
REFUNDING TRUST AGREEMENT

Dated December 19, 2017

By and Between

BALDWIN COUNTY

And

REGIONS BANK

**This Instrument Prepared By James Birchall, Esq. of Bradley Arant Boult Cummings
LLP, 1819 Fifth Avenue North, Birmingham, Alabama 35203**

REFUNDING TRUST AGREEMENT

This **REFUNDING TRUST AGREEMENT** (the "Agreement") is made and entered into by and between **BALDWIN COUNTY**, an Alabama political subdivision (the "County") and **REGIONS BANK**, an Alabama banking corporation (the "Escrow Agent"), as of this the 19th day of December, 2017.

Recitals

The County issued its General Obligation Warrant, Series 2008-C, dated September 30, 2008 (the "Series 2008-C Warrant") to SunTrust Equipment Finance and Leasing Corp. in order to finance a public coliseum (the "Series 2008-C Improvements") for public events and also to serve as an emergency County public hurricane shelter.

The County advance-refunded the Series 2008-C Warrant with a portion of the proceeds of its General Obligation Warrants, Series 2015, dated March 1, 2015 (the "Series 2015 Warrants").

Through the settlement of certain litigation related to the Series 2008-C Improvements, the County has received in hand the cash sum of \$1,000,000 (the "Initial Escrow Deposit"). The County may also receive additional funds (the "Additional Escrow Deposit") related to the Series 2008-C Improvements if the County sells the Series 2008-C Improvements to the City of Robertsdale (the "City"). The County expects to determine whether such sale to the City may take place within the next six months.

The County has determined that it is in the best public and financial interest of the County and its residents to immediately transfer the Initial Escrow Deposit to Regions Bank, the Depository for the Series 2015 Warrants, who will deposit such sum in an escrow fund (the "Escrow Fund") pursuant to this Refunding Trust Agreement.

The County has further determined that it is in the best public and financial interest of the County and its residents to transfer the Additional Escrow Deposit, if and when received by the County, to Regions Bank, the Depository for the Series 2015 Warrants, who will deposit such sum in an escrow fund (the "Escrow Fund") pursuant to this Refunding Trust Agreement.

The Initial Escrow Deposit and the Additional Escrow Deposit, if made, collectively constitute the "Escrow Deposit."

The Escrow Fund will be invested at yields not higher than the federal arbitrage yield on the Series 2015 Warrants. The Escrow Fund may be invested in the same manner as funds in the Series 2015 Warrant Fund pursuant to the Resolution and Order No. 2015-071 of the County which authorized the issuance of the Series 2015 Warrants.

The Escrow Deposit will be applied to the advance refunding and redemption of a portion of the Series 2015 Warrants on November 1, 2024, as more particularly described herein.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and other good valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 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 herein:

"Agreement" means this Refunding Trust Agreement.

"County" means the Baldwin County, an Alabama political subdivision, and any successor to its functions.

"Commission" means the Baldwin County Commission, the governing body of the County.

"Escrow Agent" means Regions Bank, the escrow agent under this Agreement for the Series 2015 Warrants.

"Escrow Deposit" means the Initial Escrow Deposit, and, if made, the Additional Escrow Deposit.

"Authorizing Resolution" means the resolutions and orders duly adopted by the Commission on November 21, 2017 and December 19, 2017 authorizing this Agreement.

"Escrow Fund" means the fund created in Section 3.1 hereof.

"Series 2015 Warrants" means the County's outstanding General Obligation Warrants, Series 2015, dated March 1, 2015, presently outstanding in the remaining principal amount of \$34,555,000.

"Series 2015 Authorizing Resolution" means Resolution and Order No. 2015-071 duly adopted by the Commission on March 17, 2015 authorizing the original issuance of the County's Series 2015 Warrants.

Section 1.2 Use of Phrases.

"Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter," and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion in which any word is used. The definitions set forth in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural.

ARTICLE II

REPRESENTATIONS AND COVENANTS BY THE COUNTY

Section 2.1 Representations by the County.

The County makes the following representations as the basis for the undertakings on its part herein contained:

(a) The County has heretofore issued the Series 2015 Warrants in the original principal amount of \$35,180,000, which are now outstanding in the aggregate principal amount of \$34,555,000.

(b) The Series 2015 Warrants have stated maturities on May 1, and interest is payable semi-annually on May 1 and November 1 in each year.

(c) All principal and interest that has matured or come due with respect to the Series 2015 Warrants has been and shall continue to be paid in full.

(d) The County is not now and has never been in default under the Series 2015 Authorizing Resolution, and no such default is imminent.

(e) The money in the Escrow Fund will be applied pursuant to Section 3.2 hereof.

(f) The County has the power to enter into this Agreement pursuant to the provisions of the laws of the State of Alabama. The execution and delivery of this Agreement on the part of the County have been duly authorized by all necessary action.

Section 2.2 Representations by the Escrow Agent.

The Escrow Agent, as the basis for the undertakings on its part herein contained, represents that it has the power to enter into this Agreement and has been duly authorized to do so by all necessary corporate action. The Escrow Agent is familiar with the terms and conditions of the Series 2015 Authorizing Resolution.

Section 2.3 Covenant of County in Case of Deficiency in Escrow Fund.

The County covenants and agrees that if at any time the moneys or investments on deposit in the Escrow Fund are insufficient to pay the principal of and interest on the Refunded Series 2015 Warrants, the County shall forthwith deposit into the Escrow Fund the amount of any such deficiency.

ARTICLE III

CREATION OF ESCROW FUND AND APPLICATION

OF MONEY ON DEPOSIT THEREIN

Section 3.1 Escrow Fund.

(a) There is hereby created an irrevocable trust fund called the "Escrow Fund" which shall be held by the Escrow Agent until all payments required by Sections 3.2 hereof have been made.

(b) The County shall immediately deposit the approximate sum of \$1,000,000 (the "Initial Escrow Deposit") into the Escrow Fund.

(c) The County is presently negotiating the potential sale of the Series 2008-C Improvements to the City of Robertsdale (the "City"). In the event that the County determines to sell the Series 2008-C Improvements to the City, the County will additionally deposit the sale proceeds received from the City in

connection therewith (the “Additional Escrow Deposit”) into the Escrow Fund, to be combined with the Initial Escrow Deposit into one “Escrow Deposit.”

Section 3.2 Application of Escrow Fund.

(a) In the event that the County does not sell the Series 2008-C Improvements to the City, and the Initial Escrow Deposit is the only deposit made into the Escrow Fund, then the Escrow Agent is hereby directed, and by its execution and delivery of this Agreement does hereby agree to apply such money in the Escrow Fund, together with investment earnings thereon, to refund and redeem on November 1, 2024, the principal of the Series 2015 Warrants in inverse order of maturity for which funds in the Escrow Fund are sufficient on such date, with no technical defeasance of any Series 2015 Warrants occurring until such date.

(b) In the event that both the Initial Escrow Deposit and the Additional Escrow Deposit are deposited into the Escrow Fund, then, at the written direction of the County, the Escrow Agent agrees either (i) to apply such money in the Escrow Fund to refund and redeem on November 1, 2024, the principal of the Series 2015 Warrants in inverse order of maturity for which funds in the Escrow Fund are sufficient on such date, with no technical defeasance of any Series 2015 Warrants occurring until such date, or (ii) to apply such money in the Escrow Fund to refund and redeem on November 1, 2024, that portion of the Series 2015 Warrants (including the interest thereon and premium, if any) as set forth in the Verification Report to be attached hereto, with a defeasance of such portion of the Series 2015 Warrants identified in the Verification Report to occur upon delivery by the County of the Additional Escrow Deposit to the Escrow Agent.

(c) If the County elects to proceed under Section 3.2(b)(ii) above, the County will be required to provide a Verification Report to the Escrow Agent upon delivery of the Additional Escrow Deposit verifying the sufficiency of the Escrow Fund to pay the principal of and interest on such Series 2015 Warrants to be defeased on such date and redeemed on November 1, 2024.

