

October 27, 2008

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 October 27, 2008, at 5:30 p.m. The meeting was called to order by Councilman John M. Crutcher, President of the Council. Upon roll call the following were found to be present: Councilmembers John M. Crutcher, Harold Wales, Jimmy Gill, Ronnie Marks and Mildred Caudle. Mayor Williams was present. John Hamilton, City Clerk, was present and recorded the minutes of the meeting. Ronnie Marks offered the invocation and Mayor Williams led the Pledge of Allegiance. The Chairperson stated that a quorum was present and that the meeting was open for transaction of business.

The Chairperson stated that the Minutes of the October 13, 2008 City Council Meeting had been submitted for approval. Councilman Wales moved that the reading of the Minutes be suspended and that the Minutes be approved as recorded. The motion was seconded by Councilman Marks and was unanimously carried. The Chairperson stated that the Minutes of the October 13, 2008 City Council Work Session Minutes had been submitted for approval. Councilman Wales moved that the reading of the Minutes be suspended and that the Minutes be approved as recorded. The Motion was seconded by Councilman Marks 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 commend John M. Crutcher for many years of public service. Mayor Williams presented a plaque to Mr. Crutcher.

The motion was seconded by Councilman Gill with four yeas and one nay by Councilman Crutcher.

A public hearing was held to hear comments on vacating a public way in Free Canada Subdivision. Carnell Robinson spoke in favor of and no one spoke against.

Councilwoman Caudle moved the adoption of the following resolution:

RESOLUTION NUMBER 2008-1081

A RESOLUTION VACATING A PUBLIC WAY

WHEREAS, it is proposed that a portion of a public way or street be vacated pursuant to the provision of § 23-4-1, *et seq.* of the *Code of Alabama*;

WHEREAS, the portion of said public way to be vacated is depicted on the 1897 Map of Athens, Part 2, as recorded in the Office of the Judge of Probate of Limestone County, in Plat Book A, Page 8, and described more particularly herein;

WHEREAS, the City Council has determined that it is in the interest of the public that such public way be vacated and that the council's action be published in the *Athens News Courier* and filed with the Probate Court of Limestone County;

WHEREAS, the owners of the lots or parcels of land that abut the public way to be vacated are as

follows:

- (a) Terry L. Raybon;
- (b) Dorothy Madden;
- (c) James Elliott, Sr.;
- (d) Katie David Elliott;
- (e) Regions Bank;
- (f) James Eugene Allen;
- (g) Eartha Sims Allen;
- (h) Bank Independent;
- (i) USA Financial Services, Inc.;
- (j) Rufus Raybon;
- (k) Sarah Raybon;
- (l) Carnell Robinson;
- (m) Geraldine Robinson
- (n) Earl Malone;
- (o) Kenneth Grigsby;
- (p) Gary Dillard Grigsby;
- (q) George A. Grigsby;
- (r) Norma J. Choice;
- (s) Sandra Capers;
- (t) Andrea J. Willis;
- (u) Patricia Horton;
- (v) Bennie Horton;
- (w) Fred Wilson;
- (x) Verner Wilson;
- (y) Maggie Davis;
- (z) Barbara J. David;
- (aa) Ann Horton Williams, and her unknown heirs or devisees, if deceased;
- (bb) Ada Norman, and her unknown heirs or devisees, if deceased;
- (cc) Andrew Grigsby, and his unknown heirs or devisees, if deceased;
- (dd) Johnnie Lane, and his unknown heirs or devisees;
- (ee) Maude Lane, and her unknown heirs or devisees, if deceased;
- (ff) Thomas Lane, and his unknown heirs or devisees, if deceased;
- (gg) Louis Fields, and his unknown heirs or devisees, if deceased;
- (hh) Johnnie Lane, Jr., and his unknown heirs or devisees, if deceased;
- (ii) Clayton David, Jr., and his unknown heirs or devisees, if deceased;
- (jj) Jolene E. Raybon, and her unknown heirs or devisees, if deceased; and
- (kk) any and all unknown party or parties claiming any right, title, or interest in and to property abutting the public way to be vacated.

WHEREAS, the vacation of the public way will not cause persons to be cut off from access over some other reasonable and convenient way;

WHEREAS, the vacation of the public way will not deprive other property owners of any right they may have to convenient and reasonable means of egress and ingress to and from their property; and

THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA while in regular session on October 27, 2008 at 5:30 p.m. as follows:

1. The portion of the public way or street described below is hereby vacated, and the City

Council does hereby divest itself of all public rights and liabilities therein:

The portion of said street to be vacated commences at a point beginning on the west side of said street at the Southeast corner of Lot 6 of Block 3 of Free Canada, according to the 1897 Map of Athens, Part 2, as recorded in the Office of the Judge of Probate of Limestone County, in Plat Book A, Page 8, and extending to a parallel point on the east side of said street at a point on the southwest corner of Lot 5 of Block 2 of Free Canada, according to the 1897 Map of Athens, Part 2, as recorded in the Office of the Judge of Probate of Limestone County, in Plat Book A, Page 8.

Thence, from such beginning, that portion of the street to be vacated proceeds in a northerly direction as shown on the 1897 Map of Athens, Part 2, as recorded in the Office of the Judge of Probate of Limestone County, in Plat Book A, Page 8, until the same reaches the northernmost end of said street, lying adjacent to the northeastern corner of Lot 9 of Block 3 of Free Canada, according to the 1897 Map of Athens, Part 2, as recorded in the Office of the Judge of Probate of Limestone County, in Plat Book A, Page 8, and thence that portion of the street to be vacated proceeds westerly along such street, parallel and adjacent to the northern boundary of Lot 9 of Block 3 of Free Canada, and concludes at the eastern right-of-way margin of Highway 127, also known as North Jefferson Street, and referred to as "Elkmont Road" in the 1897 Map of Athens, Part 2, as recorded in the Office of the Judge of Probate of Limestone County, in Plat Book A, Page 8.

ADOPTED and APPROVED this, the 27th day of October, 2008.

/s/ John M. Crutcher
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 27th day of October, 2008.

Witness my hand and seal of office this ____ day of _____, 2008.

John Hamilton, City Clerk

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

A public hearing was held to hear comments on the rezoning for Andy Beasley for property located on Highway 31, South of Elm Street. No one spoke in favor of or against.

Councilman Marks introduced the following ordinance:

STATE OF ALABAMA,
LIMESTONE COUNTY,
CITY OF ATHENS.

