

ORDINANCE NO. 1249

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 establish and improve public parks in
the City (including the construction therein of a public
golf course and other recreational areas); the cost to
the City of acquiring, providing and constructing the
said fire station and establishing and improving the said
public parks, as the said cost is presently estimated by
the Council, and the purchase price of the said fire fight-
ing equipment, 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 fight-
ing equipment, acquiring, providing and constructing the
said fire station, and establishing and improving the said
public parks; and it is necessary, desirable, and advanta-
geous to the City that it borrow temporarily the sum of
\$250,000 on its general faith and credit for the purpose of
paying the said costs and that the City issue the warrant
hereinafter authorized in evidence of such borrowing.

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, acquiring,
providing and constructing the said fire station, and es-
tablishing and improving the said public parks, 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
October 15, 1970, shall bear interest from the date of its
delivery until its maturity at the rate of 6% per annum pay-
able at maturity, shall be made payable to the Bank or its
assigns, and shall be payable at the principal 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; (c) the pledge and agreements set forth in the City's Ordinance No. 1205 adopted May 19, 1969, 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; and (d) the pledge and agreements set forth in the City's Ordinance No. 1244 adopted June 1, 1970, whereunder the City's \$250,000 General Obligation Warrant dated May 1, 1970, was 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 and that certain warrant referred to in the foregoing clause (d) of this section.

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:

(Form of Warrant)

\$250,000.00

\$250,000.00

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF PRICHARD

GENERAL OBLIGATION WARRANT

The City of Prichard, Alabama (herein called "the City"), hereby acknowledges that it is indebted to The Merchants National Bank of Mobile in the principal sum of

TWO HUNDRED FIFTY THOUSAND. DOLLARS

and hereby orders and directs its city treasurer to pay the said sum to The Merchants National Bank of Mobile, or assigns, on October 15, 1970, with interest thereon on the then unpaid principal hereof, from _____ until the maturity hereof at the rate of 6% per annum payable at maturity. Both the principal hereof and the interest hereon 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, Alabama. The City reserves the privilege of prepaying this warrant at any time prior to its maturity, without premium or penalty and without any prior notice, by paying to the holder of this warrant the principal thereof and the interest accrued thereon to the date of such payment.

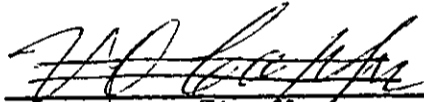
This warrant evidences a valid general obligation of the City for payment of the principal of and the interest on which the City has irrevocably pledged its full faith and credit. In addition thereto, the City has agreed that it will levy, collect and apply to payment of the principal of and the interest on this warrant, so long as any part thereof remains unpaid, so much as may be necessary for such payment of the proceeds from that certain special license or privilege tax of the City, commonly known as "the gross receipts tax," on those engaging in the business of selling at retail tangible personal property and 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 said pledge being subject to all lawful prior charges on said tax.

This warrant has been issued 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 an ordinance of the governing body of the City duly and legally adopted, to raise funds for the purpose of paying costs to the City of acquiring fire fighting equipment, acquiring, providing and constructing a fire station, and establishing and improving public parks in the City. It is hereby certified that the indebtedness evidenced and ordered paid hereby has been duly and legally incurred and will at the maturity hereof become lawfully due without condition, abatement or offset of any description; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed and happen precedent to and in the issuance of this warrant exist, have been performed and have happened; and that the indebtedness evidenced by the warrant, together with all other indebtedness of the City, was at the time the same was incurred and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the City has caused this warrant 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 are thereunto duly authorized, and has caused this warrant to be dated May 1, 1970.

CITY OF PRICHARD

By


Its Mayor

Attest:

City Clerk

ASSIGNMENT

The within warrant and the indebtedness thereby ordered paid are hereby transferred and assigned, without recourse or warranty, to _____.

Section 7. Delivery of Warrant. The city treasurer is hereby authorized and directed to deliver the warrant, when executed, sealed, attested and registered as herein provided, at any time to the said lender upon payment to the city treasurer of the principal amount of the warrant. The proceeds from the warrant shall be deposited with The Merchants National Bank of Mobile in a special separate account of the City and used solely for the purposes for which the warrant is herein authorized to be issued.

ADOPTED this 6th day of July, 1970.

Shaffer Summers
President of the City Council

Authenticated:

Sumner H. Guitman
City Clerk

APPROVED this 9th day of July, 1970.

W. O. Coppen
Mayor