

The following ordinance was introduced in writing by Councilmember Ziglar:

ORDINANCE NO. 656

AN ORDINANCE TO PROVIDE FOR THE
ISSUANCE OF \$1,030,000 PRINCIPAL
AMOUNT OF GENERAL OBLIGATION
WARRANTS, DATED AUGUST 1, 1989, OF
THE CITY OF ROANOKE, ALABAMA

BE IT ORDAINED by the Mayor and City Council of the City of Roanoke in the State of Alabama as follows:

Section 1. Definitions and Use of Phrases.

(a) Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations as used herein:

"Authorized Denominations" means the sum of \$5,000 or any integral multiple thereof.

"Bank" means SouthTrust Bank of Alabama, National Association, Birmingham, Alabama, in its capacity as registrar, transfer agent and paying agent with respect to the Warrants.

"Callable Warrants" means those of the Warrants having stated maturities on August 1, 1997, and thereafter.

"City" means the municipal corporation of Roanoke in the State of Alabama and includes its successors and assigns and any municipal corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"City Clerk" means the city clerk of the City.

"Code" means the Internal Revenue Code of 1986, as amended.

"Council" means the governing body of the City as from time to time constituted.

"Eligible Certificate" means an interest-bearing certificate of deposit issued by the Bank or any bank, savings and loan association or trust company organized under the laws of the United States of America or any state thereof that is (to the extent not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation) collaterally secured by a pledge of United States Securities (a) having at any date of calculation a market value (taking account of any accrued interest thereon) not less than the principal of and the accrued interest on the certificates of deposit secured thereby, (b) deposited and pledged with any Federal Reserve Bank or with any bank or trust company organized under the laws of the United States or any state thereof, and having combined capital and surplus and undivided profits of not less than \$15,000,000, and (c) for which a receipt signed by the bank or trust company having custody of such collateral securities and containing a sufficient description thereof has been furnished to the Bank.

"Eligible Investments" means (a) United States Securities, (b) Eligible Certificates, and (c) bank deposits fully insured by the Federal Deposit Insurance Corporation.

"Holder" means the person in whose name a Warrant is registered on the registry books of the Bank pertaining to the Warrants.

"Interest Payment Date" means each February 1 and August 1, commencing February 1, 1990.

"Mayor" means the mayor of the City.

"Overdue Interest" means interest due but not paid on the Interest Payment Date on which such interest is required to be paid.

"Overdue Interest Payment Date" means the date fixed by the Bank, pursuant to the provisions of Section 13 hereof, for the payment of Overdue Interest.

"Redemption Date" means the date fixed for redemption of any of the Callable Warrants in a Resolution adopted pursuant to the provisions of Section 4 hereof.

"Redemption Price" means the price at which the Callable Warrants may be redeemed.

"Resolution" and "Ordinance" mean, respectively, a resolution or ordinance adopted by the Council.

"United States Securities" means any securities that are direct obligations of the United States of America and any securities with respect to which payment of the principal thereof and the interest thereon is unconditionally guaranteed by the said United States.

"Warrant Fund" means the special fund of the City created in Section 6 hereof.

"Warrants," without other qualifying words, means the General Obligation Warrants herein authorized.

(b) Use of Words and Phrases. The following words and phrases, where used in this Ordinance, shall be given the following and respective interpretations:

"Herein," "hereby," "hereunder," "hereof," and other equivalent words refer to this Ordinance as an entirety and not solely to the particular portion hereof in which any such word is used.

The definitions set forth in Section 1(a) hereof shall be deemed applicable whether the words defined are herein used in the singular or the plural.

Wherever used herein any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

Section 2. Findings. The Council has ascertained and does hereby find and declare as follows:

(a) it is necessary, desirable and in the public interest that the City construct certain street and sidewalk repairs, construct improvements to certain municipal buildings and other properties, and acquire certain equipment for use by the City; and

(b) in order to provide the funds necessary to construct the said repairs and improvements and acquire the said equipment and to pay the costs of issuing the warrants hereinafter described, it is necessary, desirable and in the public interest that the City issue, on its full faith and credit, the warrants hereinafter authorized to be issued.