ORDINANCE NUMBER 2008-1715

AN ORDINANCE REZONING A .65 ACRE TRACT OF PROPERTY FROM R-2-1 TO R-3-1 FOR
ANDY BEASLEY, LOCATED ON HIGHWAY 31, SOUTH OF ELM STREET

WHEREAS, the City Council of the City of Athens, Alabama, has heretofore adopted, "The Zoning Ordinance of the City of Athens, Alabama," and,

WHEREAS, the Planning Commission of the City of Athens, Alabama, has made a recommendation to the City Council of the City of Athens, Alabama, that the hereinafter described area should be rezoned from R-2-1 Duplex Residential District to R-3-1 Multiple Family Residential District.

The City Council of the City of Athens, Alabama, finds that "The Zoning Ordinance of the City of Athens, Alabama," should be amended so as to rezone the hereinafter described area as "R-3-1".

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, as follows:

That all of the hereinafter described area or real estate is hereby zoned "R-3-1 Multiple Family Residential District", in accordance with and defined by "The Zoning Ordinance of the City of Athens, Alabama," and that the area which is zoned as aforesaid is situated in Athens, Limestone County, Alabama, and are more particularly described as follows:

A tract of land being a part of the west one-half of Section 3, also being a part of the east one-half of Section 4, all in Township 3 South, Range 4 West of the Huntsville meridian, Limestone County, Alabama, and being more particularly described as follows:

Commence at a "x" cut in the Highway 99 bridge over Swan Creek at the northeast corner of Section 4, also being the northwest corner of Section 3, Township 3 South, Range 4 West, thence south 01 degrees 21 minutes 12 seconds west along the east boundary of said Section 4 a distance of 414.26 feet to a point in the centerline of Swan Creek, thence continue south 01 degrees 21 minutes 12 seconds west along the east boundary of said Section 4 a distance of 513.03 feet to a point, thence south 87 degrees 19 minutes 47 seconds west a distance of 402.29 feet to a point, said point being the point of True Beginning of the following described tract,

thence from the point of true beginning south 02 degrees 40 minutes 13 seconds east a distance of 581.13 feet to a point,

thence north 68 degrees 49 minutes 01 seconds west a distance of 54.67 feet to a point,

thence north 02 degrees 40 minutes 13 seconds west a distance of 559.03 feet to a point,

thence north 87 degrees 19 minutes 47 seconds east a distance of 50.00 feet to the point of True Beginning and containing 0.65 acres, more or less.

ADOPTED and APPROVED this, the 27th day of October, 2008.

/s/ John M. Crutcher
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 Gill moved that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilmember Wales, 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 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 announced that the motion for the adoption of the said ordinance had been unanimously carried.

Rosie Maclin, 1016 Highland Street, thanked Chief Harper and his staff for cutting grass/weeds on 12th Street. She also asked that dirt piles at Thatch-Mann cemetery be spread out.

Councilman Marks moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, to se a Public Hearing for the meeting of November 24, 2008, to take comments on the rezoning request of the Friendship United Methodist Church, to rezone their property from R-1-1 to Institutional Use. Property is located in the northwest quadrant of West Washington Street and Lucas Ferry Road.

The motion was seconded by Councilman Gill and was 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 approve the payment of budgeted travel/education expenses for specified Water/Wastewater employees in the total amount of \$559.04.

Jonathan Bedsole (Water Services)	ADEM Surface Water Meeting Montgomery, AL October 20-21, 2008	\$169.85
Howard Hopkins (Water Services)	ADEM Surface Water Meeting Montgomery, AL October 20-21, 2008	\$214.43
Charles Shelton (Water Services)	ADEM Surface Water Meeting Montgomery, AL October 20-21, 2008	\$174.76

The motion was seconded by Councilman Gill and was 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, that the travel expenses in the following amount be approved for Electric Department personnel.

Carlos Cain	TVPPA-Advance Lineman Phase 3 Scottsboro, AL	\$100.00
Donnie Powers	TVPPA-Advance Lineman Phase 3 Scottsboro, AL	\$100.00
Chris Helms	TVPPA-Advance Lineman Phase 3 Scottsboro, AL	\$100.00
Ben Carter	TVPPA-Advance Lineman Phase 3 Scottsboro, AL	\$100.00

The motion was seconded by Councilman Gill and was 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 schedule the "new council organizational meeting" on Monday, November 3, 2008, at the police station building, located at 951 East Hobbs Street. The meeting will begin at 6:00 p.m.

The motion was seconded by Councilman Gill and was 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, approve the following roster of approved reserve officers volunteering services with the Athens Police Department.

Roger Martin	Paul Green	Ray Burrow
Jeremy Kiefer	Chris Albright	Michael Ferguson
David Tolbert	Thomas Butler	Abe Niedzwiecki
Jim Coulter	Tim McIntire	Shawn Jayne
Jacob Anderson	Jeffrey Martin	Scott Cook

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

Councilman Wales 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 "Retail Beer & Wine for Off Premises Consumption" alcohol license, contingent upon an approved certificate of occupancy. It is of our opinion that the business has met all of the requirements of the City of Athens' alcohol ordinance, except for the certificate of occupancy:

Publix Alabama LLC, #1203
22031 U. S. Highway 72

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

Councilman Marks moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF ATHENS, ALABAMA, to approve a 3% cost of living salary increase (COLA) for all classified employees effective with the date of the first pay roll period in December of 2008 and to approve a revision of the City's official classified pay scales to reflect the change in pay rates.

BE IT FURTHER RESOLVED to approve a 3% cost of living salary increase (COLA) for all unclassified employees effective with the date of the first payroll period in April, 2009, and to approve a revision of the City's official unclassified pay scales reflect the change in pay rates.

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

Councilwoman Caudle moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF ATHENS, ALABAMA, that the attached Identity Theft Prevention Program for the City of Athens Utilities be approved and become effective November 1, 2008.

City of Athens Utilities

SUBJECT: IDENTITY THEFT PREVENTION PROGRAM

I. OBJECTIVE:

- A. To protect the identity and personal financial data of our customers and minimize the possibility of identity theft of customer information.
- B. To comply with the FACT Act of 2003 and the requirements of the Federal Trade Commission and their "Red Flags" Rule as published in the Federal Register on November 9, 2007.
- C. To establish a program to detect, prevent and mitigate identity theft.

II. SCOPE

- A. This policy applies to all employees, management, and contractors of Athens Utilities.
- B. This policy supplements but does not replace existing policies.

III. POLICY:

- A. The Director of Finance will be responsible for ongoing involvement in the development, implementation and administration of the Identity Theft Prevention Program.

