

ORDINANCE NO. 2013-30

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE OF
A \$900,000 TAXABLE GENERAL OBLIGATION
WARRANT, OF THE CITY OF PINSON, ALABAMA

BE IT ORDAINED by the Mayor and City Council of the City of Pinson 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:

"**Bank**" means Regions Bank, in its capacity as the purchaser of the Warrant.

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

"**City**" means the municipal corporation of Pinson 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.

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

"**Depository**" means Regions Bank, in its capacity as the depository for the Warrant Fund.

"**Eligible Certificate**" means an interest-bearing certificate of deposit issued by 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) a pledge of United States Securities (i) 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, (ii) 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 \$100,000,000, and (iii) 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, or (b) the SAFE Program.

"Eligible Investments" means (a) United States Securities, (b) Eligible Certificates, and (c) bank, savings and loan association or trust company deposits (i) fully insured by the Federal Deposit Insurance Corporation or by the Federal Savings and Loan Insurance Corporation or (ii) covered by the SAFE Program.

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

"Mayor" means the mayor of the City.

"Payment Date" means the 15th day of each calendar month, commencing November 15, 2013.

"Project" means the real property and existing building to be acquired by the City, which is described in Section 2(a) hereof.

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

"SAFE Program" means the program for securing public deposits created in the Security for Alabama Funds Enhancement Act, Chapter 14A of Title 41 of the Code of Alabama 1975, as amended.

"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," without other qualifying words, means the Taxable General Obligation Warrant, Series 2013, herein authorized.

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

(b) **Use of Words and Phrases.** The following words and phrases, where used in this Ordinance, shall be given the following 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 acquire certain real property located in the City, including the building situated thereon, now known as Rock Creek Church, for future use by the City;

(b) in order to provide the funds necessary (i) to acquire the Project, and (ii) to pay the costs of issuing the Warrant hereinafter described, it is necessary, desirable and in the public interest that the City issue, on its full faith and credit, the Warrant hereinafter authorized to be issued.

Section 3. Authorization of the Warrant.

(a) **Principal Amount, Maturities and Interest Rate.** Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Section 11-47-2 of the Code of Alabama of 1975, as amended, and for the purposes hereinabove stated, there is hereby authorized to be issued by the City its \$900,000 Taxable General Obligation Warrant, Series 2013. The Warrant shall be issued as a fully registered warrant, without coupons, shall be dated the date of its issuance, shall bear interest at the rate of 3.31% per annum and shall mature and become payable, as to both principal and interest as follows: on November 15, 2013, and on each Payment Date thereafter, until and including September 15, 2018, the sum of \$5,132.20 shall be due and payable; and on October 15, 2018, the entire unpaid principal and interest on the Warrant shall be due and payable.

(b) **Place and Manner of Payment.** The principal of and the interest on the Warrant shall be payable by check or draft mailed by the City to the registered Holder of the Warrant at the address shown on the registry books of the City pertaining to the Warrant as of each Interest Payment Date. Payment of such principal and interest shall be deemed to have been timely made if such check or draft is mailed by the City on the due date of such principal and interest (or, if such due date is not a business day, on the business day immediately following such due date). Anything herein to the contrary notwithstanding, the Holder of the Warrant shall have the right to receive payment of the principal of and the interest on the Warrant by ACH drawn on the Warrant Fund.

(c) **Computation of Interest.** Interest on the Warrant shall be computed on the basis of a 360-day year for the actual number of days elapsed. The principal of and interest on the Warrant shall bear interest after their respective maturities until paid at the same rate of interest payable on the Warrant.

Section 4. Prepayment Provisions. Except as hereinafter provided, in the event that the outstanding principal of the Warrant is prepaid at any time prior to the respective maturities of such principal, whether upon redemption, a default, acceleration or otherwise, the City will pay the Holder of the Warrant a prepayment premium equal to 2% of the amount so prepaid. In

the event that the principal of the Warrant is prepaid out of the proceeds of another obligation sold to Regions Bank or an affiliate thereof, no such prepayment premium shall be due.

Section 5. General Obligation. The indebtedness evidenced and ordered paid by the Warrant is and shall be a general obligation of the City for payment of the principal of and the interest and premium, if any, 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 Pinson 2013 Warrant Fund," for the purpose of providing for the payment of the principal of and interest and premium, if any, on the Warrant, at the respective maturities of said principal, interest and premium, if any, which special fund shall be maintained until the principal of and the interest and premium, if any, on the Warrant has been paid in full. Payments into the Warrant Fund shall be made as follows: on or before the second business day prior to November 15, 2013, and on or before the second business day prior to each Payment Date thereafter until and including the second business day prior to October 15, 2018, 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 Warrant on the then next succeeding Payment Date. All moneys paid into the Warrant Fund shall be used only for payment of the principal of and the interest and premium, if any, on the Warrant, upon or after the respective maturities of such principal, interest and premium; provided, that, if at the final maturity of the Warrant, howsoever the same may mature, there shall be in the Warrant Fund moneys in excess of the amount required to retire the Warrant, 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 Warrant, 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 Depository as the depository for the Warrant Fund with respect to payment of principal of and the interest and premium, if any, on the Warrant. In the event that the Depository 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 Holder of the Warrant 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 that may succeed to its duties) or any portion of the said moneys that may be invested pursuant to the provisions of subsection (d) of this Section 6.