Section 3. Authorization of the Warrants. (a) Principal Maturities and Interest Rates. Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Section 11-47-2, as amended, of the Code of Alabama of 1975, and for the purposes hereinabove stated, there are hereby authorized to be issued by the City \$1,030,000 aggregate principal amount of General Obligation Warrants of the City. The Warrants shall be issued as fully registered warrants without coupons, shall be dated August 1, 1989, shall mature and become payable on August 1 in the years and in the amounts and shall bear interest at the per annum rates of interest as follows:

<u>Year of Maturity</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>
1990	\$25,000	6.25%	2000	\$50,000	6.70%
1991	25,000	6.35	2001	55,000	6.75
1992	30,000	6.40	2002	55,000	6.80
1993	30,000	6.45	2003	60,000	6.85
1994	30,000	6.50	2004	65,000	6.90
1995	30,000	6.55	2005	70,000	7.00
1996	35,000	6.55	2006	75,000	7.05
1997	35,000	6.60	2007	80,000	7.10
1998	50,000	6.60	2008	90,000	7.15
1999	45,000	6.65	2009	95,000	7.15

The Warrants shall be initially issued in the Authorized Denominations and registered in the names of the Holders as shall, pursuant to the provisions of Section 19 hereof, be designated by the purchaser.

(b) Payment of Principal. The principal of the Warrants shall be payable at the principal office of the Bank in the City of Birmingham, Alabama, upon presentation and surrender of the Warrants as the same become due and payable.

(c) Computation of Interest and Method of Payment. The Warrants shall bear interest from their date until their respective maturities at the per annum rates of interest set forth above (computed on the basis of a 360-day year of twelve consecutive 30-day months). Such interest shall be payable semiannually on each February 1 and

August 1, commencing February 1, 1990, until and at the maturity of the Warrants. 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 lawful Holders of the Warrants at the address shown on the registry books of the Bank pertaining to the Warrants. Payment of such interest shall be deemed to have been timely made if such check or draft is mailed by the Bank on the due date of such interest (or, if such due date is not a business day, on the business day immediately following such due date). The Warrants shall bear interest after their respective maturities until paid at the rate of 8% per annum.

Section 4. Redemption Provisions. (a) Optional Redemption. Those of the Warrants having stated maturities in 1997 and thereafter shall be subject to redemption and prepayment prior to their respective maturities, at the option of the City, as a whole or in part, and if in part, in inverse order of their maturities, on August 1, 1996, and on any Interest Payment Date thereafter, at and for the following respective Redemption Prices (expressed as percentages of the principal amount redeemed) plus accrued interest thereon to the Redemption Date:

<u>If the Redemption Date Is</u>	<u>Redemption Price</u>
August 1, 1996, or February 1, 1997	102%
August 1, 1997, or February 1, 1998	101
August 1, 1998, or thereafter	100

(b) Manner of Redemption. Any such redemption or prepayment of the Warrants shall be effected in the following manner:

(i) Call. The City shall by Resolution call for redemption and prepayment on a stated Interest Payment Date when they are by their terms subject to redemption Warrants (or principal portions thereof) and shall recite in said Resolution (A) that the City is not in default in the payment of the principal of or interest on any of the Warrants or (B) that all of the Warrants then outstanding are to be retired on the Redemption Date.

(ii) Notice. Not more than sixty (60) nor less than thirty (30) days prior to the Redemption Date, the City shall give, or cause to be given, written notice of such redemption and prepayment by United States Registered Mail or United States Certified Mail to the Holders of each of the Warrants the principal of which is, in whole or in part, to be redeemed and prepaid, stating the following: that the Warrants (or principal portions thereof) have been called for redemption and will become due and payable at the Redemption Price, on a specified Redemption Date and that all interest thereon will cease after the Redemption Date. The Holders of any of the Warrants may waive the requirements of this subsection with respect

AAE858

to the Warrants held by them without affecting the validity of the call for redemption of any other Warrants.

(iii) Payment of Redemption Price. The City shall make available at the Bank, on or prior to the Redemption Date, the total Redemption Price of the Warrants (or portions thereof) that are to be prepaid and redeemed on the Redemption Date.

Upon compliance with the foregoing requirements on its part contained in this subsection, and if the City is not on the Redemption Date in default in the payment of the principal of or interest on any of the Warrants, the Warrants (or principal portions thereof) called for redemption shall become due and payable at the Redemption Price on the Redemption Date specified in such notice, anything herein or in the Warrants to the contrary notwithstanding, and the Holders thereof shall then and there surrender them for redemption; provided, however, that in the event that less than all of the outstanding principal of any Warrant is to be redeemed, the registered Holder thereof shall surrender the Warrant that is to be prepaid in part to the Bank in exchange, without expense to the Holder, for a new Warrant of like tenor except in a principal amount equal to the unredeemed portion of the Warrant. All future interest on the Warrants (or principal portions thereof) so called for redemption shall cease to accrue after the Redemption Date. Out of the moneys so deposited with it, the Bank shall make provision for payment of the Warrants (or principal portions thereof) so called for redemption at the Redemption Price and on the Redemption Date.