- B. Training for employees who handle sensitive personal information will be provided as necessary.
- C. Oversight of third party service providers will assure that they also comply with the Program.
- D. A written annual report will be made and presented to the City Council on compliance with the Program and any incidents experienced for the year. The report will include:
 - a. The effectiveness of the policies and procedures in addressing the risk of identity theft
 - b. Significant incidents that have occurred and management's response
 - c. Recommendations for changing the Program
- E. As risk factors are discovered, such as identity theft, customer information breach, etc., the policy will be revised to address any future risks.
- F. An investigation will be conducted when any of the following "Red Flags" are discovered. They may include but are not limited to:
 - a. Incidents of identity theft
 - b. Methods of identity theft that reflect identity theft risks
 - c. Alerts, notifications, or other warnings received from a consumer reporting agency or third party service provider
 - d. The presentation of suspicious documents, such as altered or forged
 - e. The presentation of suspicious personal identification information
 - f. The unusual use of an account
 - g. Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft
 - h. A fraud or active duty alert is included with a consumer credit report
 - i. A consumer credit reporting agency provides a notice of address discrepancy
 - j. Identification photo that does not match the person
 - k. Invalid Social Security Number
 - l. Mail sent to a customer is frequently returned
- G. When setting up a new customer or changing an address for an existing customer, every effort should be made to verify all information given.
- H. Monitoring the security of customer identity data must be an ongoing process. When it is determined that a customer's information has been jeopardized, the following procedure will be followed:
 - a. Contact the customer(s)
 - b. Notify upper management
 - c. Take immediate steps to eliminate the cause of the breach of information.
 - d. Notify law enforcement if the situation warrants
- I. The CIS Administrator will provide ongoing oversight of third party software providers and service providers that utilize customer information to assure that customer identity information is secure and utilized properly.

IV. RESPONSIBILITY:

The General Manager of Athens Utilities is responsible for the administration of this policy

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

Councilman Gill moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF ATHENS, ALABAMA, to designate Friday, November 28, 2008 as an additional holiday for calendar year 2008.

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

Councilman Gill moved the adoption of the following resolution:

RESOLUTION NUMBER 2008-1082

A RESOLUTION DECLARING A PUBLIC NUISANCE
SUBJECT TO ABATEMENT

WHEREAS, the City of Athens is authorized by state law to abate nuisances within the City, such as an abundance of weeds and vegetation that is injurious to the general public health, safety, and general welfare by being unsightly and providing breeding grounds and shelter for rats, mice, snakes, mosquitoes, and other vermin, insects, or pests;

WHEREAS, it has been brought to the attention of this City Council that weeds and vegetation located on certain property are injurious to the general public health, safety, and general welfare by being unsightly and providing breeding grounds and shelter for rats, mice, snakes, mosquitoes, and other vermin, insects, or pests; and

THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA on October 27, 2008 at 5:30 p.m., as follows:

1. This resolution concerns certain real property located on the south side of a street known as Widow Drive and/or Widow Street. It is generally enclosed by a chain link fence and is completely overgrown. The parcel identification number assigned by the Limestone County Revenue Commissioner to the property is 10-3-07-4-001-031.001. The property is further described as follows: A lot or parcel of land in the Northeast Quarter of the Southeast quarter of Section 7, Township 3 South, Range 4 West, beginning at the Northeast corner of lot belonging to Charlie Jones, said point is located in the middle of Widow's Drive, 271 feet West of the East boundary line of Section 7, and 700 feet South of the Northeast corner of the Northeast Quarter of the Southeast Quarter of said Section 7, thence East 56 feet; thence South 166 feet; thence West 56 feet; thence North 166 feet to the point of beginning containing one-fourth acre, more or less.

2. The weeds and vegetation on this property that provide breeding grounds and shelter for vermin and pests (including the dense brush and undergrowth) are hereby declared to be public nuisances subject to abatement by the City. The mature trees located on this property are expressly not included within this definition and are not declared to be nuisances.

3. A public hearing on this matter shall be held on December 8, 2008, at 5:30 P.M.

4. City officials are directed to issue such notices concerning the same as the law may require.

ADOPTED and APPROVED this, the 27th day of October, 2008.

/s/ John M. Crutcher
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 27th day of October, 2008.

Witness my hand and seal of office this ____ day of _____, 2008.

John Hamilton, City Clerk

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

Councilwoman Caudle introduced the following ordinance:

STATE OF ALABAMA,
LIMESTONE COUNTY,
CITY OF ATHENS.

ORDINANCE NUMBER 2008-1714

I, JOHN HAMILTON, as City Clerk of the CITY OF ATHENS, ALABAMA, hereby certify that the attached pages numbered from 1 to 23, inclusive,

together with the Special Authority Loan Conditions Agreement designated Exhibit A, constitute a true, correct and complete copy of all those portions of the minutes of a meeting of the City Council of the City held on October 27, 2008, pertaining to the matters therein set out, as the same appear in the official records of proceedings of said City.

WITNESS my signature as City Clerk of the said City, under its seal, this 28th day of October, 2008.

As City Clerk of
CITY OF ATHENS, ALABAMA

[S E A L]

EXCERPTS FROM THE MINUTES OF A
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF ATHENS, ALABAMA,
HELD ON OCTOBER 27, 2008

The City Council of the City of Athens, Alabama, met in regular session in the Council Chamber of the City Building in the said city on October 27, 2008, at 5:30 o'clock, p.m., and after having posted appropriate notice thereof in the customary place in the City Building. John M. Crutcher, the President of the Council, presided as chairman of the meeting and called the meeting to order. Mayor Dan Williams was also present at the meeting as was John Hamilton, City Clerk, who acted as clerk of the meeting. On roll call, the following councilmembers were found to be present: President Crutcher and Councilmembers Dr. Mildred Caudle, Jimmy W. Gill, Ronnie Marks and Harold Wales; absent: _____. The chairman stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

Councilmember Caudle introduced the following ordinance in writing:

ORDINANCE NUMBER 2008-1714

**AN ORDINANCE AUTHORIZING THE
ISSUANCE AND DELIVERY BY THE CITY
OF ATHENS, ALABAMA, OF ITS \$14,765,000
SUBORDINATED WATER AND SEWER REVENUE
WARRANT, SERIES 2008-CWSRF-DL**

BE IT RESOLVED by the City Council of the **CITY OF ATHENS, ALABAMA**, as follows:

**ARTICLE I
DEFINITIONS AND USE OF PHRASES**

Section 1.1 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 herein:

"**ADEM**" means the Alabama Department of Environmental Management, an agency of the State of Alabama created pursuant to the Chapter 22A of Title 22 of the Code of Alabama 1975.

