

ORDINANCE NO. 510

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 the "Council") of the City of Hamilton, Alabama (herein called the "City") have found and ascertained and do hereby declare as follows:

- (a) it is necessary and desirable for the City to provide acute care hospital services as well as related health care services to the public in the City and in the surrounding territory;
- (b) in order to provide such acute care hospital services and related health care services, the City has leased an acute care hospital located in the City (herein called the "Public Hospital") from Marion County, Alabama (herein called the "County") for a lease term extending to the calendar year 2075;
- (c) it is also necessary and desirable for the City to renovate, improve and equip the Public Hospital;
- (d) the estimated cost of the work of renovating, improving and equipping the Public Hospital (which is herein called the "Hospital Improvement Work") is \$1,800,000;
- (e) it is also necessary for the City to provide funds to the Public Hospital to finance its day-to-day operations (said funds being herein called the "Operating Capital");
- (f) the City estimates that the proper operation of the Public Hospital will require Operating Capital in the amount of \$1,100,000;
- (g) it is also necessary and desirable for the City to establish a reserve fund (herein called the "Reserve Fund") to provide for payment of the principal of and the interest on the Series 1993 Warrants hereinafter authorized;
- (h) The City has been advised that the appropriate amount of the Reserve Fund is \$300,000; and
- (i) it is therefore necessary and desirable, and in the best interest of the City and its inhabitants, for the City to borrow the principal sum of \$3,340,000 for the purposes of (i) paying the costs of the Hospital Improvements, (ii) providing Operating Capital to the Public Hospital, (iii) establishing the Reserve Fund, and (iv) paying the expenses of issuing the Series 1993 Warrants hereinafter authorized, and in evidence of such borrowing to issue the said Series 1993 Warrants.

Section 2. AUTHORIZATION OF THE SERIES 1993 WARRANTS. Pursuant to the provisions of the constitution and laws of the State of Alabama, including particularly Amendment No. 84 to the Constitution of Alabama of 1901 and Section 11-47-2, Code of Alabama 1975, and for the purposes of (i) paying the costs of the Hospital Improvement, (ii) providing Operating Capital in the amount of \$1,100,000 to the Public Hospital, (iii) establishing the Reserve Fund in the amount of \$300,000, and (iv) paying the expenses of issuing the said Series 1993 Warrants, there are hereby authorized to be issued by the City \$3,340,000 in aggregate principal amount of its General Obligation Hospital Warrants, Series 1993 (herein called the "Series 1993 Warrants"). The Series 1993 Warrants shall be dated July 1, 1993, shall be issued in fully registered form, shall be in the denomination of \$5,000 each or any integral multiple thereof (which are herein called "Authorized Denominations"), and shall mature on July 1 in the following respective principal amounts and years:

<u>Year of Maturity</u>	<u>Aggregate Principal Amount Maturing</u>	<u>Year of Maturity</u>	<u>Aggregate Principal Amount Maturing</u>
		2001	\$ 135,000
		2002	145,000
1994	\$ 90,000	2003	150,000
1995	95,000	2004	160,000
1996	105,000	2005	170,000
1997	110,000		1,815,000
1998	115,000	2013	
1999	120,000		
2000	130,000		

Section 3. INTEREST RATES AND PLACE OF PAYMENT. The Series 1993 Warrants shall bear interest from their date until their respective maturities at the following per annum rate:

- 3.50% on those having stated maturities in 1994;
- 3.75% on those having stated maturities in 1995;
- 4.25% on those having stated maturities in 1996;
- 4.75% on those having stated maturities in 1997;
- 5.00% on those having stated maturities in 1998;
- 5.20% on those having stated maturities in 1999;
- 5.40% on those having stated maturities in 2000;
- 5.50% on those having stated maturities in 2001;
- 5.60% on those having stated maturities in 2002;
- 5.70% on those having stated maturities in 2003;
- 5.80% on those having stated maturities in 2004;
- 5.90% on those having stated maturities in 2005; and
- 6.375% on those having stated maturities in 2013.

Such interest shall be payable on January 1, 1994, and semiannually on each January 1 and July 1 thereafter until and at the respective maturity dates of the Series 1993 Warrants.

