

April 30, 2007

STATE OF ALABAMA,
LIMESTONE COUNTY,
CITY OF ATHENS.

The City Council of the City of Athens, Alabama, met in regular session at the Athens Police Department Court Room at 951 Hobbs Street East in the said City on April 30, 2007, at 5:30 p.m. The meeting was called to order by Councilman Harold Wales, President of the Council. Upon roll call, the following were found to be present: Councilmembers Johnny Crutcher, Harold Wales, Jimmy Gill, Ronnie Marks and Mildred Caudle. The Mayor was present and John Hamilton, the City Clerk, was present and recorded the Minutes of the meeting. Harold Wales offered the invocation and Mayor Williams led the Pledge of Allegiance. The Chairman stated that a quorum was present and that the meeting was open for the transaction of business.

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The Chairman stated that the Minutes of the April 9, 2007 City Council Meeting had been submitted for approval. Councilman Crutcher moved that the reading of the Minutes be suspended and that the Minutes be approved as recorded. The motion was seconded by Councilwoman Caudle and was unanimously carried. The Chairman stated that the Minutes of the April 9, 2007 City Council Work Session Minutes had been submitted for approval. Councilman Crutcher moved that the reading of the Minutes be suspended and that the Minutes be approved as recorded. The motion was seconded by Councilwoman Caudle and was unanimously carried.

A public hearing was held to discuss the sale of alcohol for L & S Food Market on Jefferson Street. Approximately forty members of the Northside Church of Christ were in attendance. The following spoke against the sale of alcohol; Minister Homer Pack, 19664 Highway 127; Richard McElyea, 16621 Beaty Street; Eddie Gooch, 17158 Mooresville Road; Ronald Jewell, 1309 West Market Street; Robert Miller, 24711 Airport Road. No one spoke in favor of.

A public hearing was held to discuss the sale of alcohol for Elm Street Quick Stop. No one spoke against or in favor of.

The public hearings were closed.

Mrs. Linda McClary and students of Athens Middle School made a presentation regarding litter control. They have adopted an area on Jefferson Street around the old Kroger site to maintain. Joe Jackson, Principal of Athens Middle School was also in attendance.

Mr. Quentin Anderson comments on illegal aliens;

COMMENTS AND NEW PROPOSAL TO CITY COUNCIL
BY QUENTIN D. ANDERSON, SR.
APRIL 30, 2007

Our elected officials are not listening to, or paying attention to, their constituents. Illegal aliens are the major economic issue and problem in this country. The Mexican government has consulates in 52 cities in 23 states to protect the rights and interests of illegal aliens. The U.S. House of Representatives leader, Nancy Pelosi, said she wanted to raise taxes for the - - "estimated 12 million illegal immigrants in our country who need our help - - to guarantee these people the standard of living they would like to have as 'Americans'". The United Steelworkers union instructed its organizers, nationwide, to tell illegal aliens they would report them to immigration officials if they didn't join the union. Shocking, isn't it!

Last week, our city officials attended the Alabama League of Municipalities convention in Huntsville. Cities of all sizes from Birmingham and Mobile to Hoover, Dothan, and all sizes in between. A major topic of discussion was how to handle the illegal alien problem. Athens received a lot of interest due to its progressive attitude and recent enactment of an illegal alien ordinance. Our citizens should be proud of our Mayor and council members for being leaders in this activity.

The Lawson Lees recently told the council about a house near theirs that was a nuisance due to noise, parking all over the yard, and tearing up the lawn. They reported that the tenants are allegedly all illegal aliens. We have another businessman whom rents properties to various tenants including alleged illegal aliens. This weekend we had four hispanic males get into a drunken brawl resulting in injuries to all parties and two going to the hospital. We had another citizen complain, at the last council meeting, that an out of this area building contractor was using alleged illegal alien workers. These alleged illegal alien workers were littering his property, blocking his mailbox and his trash container and allegedly intimidating his daughter.

Our hospital has lost over \$800,000 in unpaid bills owed by illegal aliens. The taxpayers must make this up. The sheriff has incarcerated hundreds of illegal aliens that ICE does not want to pick up. Social services is costing the taxpayers many dollars to provide for illegal alien's children as do the schools.

We are speaking of criminals that have broken federal laws and many business people are involved with aiding and abetting these criminals. I have heard that some contractors are putting pressure on some officials to drop any further discussions and efforts to protect the U.S. citizen's interests, jobs, and tax moneys. We cannot let these slumlords and unethical business people succeed.

In the future, we will address the problems of business license requirements and rentals. The fire chief can attest to some of the appalling conditions he has observed in some buidings that are being rented.

Now we are going to resolve a problem that has been in all the news. Motor vehicle operators that are not qualified to operate a motor vehicle.

A few years ago, when Detroit had a major prostitution problem, they enacted a law that allowed the city to confiscate any motor vehicle whose operator solicited the services of a prostitute. There were many unhappy wives, but court challenges lost to the city when the courts upheld the city ordinance.

Athens has a major problem with unlicensed and uninsured drivers operating motor vehicles on our highways and city streets. On many occasions, particularly involving accidents, hispanic vehicle operators have used aliases to identify themselves to law enforcement officers. This causes difficulty in subsequent followup. These operators must be stopped for the public's safety. I have discussed this with some city officials and have received overwhelming support for it. *The ordinance would be as follows:*

"Any motor vehicle stopped, by an authorized law enforcement officer, for any reason relating to its operation, must be operated by a validly licensed and liability insured operator. Upon request, the operator must provide a valid operator's license qualified for operating the type of vehicle involved and have proof of, currently in force, liability insurance coverage, per state law, while operating the vehicle. This stipulation shall also apply to any motor vehicle involved in any type of vehicular mishap/accident.

Any Failure to provide both a valid operator's license and proof of currently in force liability insurance, per state law, shall result in the immediate impoundment of the motor vehicle by the city. The vehicle shall only be released from impoundment to an authorized party that has a valid operator's license and proof of, currently in force, liability insurance, per state law, subsequent to the payment of towing fees, all impound storage fees, plus fines related to the lack of a valid operator's license and liability insurance."

This ordinance should be enacted as soon as possible!

George Hill spoke about how he thinks he wasn't treated fairly concerning the litter ordinance.

Angela McLin, Horseshoe Bend neighborhood, was concerned about various issues in her neighborhood. (weeds, covenants, rental houses, business license of the contractor, Ronnie Malone). Janet Hardy, Pat Hoel and Cathy Simmons also spoke.

Ronnie Malone, 26819 Bain Road, spoke in rebuttal to previous groups concerns. He is the contractor for the homes built in Horseshoe Bend subdivision.

Councilman Crutcher moved the adoption of the following resolution:

RESOLUTION

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to approve the travel/education expenses to specified Finance employees in the amount of \$274.18 as listed:

Anna Leigh Ball	TVPPA Purchasing & Warehouse Workshop Nashville, TN April 3-5, 2007	\$274.18
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The motion was seconded by Councilwoman Caudle and was unanimously carried.

Councilman Crutcher moved the adoption of the following resolution:

RESOLUTION

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to approve the payment of a cash advance for budgeted travel/education expenses to specified Water/Wastewater employees in the total amount of \$2,650.76 as listed:

Jonathan Bedsole (Water/WW Dept.)	Bentley SewerGems Training Chicago, IL May 14-17, 2007	\$1,325.38
Mason Matthews (Water/WW Dept.)	Bentley SewerGems Training Chicago, IL May 14-17, 2007	\$1,325.38

The motion was seconded by Councilwoman Caudle and was unanimously carried.

Councilman Crutcher moved the adoption of the following resolution:

RESOLUTION

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to approve the payment of budgeted travel/education expenses to specified Water/Wastewater employees in the total amount of \$1,852.15 as listed:

Jon Lewonczyk (Wastewater)	AWEA 2007 Conference Orange Beach, AL April 15-18, 2007	\$909.28
John Stockton (Water/Wastewater)	AWEA 2007 Conference Orange Beach, AL April 15-18, 2007	\$942.87

The motion was seconded by Councilwoman Caudle and was unanimously carried.

Councilwoman Caudle moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE City of Athens Alabama, to purchase a Phillips FRx Automated External Defibrillator (AED) for the Cemetery, Parks, & Recreation Department for the price of \$1700.00. Cost will be taken out of a budgeted line item in the Cemetery, Parks & Recreation Department budget, no amending needed.

The motion was seconded by Councilman Marks and was unanimously carried.

Councilman Marks introduced the following ordinance:

STATE OF ALABAMA,
LIMESTONE COUNTY,
CITY OF ATHENS.

ORDINANCE NUMBER _____

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to amend Ordinance 888 by adopting the attached unclassified pay plan and list of unclassified positions, dated 7/1/07 with an effective date of 7/1/07.

All previous job titles for these positions are obsolete and where a discrepancy exists between the new job title and the old job title, the new job title will supercede the old job title.

Councilman Marks moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to change the date for annual appraisals for Department Heads from October 1 of each year to January 1 of each year, effective immediately.

Councilman Crutcher moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to approve the following applicant for its "Off Premises Beer & Wine" alcohol license, in the City of Athens, based on the recommendation of the Alcohol Review Committee.

Ankr, Inc. d/b/a Ankr Food Mart
1517 North Jefferson Street

The motion was seconded by Councilman Gill and was unanimously carried.

Councilman Marks moved the adoption of the following resolution:

RESOLUTION NUMBER 2007-1015

A RESOLUTION RECOGNIZING THE TRANSFER OF CERTAIN REAL PROPERTY AND IMPROVEMENTS FROM THE ATHENS ELECTRIC DEPARTMENT TO THE CITY OF ATHENS

WHEREAS, certain real property and improvements located on Elm Street and described in Exhibit A hereto (the "Property") have been held and managed by the City of Athens Electric Department, which department is administered and operated as a separate department in all respects according to the "Power Contract between

Tennessee Valley Authority and the City of Athens, Alabama,” dated August 13, 1984, and the “Schedule of Terms and Conditions” thereof;

WHEREAS, the Property has not been fully utilized by Athens Electric Department for several years, the Property is no longer needed in any respect for the operation and management of the Athens Electric Department, the Property does not constitute an integral part of the City’s electric transmission and distribution system, nor is the Property expected to be needed by the Athens Electric Department in the future;

WHEREAS, the City of Athens can utilize the Property for the administration and management of the City of Athens Public Works Department;

WHEREAS, the City of Athens Public Works Department has been recently permitted to utilize the Property, and the City of Athens Public Works Department has expended time and money in significantly improving the condition of the Property through the contribution of labor and design services;

WHEREAS, over the past several years, the City of Athens has expended substantial sums from the City of Athens General Fund for the benefit of the Athens Electric Department in connection with legal issues involving Charter Communications and other entities;

WHEREAS, as fair, equitable, and reasonable compensation for the substantial expenditures made by the City of Athens General Fund for the benefit of the Athens Electric Department, the City Council desires that the Property will be held, operated and managed by the City of Athens Public Works Department rather than by the City of Athens Electric Department, and that such internal transfer will be recognized on all of the City’s books and business records;

WHEREAS, the City Council has carefully reviewed the monetary values at issue and is of the opinion that the exchange is adequate, reasonable, and satisfactory; and

THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA while in regular session on April 30, 2007 at 5:30 p.m. that the Property set forth in Exhibit A hereto will be henceforth held, operated and managed by the City of Athens Public Works Department rather than by the City of Athens Electric Department, and that such internal transfer will be recognized on all of the City’s books and business records..

ADOPTED and APPROVED this, the 30th day of April, 2007.