"**Additional Subordinated Debt**" means any City Debt issued or incurred by the City, payable in whole or in part out of all or any part of the revenues derived from the Systems, other than City Indenture Warrants.

"**Additional Warrants**" shall have the meaning given to such term in the City Indenture.

"**Authority**" means Alabama Water Pollution Control Authority, a public corporation under the laws of the State of Alabama.

"**Authority Trustee**" means The Bank of New York Mellon Trust Company, N.A., as successor trustee to J.P. Morgan Trust Company, National Association, under the Master Authority Trust Indenture.

"Authority Trustee Bank Prime Rate" means the rate of interest established (whether or not charged) from time to time by the Authority Trustee as its general reference rate of interest, after taking into account such factors as the Authority Trustee may from time to time deem appropriate in its sole discretion (it being understood, however, that the Authority Trustee may from time to time make various loans at rates of interest having no relationship to such general reference rate of interest).

"City" means the City of Athens, Alabama, and any municipal corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"City Debt" means any warrants, bonds, notes or other obligations issued by the City and expressly payable in whole or in part out of all or any part of the revenues derived from the Systems.

"City Indenture" means that certain Trust Indenture between the City and The Bank of New York Trust Company of Florida, N.A., dated as of May 1, 2002, at any time, as supplemented, and pursuant to which the City Indenture Warrants were issued.

"City Indenture Warrants" means City Debt issued under the City Indenture as equal lien or parity warrants pursuant to the privilege reserved to issue parity or equal lien warrants in the City Indenture.

"Counsel" means an attorney who is duly licensed to practice before the Supreme Court of Alabama.

"Council" means the City Council of the City.

"Fiscal Year" means the period beginning on October 1 of one calendar year and ending on September 30 on the next succeeding calendar year.

"Holder" means the person in whose name the Warrant is registered.

"Independent Auditor" means a public accountant who is not a full time employee of the City and who is regularly engaged in the auditing of financial records.

"**Independent Counsel**" means Counsel who is not regularly employed by the City.

"**Loan Amount**" has the meaning given in the Special Conditions Agreement.

"**Master Authority Trust Indenture**" means the Master Direct Loan Trust Indenture from the Authority to the Authority Trustee, dated as of January 1, 2004.

"**Mayor**" means the Mayor of the City.

"**Ordinance**" means an ordinance duly adopted by the City Council.

"**Pledged Funds**" means the Net Revenues (as defined in the City Indenture) for the fiscal year under consideration derived from the operation of the System and remaining after payment of principal and interest then due on City Indenture Warrants and payment of principal and interest then due on the City's Subordinated Water and Sewer Revenue Warrant, Series 2007-CWRSF-DL.

"**Project**" means the improvements to the sanitary sewer portion of the Systems that are to be constructed with proceeds of the Authority Loan in accordance with the provisions of the Special Conditions Agreement.

"**Project Funds**" means the amount deposited into the Project Fund created in the Master Authority Trust Indenture for disbursement to or on behalf of the City.

"**Redemption Date**" means the date fixed for redemption of the Series 2008-CWSRF-DL Warrant in any notice of redemption.

"**Redemption Price**" means the price at which the Series 2008-CWSRF-DL Warrant or principal installments thereof called for redemption and prepayment may be redeemed on the Redemption Date.

"**Resolution**" means a resolution duly adopted by the City Council.

"**Special Conditions Agreement**" means the Special Authority Loan Conditions Agreement among the City, the Authority, and ADEM, dated as of _____, 2008.

"**Systems**" shall have the meaning given to such term in the City Indenture.

"**Warrant Fund**" means the Warrant Fund created in Section 9.1 hereof.

Section 1.2 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Ordinance as an entirety and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural.

ARTICLE II

REPRESENTATIONS AND FINDINGS

Section 2.1 Representations. The City represents, as a basis for the undertakings herein contained, as follows: it is a municipal corporation organized under the provisions of Title 11 of the Code of Alabama 1975, as amended; and it is not in default under any of the provisions contained in its charter or in the laws of said state or under the City Indenture.

Section 2.2 Findings. The City Council does hereby find and declare that the following facts are true and correct:

(a) The City has determined to make capital improvements to the combined water works plant and distribution system and sanitary sewer system of the City, the estimated costs of the said improvements being in excess of \$14,765,000. The City has heretofore filed an application with ADEM for the purpose of obtaining a loan from the Authority to provide funds to pay a portion of the costs of the Project. The award of the loan to the City will be of substantial economic benefit to the City and to its utilities customers by reducing the amount of interest that would be payable by the City if the funds were provided from sources other than from the Authority Loan.

(b) In order to evidence the repayment of the Authority Loan by the City to the Authority, the City deems it necessary, desirable and in the public interest that the Series 2008-CWSRF-DL Warrant hereinafter authorized be issued for the purpose of evidencing the debt of the City to the Authority.

(c) The City hereby finds and determines the Pledged Funds will, immediately following the issuance and delivery of the Series 2008-CWSRF-DL Warrant, be sufficient to make timely payment of all principal and interest on the Series 2008-CWSRF-DL Warrant.

ARTICLE III

ACCEPTANCE OF AUTHORITY LOAN AND ISSUANCE OF SERIES 2008-CWSRF-DL WARRANT

Section 3.1 (a) Authority Loan Made and Accepted. In consideration of the mutual promises made in the Special Conditions Agreement, in this Ordinance and in the Series 2008-CWSRF-DL Warrant, and subject to the terms and conditions of each thereof, the City, by the delivery of the Series 2008-CWSRF-DL Warrant, accepts the Authority Loan and the Authority has, upon delivery to it of the Series 2008-CWSRF-DL Warrant, made the Loan Amount available as provided in the Master Authority Trust Indenture.

