ORDINANCE NO. 904

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE OF $233,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION SECURED REFUNDING BONDS AND $340,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION SECURED REFUNDING WARRANTS, ALL FOR THE PURPOSE OF REFUNDING LIKE PRINCIPAL AMOUNTS OF OUTSTANDING SECURITIES OF THE CITY

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

Section 1. Definitions and Use of Phrases.

(a) Definitions. The following words and phrases, in the absence of clear implication herein otherwise, shall be given the following respective interpretations where used in this ordinance:

"Additional parity securities" means any securities which the city may at the time of issuance be authorized to issue and for the payment of the principal of and interest on which the gross receipts tax may be pledged under the reserved right so to do contained in and in accordance with the provisions of Section 12 hereof.

"City" means the municipal corporation of Prichard in the State of Alabama and includes its successors and assigns and any municipal corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Council" means the governing body of the city as from time to time constituted.

"Coupons" means those coupons issued pursuant hereto and evidencing the semiannual installments of interest on the applicable securities.

"Fiscal year" means a fiscal year of the city beginning on any October 1 and ending on the next ensuing September 30.

"Gross receipts tax" means the special privilege or license tax of the city referred to in Section 11 hereof insofar as the same is levied with respect to businesses conducted within the corporate limits of the city.

"Holder" when used in conjunction with any of the securities means the person who is in possession and the apparent owner of the designated item.

"Interest payment date" means any February 1 or August 1.

"Month" means a calendar month.

"Newspaper" means a journal or newspaper printed in the English language and customarily published not less than five days during each calendar week.

Wherever used herein any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

Section 2. Findings Respecting the Outstanding Bonds. The council has caused an investigation to be made of the obligations of the city now outstanding and, as a result of such investigation, has ascertained and found and does hereby declare that there are now outstanding and unpaid the following bonds of the city:

(a) Those Public Improvement Bonds, Series 1953, of the city dated October 1, 1953, numbered from 631 to 720, inclusive, and aggregating $90,000 in principal amount, which were issued under the provisions of Ordinance No. 591 of the city for the purpose of making certain sanitary sewer improvements in the city as provided for in said ordinance; and ;

(b) Those Public Improvement Bonds, Series 1960, of the city dated September 1, 1960, numbered from 1 to 143, inclusive, and aggregating $143,000 in principal amount, which were issued under the provisions of Ordinance No. 872 of the city for the purpose of constructing certain sanitary sewer improvements in the city as provided for in said ordinance.

Each of the outstanding bonds was signed in the name of and behalf of the city and the corporate seal of the city was affixed thereto and attested in the manner provided by the laws of Alabama and by the said ordinances under which they were respectively issued, and represents a valid general obligation indebtedness of the city against which there are no offsets or counterclaims. The improvements referred to in the said Ordinance No. 591 have heretofore been completed and assessments made against the properties specially benefited thereby for the purpose of paying in whole or in part the costs of such improvements, but all collections under the said assessments have heretofore been expended and there are no funds on hand derived from the said assessments which will be available for the payment of the outstanding bonds at their maturity. The improvements referred to in the said Ordinance No. 872 have not been completed and no assessments have been made with respect thereto and there are no funds on hand from any such assessments. The aggregate principal amount of the outstanding bonds referred to in this section is $233,000.

Section 3. Findings Respecting the Outstanding Warrants. The council has caused an investigation to be made of the obligations of the city now outstanding and, as a result of such investigation, has ascertained and found and does hereby declare that there are now outstanding and unpaid the following warrants of the city:

(a) The General Obligation Street Improvement Refunding Warrant of the city dated May 1, 1959, which was issued under the provisions of Section 3 of Ordinance No. 817 of the city adopted and approved on May 4, 1959, is now outstanding in the principal amount of $48,000, and was issued for the purpose of refunding a General Obligation Street Improvement Warrant of the city dated May 1, 1956 that had been issued to raise funds to pay costs of constructing certain street improvements of the city;

(b) The General Obligation Refunding Warrant of the city dated May 1, 1959, which was issued under the provisions of Section 4 of Ordinance No. 817 of the city adopted and approved on May 4, 1959, is now outstanding in the principal amount of $48,000, and was issued for the purpose of refunding a General Obligation Warrant of the city dated May 1, 1956 that had been issued to raise funds to pay costs of making certain street and sidewalk improvements;

(c) The General Obligation Capital Outlay Warrant of the city dated May 1, 1959, which was issued under the provisions of Section 5 of Ordinance No. 817 of the city, is now outstanding in the principal amount of $144,000, and was issued for the purpose of raising funds to pay costs of a fire truck, the construction of a new fire station, the purchase of new fire fighting equipment, the remodeling of the existing city jail, resurfacing of existing streets, and the construction of additional sidewalks all in and for the city; and

(d) The General Obligation Refunding Warrant of the city dated December 1, 1960, which was issued under the provisions of Ordinance No. 886, is now outstanding in the principal amount of $100,000, and was issued for the purpose of refunding a note of the city issued to pay obligations of the city necessary to carry on its essential governmental functions.

Each of the outstanding warrants was signed in the name of and behalf of the city and the corporate seal of the city was affixed thereto and attested in the manner provided by the laws of Alabama and by the said respective ordinance under which it was issued, and represents a valid general obligation indebtedness of the city against which there are no offsets or counterclaims. The aggregate principal amount of the outstanding warrants referred to in this section is $340,000.

Section 4. Findings Respecting the Desirability of Refunding the Outstanding Securities. As a result of the investigations referred to in Sections 2 and 3 of this Ordinance and the further investigation the council has caused to be made for the purpose of ascertaining the needs of the city for the next few years, the council has ascertained and found that the principal amount of bonds and warrants of the city maturing in the next few years is so great in the aggregate that in order to pay the future maturities thereof the city would have to curtail certain functions and improvements which the council deems necessary for the proper conduct of the affairs of the city and for the rendition of the essential public services of the city. The council is therefore of the opinion that it would be desirable to refund the outstanding securities by the issuance respectively of the refunding bonds and the refunding warrants hereinafter authorized.

Section 5. Authorization of Refunding Bonds. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Sections 287 and 264 of Title 37 of the Code of Alabama of 1940, as amended, and for the purpose of refunding the outstanding bonds of like principal amount, there are hereby authorized to be issued by the city, two hundred thirty three General Obligation Secured Refunding Bonds, Series 1961, of the city in the aggregate principal amount of $233,000, which shall be numbered consecutively from 1 to 233, inclusive, shall be in the denomination of $1,000 each, shall be dated August 1, 1961, and shall mature on August 1 as follows:

Refunding Bond Numbers (both inclusive)	Year of Maturity	Aggregate Principal Amount Maturing
1 to 10	1964	$ 10,000
11 to 20	1965	10,000
21 to 30	1966	10,000
31 to 40	1967	10,000
41 to 50	1968	10,000
51 to 60	1969	10,000
61 to 70	1970	10,000
71 to 80	1971	10,000
81 to 95	1972	15,000
96 to 110	1973	15,000
111 to 125	1974	15,000
126 to 140	1975	15,000
141 to 155	1976	15,000
156 to 170	1977	15,000
171 to 185	1978	15,000
186 to 200	1979	15,000
201 to 215	1980	15,000
216 to 233	1981	18,000

The refunding bonds shall bear interest from their date until their respective maturities at the following per annum rates:

4% maturities 1964 through 1971
4-1/8% maturities 1972 through 1975
4-1/4% maturities 1976 through 1981

Such interest shall be payable semiannually on February 1 and August 1 of each year until and at their respective maturities and shall be evidenced by separate interest coupons attached thereto. The refunding bonds and the coupons applicable thereto shall bear interest at the rate of 6% per annum after their respective maturities until paid, and shall be 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.

Section 6. Authorization of the Refunding Warrants. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 253 of Title 37 of the Code of Alabama of 1940, and for the purpose of refunding the outstanding warrants of like principal amount, there are hereby authorized to be issued by the city three hundred forty (340) General Obligation Secured Refunding Warrants, Series 1961, of the city in the aggregate principal amount of $340,000, numbered from 1 to 340, inclusive, in the principal amount of $1,000 each, all of which shall be dated August 1, 1961, and shall mature on August 1 as follows:

Refunding Warrant Numbers (both inclusive)	Year of Maturity	Aggregate Principal Amount Maturing
1 to 20	1971	$ 20,000
21 to 40	1972	20,000
41 to 65	1973	25,000
66 to 90	1974	25,000
91 to 125	1975	35,000
126 to 160	1976	35,000
161 to 195	1977	35,000
196 to 230	1978	35,000
231 to 265	1979	35,000
266 to 300	1980	35,000
301 to 340	1981	40,000

The refunding warrants shall bear interest from their date until their respective maturities at the following per annum rates:

4% maturities 1971
4-1/8% maturities 1972 through 1975
4-1/4% maturities 1976 through 1981

Such interest shall be payable semiannually on February 1 and August 1 of each year until and at their respective maturities and shall be evidenced by separate interest coupons attached thereto. The refunding warrants and the coupons applicable thereto shall bear interest at the rate of 6% per annum after their respective maturities until paid, and shall be 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.