Section 4. OPTIONAL REDEMPTION OF CALLABLE SERIES 1993 WARRANTS. Those of the Series 1993 Warrants having stated maturities in 2004 and thereafter (herein called the "Callable Series 1993 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 Series 1993 Warrants, on July 1, 2003, 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 Callable Series 1993 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 Callable Series 1993 Warrant redeemed, equal to its par or face amount plus accrued interest to the date of redemption and the following premium (expressed as a percentage of the said par or face amount):

If the date fixed for redemption is in 2003	2%
If the date fixed for redemption is in 2004	1%
If the date fixed for redemption is in 2005 or thereafter	None

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 Callable Series 1993 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 Series 1993 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 Callable Series 1993 Warrants by depositing into the United States registered or certified mail, addressed to the named payee of each Callable Series 1993 Warrant, at the address of such payee as the same appears on the registry books of the Bank pertaining to the Series 1993 Warrants, a notice which shall state that Callable Series 1993 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 Callable Series 1993 Warrant may waive the requirements of this subsection with respect to the Callable Series 1993 Warrant or Callable Series 1993 Warrants held by him or it without affecting the validity of the call for redemption of any other Callable Series 1993 Warrants.
- (c) On or prior to the date fixed for redemption the City shall notify the Bank (or any other bank at which the Series 1993 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 Callable Series 1993 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 Series 1993 Warrants, the Callable Series 1993 Warrants may at any time be payable shall be required to pay any interest maturing on the date fixed for

redemption on that date unless the Callable Series 1993 Warrant to which such interest is applicable Callable Series 1993 Warrant it shall not be liable to the holder of such applicable Callable Series 1993 Warrant or to the City or to anyone whomsoever.

Section 5. MANDATORY REDEMPTION OF SERIES 1993 TERM WARRANTS. Those of the Series 1993 Warrants

maturing on July 1, 2013 (the "Series 1993 Term Warrants") shall be subject to mandatory redemption prior to their stated maturity, at a redemption price equal to the par or face amount of each Series 1993 Term Warrant so redeemed plus accrued interest thereon to the date of redemption, in the following respective principal amounts on the following dates:

<u>DATE OF REDEMPTION</u>	<u>PRINCIPAL AMOUNT TO BE REDEEMED</u>
July 1, 2006	\$180,000
July 1, 2007	190,000
July 1, 2008	200,000
July 1, 2009	215,000
July 1, 2010	235,000
July 1, 2011	250,000
July 1, 2012	265,000

As a result of such mandatory redemption, \$280,000 in principal amount of Series 1993 Term Warrants shall remain to be paid on July 1, 2013, their stated maturity date.

Any such redemption shall be effected in the following manner:

- (a) Prior to May 15 in each year next preceding any July 1 on which Series 1993 Term Warrants are to be redeemed, the Bank shall select by lot Series 1993 Term Warrants in Authorized Denominations in an aggregate amount equal to the principal amount thereof required to be redeemed on the next succeeding July 1;
- (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 Series 1993 Term Warrants by depositing into the United States registered or certified mail, addressed to the named payee of each Series 1993 Term Warrant, or portion thereof to be redeemed, at the address of such payee as the same appears on the registry books of the Bank pertaining to the Series 1993 Warrants, a notice which shall state that Series 1993 Term 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 Series 1993 Term Warrant may waive the requirements of this subsection with respect to the Series 1993 Term Warrant or Series 1993 Term Warrants held by him or it without affecting the validity of the call for redemption of any other Series 1993 Term Warrants; and
- (c) On or prior to the date fixed for redemption the City shall make available at the Bank from moneys on deposit in the Warrant Fund created in Section 7 hereof, the total redemption price of the Series 1993 Term 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 Series 1993 Warrants, the Series 1993 Term 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 Series 1993 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 Series 1993 Term Warrant so called for redemption on that date unless the Series 1993 Term 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 Series 1993 Term Warrant it shall not be liable to the holder of such applicable Series 1993 Term Warrant or to the City or to anyone whomsoever.