/s/ Harold Wales
PRESIDENT, CITY COUNCIL,

CITY OF ATHENS, ALABAMA

/s/ Dan Williams

MAYOR, CITY OF ATHENS, ALABAMA

ATTEST:

/s/ John S. Hamilton

CITY CLERK, CITY OF ATHENS, ALABAMA

CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)
LIMESTONE COUNTY)

I, John Hamilton, City Clerk of the City of Athens, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly adopted by the City Council of the City of Athens, Alabama, on the ____ day of _____, 2007.

Witness my hand and seal of office this ____ day of _____, 2007.

John Hamilton, City Clerk

EXHIBIT A

That certain real property and all improvements located thereon as described in the September 24, 1974 Deed from William K. Burgreen and Myrna Burgreen to the City of Athens, recorded at Volume 725, Page 460 in the Office of the Judge of Probate of Limestone County, Alabama, and more particularly described as follows:

Tract No. 15 of the Garth Estates, according to plat of said subdivision on file in the Office of the Judge of Probate of Limestone County, Alabama, in Plat Book D, Page 60.

Also that certain real property and all improvements located thereon as described in the June 25, 1975 Deed from Security Trust and Factors Corporation to the City of Athens, recorded at Volume 732, Page 278 in the Office of the Judge of Probate of Limestone County, Alabama, and more particularly described as follows:

100 Feet taken evenly off the West side of Tract No. 14 of the Garth Estates, according to plat of said subdivision on file in the office of the Judge of Probate of Limestone County, Alabama, in Plat Book D, Page 60, and being a part of the same property conveyed to grantor herein by deed recorded in the office of the Judge of Probate of Limestone County, Alabama in Volume 720, Page 36.

The motion was seconded by Councilman Gill and was unanimously carried.

Councilman Marks introduced the following ordinance:

STATE OF ALABAMA,
LIMESTONE COUNTY,
CITY OF ATHENS.

ORDINANCE NUMBER 2007-1635

AN ORDINANCE ADOPTING AND ENACTING A NEW CODE FOR THE CITY OF ATHENS ALABAMA; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF;

PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA:

Section 1. The Code entitled "Code of Ordinances, City of Athens, Alabama," published by Municipal Code Corporation, consisting of chapters 1 through 118, each inclusive, is adopted.

Section 2. All ordinances of a general and permanent nature enacted on or before November 13, 2006, and not included in the Code or recognized and continued in force by reference therein, are repealed.

Section 3. The repeal provided for in section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

Section 4. Unless another penalty is expressly provided, every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be punished by a fine of not less than one dollar nor more than \$500.00, or by imprisonment in the city jail for a period not exceeding six months, or by hard labor for a period not exceeding six months or by any combination thereof; provided, that no fine or sentence of imprisonment or hard labor shall exceed the maximum fine or sentence established under state law for the commission of a substantially similar offense. Except as otherwise provided by law or ordinance, with respect to violations of this Code that are continuous with respect to time, each day that the violation continues is a separate offense; and with respect to violations of this Code that are not continuous with respect to time, each act constitutes a separate offense. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the city may pursue other remedies such as abatement of nuisances, injunctive relief and revocation of licenses or permits.

Section 5. Additions or amendments to the Code when passed in such form as to indicate the intention of the city to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

Section 6. Ordinances adopted after November 13, 2006, that amend or refer to ordinances that have been codified in the Code shall be construed as if they amend or refer to like provisions of the Code.

Section 7. This Ordinance shall become effective upon its adoption as provided by law.

Councilmember Crutcher moved that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilmember Marks, and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Crutcher, Wales, Gill, Marks and Caudle; NAYS: None. The President thereupon declared that the motion for unanimous consent for immediate consideration of and action on the said ordinance had been unanimously carried. Councilmember Marks thereupon moved that the ordinance be finally adopted, which motion was seconded by Councilmember Crutcher and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Crutcher, Wales, Gill, Marks and Caudle; NAYS: None. The President thereupon announced that the motion for the adoption of the said ordinance had been unanimously carried.

Councilman Gill moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to appoint Johnny McCartney as a regular member to the Zoning Board of Adjustments and Appeals for a term of three years.

The motion was seconded by Councilman Marks and was unanimously carried.