Section 7. Optional Redemption Provisions. While the city is not in default in the payment of the principal of or the interest on any of the refunding securities, those of the refunding bonds and those of the refunding warrants having stated maturities in 1972 and thereafter shall separately be subject to redemption and payment by the city at its option on any interest payment date on or after August 1, 1971, after prior published notice given in the manner hereinafter provided, at a redemption price for each of the redeemable securities equal to its face value plus accrued interest thereon to the redemption date and a premium equal to twelve months' interest thereon. Any such redemption may be effected for refunding bonds without the necessity of redeeming any of the refunding warrants, and any such redemption may be effected for refunding warrants without the necessity of redeeming any of the refunding bonds. Any such redemption may be as a whole or in part of the applicable issue, and if in part it shall be accomplished in inverse numerical order of those of the applicable issue then subject to redemption and at the time outstanding. Any such redemption shall be effected in the following manner:

(a) The council shall by resolution call for redemption on a stated date when they are by their terms subject to redemption redeemable securities (either refunding bonds or refunding warrants) bearing stated numbers and shall further find and declare in such resolution that the city is not at the time in default in the payment of the principal of or interest on any of the refunding securities.

(b) The city shall cause to be published in a newspaper published in the city of Birmingham, Alabama, a notice stating the following: that redeemable securities bearing stated numbers (which shall be the numbers specified in the resolution required in Section 7(a) hereof) have been called for redemption and will become due and payable on a specified redemption date (which shall be the redemption date provided for such redemption in the resolution required in Section 7(a) hereof) and at the redemption price (which shall be specified in the said notice), and that all interest thereon will cease after the redemption date. Such notice shall be published at least one time, not less than thirty days prior to the redemption date in a newspaper published in Birmingham, Alabama

(c) On or prior to the redemption date the city will make available at the bank at which the refunding securities are payable the total redemption price of the redeemable securities so called for redemption, and shall further furnish to said bank a certified copy of the resolution required in Section 7(a) hereof and an appropriate affidavit showing compliance with the requirements of Section 7(b) hereof.

Upon compliance with the foregoing requirements, and if on the redemption date the city is not then in default in payment of the principal of or interest on any of the refunding securities, the redeemable securities so called for redemption shall become due and payable on the redemption date at the place at which the same shall be payable and at the redemption price specified in such notice, anything in the redeemable securities to the contrary notwithstanding, and interest shall thereafter cease to accrue on the redeemable securities so called. Neither the bank at which the redeemable securities shall be payable nor the city shall be required to pay any coupon maturing on the redemption date which is applicable to any redeemable security so called for redemption unless the redeemable security to which such coupon is applicable is also presented for payment; provided, that in the event such bank should pay any such coupon without payment of the applicable redeemable security it shall not be liable to the holder of such applicable redeemable security or to the city or to anyone whomsoever; and provided further, that such bank shall pay such coupon out of the moneys supplied to it for such purpose by the city if the holder thereof shall present evidence satisfactory to such bank that such holder is the owner of the coupon so presented and is not the owner of the redeemable security to which such coupon is applicable.

Section 8. Execution of the Refunding Bonds. The refunding bonds shall be executed in behalf of the city by the mayor whose signature shall be manually subscribed thereon, and by a facsimile of the signature of the city clerk imprinted thereon. A facsimile of the seal of the city shall be printed on each of the refunding bonds and the facsimile of the signature of the city clerk imprinted thereon shall constitute attestation of said seal. The coupons applicable to the refunding bonds shall be executed with facsimiles of the signatures of the said mayor and city clerk imprinted thereon. The said facsimiles of the signatures of said officers shall be valid in all respects as if the said officers had signed said instruments in person.

Section 9. Execution of the Refunding Warrants. The refunding warrants shall be executed in behalf of the city by the mayor whose signature shall be manually subscribed thereon. A facsimile of the official seal of the city shall be imprinted on the refunding warrants and the said seal and the said execution by the mayor shall be attested by a facsimile of the signature of the city clerk imprinted on the refunding warrants. The coupons applicable to the refunding warrants shall be executed with a facsimile of the signature of the mayor imprinted thereon, and shall be attested with a facsimile of the signature of the city clerk likewise imprinted thereon. The refunding warrants and the coupons applicable thereto shall be registered by the city treasurer, in the records maintained by her, as a claim against the city and the gross receipts tax hereinafter referred to, which registration shall be made simultaneously with respect to all the refunding warrants and the coupons applicable thereto. Said officers are hereby directed so to execute, attest and register the refunding warrants and the coupons applicable thereto.

Section 10. Pledge of the Faith and Credit of the City. The indebtedness evidenced and ordered paid by the refunding securities 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.