(d) The County may provide written notice of its determination or not to sell the Series 2008-C Improvements when a conclusive determination has been made by the County.

(e) In the event that the County sells the Series 2008-C Improvements and makes the Additional Escrow Deposit, the County may provide written notice of its intent to proceed under Section 3.2(b)(i) or Section 3.2(b)(ii) to the Escrow Agent at any time prior to November 1, 2024.

Section 3.3 Investment of Escrow Fund.

(a) The Escrow Deposit and the proceeds of the Escrow Fund will be invested by the Escrow Agent at the written direction of the County in such investments that are permitted of the proceeds of the Series 2015 Warrants as set forth in the Series 2015 Authorizing Resolution or such other investments as directed by the County in writing to the Escrow Agent.

(b) In any event, the yield on the Escrow Fund may not exceed the federal arbitrage yield on the Series 2015 Warrants.

(c) On the Redemption Date (defined below), the Escrow Agent shall apply all proceeds of the Escrow Fund, including investment earnings thereon, as provided in Section 3.2 above.

Section 3.4 Redemption of Refunded Series 2015 Warrants.

(a) The principal of the Series 2015 Warrants, in inverse order of maturity, for which funds in the Escrow Fund are sufficient shall be redeemed in full by the County on November 1, 2024 (the "Redemption Date") at a redemption price for each Refunded Series 2015 Warrant equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium or penalty.

(b) The County does hereby call such Series 2015 Warrants for redemption on the Redemption Date and such warrants will become due and payable on said date at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon until the date fixed for redemption, without premium or penalty. All interest on such Series 2015 Warrants so called for redemption will cease to accrue on the Redemption Date.

(c) The County is not in default under the Series 2015 Warrants were issued and no such default is imminent.

(d) The Series 2015 Warrants were issued for the purpose described hereinabove.

(e) The County does hereby confer upon Regions Bank, the custodian escrow agent for the Series 2015 Warrants, irrevocable power to give, for and in the name of the County, notice of redemption of the Series 2015 Warrants, not later than October 1, 2024, in substantially the following form:

NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN that a portion of the General Obligation Warrants, Series 2015, dated March 1, 2015, of Baldwin County, Alabama, have been called for redemption on November 1, 2024 and will become due and payable on such date at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium or penalty. All such warrants should be surrendered at the designated office of Regions Bank in Birmingham, Alabama, and no such warrants will be paid until so surrendered. All interest on such warrants so called for redemption will cease to accrue on November 1, 2024 whether or not the warrants are presented for payment.

BALDWIN COUNTY, ALABAMA

By REGIONS BANK
Its duly authorized agent

(f) The County hereby agrees it will not alter, amend, repeal or revoke this Agreement calling such Series 2015 Warrants for redemption as provided herein except for manifest error and this Agreement shall constitute an irrevocable trust agreement with Regions Bank for the retirement of those Series 2015 Warrants.

ARTICLE IV
CONCERNING THE ESCROW AGENT

Section 4.1 Fees and Expenses of Escrow Agent.

The Escrow Agent shall look solely to the County for the payment of its fees, compensation and expenses as such custodian, registrar and depository. Such fees, expenses, charges and disbursements shall in no event be payable from or constitute a lien or charge upon the Escrow Fund or any part thereof.

Section 4.2 Acceptance of Trusts.

The Escrow Agent accepts the trusts hereby created and agrees to perform the duties herein required of it, subject, however, to the following conditions:

(a) It is expressly understood and agreed that the Escrow Agent's duties and obligations in connection with this Agreement are confined to those expressly defined herein and no additional covenants or obligations shall be read into this Agreement against the Escrow Agent.

(b) It shall not be liable hereunder except for its noncompliance with the provisions hereof, its willful misconduct or its gross negligence, or the breach of any warranty or the untruthfulness of any acknowledgment or representation made herein by it, and, in particular and without limiting the generality of the foregoing, it shall not be liable for any losses resulting from any investment of moneys, or the conversion into cash of any investment, forming a part of the Escrow Fund if it shall have made such investment or conversion in accordance with the provisions hereof. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(c) It 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 written advice of counsel, provided that its action or inaction is not contrary to any express provision hereof.