Councilman Gill moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to appoint Charles Malone as an alternate member to the Zoning Board of Adjustments and Appeals for a term of three years.

The motion was seconded by Councilman Marks and was unanimously carried.

Councilman Crutcher moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to accept the following bid from Sunbelt Fire Apparatus in the amount of \$154,698.00 to furnish (SCBA) self contained breathing apparatus equipment for Athens Fire and Rescue.

The motion was seconded by Councilwoman Caudle and was unanimously carried.

The resolution to approve the cost of the demolition of property located at 809 Westmoreland died on the table for the lack of a motion.

The resolution to approve the purchase of a trailer for the Police Department died for the lack of a motion.

Councilman Gill introduced the following ordinance:

STATE OF ALABAMA,
LIMESTONE COUNTY,
CITY OF ATHENS.

ORDINANCE NUMBER 2007-1636

AN ORDINANCE AUTHORIZING THE ISSUANCE
OF THE CITY'S \$4,985,000 PRINCIPAL
AMOUNT OF GAS REVENUE WARRANTS,
SERIES 2007, DATED MAY 1, 2007

BE IT ORDAINED by the City Council (herein called the "Council") of the City of Athens (herein called the "City"), in the State of Alabama, as follows:

Section a) Findings. After investigation duly made by it and based upon the information obtained from such investigation, the Council hereby makes the following findings and declares the following statements to be true:

i) it is necessary and desirable to refund (on an advance basis) the City's Gas Revenue Warrants, Series 1999, dated March 1, 1999, and now outstanding in the aggregate principal amount of \$3,685,000 (herein called "the Series 1999 Warrants"), which are payable solely out of net revenues derived from the operation of the City's natural gas distribution system (herein called "the System");

ii) it is necessary and desirable to construct extensions and improvements to the System; and

iii) for the purpose of providing funds to refund the Series 1999 Warrants, construct and provide the said improvements and pay the expenses related to the issuance of the Series 2007 Warrants hereinafter referred to, it will be necessary that the Series 2007 Warrants be issued as authorized in this ordinance and pursuant to the applicable provisions contained in the Third Supplemental Indenture attached as Exhibit A to this ordinance.

Section b) Authorization of the Series 2007 Warrants. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 11-47-2, as amended, and for the purpose of providing funds for the purposes referred to in Section 1 of this ordinance, there are hereby authorized to be issued by the City \$4,985,000 aggregate principal amount of its Gas Revenue Warrants, Series 2007 (herein called the "Warrants"), under the terms, conditions and provisions set out in the Third Supplemental Indenture (herein called the "Third Supplemental Indenture") authorized in Section 6 of this ordinance. All of the provisions thereof respecting the Warrants are hereby adopted as a part of this ordinance.

Section c) Source of Payment of the Series 2007 Warrants and Pledge Therefor. The obligation evidenced and ordered paid by the Warrants shall be a limited obligation of the City payable solely out of the revenues from the operation of the System as specified in the Third Supplemental Indenture, and shall not constitute a general obligation of the City or be subject to any charge on or against its general funds, its taxing powers, or its constitutional debt limit.

Section d) Series 2007 Warrants to Constitute Additional Warrants Issued Under the 1997 Indenture Covering the System. The Warrants shall be issued as additional securities under the reserved power contained in Section 8.2 of that certain Trust Indenture between the City and AmSouth Bank (the corporate trust successor of which is The Bank of New York Trust Company, N.A.) dated as of December 1, 1997 (herein called the "1997 Indenture"), and shall be entitled to and shall have the pledges and other rights and privileges accorded to the securities issued under that document and each supplement thereto, including specifically (but without limiting the generality thereof) the pledge made in the 1997 Indenture for payment of the principal of and interest on all securities issued thereunder on a parity with all other securities that may at any time be issued pursuant to its provisions.

