Ownership of the Warrant shall be executed by the City Clerk of the City who shall make the endorsements provided at the time of any transfer. Said officers are hereby directed to so execute, attest and register the Warrant and to make the appropriate endorsements and notations, if any, thereon.

Section 6. General Obligation; Warrant Fund.

(a) The Warrant and the interest thereon shall constitute a general obligation debt of the City. The Warrant is an obligation of the City to which the general faith and credit of the City is pledged.

(b) To secure the payment of the principal of and interest on the Warrant and to secure for the benefit of the registered owner of the Warrant the faithful performance of all of the covenants and provisions contained herein, in the manner and to the extent so provided, the City (1) does hereby pledge unto the registered owner of the Warrant and its registered assigns the full faith and credit of the City, (2) does hereby create and establish a special fund designated the "Series 2026-C General Obligation School Warrant Fund" (the "Warrant Fund"), which shall be held by the Bank, as custodian and paying agent of the Warrant and (3) does hereby covenant and agree to pay or cause to be paid into the Warrant Fund a sufficient amount of the revenues and taxes of the City.

(c) The City further covenants and agrees to collect or cause to be collected all taxes and revenues when due and to apply the same as provided in this Ordinance.

Section 7. Expenses of Collection; Interest After Maturity.

The City covenants and agrees that, if the principal of and interest on the Warrant are not paid promptly as such principal and interest matures and comes due, it will pay to the registered owner of the Warrant or its registered assignees all expenses incident to the collection of any unpaid portion thereof, including a reasonable attorney's fee. To the extent permitted by applicable law, the Warrant and the interest thereon shall bear interest at the rate of 3.810% per annum from and after the maturity or due date(s) thereof, if not then paid.

Section 8. Federal Tax Exemption; No Designation of Warrant Pursuant to Section 265 of the Code.

The City recognizes that the Series 2026-C Warrant is being sold on the basis that the interest payable on the Series 2026-C Warrant is excludable from gross income of the registered owners thereof for federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The City hereby covenants and agrees with the registered owner from time to time of the Series 2026-C Warrant that:

(a) the proceeds of the Series 2026-C Warrant will be used solely for the governmental purposes for which the Series 2026-C Warrant is issued;

(b) none of the proceeds of the Series 2026-C Warrant will be applied for any "private business use" nor will any part of the proceeds of the Series 2026-C Warrant be used (directly or indirectly) to make or finance loans to persons other than a governmental unit;

(c) the payment of the principal of or interest on the Series 2026-C Warrant will not be (under the terms of the Series 2026-C Warrant or any underlying arrangements) directly or indirectly (i) secured in any way by any interest in property used or to be used for a "private business use" or by payments in respect of such property or (ii) derived from payments (whether or not to the City) in respect of property, or borrowed money, used or to be used for a "private business use;"

(d) the proceeds of the Series 2026-C Warrant shall not be used or applied by it, and the taxes or other revenues of the City shall not be accumulated in the Warrant Fund in such a manner, and no investment thereof shall be made, as to cause the Series 2026-C Warrant to be or become an "arbitrage bond," as that term is defined in Section 148 of the Code;

(e) the City will comply with the requirements of Section 148(f) of the Code with respect to any required rebate to the United States;

(f) the City will make no use of the proceeds of the Series 2026-C Warrant that would cause the Series 2026-C Warrant to be "federally guaranteed" under Section 149(b) of the Code and the payment of the principal of and interest on the Series 2026-C Warrant shall not be (directly or indirectly) "federally guaranteed" (in whole or in part) as described in said Section, except as otherwise permitted in said Section;

(g) to the extent permitted by law, the City will not take any action, or omit to take any action, with respect to the Series 2026-C Warrant that would cause the interest on the Series 2026-C Warrant not to be and remain excludable from gross income pursuant to the provisions of Section 103 of the Code; and,

(h) however, the City has not designated the Series 2026-C Warrant as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. The Series 2026-C Warrant is not "bank qualified."

Section 9. Special Covenants of the City.