At the option of the City, to be exercised on or before the may 1 next preceding any July 1 on which Series 1993 Term Warrants are to be redeemed, the principal amount of Series 1993 Term Warrants so required to be redeemed shall be reduced to the extent of the sum of the following credits:

- (a) a credit equal to such principal amount of Series 1993 Term Warrants as shall have been delivered by the City to the Bank for cancellation and retirement and as shall not have been theretofore credited against any previous mandatory redemption of Series 1993 Term Warrants;
- (b) a credit equal to such principal amount of Series 1993 Term Warrants as shall have been purchased by the Bank for cancellation and retirement with moneys provided by the City and as shall not have been theretofore credited against any previous mandatory redemption of Series 1993 Term Warrants; and
- (c) a credit equal to such principal amount of Series 1993 Term Warrants as shall have been redeemed pursuant to the provisions of Section 4 hereof and as shall not have been theretofore credited against any previous mandatory redemption of Series 1993 Term Warrants.

The Series 1993 Term Warrants so delivered, purchased or redeemed, as the case may be, in respect of any redemption of Series 1993 Term Warrants required on any July 1 shall be credited by the Bank at the face amount thereof against the principal amount of Series 1993 Term Warrants required to be redeemed on such July 1, and any unused credit shall be credited against such future mandatory redemptions of Series 1993 Term Warrants as shall be specified by the City; provided that no such credit shall be allowed for any Series 1993 Term Warrants so delivered, purchased or redeemed, as the case may be, unless the delivery, purchase or redemption thereof is accomplished in a timely manner, which, in the case of any Series 1993 Term Warrant delivered to or purchased by the Bank pursuant to clauses (a) and (b), respectively, of this paragraph, shall mean that such Series 1993 Warrant shall be delivered to or purchased by the Bank on or before the May 1 next preceding such July 1 and which, in the case of any Series 1993 Term Warrant to be credited in the manner contemplated by clause (c) of this paragraph, shall mean that such Series 1993 Warrant shall be redeemed on or before the interest payment date next preceding such July 1. The Bank shall use reasonable efforts to purchase Series 1993 Term Warrants with moneys provided by the City pursuant to clause (b) of this paragraph, including requesting or advertising for tenders if requested to do so by the City.

Section 6. GENERAL OBLIGATION AND SPECIAL PLEDGE. The indebtedness evidenced and ordered paid by the Series 1993 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. In addition thereto, as security for payment of such principal and interest and as part of the contract whereunder the money evidenced by the Series 1993 Warrants is borrowed, the City hereby irrevocably pledges for payment of such principal and interest, and hereby orders segregated and set aside for that purpose, so much as may be necessary therefor of the proceeds paid to the City from that special privilege, license and excise tax levied in the County under the Authority of Act No. 115 enacted at the 1949 Regular Session of the Legislature of Alabama (herein called the "Special County Hospital Tax"), as amended by various subsequent Acts of the Legislature of Alabama. The pledge herein made of the proceeds of the Special County Hospital Tax (herein called the "Pledged Tax Proceed") is for the benefit of all the Series 1993 Warrants, pro rata and without preference of one over another; provided that while no default exists in payment of the principal of or the interest on the Series 1993 Warrants, the Pledged Tax Proceeds payable to the City shall be used first for the creation and maintenance of the Warrant Fund created in Section 7 hereof, in order to provide for payment of the principal of and the interest on the Series 1993 Warrants when due, and any balance remaining while all payments hereinafter provided to be made into said Warrant Fund are current and no delinquency or deficit exists with respect thereto, may be used by the City for any lawful purpose.

The City hereby warrants and represents that the aforesaid pledge of the Pledged Tax Proceeds will be a first pledge thereof; that the City has issued no outstanding securities not has the City entered into any contract that is payable out of or secured by a special pledge of any part of the Pledged Tax Proceeds; and that upon issuance of the Series 1993 Warrants the aforesaid pledge of the Pledged Tax Proceeds for the benefit of the Series 1993 Warrants will be prior and superior to any pledge or agreement respecting the Pledged Tax Proceeds that may be hereafter made for the benefit of or with respect to any securities which may be hereafter issued by the City or any contract which may be hereafter made by the City. The City agrees that to such extent, if any, as the Pledged Tax Proceeds available for payment of the principal of and the interest on the Series 1993 Warrants may not be sufficient to pay said principal and interest at their respective maturities, it will use for such purpose so much of the general revenues of the City derived from other sources and available for such purpose as, when added to the available Pledged Tax Proceeds, will be sufficient to pay at their respective maturities the principal of and the interest on the Series 1993 Warrants.

Section 7. WARRANT FUND. There is hereby created a special trust fund designated the "Series 1993 Hospital Warrant Principal and Interest Fund" (herein called the "Warrant Fund"), which shall be maintained until the principal of and the interest on the Series 1993 Warrants shall have been paid in full. The City will pay or cause to be paid into the Warrant Fund the following:

- (a) The City will pay into the Warrant Fund the accrued interest received by it on the sale of the Series 1993 Warrants; and
- (b) For the balance of the current fiscal year of the City (viz., the fiscal year of the City that will end on September 30, 1993), the City will pay the entire Pledged Tax Proceeds into the Warrant Fund, as the Pledged Tax Proceeds are received by the City; and
- (c) Commencing with the fiscal year of the City that will begin on October 1, 1993, and continuing in each fiscal year thereafter until the Series 1993 Warrants are paid in full (or until provision shall have been made for the payment thereof), the City will pay into the Warrant Fund all the Pledged Tax Proceeds received by it, as received, until there is on deposit in the Warrant Fund (exclusive of any amounts held therein for payment of matured but unrepresented Series 1993 Warrants and unclaimed interest thereon) an amount equal to the sum of the principal and interest maturing with respect to the Series 1993 Warrants during such fiscal year.

The payments herein required to be made into the Warrant Fund shall (except as otherwise specifically provided in the preceding subparagraph (a) of this Section 7) be made therein with the proceeds of the Pledged Tax Proceeds paid to the City. To such extent, if any, as the Pledged Tax Proceeds available for such purpose shall not be sufficient to pay any maturing installment of principal or interest on the Series 1993 Warrants, the City will make such payment from any other funds that shall be available to it, and it will in no event allow a default to occur in the payment of such principal or interest. The moneys in the Warrant Fund shall be used solely for payment of the principal of and the interest on the Series 1993 Warrants upon or after their respective maturities. Whenever there is on deposit in the Warrant Fund an amount equal to in excess of the aggregate of the principal and interest thereafter coming due on the Series 1993 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 Series 1993 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 8. RESERVE FUND. There is hereby created a special fund, the full name of which shall be the "Series 1993 Hospital Warrant Reserve Fund" (herein called the "Reserve Fund"). Simultaneously with the issuance of the Series 1993 Warrants the City will pay into the Reserve Fund the sum of Three Hundred Thousand Dollars (\$300,000) and will thereafter maintain the said sum of Three Hundred Thousand Dollars (\$300,000) on deposit in the Reserve Fund until the Series 1993 Warrants are paid in full.

The moneys forming a part of the Reserve Fund shall be transferred into the Warrant Fund for payment of the principal of and the interest on the Series 1993 Warrants, but only when the moneys on deposit in the Warrant Fund shall not be sufficient to pay a maturing installment of such principal or interest and only for payment of principal or interest so maturing as to which there would otherwise be a default. Whenever any of the moneys forming a part of the Reserve Fund shall be so transferred to the Warrant Fund, the City will restore the same by thereafter paying into the Reserve Fund, on or before the last day of each successive month, beginning with the month during which such transfer was made and continuing until the sum transferred shall have been restored, all the then available proceeds of the Special Ad Valorem Tax referred to in Section 10 hereof, after compliance with the then applicable provisions of Section 6 hereof. When the amount of moneys on deposit in the Reserve Fund again equals or exceeds the sum of Three Hundred Thousand Dollars (\$300,000) no further payments need to be made into the Reserve Fund.

Section 9. CONCERNING THE WARRANT FUND AND THE RESERVE FUND. The Bank is hereby designated as the custodian, depository and disbursing agent for the Warrant Fund and the Reserve Fund. In the event that the Bank (or any successor depository for the Warrant Fund and the Reserve 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 and the Reserve Fund shall constitute public funds impressed with a trust for the benefit of the City and the holders of the Series 1993 Warrants. The depository for the Warrant Fund and the Reserve Fund shall at all times keep all moneys on deposit therein secured by pledging securities that are either (i) direct general obligations of the United States of America, (ii) securities with respect to which payment of the principal and interest is unconditionally guaranteed by the United States of America, or (iii) interests, however evidenced, in any common trust fund or other collective investment fund maintained by any national or state chartered bank, trust company or savings and loan association having trust powers, or securities of or other interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, so long as the portfolio of such common trust fund, collective investment fund or investment company or investment trust consists only of investments authorized in subdivision (i) or (ii) above, or repurchase agreements with respect to such investments (any such securities or interests 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 Series 1993 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 Series 1993 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.