Section e) Resolution Complying With the Requirements of Section 8.2(b) of the 1997 Indenture. In order to comply with the requirements of Section 8.2(b) of the 1997 Indenture preliminary to the issuance of the Warrants as additional securities thereunder, the Council has adopted, at the same meeting at which this ordinance is adopted, a resolution containing the recitations required in Section 8.2(b) of the 1997 Indenture to be made by the City.

Section f) Authorization of Third Supplemental Indenture. The Mayor of the City is hereby authorized to execute and deliver, in the name and behalf of the City, the Third Supplemental Indenture in the form attached as Exhibit A to and constituting a part of this ordinance, and the City Clerk is hereby authorized and directed to affix thereto and attest thereon the corporate seal of the City. Upon full execution of the Third Supplemental Indenture, the Mayor is authorized and directed to deliver it to the trustee thereunder. All provisions of the Third Supplemental Indenture are hereby adopted as a part of this ordinance to the same extent as if they were set out in full herein.

Section g) Sale of the Series 2007 Warrants; Delivery Thereof and Use of Proceeds Therefrom. The Warrants are hereby sold to Joe Jolly & Co., Inc. (herein called the "Underwriter"), at a purchase price equal to \$4,959,895.45 (which represents an underwriting discount of \$72,282.50 and an original issue premium of \$47,177.95, allocated among the various maturities as reflected by the prices or yields shown on the cover page of the Official Statement hereinafter referred to), plus accrued interest thereon from their date to the date

of payment therefor. The Mayor and the City Clerk are hereby directed to consummate the execution, sealing and attestation of the Warrants and to deliver them to the said purchaser upon payment to the City of the purchase price therefor. Simultaneously with such delivery, the City Treasurer is authorized and directed to pay the proceeds from the said sale to the Trustee who shall apply them in the manner and for the purposes set out in Section 2.5 of the Second Supplemental Indenture.

Section h) Authorization of Official Statement. The Mayor is hereby authorized to execute for and in behalf of the Board an Official Statement with respect to the Warrants in substantially the form presented to the meeting at which this resolution is adopted, which form, marked Exhibit B, is to be attached to the minutes of the meeting at which this ordinance is adopted and which is hereby made a part of this ordinance as if set out in full herein. The Council hereby finds and declares that the City deemed the Preliminary Official Statement with respect to the Warrants to be final as of its date except for the omission of pricing information.

Section i) Authorization of Continuing Disclosure Agreement. In order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission, the Council hereby authorizes and directs the Mayor to execute and deliver, for and in behalf of the City, a Continuing Disclosure Agreement in substantially the form presented to the meeting at which this ordinance is adopted (which form shall be attached as Exhibit C to the minutes of the meeting at which this ordinance is adopted and which is hereby made a part of this ordinance as if set out in full herein), and hereby authorizes and directs the City Clerk of the City to affix to the Continuing Disclosure Agreement the seal of the City and to attest the same.

Section j) Compliance with Certain Requirements of the Code. The City will comply with all conditions to and requirements for the exemption from gross income for federal income taxation of the interest income on the Warrants imposed by Section 103 of the Internal Revenue Code of 1986, as amended (herein called the "Code"). Without limiting the generality of the foregoing,

i) the City will not apply the proceeds from the Warrants in a manner that would cause any of the Warrants to be a "private activity bond" within the meaning of Section 141(a) of the Code, and

ii) the City will comply with the requirements of Section 148 of the Code in order that the Warrants will not be "arbitrage bonds" within the meaning of said Section 148.

Section k) Call for Redemption. The City hereby calls for redemption on December 1, 2007, those of its Gas Revenue Warrants, Series 1999, that have stated maturities in 2008 and thereafter and hereby directs the trustee and paying agent therefor to give appropriate notice of said redemption, and, in connection therewith, the Council finds and states that the City is not in default under the Indenture. The Trustee thereunder is hereby authorized and directed to give notice of said redemption in accordance with the provisions of the Indenture. The Council hereby authorizes and directs the Mayor to execute and deliver, for and in behalf of the City, an Escrow Trust Agreement in substantially the form presented to the meeting at which this ordinance is adopted (which form shall be attached as Exhibit D to the minutes of the meeting at which this ordinance is adopted and which is hereby made a part of this ordinance as if set out in full herein), and hereby authorizes and directs the City Clerk of the City to affix to the said Escrow Trust Agreement the seal of the City and to attest the same.