(b) **Authorization and Description of the Series 2008-CWSRF-DL Warrant.** Pursuant to the applicable provisions of Title 11 of the Code of Alabama 1975, as amended, and for the purpose of evidencing repayment of the Authority Loan made to the City by the Authority, there is hereby authorized to be issued the City's Subordinated Water and Sewer Revenue Warrant, Series 2008-CWSRF-DL, in the principal amount of \$14,765,000. The Series 2008-CWSRF-DL Warrant shall be issued as one fully registered warrant in the form prescribed in Section 3.2 hereof. The principal of the Series 2008-CWSRF-DL Warrant shall mature and become payable on August 15 in the following years and in the following installments:

Year of Maturity	Aggregate Principal Amount Maturing
2011	\$520,000
2012	540,000
2013	555,000
2014	575,000
2015	595,000
2016	620,000
2017	640,000
2018	665,000
2019	685,000
2020	710,000
2021	735,000
2022	760,000
2023	790,000
2024	820,000
2025	845,000
2026	875,000
2027	910,000
2028	940,000
2029	975,000
2030	1,010,000

(c) **Interest Rate and Method of Payment of Principal and Interest.** The principal installments of the Series 2008-CWSRF-DL Warrant shall bear interest from October 15, 2008, until their respective due dates at the per annum rate of interest of 3.50%, computed on the basis of a twelve (12) consecutive thirty (30) day months (interest having been capitalized until September 1, 2010). Such interest shall be payable on February 15, 2010, and semiannually thereafter on each February 15 and August 15 until and at the respective maturities of principal installments of the Series 2008-CWSRF-DL Warrant. Interest on the Series 2008-CWSRF-DL Warrant shall be payable in lawful money of the United States of America by check or draft mailed by the Authority Trustee to the holder of the Series 2008-CWSRF-DL Warrant at the addresses shown on the registry books of the Authority Trustee pertaining to the Series 2008-CWSRF-DL Warrant. The principal of the Series 2008-CWSRF-DL Warrant shall be payable at the designated office of the Authority Trustee, upon presentation and surrender of the Series 2008-CWSRF-DL Warrant as the same becomes due and payable.

(d) **Interest Rate and Loan Amount after Maturity.** Each installment of principal and interest on the Series 2008-CWSRF-DL Warrant shall bear interest after its due date until paid at a per annum rate of interest equal to 2% above the Authority Trustee Prime Rate.

Section 3.2 Form of Series 2008-CWSRF-DL Warrant. The Series 2008-CWSRF-DL Warrant and the Certificate of Registration and the Form of Assignment applicable thereto shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

[Form of Series 2008-CWSRF-DL Warrant]

\$14,765,000

\$14,765,000

**UNITED STATES OF AMERICA
STATE OF ALABAMA**

**CITY OF ATHENS
SUBORDINATED WATER AND SEWER REVENUE WARRANT
SERIES 2008-CWSRF-DL**

Subject to prior payment and other provisions as herein provided

The City Treasurer of the **CITY OF ATHENS, ALABAMA**, a municipal corporation under the laws of Alabama (the "City"), is hereby ordered and directed to pay to **ALABAMA WATER POLLUTION CONTROL AUTHORITY**, or registered assigns, solely out of the revenues hereinafter referred to, the aggregate principal sum of

**FOURTEEN MILLION SEVEN HUNDRED SIXTY FIVE THOUSAND
DOLLARS**

in installments on August 15 in the following respective years and principal amounts (subject to the adjustment of the principal installments on the Warrant as provided in the Authorizing Ordinance hereinafter defined):

Year of Maturity	Aggregate Principal Amount Maturing
2011	\$520,000
2012	540,000
2013	555,000
2014	575,000
2015	595,000
2016	620,000
2017	640,000
2018	665,000
2019	685,000
2020	710,000
2021	735,000
2022	760,000
2023	790,000
2024	820,000
2025	845,000
2026	875,000
2027	910,000

2028	940,000
2029	975,000
2030	1,010,000

with interest on the then unpaid principal balance hereof from October 15, 2008, at the rate of 3.50% per annum, payable on February 15, 2010 (interest having been capitalized until September 1, 2010), and on each February 15 and August 15 thereafter until the due date of the last maturing installment of principal hereof. Both the principal of and the interest on this warrant are payable in lawful money of the United States of America at the designated office of The Bank of New York Mellon Trust Company, N.A. (the "Authority Trustee"). Each installment of principal and interest on the Series 2008-CWSRF-DL Warrant shall bear interest after its due date until paid at a per annum rate of interest equal to 2% above the Authority Trustee Prime Rate hereinafter defined. As used in the Ordinance of the City under which the Series 2008-CWSRF-DL Warrant is issued, "Authority Trustee Prime Rate" means the rate of interest established (whether or not charged) from time to time by the Authority Trustee as its general reference rate of interest, after taking into account such factors as the Authority Trustee may from time to time deem appropriate in its sole discretion (it being understood, however, that the Authority Trustee may from time to time make various loans at rates of interest having no relationship to such general reference rate of interest).

The warrant evidenced hereby is designated "Series 2008-CWSRF-DL Warrant" and is authorized to be issued in the aggregate principal amount of \$14,765,000 and payable solely out of the Pledged Funds as defined in the ordinance adopted by the City (the "Authorizing Ordinance") pursuant to which this warrant is issued. The pledge of the Pledged Funds is subject and subordinate to the pledge made by the City for the benefit of its Subordinated Water and Sewer Revenue Warrant, Series 2007-CWSRF-DL, and to the pledge made by the City in the City Indenture (as that term is defined in the Authorizing Ordinance) for the benefit of warrants heretofore or hereafter issued thereunder.

The principal installments hereof are subject to prepayment, prior to their respective maturities, at the option of the City, on any date, as a whole or in part (but if in part, in multiples of \$5,000 and in the inverse order of the installments of principal), after not less than forty-five (45) nor more than ninety (90) days prior notice by United States Registered or Certified Mail to the registered owner of this warrant, at and for a redemption price equal to the principal so prepaid plus accrued interest to the date of prepayment.

The City is a municipal corporation organized under the provisions of Title 11 of the Code of Alabama 1975, as amended, and this warrant is authorized to be issued for purposes for which warrants may be issued under the provisions of said Title 11. The covenants and representations herein contained or contained in the Authorizing

Ordinance do not and shall never constitute a personal or pecuniary liability or charge against the general credit of the City.

It is hereby certified that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed and happen precedent to or in the issuance of this warrant exist, have been performed and have happened in due and legal form.

IN WITNESS WHEREOF, the City has caused this warrant to be executed in its name and behalf by its Mayor and has caused its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this warrant to be dated October 15, 2008.

CITY OF ATHENS, ALABAMA

By _____
Its Mayor

Attest:

Its City Clerk

[S E A L]

(Form of Registration Certificate)

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

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

By _____
Authorized Officer

(Form of 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 this books of the within-mentioned registrar.

Dated this _____ day of _____, _____.