The Bank shall, to the extent practicable, cause all the moneys held in the Warrant Fund (exclusive of any amount held therein for payment of matured but unpaid Series 1993 Warrants, Series 1993 Warrants called for redemption but not yet redeemed and matured but unpaid interest) that will not be needed, during the then next ensuing ten days, for payment of any maturing installment of principal or interest on the Series 1993 Warrants or for payment of the redemption price of any Series 1993 Warrant called for redemption, to be kept continuously invested in Federal Securities or in interest-bearing bank deposits having such stated as will assure the availability of cash moneys necessary to provide for payment and redemption of the principal of and the interest on the Series 1993 Warrants, as such principal and interest respectively become due and payable (whether at maturity, upon earlier call for redemption or otherwise). The Bank shall also keep all moneys held in the Reserve Fund to be continuously invested in Federal Securities having a stated maturity of not more than three (3) years from the date of their acquisition by the Bank for deposit into the Reserve Fund. Moneys held in the Warrant Fund and in the Reserve Fund shall not be invested to produce a yield (as the term "yield" is used in Regulations published by the United States Treasury pursuant to Section 148 of the Internal Revenue Code of 1986, or any predecessor or successor rule or regulation) greater than the yield on the Series 1993 Warrants. All Federal Securities in which any portion of the moneys in the Warrant Fund are invested, together with all income therefrom, shall become a part of the Warrant Fund.

For so long as the said sum of Three Hundred Thousand Dollars (\$300,000) shall be on deposit in the Reserve Fund, all interest on Federal Securities on deposit in the Reserve Fund shall be transferred into the Warrant Fund and credited against the amounts required to be paid therein in Section 6 hereof; but if less than Three Hundred Thousand Dollars (\$300,000) shall be on deposit in the Reserve Fund, then all such interest earnings shall be added to and become a part of the Reserve Fund.

In the event that at any time the moneys held in the Warrant Fund and the Reserve Fund are sufficient to effect retirement of all the Series 1993 Warrants or in the event that at any time the total of the moneys held in the Warrant Fund and the Reserve Fund equals or exceeds the aggregate principal of the Series 1993 Warrants then outstanding plus the aggregate interest thereon then due and to become due until the maturity thereof, then and in either of such events no further payments need thereafter be made into the Warrant Fund or the Reserve Fund unless (i) further payments are needed to make good moneys paid therein that may have been lost for any reason whatsoever, or (ii) the Series 1993 Warrants thereafter become subject to redemption under any of the provisions hereof and further payments into the Warrant Fund are needed to effect such redemption.

Section 10. AGREEMENT TO LEVY THE SPECIAL AD VALOREM TAX. To the extent that the Pledged Tax Proceeds, as well as all other funds of the City available for such purpose shall not be sufficient to pay the principal of and the interest (and premium, if any) on the Series 1993 Warrants at their respective maturities, as a part of the contract whereunder the money evidenced by the Series 1993 Warrants is borrowed, the City agrees that, in the event such action should become necessary to pay any maturing installment of principal of or interest (and premium, if any) on the Series 1993 Warrants, it will levy, collect and apply to such payment so much as may be necessary for such purpose of the proceeds of the special ad valorem tax that is authorized to be levied in the County by Amendment No. 84 to the Constitution of Alabama of 1901 (herein called the "Special Ad Valorem Tax") at the per annum rate of not exceeding two percent (2%) of the assessed value of all taxable property in the City. The City further agrees that to such extent as is necessary for such purpose, it will, and hereby does obligate itself irrevocably to, continue so to levy, collect and apply the proceeds of the Special Ad Valorem Tax to payment of the principal of and the interest on the Series 1993 Warrants, subject and subordinate to all prior charges thereon and all prior agreements made with respect thereto.