Section l) Severability. The various 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, the 30th day of April, 2007.

/s/ Harold Wales
PRESIDENT, CITY COUNCIL,
CITY OF ATHENS, ALABAMA

/s/ Dan Williams
MAYOR, CITY OF ATHENS, ALABAMA

ATTEST:

/s/ John S. Hamilton
CITY CLERK, CITY OF ATHENS, ALABAMA

Councilmember Crutcher moved that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilmember Gill, and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Crutcher, Wales, Gill, Marks and Caudle; NAYS: None. The President thereupon declared that the motion for unanimous consent for immediate consideration of and action on the said ordinance had been unanimously carried. Councilmember Gill thereupon moved that the ordinance be finally adopted, which motion was seconded by Councilmember Crutcher and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Crutcher, Wales, Gill, Marks and Caudle; NAYS: None. The President thereupon announced that the motion for the adoption of the said ordinance had been unanimously carried.

Councilman Crutcher moved the adoption of the following resolution:

RESOLUTION NUMBER 2007-1016

A RESOLUTION COMPLYING WITH THE
REQUIREMENTS OF SECTION 8.2(b) OF THE
TRUST INDENTURE BETWEEN THE CITY OF
ATHENS AND AMSOUTH BANK (THE CORPORATE
TRUST SUCCESSOR TO WHICH IS THE BANK
OF NEW YORK TRUST COMPANY, N.A.)
DATED AS OF DECEMBER 1, 1997

BE IT RESOLVED by the City Council (herein called the "Council") of the City of Athens (herein called the "City"), in the State of Alabama, as follows:

In order to comply with the requirements of Section 8.2(b) of that certain Trust Indenture between the City and AmSouth Bank (the corporate trust successor to which is The Bank of New York Trust Company, N.A.) dated as of December 1, 1997 (herein called the "1997 Indenture"), so that \$4,985,000 principal amount of Gas Revenue Warrants, Series 2007, dated May 1, 2007 (herein called the "Series 2007 Warrants"), of the City may be issued as additional securities under the provisions of the 1997 Indenture, the Council does hereby adopt this resolution; request that the said bank, as trustee under the 1997 Indenture, authenticate and deliver the Series 2007 Warrants to the purchaser hereinafter named; and make the following recitals preliminary to the issuance of the Series 2007 Warrants:

- (a) the City is not at this time in default under the 1997 Indenture and no such default is imminent;
- (b) the person to whom the Series 2007 Warrants have been sold and shall be delivered is Joe Jolly & Co., Inc., Birmingham, Alabama;
- (c) the Series 2007 Warrants are to be issued by sale and none thereof is to be issued by exchange;
- (d) the sale price of the Series 2007 Warrants is \$4,959,895.45 (which represents an underwriting discount of \$72,282.50, and an original issue premium of \$47,177.95 as reflected by the prices or yields shown on the cover page of the Official Statement hereinafter referred to) plus accrued interest on the Series 2007 Warrants from their date until the date of delivery thereof and payment therefor;

(e) no securities have previously been issued by the City under the 1997 Indenture or under any indenture supplemental thereto other than

(A) \$4,980,000 aggregate principal amount of the City's Gas Revenue Warrants, Series 1999, dated March 1, 1999, which were issued under the 1997 Indenture and \$3,685,000 of which is now outstanding; and

(B) \$2,410,000 aggregate principal amount of the City's Gas Revenue Warrants, Series 2005, dated January 1, 2005, which were issued under the 1997 Indenture and \$3,685,000 of which is now outstanding; and

(f) the Series 2007 Warrants are to be issued for the following purposes:

(A) paying the expenses related to the issuance of the Series 2007 Warrants;

(B) providing for the advance refunding of the said Series 1999 Warrants; and

(C) providing funds for new gas lines, adjustment to gate stations and regulator stations and a safety/training facility for the System.