NOTE: The name signed to this assignment must correspond with the name of the payee written 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 the 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 3.3 Redemption Provisions. The principal installments of the Series 2008-CWSRF-DL Warrant may be redeemed and paid prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in the inverse order of installments of principal), on any date, at and for a redemption price, with respect to each such installment redeemed, equal to the principal prepaid plus accrued interest thereon to the date of prepayment.

ARTICLE IV

ADDITIONAL SUBORDINATED DEBT

Section 4.1 Additional Subordinated Debt - In General. While the City is not in default in payment of the principal of or the interest on any City Debt, it may, subject to the provisions of Section 4.2 hereof, at any time and from time to time issue Additional Subordinated Debt for any purpose for which the City may incur debt. The Additional Subordinated Debt may be in such denomination or denominations, shall bear interest at such rate or rates, shall mature in such amounts and at such times, and may contain such other provisions as the City shall determine.

Section 4.2 Conditions Precedent to Issuance of Additional Subordinated Debt. Prior to the issuance of any Additional Subordinated Debt, the City will either

(a) obtain the written consent of the Authority to the issuance of such Additional Subordinated Debt, or

(b) not less than twenty (20) days prior to the issuance of any such Additional Subordinated Debt, furnish to the Authority a certificate of an Independent Auditor certifying that the annual net income available for debt service under the City Indenture and any other City Debt for the Fiscal Year of the City next preceding that during which the Additional Subordinated Debt is to be issued was not less than 125% of the sum of (i) the maximum annual debt service payable on all City Debt then outstanding, whether issued as equal lien parity debt under the City Indenture, as Additional Subordinated Debt, or otherwise, plus (ii) the maximum annual debt service payable on the Additional Subordinated Debt then proposed to be issued.

ARTICLE V

EXECUTION OF THE SERIES 2008-CWSRF-DL WARRANT

Section 5.1 Execution of Series 2008-CWSRF-DL Warrant. The Series 2008-CWSRF-DL Warrant shall be executed by the Mayor, and the seal of the City shall be affixed thereto and attested by the City Clerk of the City. The Treasurer of the City shall register the Warrant as a claim against the Net System Revenues. Signatures on the Series 2008-CWSRF-DL Warrant by persons who were officers of the City at the time such signatures were written or printed shall continue effective although such persons cease to be such officers prior to the delivery of the Series 2008-CWSRF-DL Warrant.

Section 5.2 Replacement of Mutilated, Lost, Stolen or Destroyed Series 2008-CWSRF-DL Warrant. In the event any warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new warrant of like tenor and denomination 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 it. The City may charge the holder with the expense of issuing any such new warrant.

ARTICLE VI

REGISTRATION AND NEGOTIABILITY OF THE SERIES 2008-CWSRF-DL WARRANT

Section 6.1 Registration of Series 2008-CWSRF-DL Warrant. The Authority Trustee shall be the registrar and transfer agent of the City with respect to the Series 2008-CWSRF-DL Warrant.

Section 6.2 Owner of Series 2008-CWSRF-DL Warrant. The Authority shall be deemed to be the owner of the Series 2008-CWSRF-DL Warrant for all purposes.

ARTICLE VII

GENERAL PROVISIONS RESPECTING REDEMPTION OF SERIES 2008-CWSRF-DL WARRANT

Section 7.1 Manner of Effecting Redemption of Series 2008-CWSRF-DL Warrant. Any redemption of the Series 2008-CWSRF-DL Warrant shall be effected in the following manner:

(a) **Call.** The City shall adopt a Resolution containing the following: (1) a call for redemption, on a specified date when the principal installments of the Series 2008-CWSRF-DL Warrant are subject to redemption and prepayment, stating the year or years in which such principal installments to be redeemed have due dates; (2) a statement that the City is not in default hereunder; and (3) a summary of any applicable restrictions upon or conditions precedent to such redemption and the provisions made to comply therewith.

(b) **Notice by Registered Mail.** The Authority Trustee shall forward, by United States Registered or Certified Mail to the registered owner, a notice stating the following: that principal installments of the Series 2008-CWSRF-DL Warrant have been called for redemption and will become due and payable at the Redemption Price on a specified Redemption Date, which shall be the date provided for such redemption in the Resolution required in subsection (a) of this section, and that all interest thereon will cease after the Redemption Date. Such notice shall be so mailed not less than forty-five (45) days or more than ninety (90) days prior to the Redemption Date, but the registered owner may waive the requirements of this subsection.

(c) **Deposit of Funds.** Not later than forty-five (45) days prior to the Redemption Date, the City shall make available at the Authority Trustee the total Redemption Price of the Series 2008-CWSRF-DL Warrant or principal installments thereof so called for redemption and shall further provide to the Authority Trustee a certified copy of the Resolution required in subsection (a) of this section.

Section 7.2 Presentation of Series 2008-CWSRF-DL Warrant for Redemption. Upon compliance by the City with the requirements contained in Section 7.1 hereof, and if the City is not on the Redemption Date in default in payment of the principal of or the interest on the Series 2008-CWSRF-DL Warrant, the Series 2008-CWSRF-DL Warrant or principal installments thereof so called for redemption shall become due and payable at the place at which the same shall be payable, at the Redemption Price or Redemption Prices and on the Redemption Date specified in such

notice, anything herein or in the Series 2008-CWSRF-DL Warrant to the contrary notwithstanding. In the event the Series 2008-CWSRF-DL Warrant is not paid and retired in full, the City will execute and deliver to the Authority a new Series 2008-CWSRF-DL Warrant reflecting the prepayment.

ARTICLE VIII

SOURCE OF PAYMENT OF THE SERIES 2008-CWSRF-DL WARRANT

Section 8.1 Source of Payment of Series 2008-CWSRF-DL Warrant.

The principal of and the interest on the Series 2008-CWSRF-DL Warrant shall be payable solely out of the Pledged Funds. Neither the Series 2008-CWSRF-DL Warrant nor any of the agreements herein contained shall constitute an indebtedness of the City within the meaning of any State constitutional limitation. The full faith and credit of the City are not pledged for payment of the Series 2008-CWSRF-DL Warrant, and the Series 2008-CWSRF-DL Warrant shall not be a general obligation of the City. Neither this Ordinance nor the Series 2008-CWSRF-DL Warrant shall be deemed to impose upon the City any obligation to pay the principal or of the interest on the Series 2008-CWSRF-DL Warrant, or any other sum, except from Pledged Funds. None of the agreements, representations or warranties made or implied in this Ordinance, or in the issuance of the Series 2008-CWSRF-DL Warrant, shall ever impose any personal or pecuniary liability or charge upon the City, whether before or after any breach by the City of any such agreement, representation or warranty, except with respect to the Pledged Funds. Nothing contained in this section shall, however, relieve the City from the performance of the several agreements and representations on its part herein contained.

Section 8.2 Pledge. The amounts on deposit in the Warrant Fund are hereby irrevocably pledged for payment of the principal of and the interest on the Series 2008-CWSRF-DL Warrant, and the pledge thereof is expressly subject and subordinate, in all respects, to the pledge of the revenues from the Systems made in the City Indenture and to the pledge of revenues made for the benefit of the City's Subordinated Water and Sewer Revenue Warrant, Series 2007-CWSRF-DL.

Section 8.3 Restriction on Issuance of City Debt. The City agrees that, until such time as the Series 2008-CWSRF-DL Warrant has been paid in full, it will not issue any City Debt unless the City makes a finding and determination that Pledged Funds will, immediately following the issuance of such debt, be sufficient to make timely payment of all principal and interest on the Series 2008-CWSRF-DL Warrant.

ARTICLE IX

CREATION OF WARRANT FUND AND PAYMENTS THEREIN

Section 9.1 Warrant Fund. There is hereby created a special trust fund, designated the "Series 2008-CWSRF-DL Warrant Principal and Interest Fund" which shall be continued and maintained until the principal of and interest of the Series 2008-CWSRF-DL Warrant is paid in full. There shall be paid into the Warrant Fund, after compliance in full with the provision of the City Indenture, the following:

(a) On or before February 15, 2010, and on or before each August 15 and February 15 thereafter until the principal of and the interest on the Series 2008-CWSRF-DL Warrant shall have been paid in full, the City will pay into the Warrant Fund an amount equal to the sum of (i) the semiannual installment of interest that will mature on the Series 2008-CWSRF-DL Warrant on such February 15 or August 15, as the case may be, plus (ii) on or before each August 15, the principal that will mature on the Series 2008-CWSRF-DL Warrant on such August 15; and

(b) In the event that the moneys paid or transferred into the Warrant Fund with respect to any February 15 or August 15 payment shall be less than the amount required by the provisions of this section to be paid therein with respect to such February 15 or August 15, then on or before the last day of the next succeeding Month and on or before the last day of each Month thereafter until such time as the payments into the Warrant Fund are current, the City will pay into the Warrant Fund, in addition to the payments provided for in subparagraph (a) of this section, the amount of such deficiency.

Section 9.2 Use of Moneys in Warrant Fund. All moneys paid into the Warrant Fund shall be used only for payment of the principal of and the interest on the Series 2008-CWSRF-DL Warrant upon or after the respective maturities of such principal and interest provided, that if at the final maturity of the Series 2008-CWSRF-DL Warrant, however the same may mature, there shall be in the Warrant Fund moneys in excess of what shall be required to pay in full the principal of and the interest on the Series 2008-CWSRF-DL Warrant, then any such excess shall thereupon be returned to the Authority.

ARTICLE X

CERTAIN WARRANTIES AND COVENANTS OF THE CITY

Section 10.1 To Maintain Adequate Rates. The City will make and maintain such rates and charges for water, sewer and other services supplied from the Systems and will make collections from the users thereof so that revenues from the Systems available for debt service will at all times be sufficient (a) to make timely payment of the debt service on all City Debt, including the Series 2008-CWSRF-DL Warrant, and (b) to comply with the covenants contained in Section 10.6 of the City Indenture.

Section 10.2 Issuance of Additional Warrants Under City Indenture. The City hereby covenants and agrees that the City shall treat the Series 2008-CWSRF-DL Warrant and any Additional Subordinated Debt issued hereafter as if issued as Additional Warrants under the City Indenture for purposes of computing the Annual Debt Service Requirement (as defined in the City Indenture) when issuing Additional Warrants under Article VII of the City Indenture.

Section 10.3 To Respect Priority of Pledge. The pledge herein made of the Pledged Funds for the Series 2008-CWSRF-DL Warrant shall be prior and superior to any pledge or agreement hereafter made for the benefit of any securities hereafter issued or any contract hereafter made by the City (other than Additional Warrants) not constituting Additional Subordinated Debt.

Section 10.4 No Conflicting Transactions. The City warrants and represents that (a) the Series 2008-CWSRF-DL Warrant is a valid and binding special obligation of the City payable solely out of the Pledged Funds, and (b) the provisions of the Series 2008-CWSRF-DL Warrant and this Ordinance will not result in any breach of, or constitute a default under, any mortgage, deed of trust, security agreement, resolution, bank loan, credit agreement or other instrument to which the City is a party or by which it is bound.

Section 10.5 In the Event of the Satisfaction of the City Indenture. If, prior to the payment in full of the Series 2008-CWSRF-DL Warrant, the City Indenture shall become void and be discharged pursuant to the provisions of the City Indenture, the City agrees that it will not without the prior written consent of the Authority thereafter issue any warrants or other obligations payable out of the revenues derived from the operation of the Systems unless the Series 2008-CWSRF-DL Warrant shall be secured by a pledge of the revenues derived from the operation of the Systems prior to or on a parity with any warrants or other obligations which may be issued by the City subsequent to the

satisfaction of the City Indenture. In the event of the satisfaction of the City Indenture, the Authority may require that the City enter into an agreement supplemental hereto confirming the continuation of the covenants contained in the City Indenture with respect to the Series 2008-CWSRF-DL Warrant.

Section 10.6 To Furnish Authority With Reports. The City agrees to furnish to the Authority, within 180 days after the close of its Fiscal Year, the audited financial statements of the City for such fiscal year.

ARTICLE XI

PROVISIONS RESPECTING INSURANCE

Section 11.1 Insurance on the System. The City will at all times carry the insurance required to be carried by the City Indenture.

Section 11.2 Application of Insurance Proceeds. The City agrees that proceeds of any insurance will be applied in accordance with the City Indenture.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES OF WARRANTHOLDERS

Section 12.1 Events of Default Defined. Any of the following shall constitute default hereunder by the City:

(a) Failure by the City to pay the principal of or the interest on the Series 2008-CWSRF-DL Warrant when such principal and interest respectively becomes due and payable, whether by maturity or otherwise;

(b) Default by the City under the Special Conditions Agreement entered into in connection with the issuance of the Series 2008-CWSRF-DL Warrant;

(c) Default by the City under the City Indenture;

(d) Failure by the City to perform any of the agreements on its part herein contained (other than payment of the principal of and interest on the Series 2008-CWSRF-DL Warrant) after thirty (30) days' written notice to it of such failure made by the Authority; or

(e) Determination by a court having jurisdiction that the City is insolvent or bankrupt, or appointment by a court having jurisdiction of a receiver for the City or for all or a substantial part of the System, or the approval by a court of competent jurisdiction of any petition for reorganization of the City or rearrangement or readjustment of its obligations under any provisions of the bankruptcy laws of the United States.

Section 12.2 Remedies on Default. Upon any default by the City in any one of the ways defined in Section 12.1 hereof, the Authority shall have the following rights and remedies:

(a) **Acceleration.** The Authority may, by written notice to the City, declare all principal of the Series 2008-CWSRF-DL Warrant forthwith due and payable, and thereupon it shall so be, anything herein or therein to the contrary notwithstanding. If, however, the City shall make good that default and every other default hereunder (except the principal so declared payable), with interest on all overdue payments of principal and interest, then the Authority, by written notice to the City, may waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto.

(b) **Suits at Law or in Equity.** The Authority is empowered (i) to sue on such warrant, (ii) by mandamus, suit or other proceeding, to enforce all agreements of the City herein contained, including the fixing of rates, the collection and proper segregation and application of the revenues from the Systems, (iii) by action or suit in equity, to require the City to account as if it were the trustee of an express trust for the Authority, and (iv) by action or suit in equity, to enjoin any act or things which may be unlawful or a violation of the rights of the Authority.

Nothing herein contained, however, shall be construed to give the Authority or the Authority Trustee the right to compel a sale of the Systems or any part thereof, and no foreclosure proceedings or sale shall ever be had with respect to the Systems or any part thereof under the authority of this Ordinance.

Section 12.3 Waiver of Rights against Incorporators and Others. As a condition hereof, the Holder waives and releases any right, cause of action or remedy now or hereafter existing or imposed in any jurisdiction against any past, present or

future elected official, officer or employee of the City for the payment of the principal of or the interest on the Series 2008-CWSRF-DL Warrant or for the performance of any agreements by the City herein contained. Nothing contained in this section, however, shall relieve any such elected official, officer or employee from the obligation of performing all the duties of his office and of taking all actions that may be necessary to enable the City to perform the agreements on its part herein contained.

Section 12.4 Delay No Waiver. No delay or omission by the Authority or the Authority Trustee to exercise any available right, power or remedy hereunder shall impair or be construed a waiver thereof or an acquiescence in the circumstances giving rise thereto; every right, power or remedy given herein to the warrant holder may be exercised from time to time and as often as deemed expedient.

ARTICLE XIII

AGREEMENTS RESPECTING CONSTRUCTION AND ACQUISITION OF IMPROVEMENTS AND SALE OF SERIES 2008-CWSRF-DL WARRANT

Section 13.1 Construction and Acquisition of the Improvements. The City has, as specified in Section 2.2 hereof, commenced the construction and acquisition of the Project in accordance with the plans and specifications therefor heretofore furnished to and concurred with by ADEM. The City will complete such construction and acquisition, including the acquisition of such real estate (or easements or other interests therein) as may be necessary therefor, as soon as may be practicable, delays incident to strikes, riots, acts of God and the public enemy and similar acts beyond the reasonable control of the City only excepted.

Section 13.2 Sale of Series 2008-CWSRF-DL Warrant. The Series 2008-CWSRF-DL Warrant is hereby sold and awarded to the Authority at and for a purchase price equal to \$14,765,000. The Series 2008-CWSRF-DL Warrant shall be issued in the form provided in Section 3.2 hereof.

Section 13.3 Application of Authority Loan Proceeds. The entire proceeds derived from the Authority Loan evidenced by the Series 2008-CWSRF-DL Warrant shall be held and applied in accordance with the provisions of the Master Authority Trust Indenture and the Special Conditions Agreement.

Section 13.4 Authorization of Special Conditions Agreement. The Mayor is hereby authorized and directed to execute and deliver, in the name and behalf of the City, the Special Conditions Agreement, in substantially the form marked Exhibit A

to the minutes of the meeting at which this Ordinance is adopted and made a part hereof as if set out in full herein, and the City Clerk of the City is hereby authorized and directed to affix the seal of the City to the said Special Conditions Agreement and to attest the same.

Section 13.5 Additional Documents Authorized. The Mayor and the City Clerk, or either of them, are each hereby authorized and directed to execute such other documents or certificates deemed necessary by them in order to carry out the transactions contemplated by this Ordinance.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.1 Disclaimer of General Liability. It is hereby expressly made a condition of this Ordinance that any agreements or representations herein contained or contained in the Series 2008-CWSRF-DL Warrant do not and shall never constitute a personal or pecuniary liability or charge against the general credit of the City, and in the event of a breach of any such agreement or representation no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the City shall arise therefrom. Nothing contained in this section, however, shall relieve the City from the observance and performance of the several covenants, representations and agreements on its part herein contained.

Section 14.2 Provisions Constitute Contract. The provisions of this Ordinance shall constitute a contract between the City and the Authority.

Section 14.3 Severability. The provisions of this Ordinance are hereby declared to be severable. In the event any court of competent jurisdiction should hold any provision hereof to be invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Ordinance.

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

YEAS

NAYS

President John M. Crutcher
Councilmembers Mildred Caudle
Jimmy W. Gill
Ronnie Marks
Harold Wales

The chairman thereupon declared that the motion for unanimous consent for immediate consideration of and action on the said ordinance had been unanimously carried.

Councilmember Caudle thereupon moved that the foregoing ordinance be adopted, which motion was seconded by Councilmember Marks and, upon the same being put to vote, the following vote was recorded:

YEAS

NAYS

President John M. Crutcher
Councilmembers Mildred Caudle
Jimmy W. Gill
Ronnie Marks
Harold Wales

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

* * *

There being no further business to come before Council the meeting was adjourned.

President of the City Council

ATTEST:

City Clerk

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 Caudle 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 Gill moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF ATHENS, ALABAMA, to appoint Curtis Baker to the City of Athens Personnel Board for a five year term ending October 27, 2013.

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

Councilman Marks moved the adoption of the following resolution:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF ATHENS, ALABAMA, to approve five police cars at \$20,000 each totaling \$100,000. The money comes from Capital Expenditure Fund.

Councilmember Gill moved that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilmember Wales, 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 Wales 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.

* * *

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/ John M. Crutcher
PRESIDENT, CITY COUNCIL

ATTEST:

/s/ John S. Hamilton
CITY CLERK