Section 11. Pledge of the Gross Receipts Tax. As additional security for payment of the principal of and interest on the refunding securities, and as a part of the contract whereunder the obligation evidenced by the refunding securities is created, there is hereby specially and irrevocably pledged, to the extent necessary to pay the principal of and interest on the refunding securities at the respective maturities of said principal and interest, that certain special privilege and license tax of the city (together with the proceeds thereof) which was levied by Ordinance No. 880 of the city with respect to certain business activities, to the extent to which the same was levied within the corporate limits of the city; provided however, that so long as no default shall exist in the payment of the principal of or interest on the refunding securities the proceeds from the gross receipts tax shall be used to pay the said principal of and interest on the refunding securities at the respective maturities of said principal and interest, and the balance of the said proceeds remaining in each fiscal year of the city while no such default exists may be used by the city for any lawful purpose. To whatever extent, if any, the proceeds of the gross receipts tax available for said purpose may not be sufficient to pay the principal of and interest on the refunding securities at the respective maturities of said principal and interest, the city agrees to use for said purpose so much of the general revenues of the city derived from other sources and available for said purpose as may be necessary to pay said principal and interest at their respective maturities. The city represents and warrants that upon delivery of the refunding securities as herein authorized there will be no outstanding agreement or pledge with respect to the gross receipts tax other than the agreements and pledge herein contained, that the said agreements and pledge herein made respecting the gross receipts tax will constitute the first pledge thereof and of its proceeds, and that the agreements and pledge respecting the gross receipts tax and of its proceeds herein made shall be and remain prior and superior to any and all pledges and agreements respecting the same that may hereafter be made by the city other than any parity pledge thereof which may be made for the benefit of additional parity securities which may be issued under the authority of Section 12 hereof.

Section 12. Reservation of Right to Issue Additional Parity Securities. The city reserves the right to issue at any time and from time to time additional securities of the city (whether in the form of bonds, warrants, certificates, or notes) which the city may at the time of such issuance be lawfully authorized to issue, and to pledge for payment of the principal thereof and interest thereon, pro rata and on a parity with the pledge of the gross receipts tax made in Section 11 of this ordinance and pro rata and on a parity with the like pledge that may be made for the benefit of each series of the parity lien securities, so much of the gross receipts tax and the proceeds therefrom as may be necessary to pay the principal of and interest on the additional parity securities at the respective maturities of said principal and interest; provided, that in order to make such parity pledge the following conditions must exist and be complied with:

(a) One-third of the aggregate proceeds received by the city from the gross receipts tax during the thirty-six (36) calendar months next preceding the month in which such additional parity securities are delivered to the purchaser thereof shall be not less than two times the maximum annual principal and interest requirements during the then current or any subsequent fiscal year of the city with respect to the refunding securities and any additional parity securities which shall be outstanding immediately following the issuance of the additional parity securities so proposed to be issued. The amount of such aggregate proceeds and the amount of such maximum annual principal and interest requirements and the year in which the same will be payable shall be conclusively established by a certificate signed by the city clerk and treasurer and by the mayor certifying thereto and stating that the figures set forth in such certificate were taken from the official records of the city containing the information set forth in said certificate. A copy of such certificate shall be filed in the office of the clerk of the city.

(b) Each issue of the additional parity securities shall be given a different series designation, shall be dated the August 1 next preceding the date of issuance (unless the date of issuance of any series is on an August 1, in which event that series shall be dated the date of issuance), shall be made to mature on August 1 in the respective years in which the additional parity securities of that series shall mature, and shall bear interest payable semiannually on February 1 and August 1. Any series may have provisions for redemption prior to maturity and such other provisions not in conflict with this ordinance as the council shall determine in the proceedings in which the additional parity securities of that series are authorized to be issued.

(c) Contemporaneously with the issuance of any additional parity securities the city will make the payments into the special fund required to be made with respect thereto in Sections 14(b) and 14(d) hereof.

Section 13. Maintenance of the Gross Receipts Tax. The city agrees that so long as any of the principal of or interest on the refunding securities remains unpaid, or until provision shall have been made for full payment of said principal and interest, the city will continue the levy of and will collect the gross receipts tax at the rates thereof not less than the rates presently in effect and without reduction in the aggregate annual amount of the proceeds thereof. In addition thereto, as such action should become necessary to pay the principal of and interest on the refunding securities and any additional parity securities that might hereafter be issued under the provision of Section 12 hereof at the respective maturities of the principal thereof and the interest thereon, the city agrees that it will levy and collect the gross receipts tax at such rate or rates as shall make available proceeds which, when added to the revenues of the city from other sources available for such purposes, will be sufficient to pay the reasonable expenses of carrying on the necessary governmental functions of the city and to pay the principal of and interest on the refunding securities and any additional parity securities at the respective maturities of said principal and interest.