ADOPTED and APPROVED this, the 30th day of April, 2007.

/s/ Harold Wales
PRESIDENT, CITY COUNCIL,
CITY OF ATHENS, ALABAMA

/s/ Dan Williams
MAYOR, CITY OF ATHENS, ALABAMA

ATTEST:

/s/ John S. Hamilton
CITY CLERK, CITY OF ATHENS, ALABAMA

Councilmember Marks moved that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilmember Gill, and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Crutcher, Wales, Gill, Marks and Caudle; NAYS: None. The President thereupon declared that the motion for unanimous consent for immediate consideration of and action on the said ordinance had been unanimously carried. Councilmember Crutcher thereupon moved that the ordinance be finally adopted, which motion was seconded by Councilmember Marks and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Crutcher, Wales, Gill, Marks and Caudle; NAYS: None. The President thereupon announced that the motion for the adoption of the said ordinance had been unanimously carried.

Councilman Marks moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to authorize the City of Athens Public Works Department to make the following capital purchases:

- 1) 2007 Dodge Quad Cab in amount not exceed \$19,000 for the Construction foreman of the Street Department from the State of Alabama State Financing Office Division of Purchasing State Contract
- 2) 2007 Dodge Quad Cab in amount not exceed \$19,000 for the Lead foreman of the Sanitation Department from the State of Alabama State Financing Office Division of Purchasing State Contract
- 3) 2007 Ford Standard Cab in amount not exceed \$15,000 for the Building Inspection Department from the State of Alabama State Financing Office Division of Purchasing State Contract
- 4) \$5,000 to upgrade the Cities existing GPS receiver purchased in 1997 which is not longer operational.
- 5) To purchase three weed eaters in an amount of \$330.00 each from Dixie Auto Parts for a total of \$990.00
- 6) To purchase two chainsaws in an amount of \$349.00 each from Dixie Auto Parts for a total of \$700.00
- 7) To bid for the purchase of a Leaf Machine for the Sanitation Department for leaf pick-up in an amount not to exceed \$30,000.
- 8) To purchase a surplus dump truck from the Alabama Department of Transportation or ADECA Surplus yard in an amount not to exceed \$20,000 for the purpose of pulling the leaf machine.

The total requested Capital expenditures amount for the City of Athens Public Works Department is \$109,690.00 to be funded from the City of Athens approved 2007 Operating Budget Capital Fund Line Item.

The motion was seconded by Councilman Crutcher and was unanimously carried.

Councilman Crutcher moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to authorize the Manager, Electric Department to issue a Purchase Order to Hughes Supply Company in the amount of \$82,995.39 for material for distribution line construction as specified in 2007 Distribution Contract No. 1.

The motion was seconded by Councilwoman Caudle and was unanimously carried.

Councilman Crutcher moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to authorize the Manager, Electric Department to award a contract to Davis H. Elliot Company, Inc. in the amount of \$671,665.05 for distribution line construction as specified in 2007 Distribution Contract No. 1.

The motion was seconded by Councilman Gill and was unanimously carried.

Councilman Gill introduced the following ordinance:

STATE OF ALABAMA,
LIMESTONE COUNTY,
CITY OF ATHENS.

ORDINANCE NUMBER _____

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to amend Ordinance 888 by adopting the attached unclassified pay plan and list of unclassified positions, dated 7/1/07, and referred to as Proposal 1, with an effective date of 7/1/07.

All previous job titles for these positions are obsolete and where a discrepancy exists between the new job title and the old job title, the new job title will supercede the old job title.

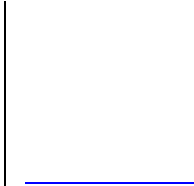
* * *

There being no further business to come before the meeting, the same was, upon motion by Councilman Gill and second by Councilman Marks, duly and properly adjourned.

/s/ Harold Wales
PRESIDENT, CITY COUNCIL

ATTEST:

/s/ John S. Hamilton
CITY CLERK



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