

Ordinance No. 20021

BE IT ORDAINED by the Mayor and City Council of the CITY OF HAMILTON, ALABAMA, as follows:

Section 1. Findings. The Mayor and City Council (herein called "Council") which is the governing body of the City of Hamilton, Alabama (herein called the "City") has found and ascertained and does hereby declare as follows:

- (a) it is necessary and desirable, and in the best interest of the City and its inhabitants, for the City to acquire and construct various capital improvements to public facilities in and for the City (herein called the "Improvements") for public use therein;
- (b) the estimated cost of the Improvements is approximately \$2,500,000, but the City does not have available funds with which to pay the costs of the Improvements;
- (c) in order to finance the costs of constructing the Improvements, it will be necessary for the City to borrow the sum of \$2,500,000 and in evidence there of to issue \$2,500,000 in principal amount of its General Obligation Warrants (herein called the "Long-Term Warrants"), payable serially in installments over a period of years;
- (d) the City is not now, and will not be for some time, in a position to proceed with the issuance and sale of the Long-Term Warrants; and

(e) In order to provide for the payment of the costs of constructing the Improvements, it will be necessary for the City to borrow the principal sum of \$2,500,000 temporarily, in anticipation of the sale of Long-Term Warrants, and in evidence of such borrowing to issue the Warrant Anticipation Notes hereinafter authorized.

Section 2. Authorization of the Warrant Anticipation Notes. Pursuant to the provisions of the constitution and laws of the State of Alabama, including particularly Section 11-47-2, Code of Alabama 1975, as amended, and for the purpose of (1) financing the costs of the Improvements; and (11) paying the expenses of issuance of the said Warrant Anticipation Notes, the City is hereby authorized to issue its \$2,500,000 in aggregate principal amount of its three Warrant Anticipation Notes, Series 2002-A, Series 2002-B and Series 2002-C, in the amounts of \$1,350,000, \$650,000 and \$500,000, respectively (herein together called the "Warrant Anticipation Notes"). The Warrant Anticipation Notes shall be dated the date of their issuance, shall be issued in fully registered form, shall be in the initial denomination of \$5,000 each or any integral multiple thereof (which are herein called "Authorized Denominations"), and shall mature on March 15, 2002.

Each such Warrant Anticipation Note shall be payable to the purchaser or purchasers thereof or order, shall bear interest from its date until its maturity at a rate of interest of Four and One-Half Percent (4-1/2%) per annum, which interest shall be payable at the maturity thereof. The Warrant Anticipation Notes shall be numbered A-1, B-1 and C-1, as applicable, and the principal of and the interest on the Warrant Anticipation Notes shall bear interest after the respective due dates of such principal and interest at the rate of 6% annum.

Section 3. General Obligation Pledge. The indebtedness evidenced and ordered paid by the Warrant Anticipation Notes is and shall be a general obligation of the City for payment of the principal of and the interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 4. Prepayment Privilege. The City reserves and shall have the privilege of prepaying all or any part of the principal of each of the Warrant Anticipation Notes at any time and from time to time, without penalty or premium and without any prior notice, provided that at the time of each such prepayment, the City pays the interest which shall have accrued, to the date of such prepayment, on the principal to be so prepaid with respect to such Warrant Anticipation Note; provided that the Warrant Anticipation Notes may be so redeemed only as a whole and not in part.

Section 5. Execution of the Warrant Anticipation Notes. The Warrant Anticipation Notes shall be executed on behalf of the City by its Mayor, who shall affix the official seal of the City to each thereof, and each of the Warrant Anticipation Notes shall be attested by the City Clerk of the City. Said officers are hereby authorized and directed so to execute, seal and attest the Warrant Anticipation Notes, all in accordance with the provisions of this Section 5 and Section 6 hereof.

Section 6. Form of the Warrant Anticipation Notes. Each Warrant Anticipation Note shall be in substantially the following form, with appropriate insertions, omissions and other changes to comply with the provisions hereof and to reflect the appropriate date, warrant number and principal amount:

No. \_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF HAMILTON, ALABAMA

WARRANT ANTICIPATION NOTE  
SERIES 2002-\_\_

On March 15, 2002, for value received, the CITY OF HAMILTON, ALABAMA (herein called the "City"), will pay to SOUTHTRUST BANK, or registered assigns, the sum of

DOLLARS

with interest thereon from the date hereof until the maturity hereof at the rate of 4-1/2% per annum, payable at the maturity hereof. Both said principal and said interest shall bear interest after their due date until paid at the rate of 6% per annum. The City reserves the privilege of prepaying all or any part of the principal of this note at any time and from time to time, without premium or penalty, and without notice, provided that at the time of each prepayment the City pays the interest which shall have accrued, to the date of such prepayment, on the principal to be so prepaid with respect to this note.

The principal of and interest on this Warrant Anticipation Note will be paid only to the named payee or its registered assigns as shown on the books of the City maintained for that purpose by its undersigned registrar.

The indebtedness evidenced and ordered paid by the Warrant Anticipation Notes is and shall be a general obligation of the City for payment of the principal of and interest on which the full faith and credit of the City are hereby irrevocably pledged.

It is hereby certified that all conditions, actions and things required by the constitution and laws of Alabama to exist, be performed or happen precedent to or in the issuance of this note do exist, have been performed and have happened in due and legal form.