(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 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.

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

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF PINSON
TAXABLE GENERAL OBLIGATION WARRANT
SERIES 2013

The City Treasurer of the City of Pinson, a municipal corporation under the laws of Alabama (the "City"), is hereby ordered and directed to pay, out of the Warrant Fund created in the Ordinance hereinafter referred to, to

REGIONS BANK

or registered assigns, the principal sum of

NINE HUNDRED THOUSAND DOLLARS

with interest thereon from the date hereof until the maturity hereof at the per annum rate of 3.31% (computed on the basis of a 360-day year for the actual number of days elapsed), payable as follows: on November 15, 2013, and on the 15th day of each calendar month thereafter, until and including September 15, 2018, the sum of \$_____ shall be due and payable; and on October 15, 2018, the entire unpaid principal and interest on this Warrant shall be due and payable.

The principal of and the interest on this Warrant shall be remitted by the City to the then registered holder hereof at the address shown on the registry books of the City pertaining to the Warrant as of the date of payment of such principal and interest. The ordinance hereinafter referred to provides that all payments by the City to the person in whose name the 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 City on the due date of such principal and 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 issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 11-47-2 of the Code of Alabama of 1975, as amended, and an ordinance (the "Ordinance") of the City duly adopted by the governing body of the City.

Except as hereinafter provided, in the event that the outstanding principal of this Warrant is prepaid at any time prior to the respective maturities of such principal, whether upon redemption, a default, acceleration or otherwise, the City will pay the holder of this Warrant a prepayment premium equal to 2% of the amount so prepaid. In the event that the principal of the Warrant is prepaid out of the proceeds of another obligation sold to the registered holder of this Warrant or an affiliate thereof, no such prepayment premium shall be due.

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 the interest and premium, if any, 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.

This Warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the City and only upon surrender of this Warrant to the City 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 is concerned, this Warrant may be transferred only in accordance with the provisions of the Ordinance.

Execution by the City Treasurer of her registration certificate hereon is essential to the validity hereof.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed by its Mayor, has caused its corporate seal to be hereunto affixed or imprinted, has caused this Warrant to be attested by its City Clerk, and has caused this Warrant to be dated _____, 2013.

CITY OF PINSON

By _____
Its Mayor

Attest:

Its City Clerk

Registration Certificate

Date of Registration: _____, _____

This Warrant was registered by me as a claim against the Warrant Fund referred to herein on the date hereinabove set forth.

CITY OF PINSON

By _____
Its City Treasurer

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 City.

Dated this _____ day of _____, 20____.

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)

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 Medallion Signature Program (MSP).

Section 8. Execution and Registration of Warrant.

(a) **Execution of Warrant by City.** The Warrant 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 the Warrant. Signatures on the Warrant by persons who are officers of the City at the times such signatures were written shall continue to be effective although such persons cease to be such officers prior to the delivery of the Warrant, whether initially issued or exchanged for the Warrant initially issued.

(b) **Registration Certificate on Warrant.** A Registration Certificate by the City Treasurer, in substantially the form hereinabove recited, duly executed by the City Treasurer, shall be endorsed on the Warrant and shall be essential to its validity.

Section 9. Registration and Transfer of Warrant. The Warrant shall be registered as to both principal and interest, and shall be transferable only on the registry books of the City. The City Treasurer shall keep at her office proper registry and transfer books in which she will note the registration and transfer of the Warrant, all in the manner and to the extent hereinafter specified.

No transfer of the Warrant shall be valid hereunder except upon presentation and surrender of the Warrant at the office of the City Treasurer 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 City Treasurer, whereupon the City shall execute, and the City Treasurer 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 City 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 the Warrant, by receiving or accepting such Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City is concerned, the Warrant may be transferred only in accordance with the provisions of this Ordinance.

Each transferee of the Warrant takes it subject to all payments of principal and interest in fact made with respect thereto.

Section 10. Expenses of Registration and Transfer. Any registration or transfer of the Warrant shall be made without charge to the Holder thereof, except that (a) the Holder requesting any such registration or transfer shall pay all taxes and other governmental charges required to be paid in connection with such registration or transfer and (b) the Holder shall pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant in accordance with Section 12 hereof.

