ORDINANCE NO. 923

ORDINANCE TO PROVIDE FOR THE ISSUANCE OF $183,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION SECURED REFUNDING BONDS, SERIES 1962, AND $117,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION SECURED WARRANTS, SERIES 1962

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 Section 12 of the open end ordinance.

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

"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 authorized 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 authorized 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.

"Outstanding bonds" means those bonds which are referred to in subsections (a) and (b) of Section 2 hereof as being outstanding and which are herein authorized to be refunded.

"Open end ordinance" means Ordinance No. 904 of the city adopted by the council and approved on July 17, 1961.

"Paying agency bank" means each bank at which the authorized securities 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 authorized securities.

"Redeemable securities" means those of the authorized securities having stated maturities in 1973 and thereafter.

"Redemption date" means the date fixed for redemption of redeemable securities in a published notice of redemption made pursuant to the provisions of Section 7 hereof.

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

"Refunding bonds" means the General Obligation Secured Refunding Bonds, Series 1962, of the city dated August 1, 1962, authorized in Section 5 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.

"Special fund" means the Gross Receipts Tax Fund referred to in Section 14 hereof.

"Warrants" means the General Obligation Secured Warrants, Series 1962, authorized in Section 6 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) Those Public Improvement Bonds, Series 1953, of the city dated October 1, 1953, numbered from 771 to 810, inclusive, maturing on October 1, 1962, and aggregating $40,000 in principal amount, which were issued under the provisions of Ordinance No. 591 of the city adopted by the council and approved on September 28, 1953 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 144 to 286, inclusive, maturing on September 1, 1962, and aggregating $143,000 in principal amount, which were issued under the provisions of Ordinance No. 872 of the city adopted by the council and approved on August 8, 1960 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 $183,000.00

Section 3. Findings Respecting Necessity of Issuing the Warrants. The council has caused an investigation to be made of the financial affairs of the city and, as a result of such investigation, has ascertained and found and does hereby declare that the following statements are true:

(a) Interest in the amount of $27,000 will become due September 1, 1962 on the Public Improvement Bonds, Series 1960, of the city dated September 1, 1960, which were issued under Ordinance No. 872 of the city adopted by the council and approved on August 8, 1960, for the purpose of constructing certain sanitary sewer improvements in the city with respect to which no assessments have yet been made final by the city and no collections have been made thereon.

(b) The city has heretofore advanced from its general fund to its sewer fund, and used for construction of sanitary sewers in the city, the sum of $90,000. As a result of such advancement the general fund of the city has been greatly depleted and the city does not have funds to pay the necessary expenses of carrying on the necessary governmental functions of the city.

In order to raise moneys necessary to pay the aforesaid interest and in order to make the aforesaid restoration to the general fund and enable the city to pay its operating expenses, it will be necessary for the city to borrow the aggregate sum of $117,000, and in evidence of the money so borrowed to issue the warrants hereinafter authorized.

Section 4. Findings respecting the Pledged Tax Revenues and the Special Fund. Under the provisions of the open end ordinance of the city authorized the issuance of, and did thereafter issue, certain securities of the city that are now outstanding. By Ordinance No. 880 of the city adopted by the council and approved on October 3, 1960, the city levied a special privilege and license tax, and in the open end ordinance the city pledged the said special tax, to the extent to which the same was levied within the corporate limits of the city, for the benefit of certain securities that had been issued under the open end ordinance. In Section 12 of the open end ordinance the city reserved the power of pledging the gross receipts tax for the benefit of additional securities of the city upon compliance with the requirements set out in said Section 12. The proceeds of the said tax have been sufficient to enable the city to issue the authorized securities and to make the parity pledge hereinafter made for the benefit thereof under the said reserved power so to do contained in said SXction 12 of the open end ordinance.

