

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE
BY THE CITY OF PRICHARD, ALABAMA, OF ITS
NEGOTIABLE GENERAL OBLIGATION PUBLIC
IMPROVEMENT NOTES AGGREGATING \$100,000
IN PRINCIPAL

BE IT ORDAINED by the City Council of the City of Prichard,
Alabama, as follows:

Section 1. Findings. The City Council (herein called "the Council") of the City of Prichard (herein called "the city") in the State of Alabama have ascertained and determined and hereby declare as follows: The Council heretofore adopted Ordinances Nos. 1106 and 1110 of the city which provided for construction of certain street improvements in the city and for assessment of the costs of said street improvements against the properties abutting and specially benefited thereby; the said ordinances were published as required by law and thereafter (at meetings duly convened for the respective purposes of hearing considering objections and remonstrances with respect to the improvements provided for therein) each of the said improvement ordinances was confirmed by proceedings duly taken by the council (the said Ordinances Nos. 1106 and 1110 being herein together called "the improvement ordinances"; and the street improvements provided for in the improvement ordinances being herein called "the improvements"); the improvements are now under construction, but have not yet been completed; the total cost of the improvements is now estimated to be in excess of \$100,000; the city has heretofore issued no securities for the purpose of paying any part of the costs of the improvements; the city does not now have and will not have available prior to completion of the improvements moneys sufficient to pay the costs thereof; and the council is of the opinion that the issuance of the notes herein-after authorized for the purpose of providing funds for payment of the costs of the improvements would be advantageous to the city and to its citizens and taxpayers.

Section 2. Authorization of the Notes. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Sections 465, and 570 of Title 37 of the Code of Alabama of 1940, and for the purpose of paying the costs of constructing the improvements, there is hereby authorized to be borrowed from the Merchants National Bank of Mobile the sum of \$100,000, and in evidence of the money so borrowed there are hereby authorized to be issued the Negotiable General Obligation Public Improvement Notes, Series 1968 (herein called "the notes") of the city in the aggregate principal amount of \$100,000, which shall be numbered from 1 up in the order of issuance. Each of the notes shall be equal in principal amount to the amount borrowed at the time such note is issued, shall be dated on the date of its issuance, shall mature on February 15, 1969, shall bear interest from its date until maturity at the rate of 4-1/2% per annum, and shall be payable at The Merchants National Bank of Mobile in the City of Mobile, Alabama. The city reserves and shall have the privilege of paying each of the notes prior to its maturity by paying to the holder thereof the principal thereof plus the interest thereon accrued to the date of such payment.

Section 3. Execution of the Notes. Each of the notes shall be executed and the corporate seal of the city shall be affixed to each thereof by the mayor, and the city clerk shall attest the same by affixing her signature thereto. Each of the notes shall be registered by the city treasurer in the records of the city as a claim against the city and against the assessments hereinafter pledged therefor. Said officers are hereby directed so to execute, attest and register the notes.

Section 4. General Obligation and Special Pledge. The indebtedness evidenced and ordered paid by the notes is and shall be a general obligation of the city for the payment of the principal of and interest on which the full faith and credit of the city are hereby irrevocably pledged. In addition thereto, there are hereby further irrevocably pledged for payment of the principal of and interest on the notes, pro rata, and without preference or priority of one over another by reason

of prior issuance or otherwise, so much as may be necessary for such purpose of the proceeds of the assessments to be made against the properties benefited by the improvements, which assessments together with the liens of the city securing the said assessments are hereby transferred and assigned for the benefit of the notes, with power in the holder of each of the notes to enforce the said assessments, either at law or in equity.

Section 5. Agreements to Complete Improvements and Make Assessments. The city agrees that it will complete the construction of the improvements in accordance with the provisions of the improvement ordinances and thereafter it will take all steps necessary to cause valid assessments to be made against the properties benefited by the improvements in the manner and to the extent provided in the improvement ordinances and under the laws of Alabama. The city agrees that it will undertake to collect all such assessments promptly as the same become due and payable, and to deposit all collections from said assessments from time to time as collected in a special fund separate and apart from all other funds of the city. Said special fund shall constitute a trust fund, and to the extent necessary for such purpose, shall be used solely for payment of the notes.

Section 6. Form of the Notes. Each of the notes shall be in substantially the following form, with appropriate insertions as to the numbers, denominations, and dates thereof:

(FORM OF NOTE)

No. _____

\$ _____

CITY OF PRICHARD, ALABAMA

NEGOTIABLE GENERAL OBLIGATION PUBLIC IMPROVEMENT NOTE

SERIES 1968

On the 15th day of February, 1969, for value received, the City of Prichard, a municipal corporation in the State of Alabama (herein called "the city"), promises to pay to the order of The Merchants National Bank of Mobile the sum of

with interest thereon from the date hereof at the rate of 4- $\frac{1}{2}$ % per annum, payable at the maturity hereof. Both the principal hereof and interest hereon are payable in lawful money of the United States of America at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama. The city reserves the privilege of paying this note at any time prior to its maturity by paying the principal hereof plus the interest hereon accrued to the date of such payment.

This note evidences a valid general obligation of the city. For payment of the principal of and interest on this note the city hereby pledges its full faith and credit.

This note has been issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Sections 465 and 570 of Title 37 of the Code of Alabama of 1940 and an ordinance duly and legally adopted by the governing body of the city for the purpose of raising funds to pay the costs of the street improvements in the city provided for in the city's Ordinances Nos. 1106 and 1110. The assessments provided for in the said improvement ordinance have been pledged and the liens securing the said assessments have been transferred and assigned for the payment, pro rata and without preference of one over another, of a series of Negotiable General Obligation Public Improvement Notes, of which this note is one, authorized to be issued in the aggregate principal amount of \$100,000.

IN WITNESS WHEREOF, the city has caused this note to be executed and its official seal to be hereunto affixed by its mayor and has caused the same to be attested by its city clerk, both of whom have hereunto subscribed their signatures, and has caused this note to be dated

CITY OF PRICHARD

By
Its Mayor

Attest:

City Clerk

Section 7. Delivery of the Notes. The mayor is hereby authorized at any time and from time to time to deliver each of the notes to the said The Merchants National Bank of Mobile upon payment to the city of an amount in cash equal to the principal amount of each note so delivered. The proceeds of each of the notes shall be used only for the purpose for which they are herein authorized to be issued.

Adopted this 19th day of August, 1968/

President of the City Council

Approved this _____ day of August, 1968.

V. O. Cooper
Mayor

Authenticated:

City Clerk