Section 14. Special Gross Receipts Tax Fund. There is hereby created a special fund, the full name of which shall be "Gross Receipts Tax Fund", for the purpose of providing for the payment of the principal of and interest on the refunding securities, and any additional parity securities that may hereafter be issued, at the respective maturities of said principal and interest. The special fund shall be maintained until both the principal of and interest on the refunding securities and any additional parity securities shall have been paid in full. The city will pay into the special fund during each successive calendar month the following:

(a) There shall be paid into the special fund, simultaneously with the issuance of the refunding securities and out of the proceeds derived from the sale thereof, that portion of said proceeds which may be referable to the accrued interest and any premium received by the city on any such sale;

(b) Simultaneously with the issuance of the additional parity securities of any series, the city will pay into the special fund, out of the proceeds derived from the sale of the additional parity securities of such series, that portion of said proceeds which may be referable to accrued interest and any premium received by the city on any such sale;

(c) Prior to the last secular day of August 1961, and prior to the last secular day of each successive month thereafter until the principal of and interest on the refunding securities and any additional parity securities which may be issued shall have been paid in full, the city will pay into the special fund, out of the proceeds from the gross receipts tax, an amount equal to 1/6th of the semiannual installment of interest on the then next succeeding interest payment date with respect to the refunding securities and any additional parity securities at the time outstanding, plus 1/12th of the annual installment of principal maturing during the then next ensuing 12 months on the refunding securities and any additional parity securities then outstanding; provided, that there may be credited one time on the amount provided to be paid into the special fund under the provisions of this subsection (b) the amount which was paid therein under the provisions of Section 14(a) hereof; provided further, that there also may be further credited one time on the amount required to be paid into the special fund under the provisions of this subsection, as and when any series of additional parity securities are issued, the amount required to be paid into the special fund under the provisions of Section 14(b) hereof with respect to the additional parity securities of that series;

(d) Simultaneously with the issuance of any series of the additional parity securities the city will pay into the special fund such additional sum as, when added to (1) the sum that will be on deposit in the special fund immediately following such issuance, and (2) the subsequent payments that are required in this Section 14 to be paid into the special fund between the date of issuance of such series and the next succeeding interest payment date, will make available on the then next succeeding interest payment date an amount equal to the interest which will mature on that date on the refunding securities and on the additional parity securities at the time outstanding, and will also make available on the then next succeeding August 1 an amount equal to any principal which will mature on that August 1 on the refunding securities and the additional parity securities at the time outstanding; and

(e) In the event the moneys paid into the special fund for any calendar month shall be less than the amount required by the provisions of this section to be paid therein during such month, then prior to the last secular day of the next succeeding month and prior to the last day of each calendar month thereafter, until such time as the payments into the special fund are current, the city will pay into the special fund all receipts by the city from the gross receipts tax.

The city will not in any event permit a default to occur in the payments herein provided to be made into the special fund, and if the proceeds from the gross receipts tax should at any time be insufficient to make the payments provided herein to be made into the special fund, the city will use moneys from its general funds for that purpose to such extent as may be necessary to prevent a default in the payments into the special fund. All moneys paid into the special fund shall be used only for payment of the principal of and interest on the refunding securities and the additional parity securities which may be issued upon or after the respective maturities of such principal and interest; provided, that if at the final maturity of the refunding securities and any additional parity securities which may be issued pursuant to the provisions hereof, howsoever the same may mature, there shall be in the special fund moneys in excess of what would be required to retire the refunding securities and all additional parity securities which shall have been issued, then any such excess shall thereupon be returned to the city. When the amount of money on deposit in the special fund equals or exceeds the aggregate of the principal and interest to their respective maturities on the refunding securities and the additional parity securities at the time outstanding, no further payments need be made into the special fund except to make good the moneys paid therein which may become lost or which may not be immediately available for withdrawal under the provisions of this section; provided, that in the event any additional parity securities should thereafter be issued, payments into the special fund shall be resumed in accordance with the applicable provisions of this section.

Section 15. Depositories for Special Fund. The Merchants National Bank of Mobile, including an successor to it, is hereby designated as the depository for the special fund insofar as the special fund relates to moneys deposited therein for the payment of the principal of and interest on the refunding securities. The council reserves the right from time to time of designating one or more other bank or banks as additional depository or depositories for the special fund insofar as the same shall relate to the payment of the principal of and interest on any of the additional parity securities that may hereafter be issued.

Section 16. Priority of the Pledged Tax Revenues. The pledge herein made of the gross receipts tax is for the benefit of all of the refunding securities and the additional parity securities that may hereafter be issued, pro rata and without preference of one over another. While no default exists in the payment of the principal of or interest on the refunding securities and any additional parity securities that may hereafter be issued, any part of the gross receipts tax which may not be needed to pay at their respective maturities the principal of and interest on the refunding securities and the additional parity securities that may be issued, may be used by the city for any lawful purpose. The city represents and agrees that upon issuance of the refunding securities and any additional parity securities that may hereafter be issued the pledge herein made of the pledged tax revenues will be and remain prior and superior to any pledge which may hereafter be made for the benefit of or with respect to any securities which may hereafter be issued by the city or any contract which may hereafter be made by the city other than additional parity securities.

Section 17. Trust Nature of and Security for the Special Fund. The special fund shall be and at all times remain public funds impressed with a trust for the purpose for which the special fund is herein created. Each depository shall at all times keep the moneys so on deposit with it continuously secured for the benefit of the city and the holders of the refunding securities and the additional parity securities either (a) by holding on deposit, as collateral security, direct general obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in the special fund, or (b) if the furnishing of security in the manner provided in the foregoing subsection (a) of this section is not permitted by the then applicable law and regulations, then in such other manner as may be required or permitted by the applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of public funds; provided, however, that it shall not be necessary for any such depository so to secure any portion of the moneys on deposit in the special fund that may be insured by the Federal Deposit Insurance Corporation or by any agency of the United States of America that may succeed to its functions.

Section 18. Form of the Refunding Bonds. The refunding bonds and the coupons applicable thereto shall be in substantially the following forms with appropriate insertions and variations therein to conform to the provisions hereof:

(Form of Refunding Bond)

No.______ $1,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF PRICHARD

GENERAL OBLIGATION SECURED REFUNDING BOND

SERIES 1961

On the 1st day of August, 19___, for value received, the City of Prichard, a municipal corporation in the State of Alabama, promises to pay to the bearer hereof, upon surrender hereof on or after the maturity hereof, the sum of

O N E T H O U S A N D D O L L A R S

with interest thereon at the rate of ___% per annum, payable semiannually on February 1 and August 1 in each year until and at the maturity hereof upon surrender of the appropriate annexed coupons as the same respectively mature. This bond and the interest coupons applicable hereto shall bear interest at the rate of 6% per annum after the maturity hereof and shall be payable in lawful money of the United States of America at The Merchants National Bank of Mobile, in the City of Mobile in the State of Alabama.

This bond is one of an authorized issue of bonds aggregating $233,000 in principal amount consisting of bonds numbered from 1 to 233, inclusive, and has been issued pursuant to the provisions of Chapter 6 of Title 37 of the Code of Alabama of 1940, as amended, and an ordinance of the city for the purpose of refunding outstanding general obligation bonds of the city in like principal amount.

The indebtedness evidenced by this bond is 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 have been irrevocably pledged. In and by the ordinance under which the said bonds are authorized to be issued, the city has further pledged for the benefit of the said bonds, pro rata with an issue of General Obligation Secured Refunding Warrants of the city dated August 1, 1961, the special privilege and license tax of the city levied by Ordinance No. 880 of the city (together with the proceeds therefrom) to the extent that the said tax is levied with respect to businesses conducted within the corporate limits of the city. In said proceedings the city reserved the privilege of issuing additional securities and, upon the existence of certain events, of pledging for the benefit thereof the said special tax, to the extent aforesaid, on a parity with the aforesaid pledge for the benefit of the said bonds and warrants.

Those of the said bonds maturing in 1972 and thereafter may at the option of the city be redeemed and paid prior to their respective maturities, under the conditions provided in the proceedings under which they were issued, as a whole or in part and if in part then in inverse numerical order of those at the time outstanding, on any interest payment date on or after August 1, 1971, after prior notice of such redemption shall have been given by publication at least one time not less than 30 days before the date fixed for such redemption, by publication in a newspaper published in Birmingham, Alabama, at a redemption price for each bond redeemed equal to its face value plus accrued interest thereon to the date fixed for redemption and a premium equal to twelve months' interest thereon.

It is hereby certified and recited that all conditions, actions and things required by the constitution or laws of Alabama to exist, be performed or happen precedent to or in the issuance of this bond and the creation of the indebtedness evidenced hereby do exist, have been performed, and have happened, and that the indebtedness evidenced by this bond, together with all other indebtedness of the city, was when incurred and now is within every debt and other limit prescribed by the constitution and laws of Alabama.

IN WITNESS WHEREOF, the city has caused this bond to be executed in its behalf by its mayor who has hereunto manually subscribed his signature, and by a facsimile of the signature of the city clerk imprinted hereon, has caused a facsimile of the seal of the city to be imprinted hereon, has provided that said facsimile of the signature of the city clerk shall constitute attestation of such seal and execution, has caused the annexed interest coupons to be executed with facsimiles of the signatures of the said mayor and city clerk, and has caused this bond to be dated August 1, 1961.

CITY OF PRICHARD

By ______________________
Its Mayor

By ______________________
Its City Clerk

(Form of Coupon)

No. _____ $_________

On the 1st day of ___________, 19___, the City of Prichard in the State of Alabama will pay to the bearer hereof, at The Merchants National Bank of Mobile, in the City of Mobile in the State of Alabama, _____________ Dollars in lawful money of the United States of America, being six months' interest that will become due on said date on the General Obligation Secured Refunding Bond, Series 1961, of the said City of Prichard dated August 1, 1961, numbered _________.

CITY OF PRICHARD

By_________________________
Its Mayor

By_________________________
Its City Clerk

There shall be inserted in each of the refunding bonds having stated maturities in 1972 and thereafter, immediately following the maturity date thereof, the following:

"(unless this bond shall have been duly called for prior payment),"

There shall be inserted in each coupon due on February 1, 1971, or thereafter, immediately following the maturity date thereof, the following:

"(unless the bond to which this coupon is applicable shall have been duly called for prior payment),"

Section 19. Form of Refunding Warrants. The refunding warrants and the coupons applicable thereto and the provisions for the assignment thereof shall be in substantially the following forms, with appropriate insertions and variations therein to conform to the provisions hereof:

(Form of Refunding Warrant)

No.______ $1,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF PRICHARD

GENERAL OBLIGATION SECURED REFUNDING WARRANT

SERIES 1961

The City Treasurer of the City of Prichard (herein called "the city"), a municipal corporation in the State of Alabama, is hereby ordered and directed to pay to Shropshire, Frazer and Co., a partnership ______, or assigns, the principal sum of

O N E   T H O U S A N D   D O L L A R S

on the 1st day of August 19___, upon surrender hereof on or after said date, with interest thereon from the date hereof until the maturity hereof at the rate of ____% per annum, payable semiannually on February 1 and August 1 of each year upon surrender of the appropriate interest coupons hereto attached as the same respectively become due. This warrant and the interest coupons applicable hereto shall bear interest at the rate of 6% per annum after their respective maturities and shall be 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.

This warrant is one of an issue of warrants (herein called "the warrants") in the authorized principal amount of $340,000 consisting of warrants numbered from 1 to 340, inclusive, and has been issued pursuant to the applicable provisions to the constitution and laws of Alabama, including particularly Section 253 of Title 37 of the Code of Alabama of 1940, for the purpose of refunding a like principal amount of outstanding warrants of the city which have been previously issued for lawful purposes.

Those of the warrants having stated maturities in 1972 and thereafter are subject to redemption and payment prior to maturity, at the option of the city, on any interest payment date on or after August 1, 1971, as a whole or in part and if in part then in inverse numerical order of those at the time outstanding, after prior notice of redemption given by publication one time in a newspaper published in Birmingham, Alabama, at least thirty days before the date fixed for redemption, at a redemption price for each warrant redeemed equal to its face value plus accrued interest thereon to the date fixed for redemption and a premium equal to twelve months' interest thereon.

By the execution of this warrant the city acknowledges that it is indebted to the payee hereof in the principal amount hereof and that it will become indebted to the holders of the interest coupons attached hereto at the respective maturities thereof and in accordance with the terms thereof.

The indebtedness evidenced and ordered paid by this warrant is 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 have been irrevocably pledged. In addition thereto, in the proceedings under which the warrants were issued there was irrevocably pledged for payment of said principal and interest at their respective maturities so much as may be necessary for said purpose of the special privilege and license tax of the city levied by Ordinance No. 880 of the city, together with the proceeds therefrom, to the extent that the said tax is levied with respect to businesses conducted within the corporate limits of the city, which pledge shall be for the pro rata benefit of the warrants and of an issue of General Obligation Secured Refunding Bonds of the city dated August 1, 1961. In said proceedings the city reserved the privilege of issuing additional securities and, upon the existence of certain events, of pledging for the benefit thereof the said special tax, to the extent aforesaid, on a parity with the aforesaid pledge thereof for the said warrants and bonds.

It is hereby certified and recited that the indebtedness evidenced and ordered paid by this warrant is lawfully due without condition, abatement or offset of any description; that this warrant has been registered in the manner provided by law; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this warrant do exist, have been performed, and have happened; and that the indebtedness evidenced and ordered paid by this warrant, together with all other indebtedness of the city, was at the time the same was created and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

This warrant is nonnegotiable but is transferable by assignment. Each taker, owner, purchaser or holder hereof, by receiving or accepting this warrant or any interest coupon applicable hereto shall consent and agree and shall be estopped to deny: (1) that title to the coupons hereunto appertaining may be transferred by delivery without the necessity of a written assignment, and any person making such delivery shall be deemed to have transferred to the person to whom such delivery is made all of his equities or rights in the coupons so delivered; (2) that any person in possession of any such coupon, regardless of the manner in which he shall have acquired possession, is authorized to represent himself as the absolute owner thereof and has the power and authority to transfer absolute title thereto by delivery thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against his transferor or any person in the chain of title and before the maturity thereof; and (3) that whenever and so long as this warrant may be assigned in blank by written assignment by the orginal payee hereof or by any subsequent assignee hereof in the chain of title to whom written assignment is made, the city may treat any person in possession of this warrant, regardless of how such possession may have been acquired and regardless of the genuineness or effectiveness of any assignment, as the absolute owner hereof for all purposes, and payment to any such person shall discharge all obligations hereunder.

IN WITNESS WHEREOF, the city has caused this warrant to be executed by its mayor who has hereunto manually subscribed his signature, has caused a facsimile of its official seal to be hereon imprinted, has caused the said execution and seal to be attested by a facsimile of the signature of its city clerk imprinted hereunder, has caused the annexed coupons to be executed and attested with facsimiles of the signatures of said officials, and has caused this warrant to be dated August 1, 1961.

CITY OF PRICHARD

By________________________
Its Mayor

Attest:

____
City Clerk

(Form of Coupon)

Coupon
No.______ $__________

On the 1st day of ____________, 19___, the City Treasurer of the City of Prichard, in the State of Alabama, is ordered and directed to pay to the bearer hereof the sum of ________________________ Dollars upon surrender of this coupon at the principal office of The Merchants National Bank of Mobile, in the City of Mobile in the State of Alabama, being six months' interest then due on the General Obligation Secured Refunding Warrant, Series 1961, of the City of Prichard, Alabama, dated August 1, 1961, numbered ________.

CITY OF PRICHARD

By________________________
Mayor

Attest:

____
City Clerk

(Form of Assignment)

For value received, this warrant and the indebtedness evidenced and ordered paid thereby are assigned, without recourse or warranties, to ______________________

________________.

Shropshire, Frazer & Co., a partnershi

By:________________________

A Partner

Immediately after the maturity date of each of the refunding warrants having stated maturities in 1972 and thereafter, there shall be inserted the following:

"(unless this warrant shall have been duly called for prior payment),"

Immediately after the maturity date of each coupon due on or after February 1, 1971, applicable to the refunding warrants, there shall be inserted the following:

"(unless the warrant to which this coupon is applicable shall have been duly called for prior payment),"

Section 20. Payments at Par. Each bank at which the refunding securities and the coupons shall at any time be payable, by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the holders of the refunding securities and the coupons that all payments made by it of the refunding securities and the coupons shall be made in bankable funds at par and without deduction for exchange, fees or expenses. The city agrees with the holders of the refunding securities and the coupons that it will pay all charges for exchange, fees or expenses which may be made by any such bank in paying in bankable funds any of the refunding securities and the coupons.

Section 21. Provisions Hereof Constitute Contract. The provisions of this ordinance shall constitute a contract between the city and each holder of the refunding securities and the coupons issued hereunder. Whenever all of the refunding securities and the coupons and the interest thereon shall have been paid in full then the obligations of the city hereunder shall thereupon cease.

Section 22. Provisions Hereof Severable. The various provisions of this ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this ordinance.

Section 23. Sale of the Refunding Securities and Use of Proceeds Therefrom. The bid of

Hugo Marx and Co., and Associates

for the purchase of the refunding securities from the city at a purchase price equal to $ 573,000.00 plus accrued interest thereon to the date of delivery thereof, is hereby ascertained to be the bid received for the purchase of the refunding securities which reflects the lowest average annual net interest cost to the city for the refunding securities computed from their date to their respective maturities and to be the best bid received therefor. The said bid is hereby accepted and the refunding securities are hereby sold to the said bidders. The refunding warrants shall be issued in the name of Shropshire Frazer and Co., the nominee of the purchasers designated by them for that purpose. The city treasurer is hereby authorized and directed to deliver the refunding securities to the said purchasers upon payment to the city of the said purchase price. The proceeds from the sale of the refunding securities shall be applied as follows: That part of the proceeds which represents accrued interest on the refunding securities from their date to the date of payment therefor, together with any premium in excess of the face amount thereof included in the said purchase price, shall be deposited into the special fund in accordance with the requirements of Section 14(a) hereof, and shall be applied for payment of the interest which will accrue on the refunding securities on the next interest payment date. The principal proceeds shall be used for the purposes for which the refunding securities are respectively authorized to be issued.

Adopted this 17th day of July, 1961.

R J Maulret
President of the City Council

Authenticated:
Bernice N. Centarone
City Clerk

Approved this 17th day of July, 1961.

N O Capps
Mayor