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 one hundred eighty three General Obligation Secured Refunding Bonds, Series 1962, of the city in the aggregate principal amount of $183,000, which shall be numbered consecutively from 1 to 183, inclusive, shall be in the denomination of $1,000 each, shall be dated August 1, 1962, and shall mature on August 1 as follows:

Refunding Bond Numbers (both inclusive)	Year of Maturity	Aggregate Principal Amount Maturing
1 to 10	1965	$ 10,000
11 to 20	1966	10,000
21 to 30	1967	10,000
31 to 40	1968	10,000
41 to 50	1969	10,000
51 to 60	1970	10,000
61 to 70	1971	10,000
71 to 80	1972	10,000
81 to 90	1973	10,000
91 to 100	1974	10,000
101 to 110	1975	10,000
111 to 120	1976	10,000
121 to 130	1977	10,000
131 to 140	1978	10,000
141 to 150	1979	10,000
151 to 160	1980	10,000
161 to 170	1981	10,000
171 to 183	1982	13,000

The refunding bonds shall bear interest from their date until their respective maturities at the following per annum rates: 4-1/4% on those mat. 1965 to 1972, incl. and 4% on those mat. in 1973 - 1982, inclusive. 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 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 raising the sum of $27,000 with which to pay interest that will mature on September 1, 1962 on the outstanding Public Improvement Bonds, Series 1960, dated September 1, 1960, which were issued under the provisions of Ordinance No. 872 of the city adopted by the council and approved on August 8, 1960, and for the purpose of raising the sum of $90,000 with which to restore to the general fund of the city, to be used to pay general operating expenses of the city, moneys heretofore used out of the general fund of the city for advancement to the sewer fund of the city in the construction of sanitary sewers for the city, which two sums together aggregate $117,000, there are hereby authorized to be issued by the city one hundred seventeen General Obligation Secured Warrants, Series 1962, of the city in the aggregate principal amount of $117,000, to be numbered from 1 to 117, inclusive, to be in the principal amount of $1,000 each, to be dated August 1, 1962, and to mature on August 1 as follows:

Warrant Numbers (both inclusive)	Year of Maturity	Aggregate Principal Amount Maturing
1 to 20	1973	$ 20,000
21 to 40	1974	20,000
41 to 65	1975	25,000
66 to 90	1976	25,000
91 to 117	1977	27,000

The warrants shall bear interest from their date until their respective maturities at the following per annum rates: 4%

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 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 authorized securities, those of the refunding bonds having stated maturities in 1973 and thereafter and all of the warrants shall separately be subject to redemption and payment by the city at its option on any interest payment date on or after August 1, 1972, 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 warrants, and any such redemption may be effected for 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 be resolution call for redemption on a stated date when they are by their terms subject to redemption redeemable securities (either erfunding bonds or 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 authorized 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 authorized 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 authorized 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 that 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 facsimimiles of the signature of the said mayor and city clerk imprinted thereon. The said facsimilies 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 Warrants. The 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 warrants and the said seal 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 warrants. The coupons applicable to the 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 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 warrants and the coupons applicable thereto. Said officers are hereby directed so to execute, attest and register the 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 authorized 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 authorized securities, and as a part of the contract whereunder the obligation evidenced by the authorized securities is created, there is hereby specially and irrevocably pledged, to the extent necessary to pay the principal of and interest on the authorized 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 authorized securities and any other securities of the city which at the time may be secured by a pledge of the gross receipts tax on a parity with the pledge thereof made for the benefit of the authorized securities the balance of the said proceeds remaining in each fiscal year not needed for said purpose 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 at their respective maturities the principal of and interest on the authorized 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 agrees that upon delivery of the authorized securities there will be no outstanding agreement or pledge with respect to the gross receipts tax other than the agreements and pledge made in the open end ordinance and herein will constitute the first pledge of the gross receipts tax and of its proceeds, and that the agreements and pledge respecting the gross receipts tax and its proceeds made in the open end ordinande and herein shall be and remain prior and superior to any and all pledges and agreements respecting the gross receipts tax 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 that may be issued under the authority of Section 12 of the open end ordinance. The city hereby specifically declares that the authorized securities constitute additional securities of the city for the benefit of which the city reserved in Section 12 of the open end ordinance the right to pledge the gross receipts tax on a parity with the pledge made in the open end ordinance for the benefit of the securities issued thereunder, and that the pledge of the gross receipts tax made in this section is so made in the exercise of the reserved power so to do contained in said Section 12 of the open end ordinance.

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 parity securities (whether in the form of bonds, warrants, certifidates, 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 the open end ordinance and 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 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 no such parity pledge may be made unless the conditions set out in subsections (a), (b), and (c) of Section 12 of the open end ordinance are complied with.

Section 13. Maintenance of the Gross Receipts Tax. The city agrees that so long as any of the principal of or interest on the authorized 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 at their respective maturities the principal of and interest on the authorized securities and all other securities of the city that might at any time be entitled to share in the proceeds of the gross receipts tax on a parity with the authorized securities, 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 at their respective maturities the principal of and interest on the authorized securities and all other securities of the city that might at any time be entitled to share in the proceeds of the gross receipts tax on a parity with the authorized securities.