(d) It need not recognize an owner of any of the Refunded Series 2015 Warrants as such without the satisfactory establishment of his or her title thereto.

(e) It may conclusively rely upon and shall not be answerable for any action taken in good faith on any notice, request, consent, certificate or other paper or document which it believes to be genuine and signed or acknowledged by the proper party.

(f) It shall be entitled to compensation for its ordinary services hereunder and shall be entitled to reasonable extra compensation for unusual or extraordinary services or expenses incurred by it to the extent permitted by law.

(g) It may be the owner of the Series 2015 Warrants as if not Escrow Agent hereunder.

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

(i) All moneys received by the Escrow Agent to be held by it hereunder shall be held as trust funds until disbursed in the manner herein provided therefor. The Escrow Agent shall not be liable to pay or allow interest thereon or otherwise to invest any such moneys except as specifically required herein.

(j) It shall, upon reasonable written request, advise the County and the owners of the Series 2015 Warrants of the amounts at the time contained in the Escrow Fund and in what such amounts are invested.

(k) It shall have the right to act through agents and attorneys.

(l) It has no obligation to use or risk its own funds.

(m) The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 4.3 Resignation and Removal of Escrow Agent; Appointment of Successor.

The Escrow Agent, whether the original or a successor, may resign by giving written notice of its intention so to do to the County. In the event of the resignation of the Escrow Agent, or in the event said Escrow Agent shall fail or refuse, or become unable to perform its duties as Escrow Agent hereunder, the County hereby obligates itself to appoint as successor a bank in the State of Alabama which shall be a member of the Federal Deposit Insurance Corporation, qualified to serve as a depository in the State of Alabama, and having a paid in capital, surplus and undivided profits of not less than \$50,000,000. If no successor Escrow Agent shall have been so appointed and accepted appointment within sixty (60) days of the resignation of the Escrow Agent in the manner herein provided, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent until a successor shall have been appointed as above provided. All provisions of this Agreement applicable to the Escrow Agent shall apply to any successor so appointed.

Section 4.4 Merger of Escrow Agent.

Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from such conversion, sale, merger, consolidation or transfer to which it is a party shall be and become, ipso facto, successor Escrow Agent hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE V

MISCELLANEOUS

Section 5.1 Third Party Beneficiaries.

The owners of the Series 2015 Warrants so called for redemption of November 1, 2024 shall be entitled to enforce the provisions of this Agreement, provided that nothing contained herein shall be construed to grant or confer a pledge of or lien on the Escrow Fund for the benefit of the owners of any Series 2015 Warrants not called for redemption on November 1, 2024 pursuant to the terms of this Agreement.

Section 5.2 Use of Surplus Moneys.

Following the redemption of such Series 2015 Warrants on the Redemption Date, the Escrow Agent shall transfer any sum remaining in the Escrow Fund to the Series 2015 Warrant Fund to be applied to the next payment on the Series 2015 Warrants.

Section 5.3 Benefit and Binding Effect of This Agreement.

This Agreement shall inure to the benefit of, and shall be binding upon, the County and the Escrow Agent and their respective successors and assigns. Except as otherwise provided in Section 5.2 hereof with respect to the owners of the Series 2015 Warrants so called for redemption on November 1, 2024, the covenants and agreements herein contained are for the sole and exclusive benefit of the parties hereto and their respective successors and assigns.

Section 5.4 Severability.

In the event any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 5.5 Governing Law.

The terms of this Agreement shall be governed by the laws of the State of Alabama, without regard to conflict of law principles.

IN WITNESS WHEREOF, the County and the Escrow Agent have caused this Agreement to be executed in their respective names, have caused their respective seals to be hereunto affixed, and have caused this Agreement to be attested, all by their duly authorized officers, all as of the day and year first hereinabove written.

BALDWIN COUNTY, ALABAMA

By [Signature]
Chairman



Attest: [Signature]
County Administrator

REGIONS BANK

By [Signature]
Its duly authorized representative

BANK SEAL

Attest: [Signature]
Its duly authorized representative