The City also agrees that if for any reason any moneys on deposit in the Reserve Fund shall be transferred into the Warrant Fund the City will thereupon levy the Special Ad Valorem Tax, and will thereafter continually collect the Special Ad Valorem Tax and shall pay the proceeds thereof first into the Warrant Fund and then into the Reserve Fund until all amounts required to be on deposit in the Warrant Fund shall be on deposit therein and until the sum of Three Hundred Thousand Dollars (300,000) shall again be on deposit in the Reserve Fund. The obligations of the City to levy and collect the Special Ad Valorem Tax shall remain continuously in force and effect until the Series 1993 Warrants have been fully paid and retired.

In the event that any monies shall be transferred from the Reserve Fund into the Warrant Fund and used to pay principal of or interest on the Series 1993 Warrants, the Bank will promptly notify the Council of such transfer in writing; and upon receipt of such notice the Council will thereupon levy the Special Ad Valorem Tax forthwith.

The City hereby agrees that the aforesaid agreement to levy and collect the Special Tax for the benefit of the Series 1993 Warrants will be prior and superior to any similar agreement hereafter made for the benefit of any other bonds, warrants, notes or other securities of the City, and the City will acknowledge that fact in the proceedings of the Council in and by which any such bonds, warrants, notes or other securities of the City are authorized to be issued.

Section 11. FORMS OF SERIES 1993 WARRANTS, ETC. The Series 1993 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:

No. R-__

\$ _____

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF HAMILTON

GENERAL OBLIGATION HOSPITAL WARRANT
Series 1993

INTEREST RATE

MATURITY DATE

CUSIP

Subject to prior payment and other provisions 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"), is hereby ordered and directed to pay to

of registered assigns, to whom the City acknowledges itself indebted as herein set out, the principal sum of

D O L L A R S

on the maturity date specified 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 January 1, 1994, and semi-annually on each January 1 and July 1 thereafter until and at the maturity hereof. The principal of this warrant shall be payable in lawful money of the United States of America upon presentation and surrender thereof 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 Series 1993 Warrants hereinafter referred to. Such payment of interest shall be deemed timely made if so mailed on the interest payment date (or if such interest payment date is not a business day, on the business day next following such interest payment date). Both the

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 the City has specially pledged for such payment the proceeds paid to the City of that certain special privilege, license and excise tax levied in Marion County, Alabama, under the authority of Act No. 115 enacted at the 1949 Regular Session of the Legislature of Alabama, as amended by various subsequent Acts of the Legislature of Alabama. In addition, the City has agreed that if such action shall become necessary to pay the principal of or the interest on the Series 1993 Warrants, it will levy and collect a special ad valorem tax authorized to be levied on all taxable property in the City under Amendment No. 84 to the Constitution of Alabama of 1901 at a per annum rate of not exceeding two percent (2%) of the assessed value of all such taxable property.

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 Series 1993 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 Series 1993 Warrants were authorized to be issued for the exchange of Series 1993 Warrants for a like aggregate principal amount of Series 1993 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 January 1 or July 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 forty-five (45) days next preceding the date fixed for such redemption and prepayment.

The ordinance of the City under which the Series 1993 Warrants were authorized to be issued provides that all payments by the City or the Bank to the person in whose name a Series 1993 Warrant is registered shall to the extent thereof fully discharge and satisfy all

liability for the same. Any transferee of this warrant takes it subject to all payments of principal and interest in fact made with respect hereto.

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, and has caused this warrant to be dated July 1, 1993.

CITY OF HAMILTON

By _____
Its Mayor

ATTEST:

Its City Clerk

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

SOUTHTRUST BANK OF ALABAMA,
NATIONAL ASSOCIATION

By _____
Its Authorized Officer

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within warrant 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 _____, _____.

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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, Broker or Firm*)

By _____

Its _____

Medallion Number _____

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP) Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallian Signature Program (MSP).

Section 12. EXECUTION AND REGISTRATION OF SERIES 1993 WARRANTS BY THE CITY. The Series 1993 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 Series 1993 Warrants. The signatures of the Mayor and the said City Clerk may be facsimile signatures of said officers, and the seal of the City imprinted on the Series 1993 Warrants may be a facsimile of such seal (it being understood that a condition to the validity of each Series 1993 Warrant is the appearance on such Series 1993 Warrant of a registration certificate, substantially in the form hereinabove provided, executed by the manual signature of the Bank). Signatures on the Series 1993 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 Series 1993 Warrants, whether initially issued or exchanged for Series 1993 Warrants, whether from those initially issued.