The City agrees to provide (i) its audited financial statements to the Bank upon request within 270 days of the end of the prior fiscal year, if not otherwise available on the EMMA website, and (ii) such other financial information as may be reasonably requested by the Bank and available to the City. A breach by the City of any of the foregoing shall not constitute an event of default hereunder.

Section 10. Event of Default, Sole Remedy; Determination of Taxability

(a) The failure by the City to pay the principal of and interest on the Warrant within 30 days of the due date shall constitute an event of default, the sole remedy to the Bank for which shall be its right to seek a writ of mandamus from the Courts in Baldwin County, Alabama, seeking to compel the City to make such payment.

(b) Upon the final determination by the IRS that the interest on the Warrant is taxable to the holder thereof, as a result solely of the action or inaction of the City, the interest rate on the Warrant shall be recalculated to a taxable-equivalent rate based on the prior tax-exempt interest rate on the Warrant, from the date that the interest on the Warrant to the holder thereof is taxable to the date of payment.

Section 11. Authorization of Issuance of Warrant.

(a) The Mayor and the City Clerk, or either of them, are hereby authorized and directed to effect delivery of the Warrant to the Bank and in connection therewith to deliver such closing papers containing such representations as are required to demonstrate the legality and validity of the Warrant and the absence of pending or threatened litigation with respect thereto.

(b) The City Clerk of the City shall give a receipt to the said purchaser for the purchase price paid, and such receipt shall be full acquittal to the said purchaser and the said purchaser shall not be required to see to or be responsible for the application of the proceeds of the Warrant. Nevertheless, the proceeds of the Warrant shall be applied solely to the purposes herein referenced.

Section 12. Entire Agreement; Severability.

This Ordinance represents the entire agreement of the Bank and the City. The provisions of this Ordinance are severable. In the event that any one or more of such provisions or the provisions of the Warrant shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this Ordinance or of the Warrant, and this Ordinance and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Section 13. Repeal of Conflicting Provisions.

All ordinances, proceedings and orders or parts thereof in conflict with this Ordinance are, to the

extent of such conflict, hereby repealed.

Section 14. Provisions of Ordinance a Contract.

The terms, provisions and conditions set forth in this Ordinance constitute a contract between the City and the registered owner of the Warrant and shall remain in effect until the principal of and interest on the Warrant shall have been paid in full.

It was moved by _____ that all rules and regulations which, unless suspended, would prevent the immediate consideration and adoption of the said ordinance be suspended and that unanimous consent to the immediate consideration and adoption of the said ordinance be given. The motion was seconded by _____ and on roll call was unanimously adopted, those answering aye being:

Ayes: Robert Craft, Mayor
 Philip Harris, Mayor Pro Tempore
 Jennifer Guthrie
 Joe Garris
 Jason Dyken
 Steve Jones

Nays: None

The Mayor declared the motion unanimously carried.

After said ordinance had been discussed and considered in full by the City Council, it was moved by _____ that said ordinance be now placed upon its final passage and adopted. The motion was seconded by _____. The question being put as to the adoption of said motion and the final passage and adoption of said ordinance, the roll was called with the following results:

Ayes: Robert Craft, Mayor
 Philip Harris, Mayor Pro Tempore
 Jennifer Guthrie
 Joe Garris
 Jason Dyken
 Steve Jones

Nays: None

* * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

Minutes Approved

Mayor

CITY SEAL

Attest: _____
City Clerk

STATE OF ALABAMA
BALDWIN COUNTY

CERTIFICATE OF CITY CLERK

I, the undersigned, do hereby certify as follows: (1) I am the duly elected, qualified and City Clerk of the City of Gulf Shores (the "City"), (2) as City Clerk of the City I have access to all original records of the City and I am duly authorized to make certified copies of its records on its behalf, (3) the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a regular meeting of the City Council of the City duly held on March 23, 2026, (4) the ordinance set forth in such excerpts is a complete, verbatim and compared copy of such ordinance as introduced and adopted by the City Council on such date, and (5) said ordinance is in full force and effect and has not been repealed, amended or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as City Clerk of the City of Gulf Shores and have affixed the official seal of the City, this the 23rd day of March, 2026.

City Clerk

CITY SEAL