

14

ORDINANCE NO. 1024

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE
OF \$823,000 PRINCIPAL AMOUNT OF GENERAL
OBLIGATION SECURED REFUNDING BONDS, SERIES
1965, \$164,000 PRINCIPAL AMOUNT OF GENERAL
OBLIGATION SECURED WARRANTS, SERIES 1965,
AND \$1,467,000 PRINCIPAL AMOUNT OF GENERAL
OBLIGATION SECURED REFUNDING WARRANTS, SE-
RIES 1965A, OF THE CITY OF PRICHARD, ALABAMA

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 securi-
ties which the city may at the time of issuance be author-
ized 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 ac-
cordance with the provisions of Section 14 hereof.

"City" means the municipal corporation of Prichard
in the State of Alabama and includes its successors and as-
signs and any municipal corporation resulting from or surviv-
ing 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 here-
to and evidencing the semiannual installments of interest on
the applicable securities.

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

"Gross receipts tax" means that certain privilege
or license tax of the city levied by Ordinance No. 880 of the
city adopted October 3, 1960, as amended by Ordinance No.
977 of the city adopted February 2, 1965, 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 or
entertainment, to the extent that the said tax is levied with
respect to business conducted within the corporate limits of
the city.

15

"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 May 1 or November 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.

"Outstanding bonds" means the Series 1960 bonds, the Series 1961 bonds, and the Series 1962 bonds.

"Outstanding warrants" means those warrants which are referred to in subsections (a) to (g), inclusive, of Section 3 hereof as being outstanding and which are herein authorized to be refunded.

"Parity securities" means the securities herein authorized and any additional parity securities that may hereafter be issued pursuant to the provisions of Section 14 hereof.

"Paying agency bank" means each bank at which the securities herein authorized may at any time be payable.

"Pledged tax revenues" means the proceeds derived from the gross receipts tax which are pledged for the benefit of the securities herein authorized.

"Redeemable securities" means those of the refunding securities that have stated maturities in 1976 and thereafter.

"Redemption date" means the date fixed for redemption of redeemable securities in a resolution adopted by the directors pursuant to the provisions of Section 11(a) hereof.

"Redemption price" means the price at which redeemable securities called for redemption may be redeemed on the redemption date.

"Refunding bonds" means the bonds of the city authorized to be issued in Section 7 hereof.

"Refunding securities" means the refunding bonds and the refunding warrants.

16

"Refunding warrants" means the warrants of the city authorized to be issued in Section 9 hereof.

"Resolution" means a resolution duly adopted by the council.

"Secular day" means any day on which business is normally transacted and does not include any Sunday or legal holiday.

"Securities herein authorized" means the refunding securities authorized in Sections 7 and 9 hereof and the Series 1965 warrants authorized in Section 8 hereof.

"Series 1960 bonds" means the \$858,000 principal amount of Public Improvement Bonds, Series 1960, dated September 1, 1960, that are described in the first clause of Section 2(a) hereof.

"Series 1961 bonds" means the \$223,000 principal amount of General Obligation Secured Refunding Bonds, Series 1961, dated August 1, 1961, that are described in the first clause of Section 2(b) hereof.

"Series 1962 bonds" means the \$183,000 principal amount of General Obligation Secured Refunding Bonds, Series 1962, that are described in the first clause of Section 2(c) hereof.

"Series 1959 warrants" means the \$269,000 principal amount of General Obligation Secured Warrants dated August 1, 1959, that are described in the first clause of Section 3(a) hereof.

"Series 1960 warrants" means the \$185,000 principal amount of General Obligation Warrants dated June 1, 1960, that are described in the first clause of Section 3(b) hereof.

"Series 1961 warrants" means the \$340,000 principal amount of General Obligation Secured Refunding Warrants, Series 1961, dated August 1, 1961, that are described in the first clause of Section 3(c) hereof.

"Series 1962 warrants" means the \$117,000 principal amount of General Obligation Secured Warrants, Series 1962, dated August 1, 1962, that are described in the first clause of Section 3(d) hereof.

17

"Series 1963 warrants" means the \$250,000 principal amount of General Obligation Secured Warrants, Series 1963, dated August 1, 1963, that are described in the first clause of Section 3(e) hereof.

"Series 1963A warrants" means the \$200,000 principal amount of General Obligation Sanitary Sewer Warrants, Series 1963A, dated August 1, 1963, that are described in the first clause of Section 3(f) hereof.

"Series 1965 warrants" means the warrants issuance of which is authorized in Section 8 hereof.

"Special fund" means the Gross Receipts Tax Fund created in Section 16 hereof.

(b) Use of Phrases. The following words and phrases where used in this ordinance shall be given the following respective interpretations:

"Herein", "hereof", "hereunder", and other equivalent words refer to this ordinance and not solely to any particular portion hereof in which any such word is used.

The definitions set forth in Section 1(a) hereof shall be deemed applicable whether the words defined are herein used in the singular or plural.

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) \$858,000 Public Improvement Bonds, Series 1960, of the city dated September 1, 1960, numbered 573 to 1,430, inclusive, which were issued under the provisions of Ordinance No. 872 of the city adopted August 8, 1960, for the purpose of constructing in the city certain sanitary sewer improvements provided for in Improvement Ordinance No. 854 of the city adopted February 15, 1960, as modified and confirmed by Ordinance No. 858 of the city adopted March 21, 1960; of which those numbered 573 to 715, inclusive, aggregating \$143,000 in principal amount will mature on September 1, 1965, of which those numbered 715 to 1,001, inclusive, aggregating \$286,000 in principal amount mature in equal installments of principal on September 1 in each of

18

the years 1966 and 1967, and of which those numbered 1,002 to 1,430, inclusive, aggregating \$429,000 in principal amount have stated maturities in 1968 and thereafter, but have been called by the city for redemption on September 1, 1965, at the face value of each bond redeemed plus accrued interest thereon to the redemption date and a redemption premium equal to six months' interest thereon; and of which those having stated maturities in 1965 and 1966 bear interest at the rate of 4-1/2% per annum and those having stated maturities in 1967 and thereafter bear interest at the rate of 4-1/8% per annum, all such interest being payable semiannually on March 1 and September 1;

(b) \$223,000 principal amount of General Obligation Secured Refunding Bonds, Series 1961, and numbered 11 to 233, inclusive, which constitute the presently outstanding portion of a series of bonds that were issued pursuant to authorization in Ordinance No. 904 of the city adopted July 17, 1961, for the purpose of refunding then outstanding bonds of the city that had been issued to pay the costs of sanitary sewer improvements provided for in the city's Improvement Ordinance No. 591 and its said Improvement Ordinance No. 854 as modified as aforesaid; of which those numbered 11 to 80, inclusive, aggregating \$70,000 in principal amount mature in the aggregate principal amount of \$10,000 on August 1 in each of the years 1965 to 1971, and of which those numbered 81 to 233, inclusive, aggregating \$153,000 in principal amount have stated maturities in 1972 and thereafter, but have been called by the city for redemption on August 1, 1971, at the face value of each bond redeemed plus accrued interest thereon to the redemption date and a redemption premium equal to twelve months' interest thereon and of which those Series 1961 bonds having stated maturities in 1965 to 1971, inclusive, bear interest at the rate of 4% per annum, and of those Series 1961 bonds so called for redemption \$60,000 principal amount bear interest at the rate of 4-1/8% per annum and the remaining \$93,000 principal amount bear interest at the rate of 4-1/4% per annum, all such interest being payable semiannually on February 1, and August 1; and

(c) \$183,000 principal amount of General Obligation Secured Refunding Bonds, Series 1962, of the city dated August 1, 1962, and numbered 1 to 183, inclusive, which constitute all bonds of the said Series 1962 and which were issued pursuant to authorization in Ordinance No. 923 of the city adopted July 24, 1962, for the purpose of refunding then outstanding bonds of the city that had been issued to pay the costs of sanitary sewer improvements provided for in the city's said Improvement

Ordinance No. 591 and its said Improvement Ordinance No. 854, as modified as aforesaid; of which those numbered 1 to 80, inclusive, aggregating \$80,000 in principal amount mature in the aggregate principal amount of \$10,000 on August 1 in each of the years 1965 to 1972, inclusive, and of which those numbered 81 to 183, inclusive, aggregating \$103,000 in principal amount have stated maturities in 1973 and thereafter but have been called by the city for redemption on August 1, 1972, at the face value of each bond redeemed plus accrued interest thereon to the redemption date and a redemption premium equal to twelve months' interest thereon; and of which those Series 1962 bonds having stated maturities in 1965 to 1972, inclusive, bear interest at the rate of 4-1/4% per annum, and of which those so called for redemption bear interest at the rate of 4% per annum, all such interest being payable semiannually on February 1 and August 1.

Each of the outstanding bonds was signed in the name of and in 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 city has heretofore collected and has on hand and unexpended assessments, made pursuant to the said Improvement Ordinance No. 854, that are sufficient to provide for the payment of (a) the principal of those of the Series 1960 bonds that have stated maturities in 1965, 1966, and 1967, (b) the redemption premium (with respect to those of the Series 1960 bonds that have been called for redemption on September 1, 1965, (c) the interest maturing on September 1, 1965, with respect to all of the outstanding bonds, and (d) a portion of the principal of the Series 1961 bonds and the Series 1962 bonds; retirement of all of the outstanding bonds will be provided for by a trust fund, consisting of the said collected assessments and the principal proceeds from the refunding bonds; and the refunding bonds are herein authorized to be issued in such amount only as is necessary to raise the difference between the amount required for payment of the outstanding bonds and the amount of the said assessments.

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) \$269,000 principal amount of General Obligation Secured Warrants of the city dated August 1, 1959, numbered 97 to 365, inclusive, aggregating \$269,000 in principal amount, which were issued pursuant to authorization in Ordinance No. 829 of the city adopted August 17, 1959, for the purpose of paying costs of a stadium and other park and recreation facilities in the city; and of which \$22,000 principal amount of the Series 1959 warrants bear interest at the rate of 4% per annum (payable semiannually on February 1 and August 1) and will mature on August 1, 1965, and of which the remaining \$247,000 principal amount of the Series 1959 warrants bear interest at the rate of 4-1/4% per annum (payable semiannually) and have stated maturities

in 1966 and thereafter but have been called by the city for redemption on August 1, 1965, at the face value of each warrant redeemed plus accrued interest thereon to the redemption date and a premium equal to $4\frac{1}{4}\%$ of such face value;

(b) \$185,000 principal amount of General Obligation Warrants of the city dated June 1, 1960, numbered 91 to 275, inclusive, which were issued pursuant to authorization in Ordinance No. 869 of the city adopted June 6, 1960, to pay the costs of street improvements in the city and other purposes for which the city was then and is now authorized to incur indebtedness; of which, each bears interest from its date to its maturity at the rate of $4\frac{1}{4}\%$ per annum payable semiannually on June 1 and December 1, of which \$35,000 principal amount of Series 1960 warrants mature on June 1 in each of the years 1965, 1966 and 1967 and of which \$40,000 aggregate principal amount of Series 1960 warrants will mature on June 1 in each of the years 1968 and 1969; and of which none of the Series 1960 warrants is callable prior to maturity;

(c) \$340,000 principal amount of General Obligation Secured Refunding Warrants, Series 1961, of the city dated August 1, 1961, numbered 1 to 340, inclusive, which were issued pursuant to authorization in the aforesaid Ordinance No. 904 of the city adopted July 17, 1961, for the purpose of refunding general obligation indebtedness of the city originally incurred to pay the cost of street improvements, sidewalk improvements, fire fighting equipment, remodeling of the city jail, and other purposes for which the city was then and is now authorized to incur indebtedness; of which those of the Series 1961 warrants numbered 1 to 20, inclusive, and aggregating \$20,000 in principal amount, bear interest at the rate of 4% per annum (payable semiannually on February 1 and August 1) and will mature on August 1, 1971; of which those Series 1961 warrants having stated maturities in 1972 and thereafter (including \$105,000 bearing interest at the rate of $4\frac{1}{8}\%$ per annum and \$215,000 bearing interest at the rate of $4\frac{1}{4}\%$ per annum) have been called by the city for redemption on August 1, 1971, at the face value of each warrant redeemed plus accrued interest thereon to the redemption date and a premium equal to twelve months' interest thereon computed at the coupon rate thereof;

(d) \$117,000 General Obligation Secured Warrants, Series 1962, of the city dated August 1, 1962, numbered 1 to 117, inclusive, which were issued pursuant to authorization in the aforesaid Ordinance No. 923 of the city adopted July 24, 1962, for purposes for which the city was then and is now authorized to incur indebtedness; all of which bear interest at the rate of 4% per annum (payable semiannually on February 1 and August 1) and all of which have stated maturities in 1973 and thereafter but have been called by the city for redemption on August 1, 1972, at the face value of each

warrant redeemed plus accrued interest thereon to the redemption date and a premium equal to 4% of such face value;

(e) \$250,000 General Obligation Secured Warrants, Series 1963, of the city dated August 1, 1963, numbered 1 to 50, inclusive, which were issued pursuant to authorization in Ordinance No. 966 of the city adopted December 3, 1963, for purposes for which the city was then and is now authorized to incur indebtedness; of which those numbered 1 to 16, inclusive, aggregating \$80,000 in principal amount bear interest at the rate of 3.10% per annum payable semiannually on February 1 and August 1 and mature in the aggregate principal amount of \$20,000 on August 1 in each of the years 1965 to 1968, inclusive, and of which those numbered 17 to 50, inclusive, aggregating \$170,000 in principal amount (including \$120,000 principal amount bearing interest at the rate of 3.10% per annum and \$50,000 bearing interest at the rate of 3.30% per annum) have stated maturities after August 1, 1968, but have been called by the city for redemption on August 1, 1968, at the face value of each warrant redeemed plus accrued interest thereon to the redemption date and a premium equal to twelve months' interest thereon computed at the coupon rate thereof;

(f) \$200,000 principal amount of General Obligation Refunding Sanitary Sewer Warrants, Series 1965A, of the city dated August 1, 1963, numbered 1 to 40, inclusive, which were issued pursuant to authorization in Ordinance No. 969 of the city adopted December 16, 1963, to refund a then outstanding general obligation warrant of the city that had been issued to pay costs of acquiring, providing, and constructing sanitary sewers for the city; which Series 1963A warrants mature in the aggregate principal amount of \$25,000 on August 1 in each of the years 1965 to 1972, inclusive, and which bear interest at the per annum rates of 3-1/8% on those maturing in 1965 and 1966, 3.30% on those maturing in 1967 to 1970, inclusive, and 3% on those maturing in 1971 and 1972; and none of which is subject to redemption prior to maturity; and

(g) One General Obligation Warrant of the city in the principal amount of \$80,000 dated March 22, 1965, which was issued pursuant to authorization in a resolution of the city adopted March 22, 1965, for the purpose of paying costs of street improvements in the city.

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 of counterclaims. The aggregate principal

22

amount of the outstanding warrants referred to in this section is \$1,440,000; and the interest that will mature, with respect to those of the outstanding warrants referred to in subsections (a) to (f), inclusive, of this section, on the next succeeding interest installment payment date with respect thereto is in excess of \$26,000, the said interest consisting of (1) interest in amount of \$5,688.75 due August 1, 1965, with respect to the Series 1959 warrants, (2) interest in amount of \$3,931.25 due June 1, 1965, with respect to the Series 1960 warrants, (3) interest in amount of \$7,134.38 due August 1, 1965, with respect to the Series 1961 warrants, (4) interest in amount of \$2,340.00 due August 1, 1965, with respect to the Series 1962 warrants, (5) interest in amount of \$3,925.00 due August 1, 1965, with respect to the Series 1963 warrants, and (6) interest in amount of \$3,181.25 due August 1, 1965, with respect to the Series 1963A warrants.