The Series 1993 Warrants shall be registered by the City Treasurer in the records maintained by her as claims against the City and against the Pledged Tax Proceeds, which registration shall be made simultaneously with respect to all the Series 1993 Warrants. Said officers are hereby directed so to execute, attest and register the Series 1993 Warrants.

Section 13. REGISTRATION CERTIFICATE ON SERIES 1993 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 Series 1993 Warrants and shall be essential to its validity.

Section 14. REGISTRATION AND TRANSFER OF SERIES 1993 WARRANTS. All the Series 1993 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 Series 1993 Warrants as are presented for those purposes, all in the manner and to the extent hereinafter specified.

No transfer of a Series 1993 Warrant shall be valid hereunder except upon presentation and surrender of such Series 1993 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 Series 1993 Warrant, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name a Series 1993 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 Series 1993 Warrants by receiving or accepting such Series 1993 Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, the Series 1993 Warrants may be transferred only in accordance with the provisions of this ordinance.

The Bank shall not be required to register or transfer any Series 1993 Warrant during the period of fifteen (15) days next preceding any interest payment date with respect thereto; and if any Series 1993 Warrant is duly called for redemption (in whole or in part), the Bank shall not be required to register or transfer such Series 1993 Warrant during the period of forty-five (45) days next preceding the redemption date.

Section 15. EXCHANGE OF SERIES 1993 WARRANTS. Upon the request of the named payee of any of the Series 1993 Warrants, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of any Series 1993 Warrant or Series 1993 Warrants in exchange thereof, a Series 1993 Warrant or Series 1993 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 Series 1993 Warrant or Series 1993 Warrants so surrendered, all as may be requested by the person surrendering such Series 1993 Warrant or Series 1993 Warrants.

The registration, transfer and exchange of Series 1993 Warrants (other than pursuant to Section 19 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 16. ACCRUAL OF INTEREST ON SERIES 1993 WARRANTS. All Series 1993 Warrants issued prior to January 1, 1994, in exchange for Series 1993 Warrants initially delivered hereunder, shall bear interest from July 1, 1993, and all Series 1993 Warrants issued on or after January 1, 1994, shall bear interest from the January 1 or July 1, as the case may be, next preceding the date of its issuance and delivery unless (1) such date of delivery is a January 1 or July 1, in which event such Series 1993 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 Series 1993 Warrant in lieu of which such new Series 1993 Warrant is issued, in which event such new Series 1993 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 Series 1993 Warrant shall not affect any gain or loss in interest to the named payee thereof.

