

ORDINANCE NO. 0-558-14

AN ORDINANCE AUTHORIZING, APPROVING AND EXECUTING A FUNDING AGREEMENT
DATED AS OF DECEMBER 1, 2013 BETWEEN THE CITY OF JACKSONVILLE AND THE CITY BOARD
OF EDUCATION OF THE CITY OF JACKSONVILLE

WHEREAS, the City Board of Education of the City of Jacksonville (the "Board") is vested with the general administration and supervision of the public schools and educational interests of the City of Jacksonville (the "City").

WHEREAS, the Board has proposed to issue its approximately \$8,440,000 principal amount of Special Tax School Warrants, Series 2013, dated December 1, 2013 (the "Series 2013 Warrants") pursuant to a resolution to be duly adopted by the Board (the "Authorizing Resolution").

WHEREAS, the Series 2013 Warrants are issued for the purposes of (1) constructing a new elementary school and (2) paying issuance expenses.

WHEREAS, the City has determined that it is in the best public interest to commit not less than the amounts set forth on Exhibit A attached hereto and incorporated herein to the payment of debt service on the Board's 2013 Warrants.

WHEREAS, the Board has requested and the City has agreed to enter into a Funding Agreement dated as of December 1, 2013, pursuant to which the City will agree to transfer the aforesaid committed amounts to the Board for payment of the debt service on the Series 2013 Warrants.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE, ALABAMA, AS FOLLOWS:

Section 1. The foregoing "WHEREAS" clauses are hereby incorporated herein by reference.

Section 2. The Funding Agreement, a copy of which is attached hereto as Exhibit B and incorporated herein by reference, in substantially the form and of substantially the content as the form of that which was presented to and considered at this meeting, with such changes or additions thereto or deletions therefrom as the Finance Director/Treasurer and Chief School Financial Officer of the Board shall agree to and the Mayor shall approve, which approval shall be conclusively evidenced by the Mayor's execution of the same as hereinafter provided, is hereby approved, adopted, authorized, ratified and confirmed.

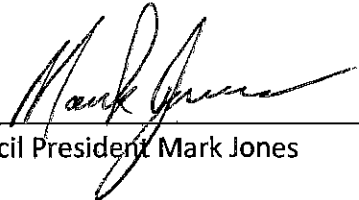
Section 3. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver the Funding Agreement as directed by the Board.

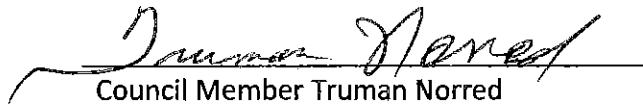
Section 4. The City agrees, with respect to the Board's Series 2013 Warrants, to pay the Board not less than the monthly installments set forth on Exhibit C attached hereto and incorporated herein by reference.

Section 5. The City's obligation under the Funding Agreement is a general obligation of the City but is not chargeable against the state constitutional debt limit thereof by virtue of being solely attributable to school purposes.

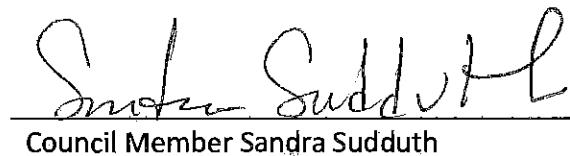
Section 6. Nothing herein shall limit or prevent the City, in any year or month, from contributing to the Board more than the amounts contemplated herein and as set forth in the Funding Agreement.

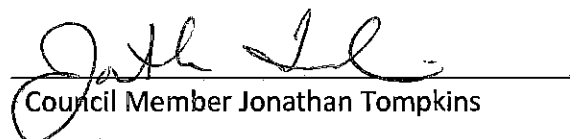
PASSED AND ADOPTED this the 9th day of December, 2013.

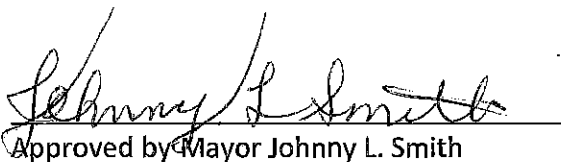

Council President Mark Jones


Council Member Truman Norred


Council Member Jerry Parris


Council Member Sandra Sudduth


Council Member Jonathan Tompkins


Approved by Mayor Johnny L. Smith

ATTEST:

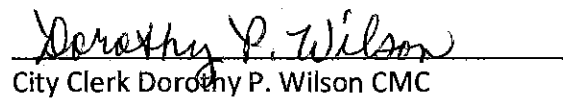

City Clerk Dorothy P. Wilson CMC

EXHIBIT A

Summary of City's Obligations with Respect to the School Board

<u>Sept. 1</u>	<u>Minimum Annual Amount Allocated by the City of Jacksonville to the Jacksonville City Schools</u>	<u>Portion of Annual Amount Allocated to School Improvements in City's Series 2013 Warrant Issue</u>	<u>Minimum Remaining Balance of Annual Amount Payable to Jacksonville City Schools Under This Funding Agreement</u>
2014	\$400,000	\$230,126	\$169,874
2015	400,000	228,426	171,574
2016	400,000	231,726	168,274
2017	400,000	229,926	170,074
2018	400,000	233,126	166,874
2019	400,000	231,226	168,774
2020	400,000	228,376	171,624
2021	400,000	230,526	169,474
2022	400,000	231,526	168,474
2023	400,000	229,033	170,967
2024	400,000	231,408	168,592
2025	400,000	228,108	171,892
2026	400,000	229,808	170,192
2027	400,000	231,243	168,757
2028	400,000	232,463	167,537
2029	400,000	228,400	171,600
2030	400,000	232,150	167,850
2031	400,000	230,400	169,600
2032	400,000	228,400	171,600
2033	400,000	231,150	168,850
2034	400,000	228,400	171,600
2035	400,000	232,000	168,000
2036	400,000	230,200	169,800
2037	400,000	228,200	171,800
2038	400,000	231,000	169,000
2039	400,000	228,400	171,600
2040	400,000	230,600	169,400
2041	400,000	232,400	167,600
2042	400,000	228,800	171,200
2043	400,000	0	400,000

Exhibit B (includes exhibits to agreement)

FUNDING AGREEMENT

Dated as of December 1, 2013

By and Between

CITY OF JACKSONVILLE, ALABAMA

and

CITY BOARD OF EDUCATION OF THE CITY OF JACKSONVILLE, ALABAMA

FUNDING AGREEMENT

This Funding Agreement (the "Agreement"), by and between the City of Jacksonville, Alabama (the "City") and the City Board of Education of the City of Jacksonville, Alabama (the "Board"), is made and entered this 1st day of December, 2013.

Recitals

The Board is vested with the general administration and supervision of the public schools and educational interests of and in the City.

The Board has proposed to issue its approximately \$8,440,000 principal amount of Special Tax School Warrants, Series 2013, dated December 1, 2013 (the "Series 2013 Warrants") pursuant to a resolution duly to be adopted by the Board (the "Authorizing Resolution").

The Series 2013 Warrants are issued for the purposes of (1) constructing a new elementary school and (2) paying issuance expenses.

The City has determined that it is in the best public interest to commit not less than the amounts set forth on Exhibits A and B attached hereto and incorporated herein by reference each year to the payment of debt service on the Board's 2013 Warrants.

The Board and the City have entered into this Funding Agreement to provide for the transfer of the committed not-less-than amounts from the City to the Board for the payment of the debt service on the Board's Series 2013 Warrants.

The Board and the City have entered into this Funding Agreement pursuant to the laws of the State of Alabama, including Section 16-13-309 of the Code of Alabama, 1975.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, it is hereby agreed between the City and Board as follows:

SECTION 1. Agreement of City to Provide Funds.