Section 5. General Obligation. 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. Warrant Fund. (a) Payments Therein and Use and Continuance Thereof. There is hereby created a special fund to be designated the "City of Roanoke 1989 Warrant Fund," for the purpose of providing for the payment of the principal of and interest on the Warrants, at the respective maturities of said principal and interest, which special fund shall be maintained until the principal of and interest on the Warrants have been paid in full. Payments into the Warrant Fund shall be made as follows:

(i) there shall be paid into the Warrant Fund, simultaneously with the issuance of the Warrants and out of the proceeds derived from the sale thereof, that portion of said proceeds which may be referable to the accrued interest and any premium received by the City on any such sale;

(ii) on or before the 25th day of January, 1990, and on or before the 25th day of each January and July thereafter until and including the 25th day of July, 2009, the City will pay into the Warrant Fund an amount equal to the sum of the interest and the principal that will mature on the Warrants on the then next succeeding Interest Payment Date; provided, that there shall be credited one time on the amount required by this paragraph (ii) to be paid into the Warrant Fund an amount equal to the amount paid therein pursuant to the provisions of paragraph (i) hereof.

AAE858

All moneys paid into the Warrant Fund shall be used only for payment of the principal of and interest on the Warrants, upon or after the respective maturities of such principal and interest; provided, that, if at the final maturity of the Warrants, howsoever the same may mature, there shall be in the Warrant Fund moneys in excess of the amount required to retire the Warrants, then any such excess shall thereupon be returned to the City. When the amount of money on deposit in the Warrant Fund equals or exceeds the aggregate of the principal and interest to their respective maturities on the Warrants at the time outstanding, no further payments need be made into the Warrant Fund except to make good the moneys paid therein which may become lost or which may not be immediately available for withdrawal under the provisions of this section.

(b) Depository for Warrant Fund. The City hereby designates the Bank as the depository for the Warrant Fund with respect to payment of principal of and interest on the Warrants. In the event that the Bank 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 which may succeed to its duties), or should cease to be duly qualified and doing business within the State of Alabama, then the Council shall by Resolution designate a successor to such depository; provided, that, any such successor depository shall be and remain a member of the Federal Deposit Insurance Corporation (or of any agency which may succeed to its duties) and shall be and remain duly qualified and doing business in the State of Alabama.

(c) Trust Nature of and Security for the Warrant Fund. The Warrant Fund shall be and at all times remain public funds impressed with a trust for the purpose for which the Warrant Fund is herein created. Each depository for the Warrant Fund shall at all times keep the moneys on deposit with it in the Warrant Fund continuously secured for the benefit of the City and the holders of the Warrants either

(i) by holding on deposit as collateral security, United States Securities or other marketable securities eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in the Warrant Fund, or

(ii) if the furnishing of security in the manner provided in the foregoing clause (i) of this sentence is not permitted by the then applicable law and regulations, then in such other manner as may be required or permitted by the applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of public funds;

provided, however, that it shall not be necessary for such depository so to secure any portion of the moneys on deposit in the Warrant Fund that may be insured by the Federal Deposit Insurance Corporation (or by any agency of the United States of America that may succeed to its functions) or any portion of the said moneys that may be invested pursuant to the provisions of subparagraph (d) of this section.

(d) Investment of Moneys in the Warrant Fund. So long as the City shall not be in default hereunder it may, at any time and from time to time as it in its sole discretion shall deem advisable, cause to be invested in Eligible Investments any or all of the moneys in the Warrant Fund; provided, that, each such investment shall mature not later than the Interest Payment Date next following the date such investment is made. In the event of any such investment, the securities in which the investment is made shall become a part of the Warrant Fund and shall be held by the depository for the moneys so invested to the same extent as if they were moneys on deposit in the Warrant Fund. The City may likewise at any time and from time to time cause any securities in which any such investment shall be made to be sold or otherwise converted into cash, whereupon the net proceeds derived from any such sale or conversion, after payment of all necessary expenses incident to such sale or conversion, shall become a part of the Warrant Fund. Each depository for the Warrant Fund shall be fully protected in making investments, sales, and conversions of any such securities upon direction given to it in a Resolution adopted by the Council.