- Section 17. PERSONS TO WHOM PAYMENT OF INTEREST ON SERIES 1993 WARRANTS IS TO BE MADE. Interest on the Series 1993 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 Series 1993 Warrants at their respective addresses shown on the registry books of the Bank pertaining to the Series 1993 Warrants. Overdue interest shall be paid by check or draft mailed by the Bank to the respective named payees of the Series 1993 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 Series 1993 Warrants on the overdue interest payment date shall fully discharge and satisfy all liability for the same.
- Section 18. PERSONS DEEMED OWNERS OF SERIES 1993 WARRANTS. The City and the Bank may deem and treat the person in whose name a Series 1993 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 Series 1993 Warrant is registered, shall to the extent thereof fully discharge and satisfy all liability for the same.
- Section 19. REPLACEMENT OF MUTILATED, LOST, STOLEN OR DESTROYED SERIES 1993 WARRANTS. In the event any Series 1993 Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Series 1993 Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Series 1993 Warrant, such Series 1993 Warrant is first surrendered to the City and the Bank, and (b) in the case of any such lost, stolen or destroyed Series 1993 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 Series 1993 Warrant.
- Section 20. SALE OF SERIES 1993 WARRANTS. The Series 1993 Warrants are hereby sold and awarded to Blount, Parrish & Roton, Inc., Montgomery, Alabama, at and for a purchase price equal to \$3,273,367, which is 98,005% of their par or face value, plus accrued interest from their date to the date of their delivery. The Series 1993 Warrants shall be initially registered in the name of the said Blount, Parrish & Roton, Inc., or in the names of such other persons, firms or corporations as may be designated by the said Blount, Parrish & Roton, Inc., prior to the time of delivery of the Series 1993 Warrants. The City Clerk of the City is hereby authorized and directed to deliver the Series 1993 Warrants to the said Blount, Parrish & Roton, Inc., upon payment to the City of the purchase price of the Series 1993 Warrants.
- Section 21. APPLICATION OF PROCEEDS OF SALE. The proceeds from the sale of the Series 1993 Warrants shall be disbursed as follows:
- (a) the accrued interest and premium (if any) paid to the City with respect to the Series 1993 Warrants shall be paid into the Warrant Fund.
 - (b) the sum of \$300,000 shall be deposited into the Reserve Fund.
 - (c) the sum of \$1,100,000 shall be used as Operating Capital; and
 - (d) the balance of the said proceeds shall be used to pay the costs of the Hospital Improvements as well as the expenses of issuing the Series 1993 Warrants.
- Section 22. PROVISIONS RESPECTING REGISTRATION OF SERIES 1993 WARRANTS TO COMPLY WITH PROVISIONS OF INTERNAL REVENUE CODE OF 1986. The City and the Bank recognize that the provisions of the Internal Revenue Code of 1986 require that the Series 1993 Warrants be in "registered form", and that each Series 1993 Warrant must be registered as to both principal and interest and any transfer of any Series 1993 Warrant must be effected only by the surrender of the old Series 1993 Warrant and either by the reissuance of the old Series 1993 Warrant to a new named payee or the issuance of a new Series 1993 Warrant to a new such named payee. The Bank may rely upon an opinion of recognized bond counsel with respect to any question which may arise pertaining to the transfer, exchange or reissuance of Series 1993 Warrants. The provisions of this ordinance pertaining to transfer, exchange or reissuance of Series 1993 Warrant need not or shall not be followed if the Bank receives an opinion of 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 1986 or under other applicable laws and regulations.
- Section 23. TAX COVENANTS. The City warrants that the interest on the Series 1993 Warrants is and will continue to be excludable from the gross income of the recipients thereof under federal income tax law in effect as of the date of issuance of the Series 1993 Warrants. The City covenants that it will not take any action, or fail to take any

action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 1993 Warrants under Section 103 of the Internal Revenue Code of 1986. The City will not directly or indirectly use or permit the use of any proceeds of the Series 1993 Warrants or any other funds of the City or take or omit to take any action that would cause the Series 1993 Warrants to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code of 1986. To that end, the City will comply with all requirements of Section 148 of the Internal Revenue Code of 1986 to the extent applicable to the Series 1993 Warrants. Without limiting the generality of the foregoing, the City covenants that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(F) of the Internal Revenue Code of 1986 and any temporary, proposed or final Treasury Regulations as may be applicable to the Series 1993 Warrants from time to time. This covenant shall survive payment in full or defeasance of the Series 1993 Warrants.

Section 24. PROVISIONS CONSTITUTE CONTRACT. The provisions of this ordinance shall constitute a contract between the City and the holder of the Series 1993 Warrants.

Section 25. SERIES 1993 WARRANTS PAYABLE AT PAR. Each bank at which the Series 1993 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 Series 1993 Warrants that all payments made by it of the Series 1993 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 Series 1993 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 Series 1993 Warrants.

Section 26. 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 27. 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 Series 1993 Warrants in such form as the said Mayor shall determine to be necessary or desirable in carrying out the offering and sale of the Series 1993 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 Series 1993 Warrants is hereby authorized.

Section 28. EXECUTION OF ANCILLARY DOCUMENTS. The Mayor and 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 Series 1993 Warrants and to carry out fully the financing authorized by this ordinance.

Section 29. SERIES 1993 WARRANTS DESIGNATED AS QUALIFIED TAX-EXEMPT OBLIGATIONS. 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 does not exceed \$10,000,000. Therefore, the City does hereby designate the Series 1993 Warrants as "qualified tax-exempt obligations" for purposes of Section 265 (b)(3) of the said Internal Revenue Code of 1986.

ADOPTED AND APPROVED this 13th day of July, 1993.

Mayor

Authenticated:

City Clerk