Section 14. Gross Receipts Tax Fund. The special fund called the gross receipts tax fund created in Section 14 of the open end ordinance shall be continued and maintained until both the principal of and interest on the authorized securities shall have been paid in full, and the city will make payments into the special fund, during each successive calendar month, of all payments required to be made therein under the provisions of said Section 14 of the open end ordinance. All provisions respecting the special fund, the depositories therefor, the trust nature thereof, and security therefor, which are contained respectively in Sectoons 14, 15 and 17 of the open end ordinance, are hereby adopted by reference as a part of this ordinance to the extent to which they are herein applicable.

Section 15. Priority of the Pledged Tax Revenues. The pledge herein made of the gross receipts tax is for the benefit of all of the authorized securities, pro rata and without preference of one over another or any other securities of the city at any time entitled to share in the proceeds of the gross receipts tax on a parity of lien with the authorized securities. While no default exists in the payment of the principal of or interest on the authorized securities or on any other securities of the city at any time entitled to share in the proceeds thereof on a parity with the authorized securities, 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 authorized securities and all other securities at any time outstanding entitled to share in the gross receipts tax on a parity with the authorized securities may be used by the city for any lawful purpose.

Section 16. 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 1962

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 principal sum of

ONE THOUSAND DOLLARS

with interest thereon at the rate of _____% per annum, payable semi-annually 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 $183,000 in principal amount consisting of bonds numbered from 1 to 183, 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 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 is on a parity with pledges of said tax and the proceeds thereof for the benefit of certain other bonds and warrants 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 of 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 1973 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, 1972, after prior notice of such redemption shall have been given at least one time, not less than thirty days before the date fixed for 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, 1962.

CITY OF PRICHARD

BY ________________________
Its Mayor

By ________________________
Its City Clerk

(Form of Coupon)

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 1962, of the said City of Prichard dated August 1, 1962, 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 1973 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, 1973, 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 17. Form of the Warrants. The warrants and the coupons applicable thereto and the provisions for the assignment thereof shall 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 1962

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 H. C. Hendrix, or assigns, the principal sum of

ONE THOUSAND DOLLARS

On the 1st day of August, 19___ (unless this warrant shall have been duly called for prior payment), 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 $117,000 consisting of warrants numbered from 1 to 117, inclusive, and has been issued pursuant to the applicable provisions to 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.

The warrants 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, 1972, 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 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, 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 is on a parity with pledges of said tax and the proceeds thereof for the benefit of certain other bonds and warrants of the city. In said proceedings the city reserved the privilege of issuing additional securities and, upon the existence of certain events, 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 htereof 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 by its mayor who has hereunto manually subscribed his signature, has caused a facsimile of its official seal to be imprinted hereon, has caused the said execution and seal to be attested by a facsimile of the signature of tis 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, 1962.

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 purchase price equal to $ 300,000.00 plus accrued interest thereon to the date of delivery thereof, is hereby ascertained to be the bid received for the purchase of the authorized securities which reflects the lowest average net interest cost to the city for the authorized 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 authorized securities are hereby sold to the said bidders. The warrants shall be issued in the name of H. C. Hendrix, the nominee of the purchasers designated by them for that purpose. The city treasurer is hereby authorized and directed to deliver the authorized securities to the said purchasers upon payment to the city of the said purchase price. The proceeds from the sale of the authorized securities shall be applied as follows: That part of the proceeds which represents accrued interest on the authorized 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) of the open end ordinance, and shall be applied for payment of the interest which will accrue on the authorized securities on the next interest payment date. The principal proceeds shall be used for the purposes for which the authorized securities are respectively authorized to be issued.

Adopted this 24th day of July, 1962.

____
President of the City Council

Authenticated:

____
City Clerk

Approved this 24th day of July, 1962.

____
Mayor

Councilman Lassiter 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 Moulyet, and upon the motion being put to vote the following vote was recorded: Yeas: Councilmen Dismukes, Lassiter, Moulyet, Phillips, 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 Lassiter thereupon moved that the said ordinance be finally adopted, which motion was seconded by Councilman Moulyet and upon the motion being put to vote the following vote was recorded: Yeas: Councilmen Dismukes, Lassiter, Moulyet, Phillips, 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.