(a) The City hereby covenants and agrees to pay monthly to the Board, in bankable funds and without the necessity of demand therefor, not less than the amounts set forth on Exhibit B attached hereto and by this reference made a part hereof, each said amount to be paid in monthly installments during the twelve-month period set opposite such amount as more particularly provided in subsection (b). The obligation of the City to make such payments as herein provided shall be a general, irrevocable obligation of the City and shall remain in full force and effect, regardless of the happening of any event, until this Funding Agreement is terminated in accordance with its terms.

(b) Beginning on or before January 25, 2014, and continuing on or before the twenty-fifth day of each month in each year thereafter, until this Funding Agreement is terminated in accordance with its terms, the City shall pay to the Board not less than the amounts set forth on Exhibit B opposite the applicable twelve month period in which said payment is made; provided that if not needed to pay debt service on June 1, 2014, the amount received as accrued interest on the 2013 Warrants may be used as a credit against the payments to be made by the City for the first twelve month period.

(c) If any monthly payment to the Board is less than the amount herein provided to be paid in such month, the amount of any such deficiency shall be added to the amount due to the Board on the then next ensuing payment date hereunder.

(d) Notwithstanding anything herein to the contrary, if on any principal or interest payment dates the balance in the Warrant Fund created under the Authorizing Resolution is insufficient to pay the principal of, premium, if any, and interest on the 2013 Warrants due and payable on such date and the City has made its required payments hereunder, then the Board shall forthwith pay any such deficiency into the Warrant Fund.

(e) The City may make such payments to the Board from any funds or revenues which at the time of any such payment the City is authorized by law to transfer to the Board to pay debt service on capital improvements to the Board's educational facilities.

(f) The City's obligation to make the payments described on Exhibit B shall survive the refunding, whether in whole or in part, of the Series 2013 Warrants and shall apply to any obligations issued to refund the Series 2013 Warrants, whether in whole or in part. Nothing herein shall prevent the City from contributing more to the Board than the monthly amounts shown on Exhibit B.

SECTION 2. Binding Effect; Governing Law.

This Funding Agreement shall inure to the benefit of and shall be binding upon the City and the Board and their respective successors and assigns. This Funding Agreement shall be governed exclusively by the applicable laws of the State of Alabama.

SECTION 3. Effective Date; Termination.

This Funding Agreement shall take effect upon the date hereof and shall not be terminated by either party until all of the 2013 Warrants (and/or obligations hereafter issued to refund the same) shall have been paid in full.

SECTION 4. Third Party Beneficiaries.

Regions Bank, the paying bank for the 2013 Warrants, is explicitly recognized as a third-party beneficiary hereunder and may enforce any right, remedy or claim conferred, given or granted hereunder.

SECTION 5. Continuing Disclosure Undertaking.

To the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the City agrees to provide to the Board such financial information as the Board may reasonably request.

SECTION 6. Execution In Counterparts.

This Funding Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7. Section Captions.

The section headings contained herein are included for convenience only and should not be considered a part hereof or affect in any manner the construction or interpretation of this Funding Agreement.

SECTION 8. City May Make Additional Payments To Board.

Nothing herein shall limit the City in any year or month from contributing funds to the Board in addition to those shown herein and described on Exhibits A and B.

IN WITNESS WHEREOF, the City and the Board have caused this Funding Agreement to be executed in their respective corporate names and have caused their respective corporate seals to be hereunto affixed, and have caused this Funding Agreement to be attested, all by their duly authorized officers, and have caused this Funding Agreement to be dated the date and year first written above.

CITY OF JACKSONVILLE, ALABAMA



Mayor Johnny L. Smith

CITY SEAL

Attest:



City Clerk Dorothy P. Wilson, CMC

**CITY BOARD OF EDUCATION
OF THE CITY OF JACKSONVILLE**

President

SCHOOL BOARD SEAL

Attest:

Superintendent and Ex-officio Secretary

EXHIBIT A

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<u>Sept. 1</u>	<u>Minimum Annual Amount Allocated by the City of Jacksonville to the Jacksonville City Schools</u>	<u>Portion of Annual Amount Allocated to School Improvements in City's Series 2013 Warrant Issue</u>	<u>Minimum Remaining Balance of Annual Amount Payable to Jacksonville City Schools Under This Funding Agreement</u>
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2038	400,000	231,000	169,000
2039	400,000	228,400	171,600
2040	400,000	230,600	169,400
2041	400,000	232,400	167,600
2042	400,000	228,800	171,200
2043	400,000	0	400,000

EXHIBIT B

City's Minimum Monthly Payment Schedule to School Board

<u>Monthly Installment Period</u>	<u>Minimum Amount Due Monthly</u>
January 25, 2014 - August 25, 2014	\$21,235
September 25, 2014 - August 25, 2015	14,298
September 25, 2015 - August 25, 2016	14,023
September 25, 2016 - August 25, 2017	14,173
September 25, 2017 - August 25, 2018	13,907
September 25, 2018 - August 25, 2019	14,065
September 25, 2019 - August 25, 2020	14,302
September 25, 2020 - August 25, 2021	14,123
September 25, 2021 - August 25, 2022	14,040
September 25, 2022 - August 25, 2023	14,248
September 25, 2023 - August 25, 2024	14,050
September 25, 2024 - August 25, 2025	14,325
September 25, 2025 - August 25, 2026	14,183
September 25, 2026 - August 25, 2027	14,064
September 25, 2027 - August 25, 2028	13,962
September 25, 2028 - August 25, 2029	14,300
September 25, 2029 - August 25, 2030	13,988
September 25, 2030 - August 25, 2031	14,134
September 25, 2031 - August 25, 2032	14,300
September 25, 2032 - August 25, 2033	14,071
September 25, 2033 - August 25, 2034	14,300
September 25, 2034 - August 25, 2035	14,000
September 25, 2035 - August 25, 2036	14,150
September 25, 2036 - August 25, 2037	14,317
September 25, 2037 - August 25, 2038	14,084
September 25, 2038 - August 25, 2039	14,300
September 25, 2039 - August 25, 2040	14,117
September 25, 2040 - August 25, 2041	13,967
September 25, 2041 - August 25, 2042	14,267
September 25, 2042 - August 25, 2043	33,334

EXHIBIT C

City's Minimum Monthly Payment Schedule to School Board

<u>Monthly Installment Period</u>	<u>Minimum Amount Due Monthly</u>
January 25, 2014 - August 25, 2014	\$21,235
September 25, 2014 - August 25, 2015	14,298
September 25, 2015 - August 25, 2016	14,023
September 25, 2016 - August 25, 2017	14,173
September 25, 2017 - August 25, 2018	13,907
September 25, 2018 - August 25, 2019	14,065
September 25, 2019 - August 25, 2020	14,302
September 25, 2020 - August 25, 2021	14,123
September 25, 2021 - August 25, 2022	14,040
September 25, 2022 - August 25, 2023	14,248
September 25, 2023 - August 25, 2024	14,050
September 25, 2024 - August 25, 2025	14,325
September 25, 2025 - August 25, 2026	14,183
September 25, 2026 - August 25, 2027	14,064
September 25, 2027 - August 25, 2028	13,962
September 25, 2028 - August 25, 2029	14,300
September 25, 2029 - August 25, 2030	13,988
September 25, 2030 - August 25, 2031	14,134
September 25, 2031 - August 25, 2032	14,300
September 25, 2032 - August 25, 2033	14,071
September 25, 2033 - August 25, 2034	14,300
September 25, 2034 - August 25, 2035	14,000
September 25, 2035 - August 25, 2036	14,150
September 25, 2036 - August 25, 2037	14,317
September 25, 2037 - August 25, 2038	14,084
September 25, 2038 - August 25, 2039	14,300
September 25, 2039 - August 25, 2040	14,117
September 25, 2040 - August 25, 2041	13,967
September 25, 2041 - August 25, 2042	14,267
September 25, 2042 - August 25, 2043	33,334