Section 11. Persons Deemed Owners of Warrant. The City may deem and treat the person in whose name the Warrant is registered as the absolute owner thereof for all purposes; it shall not be affected by notice to the contrary; and all payments by it to the person in whose name the Warrant is so registered, shall to the extent thereof fully discharge and satisfy all liability for the same.

Section 12. Replacement of Mutilated, Lost, Stolen or Destroyed Warrant. In the event the Warrant is mutilated, lost, stolen or destroyed, the City may execute and the City shall thereupon register 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 (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the City evidence of such loss, theft or destruction satisfactory to it, together with indemnity satisfactory to the City. The City may charge the Holder with the expense of issuing any such new Warrant.

Section 13. Sale of Warrant. The Warrant is hereby awarded and sold to Regions Bank, at and for a purchase price equal to its face value (\$900,000).

Section 14. Authorization of Related Documents and Actions. The Mayor and all other officers of the City are hereby authorized and directed to execute, seal, attest and deliver such other documents and certificates and to take such other actions on behalf of the City as may be necessary to consummate the sale and issuance of the Warrant and to carry out fully the transactions contemplated by this Ordinance.

Section 15. Use of Proceeds from Sale of Warrant. The entire principal proceeds of the Warrant shall be paid to the City and applied for the purpose for which the Warrant has been authorized to be issued. The Mayor and the City Treasurer are hereby authorized and directed to pay, out of other funds of the City, all expenses incurred by the City in connection with the issuance of the Warrant, including, without limitation, legal fees and the commitment fee of the Bank.

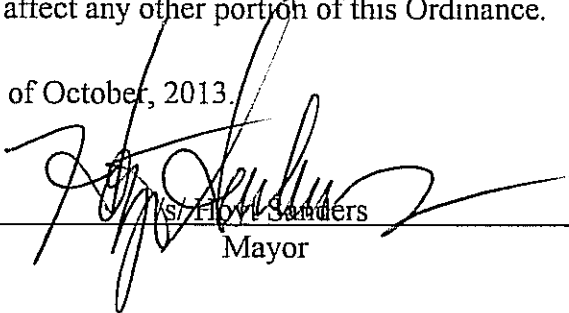
Section 16. Escrow for Warrant. In addition to all other circumstances under which the Warrant is to be deemed paid, the Warrant shall be considered as fully paid if there shall be filed with the City Clerk and the Bank a trust agreement between the City and a banking corporation or national banking association making provision for the retirement of the Warrant by creating for that purpose an irrevocable trust fund sufficient to provide for payment and retirement of the Warrant (including payment of the principal and interest that will mature thereon until and on the dates they are retired, as such principal and interest become due and payable), by payment at their respective maturities which said trust fund shall consist of (a) United States Securities which are not subject to redemption prior to their respective maturities at the option of the issuer and which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of the Warrant, or (b) both cash and such United States Securities which together will produce funds sufficient for such purpose, or (c) cash sufficient for such purpose.

Section 17. Annual Audit. The City will cause a copy of its annual audit for each fiscal year to be furnished to the Bank within thirty (30) days of the date such audit is furnished to the City, but in any event, within one hundred eighty (180) days after the end of such fiscal year.

Section 18. Creation of Contract. The provisions of this Ordinance shall constitute a contract between the City and each Holder of the Warrant.

Section 19. 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 AND APPROVED this 3rd day of October, 2013.



/s/ Hoyt Sanders
Mayor

ATTEST:

/s/ Marie Turner
City Clerk

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

YEAS:

NAYS:

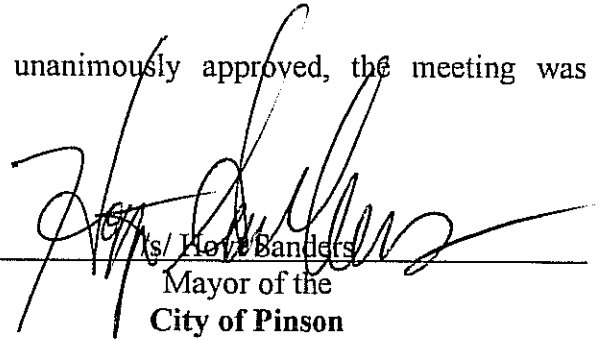
Mayor Hoyt Sanders
Councilmembers: John Churchwell
Joe Cochran
Joy McCain
~~Robbie Roberts~~
Dawn Tanner



The Chairman thereupon declared that the motion for unanimous consent for immediate consideration of and action on said ordinance had been unanimously carried. Upon a roll call vote, the said Ordinance was thereupon unanimously adopted by the Mayor and City Council. The Chairman then announced that the motion for adoption of said ordinance had been unanimously carried.

* * *

Upon motion duly made, seconded and unanimously approved, the meeting was adjourned.



/s/ [Signature] Sanders
Mayor of the
City of Pinson

Attest:

/s/ Marie Turner
City Clerk of the
City of Pinson