Section 7. Form of Warrants. The Warrants shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF ROANOKE
GENERAL OBLIGATION WARRANT

Interest Rate

Maturity Date

CUSIP Number

Subject to prior payment and other provisions as herein provided

The City Treasurer of the City of Roanoke, a municipal corporation under the laws of Alabama ("the City"), is hereby ordered and directed to pay to

or registered assigns, the principal sum of

DOLLARS on the 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 February 1, 1990, and semiannually thereafter on each February 1 and August 1 until the due date hereof. The principal of and premium (if any) on this Warrant shall be payable only upon presentation and surrender of this Warrant at the principal office of SouthTrust Bank of Alabama, National Association ("the Bank"), in the City of Birmingham, Alabama.

Interest on this Warrant shall be remitted by the Bank to the then registered holder hereof at the address shown on the registry books of the Bank pertaining to the Warrants. The ordinance hereinafter referred to provides that all payments by the City or the Bank to the person in whose name a Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Payment of such interest shall be deemed to have been timely made if such check or draft is mailed by the Bank on the due date of such interest. Any transferee of this Warrant takes it subject to all payments of principal and interest in fact made with respect hereto.

This Warrant is one of a duly authorized issue of Warrants designated General Obligation Warrants and aggregating \$1,030,000 in principal amount ("the Warrants"). This Warrant is issued pursuant to the applicable provisions of the constitution

and laws of Alabama, including particularly Section 11-47-2, as amended, of the Code of Alabama of 1975 and an ordinance ("the Ordinance") of the City duly adopted by the governing body of the City.

Those of the Warrants having stated maturities in 1997 and thereafter are subject to redemption and prepayment prior to their respective maturities, at the option of the City, as a whole or in part, in inverse order of their maturities, on August 1, 1996, and on any interest payment date thereafter, at and for the following respective redemption prices (expressed as percentages of the principal amount redeemed) with respect to each Warrant (or portion thereof) redeemed plus accrued interest thereon to the date fixed for redemption:

<u>If the Redemption Date Is</u>	<u>Redemption Price</u>
August 1, 1996, or February 1, 1997	102%
August 1, 1997, or February 1, 1998	101
August 1, 1998, or thereafter	100

In the event that less than all of the principal of the Warrants of a single maturity is to be prepaid and redeemed, the Bank shall, by process of random selection, determine the principal portion of the Warrants of such maturity to be redeemed and prepaid.

The Ordinance requires that written notice of the call for redemption of this Warrant (or portion of the principal thereof) be forwarded by United States Registered or Certified Mail to the registered owner of such Warrant, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption. In the event that less than all the outstanding principal of this Warrant is to be redeemed, the registered Holder hereof shall surrender this Warrant to the Bank in exchange for a new Warrant of like tenor herewith except in a principal amount equal to the unredeemed portion of this Warrant. Upon the giving of notice of redemption in accordance with the provisions of the Ordinance, the Warrants (or principal portions thereof) so called for redemption and prepayment shall become due and payable on the date specified in such notice, anything herein or in the Ordinance to the contrary notwithstanding, and the Holders thereof shall then and there surrender them for prepayment, and all future interest on the Warrants (or principal portions thereof) so called for prepayment shall cease to accrue after the date specified in such notice, whether or not the Warrants are so presented.

By the execution of this Warrant, the City acknowledges that it is indebted to the payee hereof in the principal amount hereof in accordance with the terms thereof. The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the City for the payment of the principal of and interest on which the full faith and credit of the City have been irrevocably pledged.

It is hereby certified and recited that the indebtedness evidenced and ordered paid by this Warrant is lawfully due without condition, abatement or offset of any description; that this Warrant has been registered in the manner provided by law; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this Warrant do exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this Warrant, together with all other indebtedness of the City, was at the time the same was created and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

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 for the exchange of Warrants for a like aggregate principal amount of Warrants of the same maturity and in authorized denomination, all upon the terms and subject to the conditions set forth in the Ordinance.

This Warrant is transferable by the registered holder 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 Ordinance. 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 Ordinance.

The Bank shall not be required to transfer or exchange this Warrant during the period of fifteen (15) days next preceding any February 1 or August 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.

Execution by the Bank of its 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 corporate 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 August 1, 1989.

