

Councilman Gary Mixon introduced the following ordinance in writing:

ORDINANCE NO. 506

BE IT ORDAINED by the Mayor and Council of the City of Hamilton, Alabama, as follows:

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

(a) the City has heretofore leased a public hospital building or facility (herein called the "Public Hospital") from Marion County, Alabama, for a lease term extending until the calendar year 2080;

(b) it is necessary and desirable for the City to make certain renovations and improvements to the Public Hospital (which are herein called the "Public Hospital Improvements");

(c) the estimated cost of the Public Hospital Improvements is in excess of \$1,500,000;

(d) in order to provide long-term financing of the costs of the Public Hospital Improvements and for certain other purposes, in the near future the City proposes to issue its General Obligation Warrants in the aggregate principal amount of not less than \$2,500,000 to mature serially over a period of years (herein called the "Long-Term Warrants");

(e) The City is not now in a position to proceed with the issuance and sale of the Long-Term Warrants, but the City wishes to begin the construction of the Public Hospital Improvements forthwith;

(f) the City does not now have and will not have in the foreseeable future funds sufficient to pay all the costs of the construction of the Public Hospital Improvements; and

(g) to provide for the payment of a portion of the costs of constructing the Public Hospital Improvements, it will be necessary for the City to borrow the principal sum of \$1,000,000 temporarily in anticipation of the sale of the Long-Term Warrants, and in evidence of such borrowing to issue the Warrant hereinafter authorized.

Section 2. Authorization of Warrant. Pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Sections 1 and 2 of Chapter 47, Title 11, Code of Alabama 1975, and for the purpose of obtaining funds with which to pay a portion of the costs of constructing the Public Hospital Improvements, the City is hereby authorized to borrow the principal sum of \$1,000,000 from SouthTrust Bank of Marion County, Hamilton, Alabama (herein called the "Bank"), and, in evidence of the money so borrowed, to issue and deliver to the Bank its General Obligation Warrant, Series 1993 (herein called the "Warrant"), in the said principal amount of \$1,000,000. The Warrant shall be dated the date of its issuance (which shall be the date the loan evidenced thereby is made), shall be drawn on the City Treasurer of the City, shall mature and become payable sixty (60) days after its date, shall bear interest from its date until its maturity at the rate of 4.23% per annum, payable at maturity, and shall be payable (as to both principal and interest) at the principal office of the Bank in the City of Hamilton, Alabama.

Section 3. Optional Prepayment Privilege. The City reserves and shall have the privilege of prepaying all or any part of the principal of the Warrant at any time, without penalty or premium and without any prior notice, provided that at the time of each such prepayment the City pays the unpaid interest which shall have accrued on the principal so prepaid.

Section 4. Execution of the Warrant. The Warrant shall be executed on behalf of the City by the manual signature of its mayor, who shall also affix an impression of the official seal of the City thereto, and the City Clerk of the City shall attest the said execution by affixing her signature to the Warrant. The Warrant shall be registered in the records maintained by the City Treasurer of the City as a claim against the City. Said officers are hereby authorized and directed so to execute, seal, attest and register the Warrant.

Section 5. General Obligation Pledge. The indebtedness evidenced and ordered paid by the Warrant is and shall be a general obligation of the City for payment of the principal of and the interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 6. Form of Warrant. The Warrant shall be in substantially the following form, with appropriate changes therein and additions thereto to conform to the provisions hereof:

[Form of Warrant]

\$1,000,000

1,000,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF HAMILTON

GENERAL OBLIGATION WARRANT
SERIES 1993

The CITY OF HAMILTON, ALABAMA (herein called the "City"), hereby acknowledges that it is indebted to SouthTrust Bank of Marion County, Hamilton, Alabama in the principal sum of

ONE MILLION DOLLARS

and hereby orders and directs its city treasurer to pay said sum to said SouthTrust Bank of Marion County, or assigns, sixty (60) days after the date hereof, with interest thereon from the date hereof until the maturity hereof at the rate of 4.23% per annum, payable at the maturity hereof. Both the principal hereof and the interest hereon shall be payable at the principal office of the said SouthTrust Bank of Marion County, in the City of Hamilton, Alabama. The City reserves the privilege of prepaying all or any part of the principal of this warrant at any time, without premium or penalty and without any prior notice, provided that at the time of each such prepayment of principal the City pays the unpaid interest which shall have accrued on the principal so prepaid.

This warrant evidences a valid general obligation of the City for payment of the principal of and the interest on which the City has irrevocably pledged its full faith and credit, and has been issued pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Sections 1 and 2 of Chapter 47, Title 11, Code of Alabama 1975, and an ordinance of the governing body of the City duly and legally adopted, for purposes for which the City is legally authorized to borrow money. It is hereby certified that the indebtedness evidenced hereby has been duly and legally incurred and will at the maturity hereof become lawfully due without condition, abatement or offset of any description; that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this warrant do exist, have been performed and have happened; and that the indebtedness evidenced by this warrant, together with all other indebtedness of the City, was at the time the same was incurred and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the City has caused this warrant to be executed and its official seal to be hereunto affixed by its Mayor, has caused the said execution to be attested by its City Clerk, both of whom have hereunto subscribed their signatures and are hereunto duly authorized, and has caused this warrant to be dated April 30, 1993.

CITY OF HAMILTON

By: Its Mayor

ATTEST:

City Clerk

[S E A L]

[Form of Certificate of Registration]

I hereby certify that this warrant was at the time of issuance thereof duly registered by me as a claim against the CITY OF HAMILTON, ALABAMA.

City Treasurer of the
CITY OF HAMILTON, ALABAMA

[Form of Assignment]

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

Section 7. Disposition of Proceeds. The City Treasurer of the City is hereby authorized and directed to deliver the Warrant, when executed, sealed, attested and registered as herein provided, at any time to the Bank upon payment by it to the City of the principal amount of the Warrant. The proceeds derived from the loan evidenced by the Warrant shall be used solely for payment of the costs of the Public Hospital Improvements, the purpose for which the said borrowing is herein authorized.

Section 8. Bank Qualification. The City does hereby find and determine that the reasonably anticipated amount of tax-exempt obligations which will be issued by the City and all subordinate entities thereof during the current calendar year, namely the 1993 calendar year, does not exceed \$10,000,000. Pursuant to Section 265(b)(3) of the Code, the City does hereby designate the Warrant as a "qualified tax-exempt obligation" for purposes of said Section 265(b)(3) of the Code.

Section 9. Covenant to Refund. The City will, prior to the due date of the Warrant, authorize, issue and sell the Long-Term Warrants in a principal amount at least equal to the principal of the Warrant and will apply so much as necessary of the proceeds to be derived from the sale of the Long-Term Warrants to payment of the principal of the Warrant. So long as the Warrant shall remain outstanding and unpaid, the City will borrow no money for any purpose unless simultaneously with or from the proceeds of such borrowing the principal of and the unpaid interest on the Warrant shall be paid in full.

ADOPTED AND APPROVED this 30th day of April, 1993.