Section 4. Findings Respecting the Desirability of the Refunding Herein Provided for. As a result of the investigations referred to in Sections 2 and 3 of this ordinance, and a 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 in the city. In order for the city to continue to provide essential public services of the city, it is necessary, therefore, that the city undertake a comprehensive refunding program at this time; and with that end in view, the council has determined that it is necessary, desirable and in the public interest that the principal of the Series 1961 bonds, the Series 1962 bonds, and those of the Series 1960 bonds numbered 1,002 to 1,430, inclusive, be refunded by the refunding bonds hereinafter authorized, and that the principal of the outstanding warrants and \$26,000 of the next maturing installment of interest on those of the outstanding warrants referred to in subsections (a) to (f), inclusive, of Section 3 hereof should be refunded by the refunding warrants hereinafter authorized.

Section 5. Findings Respecting the Necessity of Issuing the Series 1965 Warrants. The council has found and determined and hereby declares that the following statements are true: (a) The redemption premium that will be payable on August 1, 1965, upon redemption of the Series 1959 warrants called for redemption on that date as aforesaid, amounts to \$10,497.50; (b) The cost of effecting the aforesaid refunding program of the outstanding bonds and the outstanding warrants will be approximately \$49,080.00; and (c) The council estimates that in order to pay necessary expenses incurred in carrying on the governmental functions of the city, it will be necessary that the city borrow at this time for that purpose the sum of \$105,000.00. In order

23

to raise the moneys necessary to pay the said redemption premium, the said expenses of refunding, and to provide funds as aforesaid for payment of the operating expenses of the city, it will be necessary for the city to borrow the aggregate sum of \$164,000, and it is necessary, desirable and in the public interest that the city issue the Series 1965 warrants hereinafter authorized to raise funds for the said purposes.

Section 6. Findings as to Public Sale of, and Best Bid for, the Securities Herein Authorized. An Official Invitation for Bids for the securities herein authorized was published in The Mobile Register, a newspaper published in Mobile County, Alabama, and having general circulation in the city on April 28, 1965, and on May 5, 1965; at the time and place fixed in the aforesaid Official Invitation for Bids for the opening of sealed bids for purchase of the securities herein authorized, viz., on May 10, 1965, at 4:00 o'clock, P. M., at the city hall in the city, and at a regular adjourned session of the council, sealed bids for purchase from the city of the securities herein authorized were publicly opened; one bid was submitted for purchase of the securities herein authorized and the said bid was publicly opened at the said time and place; the best and only bid and the one that reflected the lower net interest cost to the city was that of The First National Bank of Memphis and Associates, which reflected an average annual net interest cost to the city of 3.8350% and specified a dollar price of \$2,454,000 which is a sum equal to the face value of the securities herein authorized, and which specified the interest rates hereinafter provided for.

Section 7. 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 those of the Series 1961 bonds, the Series 1962 bonds, and those of the Series 1960 bonds numbered 1,002 to 1,430, inclusive, those bonds to be so refunded being greater in principal amount than the refunding bonds, there are hereby authorized to be issued by the city, eight hundred twenty-three (823) General Obligation Secured Refunding Bonds, Series 1965, of the city in the aggregate principal amount of \$823,000, which shall be in the denomination of \$1,000 each, shall be dated May 1, 1965, and shall mature on May 1 as follows:

<u>Refunding Bond Numbers (both inclusive)</u>	<u>Year of Maturity</u>	<u>Aggregate Principal Amount Maturing</u>
1 to 20	1968	\$ 20,000
21 to 40	1969	20,000
41 to 60	1970	20,000
61 to 80	1971	20,000
81 to 100	1972	20,000
101 to 120	1973	20,000
121 to 146	1974	26,000
147 to 171	1975	25,000
172 to 196	1976	25,000
197 to 221	1977	25,000
222 to 246	1978	25,000
247 to 272	1979	26,000
273 to 302	1980	30,000
303 to 332	1981	30,000
333 to 362	1982	30,000
363 to 392	1983	30,000
393 to 422	1984	30,000
423 to 457	1985	35,000
458 to 489	1986	32,000
490 to 522	1987	33,000
523 to 558	1988	36,000
559 to 594	1989	36,000
595 to 631	1990	37,000
632 to 670	1991	39,000
671 to 709	1992	39,000
710 to 744	1993	35,000
745 to 783	1994	39,000
784 to 823	1995	40,000

those of the refunding bonds numbered 1 to 429, inclusive, being herein authorized to be issued for the purpose of refunding the principal of those of the Series 1960 bonds numbered 1,002 to 1,430, inclusive, and those of the refunding bonds numbered 430 to 823, inclusive, being herein authorized to be issued to provide for the refunding of the principal of the Series 1961 bonds and the Series 1962 bonds. The refunding bonds shall bear interest from their date until their respective maturities at the following per annum rates: 4% on those having stated maturities in the years 1968 to 1977, inclusive; 3.60% on those having stated maturities in the years 1978 to 1983, inclusive; 3-3/4% on those having stated maturities in the years 1984 to 1987, inclusive; and 3.90% on those having stated maturities in the years 1988 to 1995, inclusive. Such interest shall be payable semiannually on May 1 and November 1 of each year until and at the respective maturities of the refunding bonds and shall be evidenced by separate interest coupons attached thereto.

Section 8. Authorization of the Series 1965 Warrants. 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 providing funds for payment of the redemption premium with respect to the Series 1959 warrants, the refunding expenses and the operating expenses referred to in Section 5 hereof, there are hereby authorized to be issued by the city one hundred sixty-four (164) General Obligation Secured Warrants, Series 1965, of the city in the aggregate principal amount of \$164,000, numbered from 1 to 164, inclusive, in the principal amount of \$1,000 each, which shall be dated May 1, 1965, and which shall mature on May 1 as follows:

<u>Refunding Warrant Numbers (both inclusive)</u>	<u>Year of Maturity</u>	<u>Aggregate Principal Amount Maturing</u>
1 to 18	1968	\$18,000
19 to 41	1969	23,000
42 to 64	1970	23,000
65 to 86	1971	22,000
87 to 113	1972	27,000
114 to 145	1973	32,000
146 to 164	1974	19,000

The Series 1965 warrants shall bear interest from their date until their respective maturities at the rate of 4% per annum, payable semiannually on May 1 and November 1 of each year until and at the respective maturities of the Series 1965 warrants and shall be evidenced by separate interest coupons attached thereto.

Section 9. 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 principal of and the aforesaid interest on the outstanding warrants, there are hereby authorized to be issued by the city one thousand four hundred sixty-seven (1,467) General Obligation Secured Refunding Warrants, Series 1965A, of the city in the aggregate principal amount of \$1,467,000, numbered from 1 to 1,467, inclusive, in the principal amount of \$1,000 each, all of which shall be dated May 1, 1965, and shall mature on May 1 as follows:

<u>Refunding Warrant Numbers (both inclusive)</u>	<u>Year of Maturity</u>	<u>Aggregate Principal Amount Maturing</u>
1 to 13	1974	\$13,000
14 to 50	1975	37,000

26

<u>Refunding Warrant Numbers (both inclusive)</u>	<u>Year of Maturity</u>	<u>Aggregate Principal Amount Maturing</u>
51 to 91	1976	\$ 41,000
92 to 137	1977	46,000
138 to 188	1978	51,000
189 to 239	1979	51,000
240 to 290	1980	51,000
291 to 345	1981	55,000
346 to 400	1982	55,000
401 to 460	1983	60,000
461 to 525	1984	65,000
526 to 590	1985	65,000
591 to 658	1986	68,000
659 to 726	1987	68,000
727 to 809	1988	83,000
810 to 892	1989	83,000
893 to 977	1990	85,000
978 to 1,063	1991	86,000
1,064 to 1,154	1992	91,000
1,155 to 1,255	1993	101,000
1,256 to 1,361	1994	106,000
1,362 to 1,467	1995	106,000

The refunding warrants shall bear interest from their date until their respective maturities at the following per annum rates: 4% on those having stated maturities in the years 1974 to 1977, inclusive; 3.60% on those having stated maturities in the years 1978 to 1983, inclusive; 3-3/4% on those having stated maturities in the years 1984 to 1987, inclusive; and 3.90% on those having stated maturities in the years 1988 to 1995, inclusive. Such interest shall be payable semiannually on May 1 and November 1 of each year until and at the respective maturities of the refunding warrants and shall be evidenced by separate interest coupons attached thereto. Those of the refunding warrants numbered 1 to 26, inclusive, are herein authorized to be issued for the purpose of refunding the \$26,000 amount of interest referred to in the last sentence of Section 3 hereof; those of the refunding warrants numbered 27 to 1,267, inclusive, are herein authorized to be issued for the purpose of, and their proceeds shall be applied for, refunding the principal of the outstanding warrants other than the Series 1963A warrants; and those of the refunding warrants numbered 1,268 to 1,467, inclusive, are herein authorized to be issued for the purpose of, and their proceeds shall be applied for refunding the principal of the Series 1963A warrants.

Section 10. Interest after Maturity. Place of Payment. The securities herein authorized and the coupons applicable thereto shall bear interest at the rate of 6% per annum after their respective maturities until paid. The securities herein authorized 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.

Section 11. Optional Redemption Provisions. While the city is not in default in the payment of the principal of or the interest on any of the securities herein authorized, those of the refunding bonds and those

of the refunding warrants having stated maturities in 1976 and thereafter shall separately be subject to redemption and payment by the city at its option on any interest payment date on or after May 1, 1975, 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 securities herein authorized.

(b) The city shall cause to be published one time either in a newspaper published in the City of Birmingham, Alabama, or in a financial journal published in the city of New York, New York, a notice stating the following: that redeemable securities bearing stated numbers [which shall be the numbers specified in the resolution required in subsection (a) of this section] 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 the said subsection (a)] 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 so published at least one time, not less than thirty days prior to the redemption date.

(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 subsection (a) of this section and an appropriate affidavit showing compliance with the requirements of subsection (b) of this section.

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 securities herein authorized, 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 11A. Execution of the Securities Herein Authorized.

(a) Execution of the Refunding Bonds. The refunding bonds shall be executed in behalf of the city by a facsimile of the signature of the mayor and by the manually written signature of the city clerk. A facsimile of the seal of the city shall be imprinted on each of the refunding bonds and the facsimile of the aforesaid signature of the city clerk on each of the refunding bonds 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.

(b) Execution of the Series 1965 Warrants and the Refunding Warrants. The Series 1965 warrants and the refunding warrants shall be executed in behalf of the city by a facsimile of the signature of the mayor. A facsimile of the official seal of the city shall be imprinted on each of the Series 1965 warrants and the refunding warrants and the said seal and the said execution by the mayor shall be attested by the signature of the city clerk manually subscribed on each of the said warrants. The coupons applicable to the Series 1965 warrants and 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 Series 1965 warrants, the

refunding warrants and the coupons applicable thereto shall be registered by the city treasurer, in the records maintained by her, as claims against the city and the gross receipts tax hereinafter referred to, which registration shall be made simultaneously with respect to all of the said warrants and the coupons applicable thereto. Said officers are hereby directed so to execute, attest and register the Series 1965 warrants, the refunding warrants and the coupons applicable to all of the said warrants.

Section 12. Pledge of the Faith and Credit of the City. The indebtedness evidenced and ordered paid by the securities herein authorized 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 13. Pledge of the Gross Receipts Tax. As additional security for payment of the principal of and interest on the securities herein authorized, and as a part of the contract whereunder the obligations evidenced by the securities herein authorized are created, there is hereby specially and irrevocably pledged for payment of the principal of and interest on the securities herein authorized, at the respective maturities of said principal and interest, so much as may be necessary for the purpose of the gross receipts tax, together with the proceeds thereof. The special pledge herein made shall be on a parity with any pledge of the gross receipts tax and its proceeds that may hereafter be made for the benefit of additional parity securities pursuant to the provisions of Section 14 hereof. 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 securities herein authorized and any then outstanding parity 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 (a) that upon delivery of the securities 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 (except for a pledge of the gross receipts tax for the benefit of securities for the retirement of which full provision will be made by trust fund at the time of the issuance of the securities herein authorized); and (b) that the agreements and pledge respecting the gross receipts tax and 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 of the gross receipts tax and its proceeds that may hereafter be made for the benefit of additional parity securities which may be issued pursuant to the provisions of Section 14 hereof. While no default exists in the payment of the principal of or interest on the parity securities, any part of the proceeds from the gross receipts tax that may not be needed to pay at their respective maturities the principal of and interest on the parity securities, may be used by the city for any lawful purpose.

Section 14. 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 13 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 additional parity 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) The average annual proceeds received by the city from the gross receipts tax during the two fiscal years of the city next preceding the fiscal year during which any such additional parity securities are delivered to the purchaser thereof must be not less than 1.75 times the maximum annual principal and interest requirements during the then current or any then succeeding fiscal year of the city with respect to all parity securities that will be outstanding immediately following the issuance of the additional parity securities then proposed to be issued. The amount of the annual proceeds received by the city from the gross receipts tax during each of the said two fiscal years next preceding the issuance of any such additional parity securities shall be conclusively established by a certificate signed by the mayor and the city treasurer setting forth the said amounts, certifying the correctness of the said amounts, and stating that the said amounts were established by and taken from the official records of the city. A copy of such certificate shall be filed in the office of the Clerk of the city.

21

(b) Each issue of the additional parity securities shall be given a different series designation, shall have stated maturities of principal on May 1 of the years in which the additional parity securities of that series shall mature, and shall bear interest payable semiannually on May 1 and November 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 that are required by the provisions of Section 16 hereof to be made at the time of such issuance.

Section 15. Maintenance of the Gross Receipts Tax. The city agrees that so long as any of the principal of or interest on the securities herein authorized remains unpaid, the city will continue the levy of and will collect the gross receipts tax at rates not less than the rates presently in effect and without reduction in the aggregate annual amount of the proceeds thereof; provided, however, that the city may hereafter exempt businesses from the gross receipts tax if the aggregate annual proceeds from the gross receipts tax following any such exemption of businesses therefrom shall be not less than the aggregate annual proceeds from the gross receipts tax during the fiscal year prior to the effective date of any such exemption. If such action should become necessary to provide moneys to pay the principal of and interest on the parity securities, at the respective maturities of such principal and interest, 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 parity securities at the respective maturities of said principal and interest.

Section 16. 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 parity securities, at the respective maturities of said principal and interest. The special fund shall be maintained until the principal of and interest on the parity securities shall have been paid in full. Payments into the special fund shall be made as follows:

(a) There shall be paid into the special fund, simultaneously with the issuance of any of the parity 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) Prior to the last secular day of May, 1965, and prior to the last secular day of each successive month thereafter until the principal of and interest on the parity securities 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 parity securities at the time outstanding, plus 1/12th of the principal of the parity securities that will mature on the then next succeeding May 1; provided, however, that following payment into the special fund of any sum pursuant to the provisions of subsection (a) of this section, there shall be credited on the amount required by this subsection (b) to be paid into the special fund an amount equal to any such sum so paid into the special fund pursuant to the provisions of the said subsection (a);

(c) 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 herein required to be made into the special fund between the date of such issuance and the then next succeeding May 1, will make available on the then next succeeding May 1 an amount equal to the principal and interest maturing on that May 1 with respect to the parity securities and on the November 1, if any, occurring between the date of the issuance of such additional parity securities and said then next succeeding May 1 an amount equal to the interest maturing on the parity securities on the said November 1; and

(d) 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 month thereafter, until such time as the payments into the special fund are current, the city will pay into the special fund all proceeds received by the city from the gross receipts tax.

2.2

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 parity securities, upon or after the respective maturities of such principal and interest; provided, that if at the final maturity of the parity securities, howsoever the same may mature, there shall be in the special fund moneys in excess of the amount required to retire the parity securities, 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 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 17. Depositories for Special Fund. The Merchants National Bank of Mobile in the city of Mobile in the State of Alabama, including any 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 securities herein authorized. The city 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 18. 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 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

24

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 19. 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 1965

On the 1st day of May 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 May 1 and November 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 \$823,000 in principal amount consisting of bonds numbered from 1 to _____ inclusive (herein called "the bonds"), 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 addition thereto the city has, in the proceedings authorizing the issuance of the bonds, specially and irrevocably pledged for payment of said principal and interest at their respective maturities so much as may be necessary for such purpose of the special privilege and license tax of the city levied by its Ordinance No. 880, as amended, and measured by gross receipts of certain businesses (together with the proceeds from the said tax), to the extent that the said tax is imposed with respect to businesses conducted within the corporate limits of the city (the said tax, to the extent so imposed, being herein called "the gross receipts tax"); the said special pledge of the gross receipts tax and its proceeds for the benefit of the bonds being on a parity with special pledges thereof for the benefit of certain other securities of the city issued simultaneously with the issuance of the bonds. In the said proceedings the city reserved the privilege, upon compliance with certain requirements set forth in the said proceedings, of issuing additional securities and securing them by a pledge of the gross receipts tax and its proceeds, on a parity with the aforesaid pledges thereof for the benefit of the bonds and the aforesaid other securities issued simultaneously with the issuance of the bonds.

Those of the bonds maturing in 1976 and thereafter may at the option of the city be redeemed and paid prior to their respective maturities, as a whole or in part and if in part then in inverse numerical order of those at the time outstanding, on May 1, 1975, and on any interest payment date thereafter, at the face value of each bond redeemed plus accrued interest thereon to the date fixed for redemption and a premium equal to twelve months' interest thereon; provided, that prior notice of such redemption must be given by publication at least one time not less than thirty (30) days before the date fixed for redemption in either a newspaper published in the City of Birmingham, Alabama or a financial journal published in the City and State of New York.

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 a facsimile of the signature

26

of its mayor and by the signature of its city clerk manually subscribed hereon, has caused a facsimile of the seal of the city to be imprinted hereon, has provided that the said 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 May 1, 1965.

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 1965, of the said City of Prichard dated May 1, 1965, 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 1976 and thereafter, immediately following the maturity date thereof, the following:

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

57

There shall be inserted in each coupon due on November 1, 1975, 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 20. Form of the Series 1965 Warrants. The 1965 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 Warrant)

No. _____

\$1,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF PRICHARD

GENERAL OBLIGATION SECURED WARRANT

SERIES 1965

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 A. Walter Jacobs, 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 May, 19____, upon surrender hereof on or after said date, with interest thereon from the date hereof until the maturity hereof at the rate of 4% per annum, payable semiannually on May 1 and November 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 \$164,000 consisting of warrants numbered from 1 to 164, inclusive, and has been issued pursuant to the applicable

38

provisions of the constitution and laws of Alabama, including particularly Section 466 of Title 37 of the Code of Alabama of 1940, for the purpose of raising funds for purposes for which the city may lawfully expend moneys from its general fund.

By the execution of this warrant the city acknowledges that it is indebted to the payee hereof in the principal amount hereof and that at the respective maturities of the interest coupons attached hereto it will become indebted to the holders thereof 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 the city has, in the proceedings authorizing the issuance of the warrants, specially and irrevocably pledged for payment of said principal and interest at their respective maturities so much as may be necessary for such purpose of the special privilege and license tax of the city levied by its Ordinance No. 880, as amended, and measured by the gross receipts of certain businesses (together with the proceeds from the said tax), to the extent that the said tax is imposed with respect to businesses conducted within the corporate limits of the city (the said tax to the extent so imposed being herein called "the gross receipts tax"); the said special pledge of the gross receipts tax and its proceeds for the benefit of the warrants being on a parity with special pledges thereof for the benefit of certain other securities of the city issued simultaneously with the issuance of the warrants. In said proceedings the city reserved the privilege, upon compliance with certain requirements set forth in the said proceedings, of issuing additional securities and securing them by a pledge of the gross receipts tax and its proceeds, on a parity with the aforesaid pledges thereof for the benefit of the warrants and the aforesaid other securities issued simultaneously with the issuance of the warrants.

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.

27

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 original 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 in its behalf by a facsimile of the signature of its mayor, has caused a facsimile of its official seal to be imprinted hereon, has caused the execution of this warrant and the said seal to be attested by the signature of its city clerk manually subscribed hereon, 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 May 1, 1965.

CITY OF PRICHARD

By _____
Its Mayor

ATTEST:

City Clerk

(Form of Coupon)

Coupon
No. _____

\$20.00

On the 1st day of _____, 19____, the
City Treasurer of the City of Prichard, in the State of

73

Alabama, is ordered and directed to pay to the bearer hereof the sum of Twenty and 00/100 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 Warrant, Series 1965, of the City of Prichard, Alabama, dated May 1, 1965, 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 _____.

Section 21. 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 1965A

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 A. Walter Jacobs, 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 May 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 May 1 and November 1 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 \$1,467,000 consisting of warrants numbered from 1 to 1,467, inclusive, and has been issued pursuant to the applicable provisions of 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 outstanding warrants of the city which have been previously issued for lawful purposes.

Those of the warrants having stated maturities in 1976 and thereafter are subject to redemption and payment prior to maturity, at the option of the city, on May 1, 1975, and on any interest payment date thereafter, as a whole or in part and if in part then in inverse numerical order of those at the time outstanding, at the face value of each warrant redeemed plus accrued interest thereon to the date fixed for redemption and a premium equal to twelve months'

4.2
interest thereon; provided, that prior notice of such redemption must be given by publication at least one time not less than thirty (30) days before the date fixed for redemption in either a newspaper published in the City of Birmingham, Alabama or a financial journal published in the City and State of New York.

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 the city has, in the proceedings authorizing the issuance of the warrants, specially and irrevocably pledged for payment of said principal and interest at their respective maturities so much as may be necessary for such purpose of the special privilege and license tax of the city levied by its Ordinance No. 880, as amended, and measured by the gross receipts of certain businesses (together with the proceeds from the said tax), to the extent that the said tax is imposed with respect to businesses conducted within the corporate limits of the city (the said tax to the extent so imposed being herein called "the gross receipts tax"); the said special pledge of the gross receipts tax and its proceeds for the benefit of the warrants being on a parity with special pledges thereof for the benefit of certain other securities of the city issued simultaneously with the issuance of the warrants. In said proceedings the city reserved the privilege, upon compliance with certain requirements set forth in the said proceedings, of issuing additional securities and securing them by a pledge of the gross receipts tax and its proceeds, on a parity with the aforesaid pledges thereof for the benefit of the warrants and the aforesaid other securities issued simultaneously with the issuance of the warrants.

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 original 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 in its behalf by a facsimile of the signature of its mayor, has caused a facsimile of its official seal to be hereon imprinted, has caused the execution of this warrant and the said seal to be attested by the signature of its city clerk manually subscribed hereon, 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 May 1, 1965.

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

44

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 1965A, of the City of Prichard, Alabama, dated May 1, 1965, 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 _____.

Immediately after the maturity date of each of the refunding warrants having stated maturities in 1976 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 November 1, 1975, 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 22. Payments at Par. Each bank at which the securities herein authorized 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 securities herein authorized and the coupons that all payments made by it of the securities herein authorized and the coupons shall be made in bankable

45

funds at par and without deduction for exchange, fees or expenses. The city agrees with the holders of the securities herein authorized 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 securities herein authorized and the coupons.

Section 23. Provisions Hereof Constitute Contract. The provisions of this ordinance shall constitute a contract between the city and each holder of the securities herein authorized and the coupons issued hereunder. Whenever all of the securities herein authorized and the coupons and the interest thereon shall have been paid in full then the obligations of the city hereunder shall thereupon cease.

Section 24. 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 25. Sale of the Securities Herein Authorized and Use of Proceeds Therefrom. The bid of The First National Bank of Memphis and Associates for the purchase from the city of the securities herein authorized at a purchase price equal to \$2,454,000.00 plus accrued interest on the securities herein authorized from May 1, 1965, to the date of delivery thereof, is hereby ascertained to be the bid received by the city for the purchase of the securities herein authorized which reflects the lowest average annual net interest cost to the city for the securities herein authorized computed from their date to their respective maturities and to be the best bid received therefor. The said bid is hereby accepted and the securities herein authorized are hereby sold to the said bidders. The Series 1965 warrants and the refunding warrants shall be issued in the name of A. Walter Jacobs, the nominee of the purchasers designated by them for that purpose. The city treasurer is hereby authorized and directed to deliver the securities herein authorized to the said purchasers upon payment to the city of the said purchase price. The proceeds from the sale of the securities herein authorized shall be applied as follows: That part of the said proceeds which represents accrued interest on the securities herein authorized from their date to the date of payment therefor, shall be deposited into the special fund in accordance with the requirements of Section 16(a) hereof, and shall be applied for payment of the interest which will accrue on the securities herein authorized on the next interest payment date. The principal proceeds shall be used for the purposes for which the securities herein authorized are respectively authorized to be issued.

76

Adopted this 10th day of May, 1965.

Everette L. Turner
President of the City Council

Authenticated:

Bernice H. Cantane
City Clerk

Approved this 10th day of May, 1965.

W. J. Rodgers
Mayor

Councilman J. V. Cochran moved that the rules be suspended and that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilman Alford W. Turner and upon the motion being put to vote the following vote was recorded: Yeas: Councilmen J. V. Cochran, ~~EXXEXXEXXEXX~~, Alford W. Turner, Everette L. Turner, and W. J. Rodgers; Nays: None. The president of the council thereupon declared that the motion for unanimous consent for the immediate consideration of and action on said ordinance had been unanimously carried. Councilman W. J. Rodgers thereupon moved that the said ordinance be finally adopted, which motion was seconded by Councilman Alford W. Turner and upon the motion being put to vote the following vote was recorded: Yeas: Councilmen J. V. Cochran, ~~EXXEXXEXXEXX~~, Alford W. Turner, Everette L. Turner and W. J. Rodgers; Nays: None. The president of the council thereupon announced that the motion for adoption of said ordinance had been unanimously carried; and the ordinance was then transmitted to the mayor who signed the same in approval thereof.