CITY OF ROANOKE

By _____
Its Mayor

Attest:



Its City Clerk

The City may, in its discretion, cause a portion of the foregoing text to be printed on the reverse of the Warrant, in which event the face of the Warrant shall state the following:

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS WARRANT SET FORTH ON THE REVERSE HEREOF.

Registration Certificate

Date of Registration:

This Warrant was registered in the name of the above-registered owner on the date hereinabove set forth.

SOUTHTRUST BANK OF ALABAMA,
NATIONAL ASSOCIATION
Birmingham, Alabama

By _____
Its Authorized Officer

Assignment

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 _____, 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 8. Execution of Warrants by City. The Warrants shall be executed on behalf of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be impressed on each of the Warrants. The signatures of the Mayor and the 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 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.

AAE858

Section 9. 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 10. Registration and Transfer of Warrants. All 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 Holder 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 forty-five (45) days next preceding the Redemption Date.

Section 11. Exchange of Warrants. Upon the request of the Holder of one or more Warrants, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of such Warrant or Warrants in exchange thereof, a Warrant or Warrants in different Authorized Denominations 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 15 hereof) shall be without expense to the Holder or transferee. In every case involving any transfer, registration or exchange, such Holder shall pay all taxes and other

governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

Section 12. Accrual of Interest on Warrants. All Warrants issued prior to February 1, 1990, in exchange for Warrants initially delivered, shall bear interest from August 1, 1989, and all Warrants issued on or after February 1, 1990, shall bear interest from the February 1 or August 1, as the case may be, next preceding the date of its issuance and delivery unless (a) such date of delivery is a February 1 or August 1, in which event such Warrant shall bear interest from the date of its issuance and delivery, or (b) 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 or made available for payment on the Warrant in lieu of which such new Warrant is issued. 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 Holder thereof.

Section 13. Persons to Whom Payment of Interest on Warrants Is to Be Made. Interest on the Warrants shall, except as provided in the next succeeding paragraph of this Section 13, be payable in lawful money of the United States of America by check or draft mailed by the Bank to the lawful Holders of the Warrants at the address shown on the registry books of the Bank pertaining to the Warrants.

Any provision hereof to the contrary notwithstanding, Overdue Interest shall not be payable to the Holder of the Warrants solely by reason of such Holder having been the Holder on the Interest Payment Date on which such interest became due and payable, but shall be payable by the Bank as follows:

(a) Not less than ten (10) days following receipt by the Bank of immediately available funds in an amount sufficient to enable the Bank to pay all Overdue Interest, the Bank shall fix an Overdue Interest Payment Date for payment of such Overdue Interest.

(b) Such Overdue Interest Payment Date fixed by the Bank shall be a date not more than twenty (20) days following the expiration of the period described in the foregoing subparagraph (a).

(c) Overdue Interest shall be paid by check or draft mailed by the Bank to the persons in whose names the Warrants were registered on the Overdue Interest Payment Date.

Payment of Overdue Interest in the manner herein prescribed to the persons in whose names the Warrants were registered on the Overdue Interest Payment Date shall fully discharge and satisfy all liability for the same.

Section 14. Persons Deemed Owners of Warrants. The City and the Bank may deem and treat the person in whose name a Warrant is registered 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 15. 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 Holder with the expense of issuing any such new Warrant.

Section 16. Sale of Warrants. The Warrants are hereby sold to The Frazer Lanier Company Incorporated, Montgomery, Alabama, at and for a purchase price equal to \$1,012,490 (viz., 98.30% of their par or face value) plus accrued interest from their date until the date of their delivery. The Mayor and the City Clerk are hereby authorized and directed to deliver the Warrants to the said purchaser upon payment to the City of the purchase price of the Warrants.

Section 17. Use of Proceeds from Sale of Warrants. The entire principal proceeds of the Warrants shall be applied as follows: .

(a) that part of the said proceeds which represents accrued interest (if any) on the Warrants from August 1, 1989, to the date of payment therefor, shall be deposited in the Warrant Fund, pursuant to the provisions of Section 6(a)(i) hereof, and shall be applied for payment of the interest which will mature on the Warrants on February 1, 1990; and

(b) the balance of the principal proceeds of the Warrants (i.e., the sum of \$1,012,490) shall be applied for the purpose set out in Section 2(a) hereof and to the payment of the expenses of issuing the Warrants.

Section 18. Provisions Respecting Registration of Warrants to Comply with Provisions of the Code. The City and the Bank recognize that the provisions of the Code,

as amended, require that the Warrants be in "registered form," and that, in general, 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 Holder or the issuance of a new Warrant to a new Holder. 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 Warrants 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 Code or under other applicable laws and regulations.

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Section 19. Denominations of Warrants as Initially Issued. The Warrants of each maturity shall be initially issued in Authorized Denominations as requested by the said purchaser and registered in the names of the persons, firms or corporations specified by the said purchaser. If, for any reason, the City is unable to prepare or cause to be prepared Warrants in the Authorized Denominations requested by the said purchaser and registered in the names specified by the said purchaser, the City may deliver one Warrant for each maturity in the principal amount of such maturity, each registered in the name of the said purchaser of the Warrants from the City.

Section 20. Authorization of Official Statement. The Mayor is hereby authorized and directed to execute and deliver on behalf of the City an Official Statement respecting the Warrants, said official statement to be in substantially the form presented to the meeting at which this ordinance is adopted and which is attached to the said minutes as Exhibit I as if it were a part thereof.

Section 21. Provisions for Payment 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 construed to have agreed thereby with the Holders of the Warrants that it will make, out of the funds supplied to it for that purpose, all remittances of principal and interest on the Warrants in bankable funds at par without any deduction for exchange or other costs, fees or expenses. The City agrees with the Holders of the Warrants that it will pay all charges for fees and expenses which may be made by such bank in the making of remittances in bankable funds of the principal of and interest on any of the Warrants.

Section 22. Designation Under Section 265 of the Code. The City hereby designates the Warrants as "qualified tax-exempt obligations" for purposes of paragraph (b)(3)(A) of Section 265 of the Code and, in connection therewith and after due investigation and consideration, finds, determines and declares that the amount of tax-exempt obligations (other than "private activity bonds") that have heretofore during the current calendar year been issued by the City (and its subordinate entities) and the reasonably anticipated amount of tax-exempt obligations (other than "private activity

bonds") that will be issued by the City and by its subordinate entities during the current calendar year will not exceed the sum of \$10,000,000.

Section 23. Covenant With Regard to Arbitrage. The City covenants, for the benefit of the holders at any time of the Warrants, that it will not take any action, or fail to take any action, or invest any moneys on deposit in any fund or account in connection with the Warrants, whether or not such moneys were derived from the proceeds of the sale of the Warrants or from any other source, which would cause any of the Warrants to be "arbitrage bonds" within the meaning of Section 148 of the Code or any other similar law which may be applicable, from time to time, to the City or to the Warrants.


The City hereby finds, determines and declares that, for purposes of the so-called "exception for small governmental units" from the rebate requirement imposed by Section 148 of the Code,

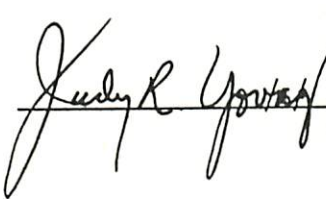
- (i) the City has general taxing powers,
- (ii) the Warrants are not "private activity bonds" within the meaning of Section 141(a) of the Code,
- (iii) the entire proceeds of the Warrants will be used for local governmental activities of the City, and
- (iv) the aggregate amount of all tax-exempt obligations (other than "private activity bonds") that have heretofore during the current calendar year been issued by the City and by its subordinate entities and the reasonably anticipated amount of tax-exempt obligations (other than "private activity bonds") that will be issued by the City and by its subordinate entities during the current calendar year will not exceed \$5,000,000.

Section 24. Creation of Contract. The provisions of this Ordinance shall constitute a contract between the City and each Holder of the Warrants.

Section 25. Provisions of Ordinance Severable. The provisions of this Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

ADOPTED this 8th day of May, 1989.

 /s/ Henry V. Bonner
 Mayor

 Judy R. Young
 City Clerk

Councilmember Davis moved that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilmember Bell and, upon the said motion being put to vote, the following vote was recorded:

<u>YEAS:</u>	<u>NAYS:</u>
Mayor Henry V. Bonner Councilmembers Bell Davis Joiner Ziglar	None

The Mayor thereupon declared that the motion for unanimous consent for immediate consideration of and action on said ordinance was unanimously carried. Councilmember Joiner thereupon moved that the ordinance be finally adopted, which motion was seconded by Councilmember Davis and, upon the said motion being put to vote, the following vote was recorded:

AAE858

YEAS:

Mayor Henry V. Bonner
Councilmembers Bell
Davis
Joiner
Ziglar

NAYS:

None

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