

ORDINANCE NO. 1214

AN ORDINANCE AUTHORIZING THE BORROWING
BY THE CITY OF PRICHARD, ALABAMA, OF
\$250,000 AND THE ISSUANCE IN EVIDENCE
THEREOF OF THE CITY'S GENERAL OBLIGA-
TION WARRANT IN THE PRINCIPAL AMOUNT
OF \$250,000

BE IT ORDAINED by the City Council (herein
called "the Council") of the City of Prichard, Alabama
(herein called "the City"), as follows:

Section 1. Findings. The Council has deter-
mined and hereby finds and declares as follows: In or-
der to provide adequate fire protection for the City and
its inhabitants, it is necessary that an additional fire
station be constructed in the City and that additional
fire fighting equipment, consisting of a fire truck and
the appurtenances thereto, be purchased by the City for
use by its fire department; it will also be advantageous
to the City and its inhabitants and in the public inter-
est that the City acquire, provide and construct a build-
ing to be used by the City and its inhabitants as a pub-
lic library and for public recreational purposes; the
cost to the City of acquiring, providing and constructing
the said fire station and the said library and recrea-
tional building (herein together called "the Buildings"),
as the said cost is presently estimated by the Council,
and the purchase price of the said fire fighting equip-
ment, will together be in excess of \$250,000; the City
does not have available from its current funds moneys
sufficient to pay the cost of acquiring the said fire
fighting equipment and acquiring, providing and construct-
ing the Buildings; and it is necessary, desirable, and ad-
vantagous to the City that it borrow temporarily the sum
of \$250,000 on its general faith and credit for the pur-
pose of paying the said costs and that the City issue the
warrant hereinafter authorized in evidence of such borrow-
ing.

Section 2. Authorization of Warrant. Pursuant
to the applicable provisions of the constitution and laws
of the State of Alabama, including particularly Section
466 of Title 37 of the Code of Alabama of 1940, and for
the purpose of raising funds with which to pay costs of
acquiring the said fire fighting equipment and of acquir-
ing, providing and constructing the Buildings, the City
is hereby authorized to borrow from The Merchants National
Bank of Mobile (herein called "the Bank") the principal
sum of \$250,000 and in evidence of the money so borrowed,
the City is hereby authorized to issue and deliver to the
Bank at the time of the borrowing one General Obligation
Warrant (herein called "the warrant") of the City in the
principal amount of \$250,000. The warrant shall be drawn
on the city treasurer, shall be dated May 1, 1970, shall
be payable August 1, 1970, shall bear interest from the
date of its delivery until its maturity at the rate of 6%
per annum payable at maturity, shall be made payable to
the Bank or its assigns, and shall be payable at the prin-
cipal office of the Bank in the City of Mobile, Alabama.

Section 3. Prepayment Privilege. The City reserves and shall have the privilege of prepaying the warrant at any time prior to its maturity, without penalty or premium and without any prior notice, by paying to the holder of the warrant the principal of the warrant and the interest accrued thereon to the date of such payment.

Section 4. Execution and Registration. The warrant shall be executed and the corporate seal of the City shall be affixed thereto by the mayor of the City, and the city clerk shall attest the warrant by subscribing his signature thereon. The warrant shall be registered in the records maintained by the city treasurer as a claim against the City and the taxes and revenues hereinafter specially pledged therefor. The said officers are hereby authorized and directed so to execute and attest the warrant and affix the said seal thereto and make such registration.

Section 5. General Obligations; Special Pledge. The indebtedness evidenced and ordered paid by the warrant is and shall be a general obligation of the City for payment of the principal of and interest on which the full faith and credit of the City are hereby irrevocably pledged. In addition thereto, and as a part of the contract whereunder the money evidenced and ordered paid by the warrant is borrowed and the said loan is made, the City does hereby agree with the holder of the warrant that the City will levy, collect and apply to payment of the principal of and the interest on such warrant, so long as any part thereof remains unpaid, and the City does hereby specially and irrevocably pledge for such payment so much as may be necessary for such payment of the proceeds from that certain special privilege or license tax of the City levied by Ordinance No. 880 of the City adopted October 3, 1960, as amended by Ordinances Nos. 977, 1007, 1182, and 1197 of the City adopted respectively on February 2, 1965, March 1, 1965, February 24, 1969, and April 9, 1969, on persons, corporations and others engaging in the business of selling at retail tangible personal property and on the business of conducting or operating places of amusement, to the extent that the said tax is levied with respect to business conducted within the corporate limits of the City (the proceeds from the said tax, to the extent levied with respect to business conducted within the corporate limits of the City, being herein called "the Gross Receipts Tax Proceeds"). The pledge herein made of the Gross Receipts Tax Proceeds is subject to all lawful prior charges on the Gross Receipts Tax Proceeds. The City represents that it has no presently outstanding agreements or pledges with respect to the Gross Receipts Tax Proceeds except (a) pledges and agreements with respect to certain warrants of the City for retirement of which full provision has been made by irrevocable trust agreements executed and delivered on May 31, 1965; (b) pledges and agreements set forth in the City's Ordinance No. 1024 adopted May 10, 1965, whereunder the City's \$823,000 principal amount of General Obligation Secured Refunding Warrants, Series 1965, its

\$164,000 principal amount of General Obligation Secured Warrants, Series 1965, and its \$1,467,000 principal amount of General Obligation Secured Refunding Warrants, Series 1965A, all dated May 1, 1965 (herein called "the 1965 Securities"), were authorized to be issued; and (c) the pledge and agreements set forth in the City's Ordinance No. 1205 whereunder the City's \$1,000,000 principal amount of General Obligation Secured Warrants, Series 1969, dated May 1, 1969 (herein called "the Series 1969 warrants"), were authorized to be issued.

The City represents and agrees that the pledge herein made of the Gross Receipts Tax Proceeds shall be and remain prior and superior to any pledges and agreements respecting the Gross Receipts Tax Proceeds that may hereafter be made by the City, and that any pledges and agreements that may hereafter be made by the City with respect to the Gross Receipts Tax Proceeds shall at all times be and remain subordinate and inferior to the pledge herein made. To that end, the City agrees that, so long as the warrant remains outstanding, the City will not issue any securities under the provisions of the said Ordinances Nos. 1024 and 1205 permitting the issuance of additional securities on a parity, as to a pledge of the Gross Receipts Tax Proceeds, with the 1965 securities and the Series 1969 warrants; provided, however, that the provisions of this sentence shall not prevent the issuance by the City of such additional parity securities for the purpose of refunding the warrant.

The City further agrees that it will continue the levy of the said special privilege or license tax, at the rates and on the subjects of taxation provided for in the said Ordinance No. 880, as heretofore amended as aforesaid, so long as any of the principal of or interest on the warrant remains unpaid.

Section 6. Form of Warrant. The warrant shall be in substantially the following form: