

MEETING OF THE
MAYOR AND CITY COUNCIL
OF HAMILTON, ALABAMA

November 12, 1985

The Mayor and City Council of Hamilton, Alabama, met in their regular meeting on November 12, 1985 at 3:00 P.M. in the Council Room of the City Hall Building. Those present were as follows:

Mayor: E. T. Sims, Jr.
Council: Bryce Bannister
Chris Hamrick
Hugh Holland
Randy Jackson
James Jones
Clerk: Barbara Partain
Guests: David Hooks
George Schultz
Leland Mayfield

The Mayor called the meeting to order and welcomed all guests. Upon the meeting being opened, a motion was made by Randy Jackson, seconded by Chris Hamrick, to approve the minutes of the previous meeting as presented. A vote was cast and the motion adopted unanimously.

* * *

Councilman Hugh Holland introduced the following ordinance in writing:

ORDINANCE NO. 443

BE IT ORDAINED by the Mayor and Council (herein called the "Council") of the City of Hamilton, Alabama, as follows:

Section 1. Findings. The Mayor and Council (herein called the "Council") of the City of Hamilton, Alabama (herein called the "City") have found and ascertained and do hereby declare as follows:

(a) In the past eighteen (18) months the City has purchased a garbage truck, a fire truck and two police cars and has also made various capital repairs and improvements to the City Hall in the City, at an aggregate cost of not less than \$150,000;

(b) The City has paid the costs of the said garbage truck, fire truck, police cars and capital repairs and improvements from its general fund without any borrowings therefor, and the City now wishes to reimburse its said general fund for the said costs in the amount of \$150,000;

(c) The City has also paid certain extraordinary costs of operating the City in the amount of not less than \$100,000 from its general fund, and the City now wishes to reimburse its general fund for the said extraordinary costs of operating the City; and

(d) In order to reimburse its general fund so that the City will have funds readily available with which to pay other reasonable and necessary expenses of operating the City, the City therefore proposes to borrow the sum of \$250,000 on its full faith and credit and, in evidence of the said borrowing, to issue the Warrants hereinafter described.

Section 2. Authorization of the Warrants. Pursuant to the provisions of the constitution and laws of the State of Alabama, including particularly Section 11-47-1 of the Code of Alabama of 1975, and for the purpose of reimbursing the general fund of the City for the costs of the aforesaid garbage truck, fire truck, police cars and repairs to the City Hall in the City, as well as various extraordinary expenses that the City has heretofore incurred in the operation of the City, there are hereby authorized to be issued by the City \$250,000 in aggregate principal amount of its General Obligation Warrants, Series 1985 (herein called the "Warrants"). The Warrants shall be dated December 1, 1985, 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 December 1 in the following respective principal amounts and years:

<u>Year of Maturity</u>	<u>Aggregate Principal Amount Maturing</u>
1996	\$40,000
1997	45,000
1998	50,000
1999	55,000
2000	60,000

Section 3. Interest Rates and Place of Payment. The Warrants shall bear interest from their date until their respective maturities at the following per annum rates:

- 9.00% on those having stated maturities in 1996;
- 9.25% on those having stated maturities in 1997;
- 9.50% on those having stated maturities in 1998;
- 9.75% on those having stated maturities in 1999; and
- 10.00% on those having stated maturities in 2000.

Such interest shall be payable on June 1, 1986, and semiannually on each June 1 and December 1 thereafter until and at the respective maturity dates of the Warrants. The principal of and premium, if any, on the Warrants shall be payable at the principal office of SouthTrust Bank of Alabama, National Association, in Birmingham, Alabama, and interest on the Warrants shall be paid by check or draft mailed or otherwise delivered by the said SouthTrust Bank of Alabama, National Association (herein called the "Bank") to the persons to whom the Warrants are respectively payable at their addresses as they appear on the registry books of the Bank pertaining to the Warrants; provided that the final payment of such interest shall be made only upon surrender of the appropriate Warrant or Warrants to the Bank. The principal of and the interest on the Warrants shall bear interest after their respective due dates until paid at the rate of twelve percent (12%) per annum.

Section 4. Optional Redemption of Callable Warrants. The Warrants shall be subject to redemption and payment prior to their respective maturities at the option of the City, while it is not in default in payment of the principal of or the interest on any of the Warrants, on December 1, 1991, and on any interest payment date thereafter, as a whole or in part (but if in part, in the inverse order of their principal maturity dates, but if less than all of the Warrants having a single principal maturity date are to be redeemed, then those having said single principal maturity date to be redeemed shall be selected by lot), at a redemption price, with respect to each Warrant redeemed, equal to 102% of its par or face amount plus accrued interest to the date of redemption. Any such redemption shall be effected in the following manner:

(a) The Council shall adopt a resolution calling for redemption on a stated date when they are by their terms subject to redemption Warrants in a stated aggregate principal amount and shall recite in such resolution that the City is not in default in payment of the principal of or the interest on any of the Warrants.

(b) Not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption the City shall give notice, or shall cause the Bank on its behalf to give notice, of the redemption of such Warrants by depositing into the United States registered or certified mail, addressed to the named payee of each Warrant, at the address of such payee as the same appears on the registry books of the Bank pertaining to the Warrants, a notice which shall state that Warrants in a stated aggregate principal amount have been called for redemption and will become due and payable at the applicable redemption price or prices on a specified redemption date, and that all interest thereon will cease after such redemption date. The payee of any Warrant may waive the requirements of this subsection with respect to the Warrant or Warrants held by him or it without affecting the validity of the call for redemption of any other Warrants.

(c) On or prior to the date fixed for redemption the City shall notify the Bank (or any other bank at which the Warrants are payable) of the City's compliance with the requirements of paragraphs (a) and (b) of this section and shall further make available at said bank the total redemption price of the Warrants so called.

Upon compliance with the foregoing requirements on its part contained in this section, and if on the redemption date specified in said resolution and notice the City is not in default in payment of the principal of or the interest on any of the Warrants, the Warrants so called for redemption shall become due and payable at the redemption price on the date fixed for redemption, and interest thereon shall thereafter cease. No bank at which the Warrants may at any time be payable shall be required to pay any interest maturing on the date fixed for redemption which is applicable to any Warrant so called for redemption on that date unless the Callable Warrant to which such interest is applicable is presented for payment on such date; provided that in the event any such bank should pay any such interest without payment of the applicable Warrant it shall not be liable to the holder of such applicable Warrant or to the City or to anyone whomsoever.

Section 5. General Obligation Pledge. The indebtedness evidenced and ordered paid by the Warrants 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 6. Agreement to Levy the Occupational Tax. The City agrees that to such extent that the amounts that shall be available to it from time to time from its general funds, after payment of all the reasonable and necessary expenses of operating the City, shall not be sufficient to make all payments herein required to be made into the Warrant Fund hereinafter established when required to be made, the City agrees that it will, as a part of the contract by which the borrowing evidenced by the Warrants is made, levy and collect a municipal license tax upon trades, occupations and professions being conducted within the corporate limits of the City and measured by the gross salaries, wages or other receipts or compensation earned by individuals, to the extent earned with respect to trades, occupations and professions conducted within the corporate limits of the City (the said tax, to the extent so levied, being herein called the "Occupational Tax"), at a rate of not less than one percent (1%) of any such gross salaries, wages or other compensation. The City shall levy the Occupational Tax, and thereafter immediately begin to collect the same, as of the first day of the calendar month next succeeding any calendar month in which the City shall fail to make any payment into the Warrant Fund required to be made therein in Section 8 hereof.

Section 7. Concerning the Occupational Tax. The City agrees that if it shall levy the Occupational Tax as herein provided, then for so long thereafter as any of the principal of or the interest on the Warrants remains unpaid, it will do the following:

(a) it will continue to levy and collect the Occupational Tax (or a municipal license substantially equivalent thereto) without reduction in the aggregate annual amount of the proceeds therefrom; and

(b) it will make such increases, within reasonable limitations, in the rates of the Occupational Tax (or in the event of the levy in lieu thereof of a municipal license tax substantially equivalent thereto, in the rates of such other municipal license tax) as, when added to the other available revenues of the City, will provide moneys sufficient to pay at their respective maturities the principal of and the interest on the Warrants.

Section 8. Warrant Fund. There is hereby created a special trust fund designated the "Series 1985 Warrant Principal and Interest Fund" (herein called the "Warrant Fund"), which shall be maintained until the principal of and the interest on the Warrants shall have been paid in full. The City will pay or cause to be paid into the Warrant Fund the following:

(a) promptly following the issuance and sale of the Warrants, the City will pay into the Warrant Fund the accrued interest received by it on the sale of the Warrants;

(b) on or before the 25th day of January, 1986, the City will pay into the Warrant Fund such amount as, when added to the amount paid therein with respect to the Warrants pursuant to the provisions of the preceding clause (a), will equal one-third (1/3) of the interest that will mature with respect to the Warrants on June 1, 1986;

(c) on or before the 25th day of February, 1986, and on or before the 25th day of each calendar month thereafter, to and including the month of November, 1995, the City will pay into the Warrant Fund an amount equal to one-sixth (1/6) of the installment of interest that will mature with respect to the Warrants on the then next succeeding interest payment date; and

(d) on or before the 25th day of December, 1995, and on or before the 25th day of each succeeding calendar month thereafter until the principal of and the interest on the Warrants have been paid in full or until provision shall have been made for the payment thereof, the City will pay into the Warrant Fund an amount equal to one-sixth (1/6) of the semiannual installment of interest that will mature with respect to the Warrants on the then next succeeding interest payment date plus one-twelfth (1/12) of the installment of principal that will mature with respect to the Warrants on the then next ensuing December 1.

The payments herein required to be made into the Warrant Fund shall [except as otherwise specifically provided in the preceding clause (a) of this section] be made therein with any funds of the City that shall be available for that purpose. To such extent, if any, any available funds of the City shall not be sufficient to make any payment herein required to be made into the Warrant Fund, the City will make such payment from the proceeds of the Occupational Tax, and it will in no event allow a default to occur in the payments into the Warrant Fund. The moneys in the Warrant Fund shall be used solely for payment of the principal of and the interest on the Warrants upon or after their respective maturities. Whenever there is on deposit in the Warrant Fund an amount equal to or in excess of the aggregate of the principal and interest thereafter coming due on the Warrants, the City shall not be required to make any further payments therein except to make good any moneys therein that may become lost or otherwise unavailable for withdrawal. When all the Warrants have been retired and no principal or interest shall be outstanding with respect thereto, any moneys then remaining on deposit in the Warrant Fund shall be returned to the City.

Section 9. Concerning the Warrant Fund. SouthTrust Bank of Alabama, National Association, a national banking association having its principal place of business in the City of Birmingham, Alabama, is hereby designated as the custodian, depository and disbursing agent for the Warrant Fund. In the event that such bank (or any successor depository for such fund that may be hereafter designated as herein provided) should at any time decline to act as such depository, or should resign as such depository, or should cease to be a member of the Federal

Deposit Insurance Corporation (or any agency of the United States of America that may succeed to its functions), or should cease to be duly qualified to do business within the State of Alabama, then the Council shall by resolution designate a successor to such depository; provided that any successor depository so designated shall be and remain a member of the Federal Deposit Insurance Corporation (or of any agency of the United States of America that may succeed to its functions) and shall be and remain duly qualified to do business in the State of Alabama. The moneys on deposit in the Warrant Fund shall constitute public funds impressed with a trust for the benefit of the City and the holders of the Warrants. The depository for the Warrant Fund shall at all times keep all moneys on deposit therein secured by pledging securities that are direct general obligations of the United States of America or securities with respect to which payment of the principal and interest is unconditionally guaranteed by the United States of America (any such securities being herein called "Federal Securities") having a market value at least equal to the amount on deposit therein, said pledge to be accomplished either

(a) by the deposit of such Federal Securities, in trust for the benefit of the City and the holders of the Warrants, with another bank or trust company, or

(b) by the deposit of such Federal Securities, in trust for the benefit of the City and the holders of the Warrants, with its own trust department, wholly separate and apart from its other assets;

Provided however, that such depository shall not be required so to secure any portion of the moneys on deposit in the Warrant Fund that is insured by the Federal Deposit Insurance Corporation or by any agency of the United States of America that may succeed to its functions.

Section 10. **Forms of Warrants, Etc.** The Warrants, the Registration Certificate applicable thereto and the provisions for 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. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF HAMILTON
GENERAL OBLIGATION WARRANT
Series 1985

___% DUE

Subject to prior payment as herein provided

The City Treasurer of the CITY OF HAMILTON, a municipal corporation under the laws of the State of Alabama (herein called the "City"), will pay to _____ or registered assigns, the principal sum of

D O L L A R S

on the date stated above with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable on June 1, 1986, and semiannually on each June 1 and December 1 thereafter until and at the maturity hereof. The principal hereof as well as any premium hereon shall be payable in lawful money of the United States of America at the principal office of SouthTrust Bank of Alabama, National Association, in Birmingham, Alabama (herein called the "Bank"), and the interest hereon shall be paid by check or money order mailed to the named payee hereof at the address of the said payee as it appears on the registry books of the Bank pertaining to the Warrants hereinafter referred to. Both the principal hereof and the interest hereon shall bear interest after their respective due dates until paid at the rate of twelve percent (12%) per annum.

This warrant is one of an issue aggregating \$250,000 in principal amount (herein called the "Warrants"), which are authorized to be issued pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Section 11-47-2 of the Code of Alabama of 1975, as well as an ordinance duly adopted by the governing body of the City, for purposes for which the City is authorized by

law to borrow money and to issue warrants. The Warrants are subject to redemption and payment prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in the inverse order of their principal maturity dates, but if less than all of the Warrants having a single principal maturity date are to be redeemed, those having said single principal maturity date to be redeemed shall be selected by lot), on December 1, 1991, and on any interest payment date thereafter, upon not less than thirty (30) days prior written notice given by United States certified or registered mail to the named payee of each of the Warrants, at and for a redemption price, with respect to each warrant redeemed, equal to 102% of its par or face amount plus accrued interest thereon to the date of redemption. The indebtedness evidenced and ordered paid by this warrant is 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 have been irrevocably pledged.

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 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 applicable debt and other limit prescribed by the constitution and laws of the State of Alabama.

The Warrants are issuable only as fully registered warrants in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the ordinance of the City under which the Warrants were authorized to be issued for the exchange of Warrants for a like aggregate principal amount of Warrants of the same maturity and in authorized denominations, all upon the terms and subject to the conditions set forth in the aforesaid ordinance of the City.

This warrant is transferable by the named payee hereof, in person or by authorized attorney, only on the books of the Bank (the registrar and transfer agent of the City) and only upon surrender of this warrant to the Bank for cancellation, and upon any such transfer a new warrant of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the aforesaid ordinance of the City. Each holder, by receiving or accepting this warrant shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, this warrant may be transferred only in accordance with the provisions of the aforesaid ordinance of the City.

The Bank shall not be required to transfer or exchange this warrant during the period of fifteen (15) days next preceding any June 1 or December 1; and, in the event that this warrant (or any principal portion hereof) is duly called for redemption and prepayment, the Bank shall not be required to register or transfer this warrant

during the period of thirty (30) days next preceding the date fixed for such redemption and prepayment.

Execution by the Bank of the registration certificate hereon is essential to the validity hereof.

IN WITNESS WHEREOF, the City has caused this warrant to be executed with the facsimile signature of its Mayor, has caused a facsimile of its official seal to be hereunto imprinted, has caused this warrant to be attested by the facsimile signature of its City Clerk imprinted on each of the Warrants, and has caused this warrant to be dated December 1, 1985.

CITY OF HAMILTON

By _____
Mayor

Attest:

Its City Clerk

[Form of Registration Certificate]

this _____ This warrant was registered in the name of the above-registered owner
day of _____, 19 ____.

**SOUTHTRUST BANK OF ALABAMA,
NATIONAL ASSOCIATION**

By _____
Its Authorized Officer

[Form of Assignment]

For value received _____ hereby sell(s),
assign(s) and transfer(s) unto _____ the within war-
rant and hereby irrevocably constitute(s) and appoint(s) _____
attorney, with full power of substitution in the premises, to transfer this warrant on
the books of the within-mentioned Bank.

Dated this _____ day of _____, 19__.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within warrant in every particular, without alteration, enlargement or change whatsoever.

Signature guaranteed:

(Bank, Trust Company or Firm)

By _____
(Authorized Officer)

Section 11. Execution and Registration of Warrants by City. The Warrants shall be executed on behalf of the City by its Mayor and attested by its City Clerk, and the seal of the City shall be impressed on each of the Warrants. The signatures of the said Mayor and the said City Clerk may be facsimile signatures of said officers, and the seal of the City imprinted on the Warrants may be a facsimile of such seal (it being understood that a condition to the validity of each Warrant is the appearance on such Warrant of a registration certificate, substantially in the form hereinabove provided, executed by the manual signature of an authorized officer of the Bank). Signatures on the Warrants by persons who are officers of the City at the times such signatures were written or printed shall continue to be effective although such persons cease to be such officers prior to the delivery of the Warrants, whether initially issued or exchanged for Warrants of different denominations from those initially issued.

The Warrants shall be registered by the City Treasurer in the records maintained by her as claims against the City, which registration shall be made

simultaneously with respect to all the Warrants. Said officers are hereby directed so to execute, attest and register the Warrants.

Section 12. Registration Certificate on Warrants. A registration certificate by the Bank, in substantially the form hereinabove recited, duly executed by the manual signature of the Bank, shall be endorsed on each of the Warrants and shall be essential to its validity.

Section 13. Registration and Transfer of Warrants. All the Warrants shall be registered as to both principal and interest, and shall be transferable only on the registry books of the Bank. The Bank shall be the registrar and transfer agent of the City and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Warrants as are presented for those purposes, all in the manner and to the extent hereinafter specified.

No transfer of a Warrant shall be valid hereunder except upon presentation and surrender of such Warrant at the office of the Bank with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Bank, whereupon the City shall execute, and the Bank shall register and deliver to the transferee, a new Warrant, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name a Warrant is registered on the books of the Bank shall be the sole person to whom or on whose order payments on account of the principal thereof and of the interest (and premium, if any) thereon may be made. Each named payee of any of the Warrants by receiving or accepting such Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, the Warrants may be transferred only in accordance with the provisions of this ordinance.

The Bank shall not be required to register or transfer any Warrant during the period of fifteen (15) days next preceding any interest payment date with respect thereto; and if any Warrant is duly called for redemption (in whole or in part), the Bank shall not be required to register or transfer such Warrant during the period of thirty (30) days next preceding the redemption date.

Section 14. Exchange of Warrants. Upon the request of the named payee of any of the Warrants, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of any Warrant or Warrants in exchange thereof, a Warrant or Warrants in the denomination of \$10,000 or any other integral multiple of \$5,000 of the same maturity and interest rate and together aggregating the same principal amount as the then unpaid principal of the Warrant or Warrants so surrendered, all as may be requested by the person surrendering such Warrant or Warrants.

The registration, transfer and exchange of Warrants (other than pursuant to Section 16 hereof) shall be without expense to the payee thereof or any transferee thereof. In every case involving any transfer, registration or exchange, such named payee shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

Section 15. Accrual of Interest on Warrants. All Warrants issued prior to June 1, 1986, in exchange for Warrants initially delivered hereunder, shall bear interest from December 1, 1985, and all Warrants issued on or after June 1, 1986, shall bear interest from the June 1 or December 1, as the case may be, next preceding the date of its issuance and delivery unless (1) such date of delivery is a June 1 or December 1, in which event such Warrant shall bear interest from the date of its issuance and delivery, or (2) at the time of such delivery the City is in default in the payment of interest on the Warrant in lieu of which such new Warrant is issued, in which event such new Warrant shall bear interest from the last interest payment date to which interest has previously been paid. The preceding provision shall be construed to the end that the issuance of a Warrant shall not affect any gain or loss in interest to the named payee thereof.

Section 16. Persons to Whom Payment of Interest on Warrants is to be Made. Interest on the Warrants shall be payable in lawful money of the United States of America by check or draft mailed by the Bank to the respective named payees of the Warrants at their respective addresses shown on the registry books of the Bank pertaining to the Warrants. Overdue interest shall be paid by check or draft mailed by the Bank to the respective named payees of the Warrants on the date upon which any such overdue interest shall be paid. Payment of interest in the manner described in this paragraph to the respective named payees of the Warrants on the overdue interest payment date shall fully discharge and satisfy all liability for the same.

Section 17. Persons Deemed Owners of Warrants. The City and the Bank may deem and treat the person in whose name a Warrant is registered on the registry books of the Bank as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by any of them to the person in whose name a Warrant is registered, shall to the extent thereof fully discharge and satisfy all liability for the same.

Section 18. Replacement of Mutilated, Lost, Stolen or Destroyed Warrants. In the event any Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Warrant, such Warrant is first surrendered to the City and the Bank, and (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the City and the Bank evidence of such loss, theft or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The City may charge the named payee with the expense of issuing any such new Warrant.

Section 19. Sale of Warrants. The Warrants are hereby sold to SouthTrust Bank of Alabama, National Association, Birmingham, Alabama, at and for a purchase price equal to \$243,750, which is 97.5% of their par or face value. The Warrants shall be initially registered in the name of the said SouthTrust Bank of Alabama, National Association, or in the names of such other persons, firms or corporations as may be designated by the said SouthTrust Bank of Alabama, National Association, prior to the time of delivery of the Warrants. The City Clerk of the City is hereby authorized and directed to deliver the Warrants to the said SouthTrust Bank of Alabama, National Association, upon payment to the City of the purchase price of the Warrants.

Section 20. Use of Proceeds from Sale of Warrants. The entire proceeds derived from the sale of the Warrants shall be applied as follows:

(a) that part of the said proceeds that represents accrued interest on the Warrants from their date to the date of payment therefor shall be deposited in the Warrant Fund and shall be applied for payment of the interest which will mature on the Warrants on June 1, 1986; and

(b) the balance of said proceeds shall be paid to the City and deposited into the general fund of the City.

Section 21. Provisions Respecting Registration of Warrants to Comply with Provisions of Internal Revenue Code of 1954. The City and the Bank recognize that the provisions of the Internal Revenue Code of 1954, as amended, now require that the Warrants be in "registered form", and that each Warrant must be registered as to both principal and interest and any transfer of any Warrant must be effected only by the surrender of the old Warrant and either by the reissuance of the old Warrant to a new named payee or the issuance of a new Warrant to a new such named payee. The Bank may rely upon an opinion of nationally recognized bond counsel with respect to any question which may arise pertaining to the transfer, exchange or reissuance of Warrants. The provisions of this ordinance pertaining to transfer, exchange or reissuance of Warrant need not or shall not be followed if the Bank receives an opinion of nationally recognized bond counsel that compliance with requirements in addition to or in lieu of the requirements of this ordinance pertaining to such transfer, exchange or reissuance is required or permitted under the provisions of the Internal Revenue Code of 1954, as amended, or under other applicable laws and regulations.

Section 22. Provisions Constitute Contract. The provisions of this ordinance shall constitute a contract between the City and the holders of the Warrants.

Section 23. Warrants Payable at Par. Each bank at which the Warrants shall at any time be payable, by acceptance of its duties as paying agent therefor,

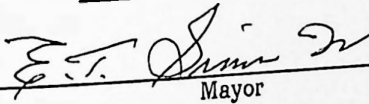
shall be considered to have agreed thereby with the holders of the Warrants that all payments made by it of the Warrants shall be made in bankable funds at par and without deduction for exchange, fees or expenses. The City agrees with the holders of the Warrants that it will pay all charges for exchange, fees or expenses which may be made by any such bank in the making of payments in bankable funds of the Warrants.

Section 24. Provisions of Ordinance Severable. The various provisions of this ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not affect the validity or enforceability of any other portion of this ordinance.

Section 25. Authorization of Official Statement. The Mayor of the City is hereby authorized to execute and deliver, for and in the name and behalf of the City, an Official Statement with respect to the Warrants in such form as the said Mayor shall determine to be necessary or desirable in carrying out the offering and sale of the Warrants. The determination by the Mayor of the definitive form of such Official Statement shall be conclusively established by his execution thereof, and such Official Statement, as executed by the said Mayor, is hereby approved, and the use thereof in the offering and sale of the Warrants is hereby authorized.

Section 26. Execution of Ancillary Documents. The Mayor and the City Clerk of the City are hereby authorized and directed to execute, deliver, seal and attest such other ancillary documents and certificates (including, without limitation, a so-called "No-Arbitrage Certificate") as may be necessary to consummate the issuance and sale of the Warrants and to carry out fully the financing authorized by this ordinance.

ADOPTED AND APPROVED this 12th day of November, 1985.



Mayor

Authenticated:



City Clerk

Councilman Hugh Holland moved that unanimous consent be given for the immediate consideration of and action on said ordinance, which motion was seconded by Councilman Chris Hamrick, and, upon said motion being put to vote, the following vote was recorded:

YEAS:

NAYS:

Mayor E. T. Sims, Jr.
Council: Bryce Bannister
Chris Hamrick
Hugh Holland
Randy Jackson
James Jones

None

The Mayor thereupon declared that the motion for unanimous consent for immediate consideration of and action on said ordinance had been unanimously carried. Councilman Hugh Holland thereupon moved that said ordinance be finally adopted, which motion was seconded by Councilman Chris Hamrick, and, said motion being put to vote, the following vote was recorded:

YEAS:

NAYS:

Mayor: E. T. Sims, Jr.
Council: Bryce Bannister
Chris Hamrick
Hugh Holland
Randy Jackson
James Jones

None

The Mayor thereupon announced that the motion for adoption of said ordinance had been carried.

Councilman Hugh Holland introduced the following ordinance in writing: