

May 27, 2009

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 May 27, 2009, at 5:00 p.m. The meeting was called to order by Councilman William R. Marks, President of the Council. Upon roll call the following were found to be present: Councilmembers Mignon Bowers, Harold Wales, Jimmy Gill, William R. Marks and Mildred Caudle. John Hamilton, City Clerk, was present and recorded the minutes of the meeting. Shane Black 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 May 11, 2009 City Council Meeting had been submitted for approval. Councilwoman Caudle moved that the reading of the Minutes be suspended and that the Minutes be approved as recorded. The motion was seconded by Councilman Wales and was unanimously carried. The Chairperson stated that the Minutes of the May 11, 2009 City Council Work Session Minutes had been submitted for approval. Councilwoman Caudle moved that the reading of the Minutes be suspended and that the Minutes be approved as recorded. The motion was seconded by Councilman Wales and was unanimously carried.

James Lucas, 704 Lucas Street, thanked the City of Athens for paving Lucas Street.

EXCERPTS FROM THE MINUTES OF A
MEETING OF THE CITY COUNCIL OF
THE CITY OF ATHENS, ALABAMA,
HELD ON MAY 27, 2009

The City Council of the City of Athens, Alabama, met in regular session in the Council Chamber of the City Hall in said City on May 27, 2009, at 5:00 o'clock, p.m., Central Time, having rescheduled the second regular meeting in May from May 25 to this date because of the observance of Memorial Day. The meeting was called to order by the President of the Council, William R. Marks, who presided as chairman of the meeting. Upon roll call, the following Councilmembers were found to be present:

	PRESENT:	ABSENT:
President	William R. Marks	None
Councilmembers	Mignon A. Bowers Dr. Mildred Caudle Jimmy W. Gill Harold G. Wales	

Mayor Dan Williams was present and John Hamilton, the City Clerk, who was also present, acted as clerk of the meeting. A quorum being present, the President announced that the meeting was open for the transaction of business. The minutes of the preceding meeting were read and approved.

* * *

The following ordinance was introduced in writing by Councilmember Bowers:

ORDINANCE NO. 2009-1727

AN ORDINANCE TO PROVIDE FOR THE
ISSUANCE OF \$3,305,000 PRINCIPAL AMOUNT
OF GENERAL OBLIGATION SCHOOL BONDS
OF THE CITY OF ATHENS, ALABAMA

BE IT ORDAINED by the City Council of the City of Athens in the State of Alabama as follows:

Section 1. Definitions and Use of Phrases.

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

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

"Bank" means The Bank of New York Mellon Trust Company, N. A., Birmingham, Alabama, in its capacity as registrar, transfer agent and paying agent with respect to the Bonds.

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

"Callable Bonds" means those of the Bonds having stated maturities in 2020.

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

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

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

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

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

"Eligible Investments" means (a) United States Securities, (b) Eligible Certificates, (c) bank deposits fully insured by the Federal Deposit Insurance Corporation, and (d) interests in such investment trusts as may be permitted by the provisions of Section 11-81-21, as amended, of the Code of Alabama of 1975.

"Fiscal Year" means a fiscal year of the City, being the period beginning on October 1 of each calendar year and ending on September 30 of the then next ensuing calendar year.

"Five Mill Bond Tax" means the additional ad valorem tax of ½ of 1% per annum authorized to be levied by the City by Amendment VIII to the Constitution of Alabama for the purpose of paying bonds issued and outstanding at the time of adoption of said amendment and the interest thereon and bonds issued after the adoption of said amendment and the interest thereon.

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

"Interest Payment Date" means each February 1 and August 1, commencing August 1, 2009.

"Mayor" means the mayor of the City.

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

"Overdue Interest Payment Date" means the date fixed by the Bank, pursuant to the provisions of Section 14 hereof, for the payment of Overdue Interest.

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

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

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

"Term Bonds Due 2012" means those of the Bonds having a stated maturity in 2012.

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

"1999 Bonds" means the City's General Obligation School Bonds, dated May 1, 1999.

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

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

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

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

Section 2. Findings. The Council has ascertained and does hereby find and declare that the following facts are true and correct:

(a) it is necessary, desirable and in the public interest that the City refund, on a current basis, the 1999 Bonds, thereby restructuring a portion of the City's bonded indebtedness and reducing its debt service requirements; and

(b) in order to provide a portion of the funds necessary to accomplish such refunding, it is necessary, desirable and in the public interest that the City issue, on its full faith and credit, the bonds hereinafter authorized.

Section 3. Authorization of the Bonds. (a) Principal Maturities and Interest Rates. Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Article 2 of Chapter 81 of Title 11 of the Code of Alabama of 1975, as amended, and for the purpose of providing a portion of the funds necessary for said refunding, there are hereby authorized to be issued by the City \$3,305,000 aggregate principal amount of General Obligation School Bonds of the City. The Bonds shall be issued as fully registered bonds without coupons, shall be dated May 1, 2009, shall mature and become payable on February 1, as follows, and in the amounts and shall bear interest at the per annum rates of interest as follows:

<u>Year of Maturity</u>	<u>Principal Maturing</u>	<u>Interest Rate</u>
2012	\$ 230,000	2.00%
2013	330,000	2.25
2014	100,000	2.65
2015	90,000	3.00
2016	465,000	3.125
2017	485,000	3.40
2018	510,000	3.50
2019	535,000	4.75
2020	560,000	4.75

The Bonds shall be initially issued in the Authorized Denominations and registered in the names of the Holders as shall, pursuant to the provisions of Section 20 hereof, be designated by the purchaser.

(a) Payment of Principal. The principal of the Bonds shall be payable at the designated corporate trust office of the Bank, upon presentation and surrender of the Bonds as the same become due and payable.

(b) Computation of Interest and Method of Payment. The Bonds shall bear interest from their date until their respective maturities at the per annum rates of interest set forth above (computed on the basis of a 360-day year of twelve consecutive 30-day months). Such interest shall be payable semiannually on each February 1 and August 1, commencing August 1, 2009, until and at the maturity of the Bonds. Interest on the Bonds shall be payable in lawful

money of the United States of America by check or draft mailed by the Bank to the lawful Holders of the Bonds at the address shown on the registry books of the Bank pertaining to the Bonds as of the January 15 or July 15 (as the case may be) next preceding the Interest Payment Date. Interest on the Bonds shall be deemed timely paid if the said check or draft is mailed on the Interest Payment Date or, if such date is not a business day, on the business day next preceding such Interest Payment Date. The Bonds shall bear interest after their respective maturities until paid at the rate of 8% per annum.

Section 4. Redemption Provisions. (a) Optional. Those of the Bonds having a stated maturity on February 1, 2020, shall be subject to redemption and prepayment prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in such amounts shall be selected by the City in its discretion), on February 1, 2019, and on any date thereafter, at and for a Redemption Price equal to 100% of the principal amount redeemed plus accrued interest thereon to the Redemption Date. In the event that less than all the principal of the Bonds of a single maturity is redeemed and prepaid, the Bank shall, by random selection, determine that portion of the principal of the Bonds of such maturity to be redeemed and prepaid.

(b) Mandatory Redemption. The Term Bonds Due 2012 shall be subject to redemption and prepayment prior to their maturity on February 1 in each of the following years and in the following principal amounts at and for a Redemption Price equal of the principal amount thereof plus accrued interest thereon to the Redemption Date:

<u>Year</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount to</u> <u>be Redeemed</u>
2010	\$70,000
2011	70,000
2012	90,000 (maturity)

In the event that, pursuant to the provisions of Section 4(a) hereof, the City shall have partially redeemed Term Bonds or shall have provided for a partial redemption of Term Bonds in such a manner that, under the provisions of Section 25 hereof, the Term Bonds for the redemption of which provision is made are considered as fully paid, the City may, by written notice to the Bank, elect to apply all or any part (but only in integral multiples of \$5,000) of the principal amount of such Term Bonds so redeemed or to be redeemed to the reduction of the principal amount of Term Bonds required to be redeemed pursuant to the provisions of this Section 4(b) on any February 1 coterminous with or subsequent to the date such optional redemption actually occurs. Such notice shall be deemed effective only if it is given prior to the giving of notice of redemption contrary to the provisions of such notice pursuant to the provisions of Section 4(c).

(c) Manner. Any such redemption or prepayment of the Bonds shall be effected in the following manner:

(i) Call. The City shall by Resolution call for redemption and prepayment on a stated Interest Payment Date when they are by their terms subject to redemption Bonds (or principal portions thereof) and shall recite in said Resolution (i) that the City is not in default in the payment of the principal of or interest on any of the Bonds or (ii) that all of the Bonds then outstanding are to be retired on the Redemption Date; provided, however, that it shall not be necessary for the City to adopt a Resolution with respect to any mandatory redemption under the provisions of paragraph (b) of this Section 4.

(ii) Notice. Not more than sixty (60) nor less than thirty (30) days prior to the Redemption Date, the City shall give, or cause to be given, written notice of such redemption and prepayment by United States First Class Mail to the Holders of the each of the Bonds the principal of which is, in whole or in part, to be redeemed and prepaid, stating the following: that the Bonds (or principal portions thereof) have been called for redemption and will become due and payable at the Redemption Price, on a specified Redemption Date and that all interest thereon will cease after the Redemption Date. The Holders of any of the Bonds may waive the requirements of this subsection with respect to the Bonds held by them without affecting the validity of the call for redemption of any other Bonds.

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

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

Section 5. General Obligation. The indebtedness evidenced and ordered paid by the Bonds is and shall be a general obligation of the City for payment of the principal of and the interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 6. Special Pledge. There are hereby irrevocably pledged for payment of the principal of and the interest on the Bonds, but without preference or priority of one of the Bonds over any of the others, so much of the Five Mill Bond Tax and the proceeds to be derived therefrom as may be necessary to pay the said principal and interest at the respective maturities thereof. The City represents that, upon the issuance of the Bonds, the aforesaid pledge of the Five Mill Bond Tax will constitute the only pledge thereof other than the pledge thereof made for the benefit of the City's General Obligation School Bonds, dated May 1, 2003, and now outstanding in the aggregate principal amount of \$1,595,000, and the pledge made for the benefit of the 1999 Bonds, and the said pledge will be prior and superior to any pledge or agreement respecting the Five Mill Bond Tax that may hereafter be made for the benefit of or with respect to any securities which may hereafter be issued or any contract which may hereafter be made. The revenues received by the City from the Five Mill Bond Tax that are in excess of the amounts required to pay at the respective maturities thereof the principal of and interest on the Bonds are not pledged hereunder. To such extent, if any, as the proceeds of the Five Mill Bond Tax may not be sufficient for payment of the principal of and interest on the Bonds at the respective maturities of said principal and interest, the City agrees to use for such purpose so much of the general revenues of the City derived from other sources and available for such purposes as, when added to the proceeds of the Five Mill Bond Tax, shall be sufficient to pay the principal of and interest on the Bonds. The City further agrees that as long as the principal of or the interest on any of the Bonds remains unpaid, it will annually levy or cause to be levied and collect or cause to be collected the Five Mill Bond Tax at the times and in the manner provided by the laws of Alabama, and it will use for payment of the principal of and interest on the Bonds as said principal and interest respectively mature so much of the revenues collected from the Five Mill Bond Tax as may be necessary for such purpose.

Section 7. Bond Fund. Payments Therein and Use and Continuance Thereof. There is hereby created a special fund to be designated the "City of Athens 2009 School Bond Fund," for the purpose of providing for the payment of the principal of and interest on the Bonds, at the respective maturities of said principal and interest, which special fund shall be maintained until the principal of and interest on the Bonds have been paid in full. Payments into the Bond Fund shall be made as follows:

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

(ii) on or before the 25th day of July, 2009, and on or before the 25th day of each January and July thereafter until the principal of and interest on the Bonds shall have been paid in full, the City will pay into the Bond Fund such amount as, when added to the amount then in the Bond Fund that is not needed to pay any principal or interest theretofore matured but not then paid, will equal the sum of the interest that will mature on the Bonds on the then next succeeding Interest Payment Date, plus the principal, if any, that will mature on the Bonds on the then next succeeding Interest Payment Date; provided, that there shall be

credited one time on the amount required by this paragraph (ii) to be paid into the Bond Fund an amount equal to the amount paid therein pursuant to the provisions of paragraph (i) hereof. The City will make the payments provided for in this paragraph (ii) out of all general revenues of the City available therefor.

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

(b) Depository for Bond Fund. The City hereby designates The Bank of New York Mellon Trust Company, N. A., as the depository for the Bond Fund with respect to payment of principal of and interest on the Bonds. The City reserves the right from time to time to designate one or more banks (which may or may not include the bank heretofore herein designated) as a depository for the Bond Fund. In the event that any bank at any time designated as depository for any portion of the Bond Fund should at any time decline to act as such depository, or should resign as such depository, or should cease to be a member of the Federal Deposit Insurance Corporation (or any agency which may succeed to its duties), or should cease to be duly qualified and doing business within the State of Alabama, then any other bank or banks at the time designated as depository or depositories for the same portion of the Bond Fund shall continue to serve as such depository or depositories without designation by the City of any additional depository or depositories; but if at any time the sole remaining depository for any portion of the Bond Fund should resign, cease to be a member of said Federal Deposit Insurance Corporation (or successor agency thereto) or should cease to be duly qualified and doing business within the State of Alabama, then the Council shall by Resolution designate a successor to such depository; provided, that, any such successor depository shall be and remain a member of the Federal Deposit Insurance Corporation (or of any agency which may succeed to its duties) and shall be and remain duly qualified and doing business in the State of Alabama.

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

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

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

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

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

Section 8. Form of Bonds. The Bonds shall be in substantially the following form, with such changes as may be necessary to reflect the appropriate series designation and to conform to the provisions of this Ordinance:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF ATHENS

GENERAL OBLIGATION SCHOOL BOND

Interest Rate

Maturity Date

CUSIP Number

_____ %

_____, _____

Subject to prior payment and other provisions as herein provided

The City of Athens, a municipal corporation under the laws of Alabama ("the City"), promises to pay to _____ or registered assigns, the principal sum of

_____ DOLLARS (\$_____)

on the date specified above with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable on August 1, 2009, and semiannually thereafter on each February 1 and August 1 until the due date hereof. The principal of and premium (if any) on this Bond shall be payable only upon presentation and surrender of this Bond at the designated corporate trust office of The Bank of New York Mellon Trust Company, N. A., Birmingham, Alabama ("the Bank").

Interest on this Bond shall be remitted by the Bank to the then registered holder hereof at the address shown on the registry books of the Bank pertaining to the Bonds as of the close of business on the January 15 or July 15, as the case may be, next preceding the date of payment of such interest. The ordinance hereinafter referred to provides that all payments by the City or the Bank to the person in whose name a Bond is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Payment of such interest shall be deemed to have been timely made if the check or draft is mailed by the Bank on the due date of such interest or, if such due date is not a business day, then on the next business day following such due date. Any transferee of this Bond takes it subject to all payments of principal and interest in fact made with respect hereto.

This Bond is one of a duly authorized issue of Bonds designated General Obligation School Bonds, aggregating \$3,305,000 in principal amount ("the Bonds"). This Bond is issued pursuant to the provisions of Article 2 of Chapter 81 of Title 11 of the Code of Alabama of 1975, as amended, and an ordinance ("the Ordinance") of the City duly adopted by the governing body of the City.

Those of the Bonds having a stated maturity on February 1, 2020, are subject to redemption and prepayment prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, in such amounts as shall be selected by the City in its discretion), on February 1, 2019, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the date fixed for redemption.

Those of the Bonds having a stated maturity in 2012 are also subject to redemption on February 1, 2010, and on February 1, 2011, in such amounts and on such terms as are set forth in the Ordinance. In the event that less than all the principal of the Warrants of a single maturity is to be prepaid and redeemed, the Bank shall, by process of random selection, determine the principal portion of the Warrants of such maturity to be redeemed and prepaid.

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

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

It is hereby certified and recited that the indebtedness evidenced by this Bond is lawfully due without condition, abatement or offset of any description; that this Bond has been registered in the manner provided by law; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this Bond do exist, have been performed and have happened; and that the

indebtedness evidenced by this Bond, together with all other indebtedness of the City, was at the time the same was created and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

The Bonds are issuable only as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the Ordinance for the exchange of Bonds for a like aggregate principal amount of Bonds of the same maturity and in authorized denomination, all upon the terms and subject to the conditions set forth in the Ordinance.

This Bond is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Bank (the registrar and transfer agent of the City) and only upon surrender of this Bond to the Bank for cancellation, and upon any such transfer a new Bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Ordinance. Each holder, by receiving or accepting this Bond shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, this Bond may be transferred only in accordance with the provisions of the Ordinance.

The Bank shall not be required to transfer or exchange this Bond during the period of thirty (30) days next preceding any February 1 or August 1; and, in the event that this Bond (or any principal portion hereof) is duly called for redemption and prepayment, the Bank shall not be required to register or transfer this Bond during the period of sixty (60) days next preceding the date fixed for such redemption and prepayment.

Execution by the Bank of its registration certificate hereon is essential to the validity hereof.

IN WITNESS WHEREOF, the City has caused this Bond to be executed with the facsimile signature of its Mayor, has caused a facsimile of its corporate seal to be hereunto imprinted, has caused this Bond to be attested by the facsimile signature of its City Clerk, and has caused this Bond to be dated May 1, 2009.

CITY OF ATHENS

By _____
Its Mayor

Attest:

Its City Clerk

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

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

(Form of Registration Certificate)

Date of Registration:

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

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

By _____
Its Authorized Officer

(Form of Assignment)

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, with full power of substitution in the premises, to transfer this Bond on the books of the within-mentioned Bank.

Dated this _____ day of _____, _____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration, enlargement or change whatsoever.

Signature guaranteed:

(Bank, Broker or Firm)*

By _____
(Authorized Officer)

Its Medallion Number: _____

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

Section 9. Execution of Bonds by City. The Bonds shall be executed on behalf of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be impressed on each of the Bonds. The signatures of the Mayor and the City Clerk may be facsimile signatures of said officers, and the seal of the City imprinted on the Bonds may be a facsimile of such seal (it being understood that a condition to the validity of each Bond is the appearance on such Bond of a Registration Certificate, substantially in the form hereinabove provided, executed by the manual signature of the Bank). Signatures on the Bonds by persons who are officers of the City at the times such signatures were written or printed shall continue to be effective although such persons cease to be such officers prior to the delivery of the Bonds, whether initially issued or exchanged for Bonds of different denominations from those initially issued.

Section 10. Registration Certificate on Bonds. A registration certificate by the Bank, in substantially the form hereinabove recited, duly executed by the manual signature of the Bank, shall be endorsed on each of the Bonds and shall be essential to its validity.

Section 11. Registration and Transfer of Bonds. All Bonds shall be registered as to both principal and interest, and shall be transferable only on the registry books of the Bank. The Bank shall be the registrar and transfer agent of the City and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Bonds as are presented for those purposes, all in the manner and to the extent hereinafter specified.

No transfer of a Bond shall be valid hereunder except upon presentation and surrender of such Bond at the office of the Bank with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Bank, whereupon the City shall execute, and the Bank shall register and deliver to the transferee, a new Bond, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name a Bond is registered on the books of the Bank shall be the sole person to whom or on whose order payments on account of the principal thereof and of the interest (and premium, if any) thereon may be made. Each Holder of any of the Bonds, by receiving or accepting such Bond, shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, the Bonds may be transferred only in accordance with the provisions of this Ordinance.

The Bank shall not be required to register or transfer any Bond during the period of thirty (30) days next preceding any Interest Payment Date with respect thereto; and if any Bond is duly called for redemption (in whole or in part), the Bank shall not be required to register or transfer such Bond during the period of sixty (60) days next preceding the Redemption Date.

Section 12. Exchange of Bonds. Upon the request of the Holder of one or more Bonds, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of such Bond or Bonds in exchange thereof, a Bond or Bonds in different Authorized Denominations of the same series, maturity and interest rate and together aggregating the same principal amount as the then unpaid principal of the Bond or Bonds so surrendered, all as may be requested by the person surrendering such Bond or Bonds.

The registration, transfer and exchange of Bonds (other than pursuant to Section 16 hereof) shall be without expense to the Holder or transferee. In every case involving any transfer, registration or exchange, such Holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

Section 13. Accrual of Interest on Bonds. All Bonds issued prior to August 1, 2009, in exchange for Bonds initially delivered, shall bear interest from May 1, 2009, and all Bonds issued on or after August 1, 2009, shall bear interest from the February 1 or August 1, as the case may be, next preceding the date of its issuance and delivery unless such date of delivery is a February 1 or August 1, in which event such Bond shall bear interest from the date of its issuance and delivery, or at the time of such delivery the City is in default in the payment of interest on the Bond in lieu of which such new Bond is issued, in which event such new Bond shall bear interest from the last Interest Payment Date to which interest has previously been paid or made available for payment on the Bond in lieu of which such new Bond is issued. The preceding provision shall be construed to the end that the issuance of a Bond shall not affect any gain or loss in interest to the Holder thereof.

Section 14. Persons to Whom Payment of Interest on Bonds Is to Be Made. Interest on the Bonds shall, except as provided in the next succeeding paragraph of this Section 14, be payable in lawful money of the United States of America by check or draft mailed by the Bank to the lawful Holders of the Bonds at the address shown on the registry books of the Bank pertaining to the Bonds.

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

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

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

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

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

Section 15. Persons Deemed Owners of Bonds. The City and the Bank may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by either of them to the person in whose name a Bond is registered, shall to the extent thereof fully discharge and satisfy all liability for the same.

Section 16. Replacement of Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Bond of like tenor as that mutilated, lost, stolen or destroyed; provided that in the case of any such mutilated Bond, such Bond is first surrendered to the City and the Bank, and in the case of any such lost, stolen or destroyed Bond, there is first furnished to the City and the Bank evidence of such loss, theft or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The City may charge the Holder with the expense of issuing any such new Bond.

Section 17. Sale of Bonds. The Bonds are hereby sold to Joe Jolly & Co., Inc., Birmingham, Alabama, at and for a purchase price equal to \$3,351,788.95, which price reflects an original issue premium of \$46,788.95 (allocated among the various maturities as reflected by the prices shown on the inside cover page of the Official Statement hereinafter described), plus accrued interest from their date until the date of their delivery. The Mayor and the City Clerk are hereby authorized and directed to deliver the Bonds to the said purchaser upon payment to the City of the purchase price of the Bonds.

Section 18. Use of Proceeds from Sale of Bonds. The entire principal proceeds of the Bonds shall be applied as follows:

(a) that part of the said proceeds which represents accrued interest (if any) on the Bonds from May 1, 2009, to the date of payment therefor, shall be deposited in the Bond Fund, pursuant to the provisions of Section 7(a)(i) hereof, and shall be applied for payment of the interest which will mature on the Bonds on August 1, 2009;

(b) the sum of \$3,326,402.26, shall be paid to The Bank of New York Mellon Trust Company, N. A., and, together with the sum of \$79,678.67, hereinafter referred to, held in the Bond Fund created for the benefit of the 1999 Bonds and applied to the redemption of the 1999 Bonds; and

(d) the balance of the said proceeds (viz. \$25,386.69) shall be used to pay the costs of issuing the Bonds.

In connection therewith, the City Treasurer is hereby authorized and directed to withdraw and to transfer from the City's Five Mill Bond Tax Fund the sum of \$79,678.67 to The Bank of New York Mellon Trust Company, N.A., to be applied to the redemption of the 1999 Bonds.

Section 19. Provisions Respecting Registration of Bonds to Comply with Provisions of the Code. The City and the Bank recognize that the provisions of the Code, as amended, require that the Bonds be in "registered form," and that, in general, each Bond must be registered as to both principal and interest and any transfer of any Bond must be effected only by the surrender of the old Bond and either by the reissuance of the old Bond to a new Holder or the issuance of a new Bond to a new Holder. The Bank may rely upon an opinion of nationally recognized bond counsel with respect to any question which may arise pertaining to the transfer, exchange or reissuance of Bonds. The provisions of this Ordinance pertaining to transfer, exchange or reissuance of Bonds need not or shall not be followed if the Bank receives an opinion of nationally recognized bond counsel that compliance with requirements in addition to or in lieu of the requirements of this Ordinance pertaining to such transfer, exchange or reissuance is required or permitted under the provisions of the Code or under other applicable laws and regulations.

Section 20. Denominations of Bonds as Initially Issued. The Bonds of each maturity shall be initially issued in Authorized Denominations as requested by the said purchaser and registered in the names of the persons specified by the said purchaser. If, for any reason, the City is unable to prepare or cause to be prepared Bonds in the Authorized Denominations requested by the said purchaser and registered in the names of the persons specified by the said purchaser, the City may deliver one Bond for each maturity in the principal amount of such maturity, each registered in the name of the said purchaser of the Bonds from the City.

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

Section 22. Concerning Compliance with the Code. The City covenants and agrees that it will, to the extent permitted by law, comply with the provisions of the Code that constitute conditions to or requirements for (1) the exclusion of the interest income on the Bonds from the gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code and (2) the exclusion of such interest income received by taxpayers other than corporations from alternative minimum taxable income for purposes of the computation of the alternative minimum tax applicable to such taxpayers pursuant to the provisions of Section 55 of the Code. Without limiting the generality of the foregoing, the City will (a) rebate to the United States such amounts from investment earnings on proceeds of the Bonds at such times, and restrict the yield on the investment of such proceeds in such manner, as shall be necessary to prevent any of the Bonds from being or becoming an "arbitrage bond" within the meaning of Section 148 of the Code, (b) maintain such records respecting the investment and expenditure of proceeds of the Bonds as may be needed to calculate the amounts of any such required payments and (c) not apply the proceeds derived from the sale of any of the Bonds in a manner that would cause any of the Bonds to be or become a "private activity bond" within the meaning of Section 141 of the Code.

Section 23. Approval of Preliminary Official Statement and Authorization of Official Statement. The Council hereby approves and adopts the Preliminary Official Statement dated May 1, 2009, respecting the Bonds in substantially the form submitted to the Council, a copy of which, marked Exhibit A, is attached to the minutes of the meeting of the Council at which this Ordinance is adopted. The said Exhibit A is made a part of this Ordinance in all respects as if set forth in full herein. The Council hereby deems the said Official Statement "final" within the meaning of SEC Rule 15c2-12(b)(1) for the purposes of such rules. The Mayor is hereby authorized and directed to execute a final Official Statement of the City with respect to the Bonds in substantially the form of the Preliminary Official Statement (said form to be that attached, marked Exhibit C, to the minutes of the meeting of the Council at which this Ordinance is adopted), with such changes therein and additions thereto as shall be necessary to conform to the provisions of this Ordinance and such other changes and additions as the Mayor shall deem necessary and appropriate. The Mayor is hereby authorized and directed to cause the said final Official Statement to be delivered to the purchasers of the Bonds.

Section 24. Authorization of Related Documents and Actions. The Mayor and all other officers of the City are hereby authorized and directed to execute, seal, attest and deliver such other documents and certificates and to take such other actions on behalf of the City as may be necessary to consummate the sale and issuance of the Bonds and to carry out fully the

transactions contemplated by this ordinance. Further, the Mayor is hereby authorized and directed to execute and deliver 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 B to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full in this Ordinance) and the City Clerk is hereby authorized and directed to affix to the said Agreement the seal of the City and to attest the same.

Section 25. Escrow for Bonds. In addition to all other circumstances under which the Bonds are to be deemed paid, any of the Bonds shall be considered as fully paid if there shall be filed with the City Clerk and the Bank each of the following:

(a) a trust agreement between the City and a banking corporation or national banking association making provision for the retirement of such Bonds by creating for that purpose an irrevocable trust fund sufficient to provide for payment and retirement of such Bonds (including payment of the interest that will mature thereon until and on the dates they are retired, as such interest becomes due and payable), either by redemption prior to their respective maturities, by payment at their respective maturities or by payment of part thereof at their respective maturities and redemption of the remainder prior to their respective maturities, which said trust fund shall consist of (i) United States Securities which are not subject to redemption prior to their respective maturities at the option of the issuer and which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of all such Bonds, or (ii) both cash and such United States Securities which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose;

(b) a certified copy of a Resolution calling for redemption those of such Bonds that, according to said trust agreement, are to be redeemed prior to their respective maturities; and

(c) an opinion of Bond Counsel to the effect that the execution and effectuation of the trust agreement referred to in the preceding clause (a) will not result in subjecting the interest income on such Bonds to federal income taxation.

Section 26. (a) Appointment of Bank and Acceptance of Duties. The Bank is hereby designated and appointed and shall act as registrar, transfer agent and paying agent with respect to the Bonds. The Bank shall signify its acceptance of the duties of the Bank under this Ordinance by filing with the City a written acceptance thereof not later than the date of the issuance of the Bonds. In such acceptance the Bank shall accept and agree to perform the duties required by this Ordinance, either expressly or by reasonable implication, subject, however, to the following conditions:

(i) The Bank shall undertake to perform such duties and only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Bank.

(ii) The Bank need not recognize a Holder of a Bond as such without the satisfactory establishment of title to such Bond as shown on the registry books of the Bank.

(iii) The Bank may be a Holder or a pledgee of any of the Bonds.

(iv) The Bank shall not be liable for the proper application of any moneys other than those that may be paid to or deposited with it.

(v) The Bank shall not be liable to pay or allow interest on any moneys to be held by it under this Ordinance or otherwise to invest any such moneys, except as specifically required by this Ordinance or as may be required by law or other written agreement between the City and the Bank.

(vi) The Bank may make any investments permitted or required hereby through its own investment department, and any Eligible Investments issued or held by it hereunder shall be deemed investments and not deposits.

(vii) The Bank shall, upon reasonable request, inform the City of the amount at the time on deposit in any of the special funds or accounts created hereunder.

(b) Bank to Maintain Registration Books. The Bank will keep on file at its principal corporate trust office registration books listing the names and addresses of the holders of the Bonds and proper records of account relating to the receipt, disbursement, investment, allocation and application of moneys under this Ordinance.

(c) Resignation by Bank. The Bank and any successor registrar-paying agent may resign and be discharged from the duties under this Ordinance by causing written notice specifying the effective date, postage prepaid, to the City and to every Holder of a Bond and to the Insurer. Unless the effective date of the Bank's resignation shall coincide with the appointment of a successor Bank by the Holders of the Bonds as herein provided, such date shall be at least thirty (30) days after the date on which notice to the City, the Holders of the Bonds and the Insurer shall have been mailed.

(d) Removal of Bank. The Bank may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bank and to the City and signed by the Holders of a majority in aggregate principal amount of the Bonds then outstanding and the Insurer.

(e) Appointment of Successor Bank; Interim Bank. In case the Bank shall resign, be removed, be dissolved, be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the Insurer and the Holders of a majority in aggregate principal amount of Bonds then outstanding through an instrument or concurrent instruments in writing signed by such Holders. In case of any such resignation or event which causes the Bank to be incapable of acting, the City, by an instrument signed by the Mayor, shall appoint an interim Bank to serve until a successor Bank shall be appointed by the Holders of a majority in aggregate principal amount of the Bonds and the Insurer, as provided above. Whenever necessary to avoid or fill a vacancy in the office of Bank, the City will appoint an interim Bank in order that there shall at all times be a Bank hereunder. Any interim Bank so appointed by the City shall immediately and without further act be superseded by the Bank appointed by the holders of the Bonds and the Insurer.

The City shall cause notice of the appointment of an interim Bank, in the event that such an appointment is made, to be forwarded by United States Registered or Certified mail, postage prepaid, to every Holder of a Bond and the Insurer. When the appointment of a successor Bank, as selected by the Insurer and the Holders of a majority in principal amount of the Bonds then outstanding, becomes effective, the City shall also cause notice of that fact to be given in the manner provided above for the notice required to be given upon the appointment of an interim Bank. Every interim or successor Bank appointed pursuant to this Section shall be a trust company or bank which is qualified to perform all duties of the Bank under this Ordinance and which has, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than \$25,000,000, if there be such an institution willing, qualified and able to accept appointment as Bank upon reasonable or customary terms.

(f) Concerning any Successor Bank. Every successor Bank shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting its appointment as Bank hereunder, and thereupon such successor Bank, without any further act, deed or conveyance, shall become fully vested with all the rights, powers and duties of its predecessor. Such predecessor shall, nevertheless, on the written request of the City or such successor Bank, execute and deliver an instrument transferring to such successor Bank all rights, powers and interests of such predecessor hereunder; and every predecessor Bank shall deliver all securities and moneys held by it as Bank hereunder to its successor.

(g) Merger or Consolidation of Bank. Any corporation into which the Bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank, shall be the successor of the Bank

hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case the registration certificates with respect to any Bonds shall have been executed by the Bank then in office, any successor by merger or consolidation to such Bank may adopt the registration of such Bonds and deliver such Bonds with the same effect as if such successor Bank had itself registered such Bonds.

(h) Compensation of Bank. Subject to the provisions of any separate agreement with the Bank, the City shall pay to the Bank from time to time reasonable compensation for all services rendered by it under this Ordinance, including its services as registrar and paying agent for the Bonds, and also all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its duties hereunder.

Section 27. Regarding the Refunded 1999 Bonds.

(a) The Council hereby finds and declares that the City is not in default in the paying of the principal of or the interest on the 1999 Bonds.

(b) The City hereby calls for redemption on June 27, 2009, those of the 1999 Bonds that have stated maturities in 2010 and thereafter (being all the 1999 Bonds now outstanding). The Bank of New York Mellon Trust Company, N. A., the paying agent for the 1999 Bonds, is hereby authorized and directed to give notice of and effect said redemption of the outstanding 1999 Bonds in the manner provided in Section 4 of the Ordinance authorizing the issuance of the 1999 Bonds.

Section 28. Creation of Contract. The provisions of this Ordinance shall constitute a contract between the City and each Holder of the Bonds.

Section 29. Provisions of Ordinance Severable. The provisions of this Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

ADOPTED this 27th day of May, 2009.

/s/ William R. Marks
President of the City Council

Approved:

/s/ Dan Williams
Mayor

Authenticated:

/s/ John Hamilton
City Clerk

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

YEAS:

NAYS:

President William R. Marks
Councilmembers Mignon A. Bowers
Dr. Mildred Caudle
Jimmy W. Gill
Harold G. Wales

None

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

YEAS:

President William R. Marks
Councilmembers Mignon A. Bowers
Dr. Mildred Caudle
Jimmy W. Gill
Harold G. Wales

NAYS:

None

The President thereupon declared that the motion for adoption of said ordinance had been unanimously carried.

* * *

The following ordinance was introduced in writing by Councilmember Bowers:

ORDINANCE NO. 2009-1728

AN ORDINANCE TO PROVIDE FOR THE
ISSUANCE OF \$15,150,000 PRINCIPAL AMOUNT
OF GENERAL OBLIGATION WARRANTS
OF THE CITY OF ATHENS, ALABAMA

BE IT ORDAINED by the City Council of the City of Athens in the State of Alabama as follows:

Section 1. Definitions and Use of Phrases.

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

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

"Bank" means The Bank of New York Mellon Trust Company, N.A., in its capacity as registrar, transfer agent and paying agent with respect to the Warrants.

"Callable Warrants" means those of the Warrants having stated maturities 2009 and thereafter.

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

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

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

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

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

"Eligible Investments" means (a) United States Securities, (b) Eligible Certificates, (c) bank deposits fully insured by the Federal Deposit Insurance Corporation, and (d) interests in such investment trusts as may be permitted by the provisions of Section 11-81-21, as amended, of the Code of Alabama of 1975.

"Fiscal Year" means a fiscal year of the City, being the period beginning on October 1 of each calendar year and ending on September 30 of the then next ensuing calendar year.

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

"Interest Payment Date" means each February 1 and August 1, commencing August 1, 2009.

"Mayor" means the mayor of the City.

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

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

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

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

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

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

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

"1999 Warrants" means the City's General Obligation Warrants, dated May 1, 1999.

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

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

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

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

Section 2. Findings. The Council has ascertained and does hereby find and declare that the following facts are true and correct:

(a) it is necessary, desirable and in the public interest that the City (i) refund, on a current basis, the 1999 Warrants, thereby restructuring a portion of the City's general obligation indebtedness and reducing its debt service requirements, and (ii) provide \$5,500,000 for the purpose of constructing public school buildings in the City and \$5,000,000 for various capital improvements to other public buildings in the City; and

(b) it is necessary, desirable and in the public interest that the warrants hereinafter authorized be issued for the purpose of providing a portion of the moneys necessary to accomplish such refunding, to provide for the said improvements and to pay the expenses of issuing the Warrants.

Section 3. Authorization of the Warrants. (a) Principal Maturities and Interest Rates. Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Section 11-47-2 of the Code of Alabama of 1975, and for the purposes hereinabove stated, there are hereby authorized to be issued by the City \$15,150,000 aggregate principal amount of General Obligation Warrants of the City. The Warrants shall be issued as fully registered warrants without coupons, shall be dated May 1, 2009, shall mature and become payable on August 1, as follows, and in the amounts and shall bear interest at the per annum rates of interest as follows:

<u>Year of Maturity</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>
2010	\$2,000,000	1.25 %	2020	\$460,000	3.85%
2011	870,000	1.50	2021	475,000	3.95
2012	885,000	2.00	2022	495,000	4.00
2013	905,000	2.25	2023	515,000	4.10
2014	920,000	2.65	2024	535,000	4.20
2015	760,000	3.00	2025	560,000	4.25
2016	780,000	3.125	2026	585,000	4.30
2017	805,000	3.40	2027	610,000	4.40
2018	830,000	3.50	2028	635,000	4.50
2019	860,000	3.70	2029	665,000	4.60

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

(a) Payment of Principal. The principal of the Warrants shall be payable at the designated corporate trust office of the Bank, upon presentation and surrender of the Warrants as the same become due and payable.

(b) Computation of Interest and Method of Payment. The Warrants shall bear interest from their date until their respective maturities at the per annum rates of interest set forth above (computed on the basis of a 360-day year of twelve consecutive 30-day months). Such interest shall be payable semiannually on each February 1 and August 1, commencing August 1, 2009, until and at the maturity of the Warrants. Interest on the Warrants shall be payable in lawful money of the United States of America by check or draft mailed by the Bank to the lawful Holders of the Warrants at the address shown on the registry books of the Bank pertaining to the Warrants as of the January 15 or July 15 (as the case may be) next preceding the Interest Payment Date. The Warrants shall bear interest after their respective maturities until paid at the rate of 8% per annum.

(c) Allocation for Debt Limitation Purposes. For purposes of the limitation on municipal debt imposed by the Constitution of Alabama of 1901, as amended, the Council hereby finds and declares that those of the Warrants having stated maturities in 2017 and thereafter and \$665,000 in principal amount of those having a stated maturity in 2016 are being issued for the purpose of (i) providing \$5,500,000 for public school buildings and (ii) refunding that portion of the 1999 Warrants that were issued for purposes not chargeable against the constitutional debt limitation (said portion amounting to \$3,195,000) and the balance of the Warrants are being issued for the other purposes set forth in Section 2(b) hereof.

Section 4. Redemption Provisions. (a) Optional. Those of the Warrants having stated maturities on February 1, 2020, and thereafter shall be subject to redemption and prepayment prior to their respective maturities, at the option of the City, as a whole or in part, (but if in part, those to be redeemed to be selected by the City at its discretion), on February 1, 2019, and on any date thereafter, at and for a Redemption Price equal to 100% of the principal amount redeemed plus accrued interest thereon to the Redemption Date. In the event that less than all the principal of the Warrants of a single maturity is redeemed and prepaid, the Bank shall, at random, determine that portion of the principal of the Warrants of such maturity to be redeemed and prepaid.

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

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

(ii) Notice. Not more than sixty (60) nor less than thirty (30) days prior to the Redemption Date, the City shall give, or cause to be given, written notice of such redemption and prepayment by United States First Class Mail to the Holders of the each of the Warrants the principal of which is, in whole or in part, to be redeemed and prepaid, stating the following: that the Warrants (or principal portions thereof) have been called for redemption and will become due and payable at the Redemption Price, on a specified Redemption Date and that all interest thereon will cease after the Redemption Date. The Holders of any of the Warrants may waive the requirements of this subsection with respect to the Warrants held by them without affecting the validity of the call for redemption of any other Warrants.

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

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

Section 5. General Obligation. The indebtedness evidenced and ordered paid by the Warrants is and shall be a general obligation of the City for payment of the principal of and the interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 6. Warrant Fund. (a) Payments Therein and Use and Continuance Thereof. There is hereby created a special fund to be designated the "City of Athens 2009 Warrant Fund," for the purpose of providing for the payment of the principal of and interest on the Warrants, at the respective maturities of said principal and interest, which special fund shall be maintained until the principal of and interest on the Warrants have been paid in full. Payments into the Warrant Fund shall be made as follows:

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

(ii) on or before the 25th day of July, 2009, and on or before the 25th day of each January and July thereafter until the principal of and interest on the Warrants shall have been paid in full, the City will pay into the Warrant Fund such amount as, when added to the amount then in the Warrant Fund that is not needed to pay any principal or interest theretofore matured but not then paid, will equal the sum of the interest that will mature on the Warrants on the then next succeeding Interest Payment Date, plus the principal, if any, that will mature (or will be subject to mandatory redemption) on the Warrants on the then next succeeding Interest Payment Date; provided, that there shall be credited one time on the amount required by this paragraph (ii) to be paid into the Warrant Fund an amount equal to the amount paid therein pursuant to the provisions of paragraph (i) hereof. The City will make the payments provided for in this paragraph (ii) out of all general revenues of the City available therefor.

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

(a) Depository for Warrant Fund. The City hereby designates The Bank of New York Mellon Trust Company, N.A., as the depository for the Warrant Fund with respect to payment of principal of and interest on the Warrants. The City reserves the right from time to time to designate one or more banks (which may or may not include the Bank heretofore herein designated) as a depository for the Warrant Fund. In the event that any bank at any time designated as depository for any portion of the Warrant Fund should at any time decline to act as such depository, or should resign as such depository, or should cease to be a member of the Federal Deposit Insurance Corporation (or any agency which may succeed to its duties), or

should cease to be duly qualified and doing business within the State of Alabama, then any other bank or banks at the time designated as depository or depositories for the same portion of the Warrant Fund shall continue to serve as such depository or depositories without designation by the City of any additional depository or depositories; but if at any time the sole remaining depository for any portion of the Warrant Fund should resign, cease to be a member of said Federal Deposit Insurance Corporation (or successor agency thereto) or should cease to be duly qualified and doing business within the State of Alabama, then the Council shall by Resolution designate a successor to such depository; provided, that, any such successor depository shall be and remain a member of the Federal Deposit Insurance Corporation (or of any agency which may succeed to its duties) and shall be and remain duly qualified and doing business in the State of Alabama.

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

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

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

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

(a) Investment of Moneys in the Warrant Fund. So long as the City shall not be in default hereunder it may, at any time and from time to time as it in its sole discretion shall deem advisable, cause to be invested in Eligible Investments any or all of the moneys in the Warrant Fund; provided, that, each such investment shall mature not later than the Interest Payment Date next following the date such investment is made. In the event of any such investment, the securities in which the investment is made shall become a part of the Warrant Fund and shall be held by the depository for the moneys so invested to the same extent as if they

were moneys on deposit in the Warrant Fund. The City may likewise at any time and from time to time cause any securities in which any such investment shall be made to be sold or otherwise converted into cash, whereupon the net proceeds derived from any such sale or conversion, after payment of all necessary expenses incident to such sale or conversion, shall become a part of the Warrant Fund. Each depository for the Warrant Fund shall be fully protected in making investments, sales, and conversions of any such securities upon direction given to it in a Resolution adopted by the Council.

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

(Form of Warrant)

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF ATHENS

GENERAL OBLIGATION WARRANT

Interest Rate

Maturity Date

CUSIP Number

_____ %

_____, _____

Subject to prior payment and other provisions as herein provided

The City Treasurer of the City of Athens, a municipal corporation under the laws of Alabama ("the City"), will pay to _____, or registered assigns, the principal sum of

_____ DOLLARS (\$_____)

on the date specified above with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable on August 1, 2009, and semiannually thereafter on each February 1 and August 1 until the due date hereof. The principal of and premium (if any) on this Warrant shall be payable only upon presentation and surrender of this Warrant at the office of The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama ("the Bank").

Interest on this Warrant shall be remitted by the Bank to the then registered holder hereof at the address shown on the registry books of the Bank pertaining to the Warrants as of the close of business on the January 15 or July 15, as the case may be, next preceding the date of payment of such interest. Payments of interest shall be deemed to have been timely made if the check or draft therefor is mailed on or before the due date of such interest or, if such due date is not a business day, then on the next business day following such due date. The ordinance hereinafter referred to provides that all payments by the City or the Bank to the person in whose name a Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this Warrant takes it subject to all payments of principal and interest in fact made with respect hereto.

This Warrant is one of a duly authorized issue of Warrants designated General Obligation Warrants and aggregating \$15,150,000 in principal amount ("the Warrants"). This Warrant is issued pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Section 11-47-2 of the Code of Alabama of 1975, as amended, and an ordinance ("the Ordinance") of the City duly adopted by the governing body of the City.

Those of the Warrants having stated maturities on February 1, 2020, and thereafter are subject to redemption and prepayment prior to their respective maturities, at the option of the City, as a whole or in part (but if in part, those maturities to be redeemed to be selected by the City at its discretion), on February 1, 2019, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the date fixed for redemption.

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

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

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

The Warrants are issuable only as fully registered Warrants in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the Ordinance for the exchange of Warrants for a like aggregate principal amount of Warrants of the same maturity and in authorized denomination, all upon the terms and subject to the conditions set forth in the Ordinance.

This Warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Bank (the registrar and transfer agent of the City) and only upon surrender of this Warrant to the Bank for cancellation, and upon any such transfer a new Warrant of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Ordinance. Each holder, by receiving or accepting this Warrant shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, this Warrant may be transferred only in accordance with the provisions of the Ordinance.

The Bank shall not be required to transfer or exchange this Warrant during the period of thirty (30) days next preceding any February 1 or August 1; and, in the event that this Warrant (or any principal portion hereof) is duly called for redemption and prepayment, the Bank shall not be required to register or transfer this Warrant during the period of sixty (60) days next preceding the date fixed for such redemption and prepayment.

Execution by the Bank of its registration certificate hereon is essential to the validity hereof.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed with the facsimile signature of its Mayor, has caused a facsimile of its corporate seal to be hereunto imprinted, has caused this Warrant to be attested by the facsimile signature of its City Clerk, and has caused this Warrant to be dated May 1, 2009.

CITY OF ATHENS

By _____
Its Mayor

Attest:

Its City Clerk

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

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

(Form of Registration Certificate)

Date of Registration:

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

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

By _____
Its 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 the books of the within-mentioned Bank.

Dated this ____ day of _____, ____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

Signature guaranteed:

(Bank, Broker or Firm)*

By _____
Its Authorized Officer

Its Medallion Number: _____

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

Section 8. Execution of Warrants by City. The Warrants shall be executed on behalf of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be impressed on each of the Warrants. The signatures of the Mayor and the City Clerk may be facsimile signatures of said officers, and the seal of the City imprinted on the Warrants may be a facsimile of such seal (it being understood that a condition to the validity of each Warrant is the appearance on such Warrant of a Registration Certificate, substantially in the form hereinabove provided, executed by the manual signature of the Bank). Signatures on the Warrants by persons who are officers of the City at the times such signatures were written or printed shall continue to be effective although such persons cease to be such officers prior to the delivery of the Warrants, whether initially issued or exchanged for Warrants of different denominations from those initially issued.

Section 9. Registration Certificate on Warrants. A registration certificate by the Bank, in substantially the form hereinabove recited, duly executed by the manual signature of the Bank, shall be endorsed on each of the Warrants and shall be essential to its validity.

Section 10. Registration and Transfer of Warrants. All Warrants shall be registered as to both principal and interest, and shall be transferable only on the registry books of the Bank. The Bank shall be the registrar and transfer agent of the City and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Warrants as are presented for those purposes, all in the manner and to the extent hereinafter specified.

No transfer of a Warrant shall be valid hereunder except upon presentation and surrender of such Warrant at the office of the Bank with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Bank, whereupon the City shall execute, and the Bank shall register and deliver to the transferee, a new Warrant, registered in the name of such transferee and of like tenor as that presented for transfer. The person in whose name a Warrant is registered on the books of the Bank shall be the sole person to whom or on whose order payments on account of the principal thereof and of the interest (and premium, if any) thereon may be made. Each Holder of any of the Warrants, by receiving or accepting such Warrant, shall consent and agree and shall be estopped to deny that, insofar as the City and the Bank are concerned, the Warrants may be transferred only in accordance with the provisions of this Ordinance.

The Bank shall not be required to register or transfer any Warrant during the period of thirty (30) days next preceding any Interest Payment Date with respect thereto; and if any Warrant is duly called for redemption (in whole or in part), the Bank

shall not be required to register or transfer such Warrant during the period of sixty (60) days next preceding the Redemption Date.

Section 11. Exchange of Warrants. Upon the request of the Holder of one or more Warrants, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of such Warrant or Warrants in exchange thereof, a Warrant or Warrants in different Authorized Denominations of the same maturity and interest rate and together aggregating the same principal amount as the then unpaid principal of the Warrant or Warrants so surrendered, all as may be requested by the person surrendering such Warrant or Warrants.

The registration, transfer and exchange of Warrants (other than pursuant to Section 15 hereof) shall be without expense to the Holder or transferee. In every case involving any transfer, registration or exchange, such Holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

Section 12. Accrual of Interest on Warrants. All Warrants issued prior to August 1, 2009, in exchange for Warrants initially delivered, shall bear interest from May 1, 2009, and all Warrants issued on or after August 1, 2009, shall bear interest from the February 1 or August 1, as the case may be, next preceding the date of its issuance and delivery unless (a) such date of delivery is a February 1 or August 1, in which event such Warrant shall bear interest from the date of its issuance and delivery, or (b) at the time of such delivery the City is in default in the payment of interest on the Warrant in lieu of which such new Warrant is issued, in which event such new Warrant shall bear interest from the last Interest Payment Date to which interest has previously been paid or made available for payment on the Warrant in lieu of which such new Warrant is issued. The preceding provision shall be construed to the end that the issuance of a Warrant shall not affect any gain or loss in interest to the Holder thereof.

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

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

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

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

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

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

Section 14. Persons Deemed Owners of Warrants. The City and the Bank may deem and treat the person in whose name a Warrant is registered as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by any of them to the person in whose name a Warrant is registered, shall to the extent thereof fully discharge and satisfy all liability for the same.

Section 15. Replacement of Mutilated, Lost, Stolen or Destroyed Warrants. In the event any Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Warrant, such Warrant is first surrendered to the City and the Bank, and (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the City and the Bank evidence of such loss, theft or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The City may charge the Holder with the expense of issuing any such new Warrant.

Section 16. Sale of Warrants. The Warrants are hereby sold to Joe Jolly & Co., Inc., Birmingham, Alabama, at and for a purchase price equal to \$14,814,024.60, which price reflects an underwriting discount of \$179,936.25 and net original issue discount of \$156,039.15 (allocated among the various maturities as reflected by the prices or yields shown on the inside cover page of the official statement hereinafter referred to) plus accrued interest from their date until the date of their

delivery. The Mayor and the City Clerk are hereby authorized and directed to deliver the Warrants to the said purchaser upon payment to the City of the purchase price of the Warrants.

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

(a) that part of the said proceeds which represents accrued interest (if any) on the Warrants from May 1, 2009, to the date of payment therefor, shall be deposited in the Warrant Fund, pursuant to the provisions of Section 6(a)(i) hereof, and shall be applied for payment of the interest which will mature on the Warrants on August 1, 2009;

(b) the sum of \$4,240,032.42 shall be paid to The Bank of New York Mellon Trust Company, N. A., added to the sum of \$394,058 already on deposit and held in the Warrant Fund created for the benefit of the 1999 Warrants and applied to the redemption of the 1999 Warrants; and

(c) the balance of the said proceeds (viz., \$10,573,992.18) shall be used to pay the costs of issuing the Warrants and the costs of the improvements referred to above.

Section 18. Provisions Respecting Registration of Warrants to Comply with Provisions of the Code. The City and the Bank recognize that the provisions of the Code now require that the Warrants be in "registered form," and that, in general, each Warrant must be registered as to both principal and interest and any transfer of any Warrant must be effected only by the surrender of the old Warrant and either by the reissuance of the old Warrant to a new Holder or the issuance of a new Warrant to a new Holder. The Bank may rely upon an opinion of nationally recognized bond counsel with respect to any question which may arise pertaining to the transfer, exchange or reissuance of Warrants. The provisions of this Ordinance pertaining to transfer, exchange or reissuance of Warrants need not or shall not be followed if the Bank receives an opinion of nationally recognized bond counsel that compliance with requirements in addition to or in lieu of the requirements of this Ordinance pertaining to such transfer, exchange or reissuance is required or permitted under the provisions of the Code or under other applicable laws and regulations.

Section 19. Denominations of Warrants as Initially Issued. The Warrants of each maturity shall be initially issued in Authorized Denominations as

requested by the said purchaser and registered in the names of the persons specified by the said purchaser. If, for any reason, the City is unable to prepare or cause to be prepared Warrants in the Authorized Denominations requested by the said purchaser and registered in the names of the persons specified by the said purchaser, the City may deliver one Warrant for each maturity in the principal amount of such maturity, each registered in the name of the said purchaser of the Warrants from the City.

Section 20. Provisions for Payment at Par. Each bank at which the Warrants shall at any time be payable, by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the Holders of the Warrants that it will make, out of the funds supplied to it for that purpose, all remittances of principal and interest on the Warrants in bankable funds at par without any deduction for exchange or other costs, fees or expenses. The City agrees with the Holders of the Warrants that it will pay all charges for fees and expenses which may be made by such bank in the making of remittances in bankable funds of the principal of and interest on any of the Warrants.

Section 21. Concerning Compliance with the Code. The City covenants and agrees that it will, to the extent permitted by law, comply with the provisions of the Code that constitute conditions to or requirements for (a) the exclusion of the interest income on the Warrants from the gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code and (b) the exclusion of such interest income received by taxpayers other than corporations from alternative minimum taxable income for purposes of the computation of the alternative minimum tax applicable to such taxpayers pursuant to the provisions of Section 55 of the Code. Without limiting the generality of the foregoing, the City will (i) rebate to the United States such amounts from investment earnings on proceeds of the Warrants at such times, and restrict the yield on the investment of such proceeds in such manner, as shall be necessary to prevent any of the Warrants from being or becoming an "arbitrage bond" within the meaning of Section 148 of the Code, (ii) maintain such records respecting the investment and expenditure of proceeds of the Warrants as may be needed to calculate the amounts of any such required payments and (iii) not apply the proceeds derived from the sale of any of the Warrants in a manner that would cause any of the Warrants to be or become a "private activity bond" within the meaning of Section 141 of the Code.

Section 22. Approval of Preliminary Official Statement and Authorization of Official Statement. The Council hereby approves and adopts the Preliminary Official Statement dated May 1, 2009, respecting the Warrants in substantially the form submitted to the Council, a copy of which, marked Exhibit A, is attached to the minutes of the meeting of the Council at which this Ordinance is adopted. The said Exhibit A is made a part of this Ordinance in all respects as if set forth in full herein. The Council hereby deems the said Official Statement "final" within the meaning

of SEC Rule 15c2-12(b)(1) for the purposes of such rule. The Mayor is hereby authorized and directed to execute a final Official Statement of the City with respect to the Warrants in substantially the form of the Preliminary Official Statement (said form to be that attached, marked Exhibit C, to the minutes of the meeting of the Council at which this Ordinance is adopted), with such changes therein and additions thereto as shall be necessary to conform to the provisions of this Ordinance and such other changes and additions as the Mayor shall deem necessary and appropriate. The Mayor is hereby authorized and directed to cause the said final Official Statement to be delivered to the purchasers of the Warrants.

Section 23. Authorization of Related Documents and Actions. The Mayor and all other officers of the City are hereby authorized and directed to execute, seal, attest and deliver such other documents and certificates and to take such other actions on behalf of the City as may be necessary to consummate the sale and issuance of the Warrants and to carry out fully the transactions contemplated by this ordinance.

Section 24. Escrow for Warrants. In addition to all other circumstances under which the Warrants are to be deemed paid, any of the Warrants shall be considered as fully paid if there shall be filed with the City Clerk and the Bank each of the following:

(a) a trust agreement between the City and a banking corporation or national banking association making provision for the retirement of such Warrants by creating for that purpose an irrevocable trust fund sufficient to provide for payment and retirement of such Warrants (including payment of the interest that will mature thereon until and on the dates they are retired, as such interest becomes due and payable), either by redemption prior to their respective maturities, by payment at their respective maturities or by payment of part thereof at their respective maturities and redemption of the remainder prior to their respective maturities, which said trust fund shall consist of (i) United States Securities which are not subject to redemption prior to their respective maturities at the option of the issuer and which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of all such Warrants, or (ii) both cash and such United States Securities which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose;

(b) a certified copy of a Resolution calling for redemption those of such Warrants that, according to said trust agreement, are to be redeemed prior to their respective maturities; and

(c) an opinion of Bond Counsel to the effect that the execution and effectuation of the trust agreement referred to in the preceding clause (a) will not result in subjecting the interest income on such Warrants to federal income taxation.

Section 25. (a) Appointment of Bank and Acceptance or Duties. The Bank is hereby designated and appointed and shall act as registrar, transfer agent and paying agent with respect to the Warrants. The Bank shall signify its acceptance of the duties of the Bank under this Ordinance by filing with the City a written acceptance thereof not later than the date of the issuance of the Warrants. In such acceptance the Bank shall accept and agree to perform the duties required by this Ordinance, either expressly or by reasonable implication, subject, however, to the following conditions:

(i) The Bank shall undertake to perform such duties and only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Bank.

(ii) The Bank need not recognize a Holder of a Warrant as such without the satisfactory establishment of title to such Warrant as shown on the registry books of the Bank.

(iii) The Bank may be a Holder or a pledgee of any of the Warrants.

(iv) The Bank shall not be liable for the proper application of any moneys other than those that may be paid to or deposited with it.

(v) The Bank shall not be liable to pay or allow interest on any moneys to be held by it under this Ordinance or otherwise to invest any such moneys, except as specifically required by this Ordinance or as may be required by law or other written agreement between the City and the Bank.

(vi) The Bank may make any investments permitted or required hereby through its own investment department, and any Eligible Investments issued or held by it hereunder shall be deemed investments and not deposits.

(vii) The Bank shall, upon reasonable request, inform the City of the amount at the time on deposit in any of the special funds or accounts created hereunder.

(b) Bank to Maintain Registration Books. The Bank will keep on file at its principal corporate trust office registration books listing the names and addresses of the holders of the Warrants and proper records of account relating to the receipt, disbursement, investment, allocation and application of moneys under this Ordinance.

(c) Resignation by Bank. The Bank and any successor registrar-paying agent may resign and be discharged from the duties under this Ordinance by causing written notice specifying the effective date, postage prepaid, to the City and to every Holder of a Warrant and to the Insurer. Unless the effective date of the Bank's resignation shall coincide with the appointment of a successor Bank by the Holders of the Warrants as herein provided, such date shall be at least thirty (30) days after the date on which notice to the City, the Holders of the Warrants and the Insurer shall have been mailed.

(d) Removal of Bank. The Bank may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bank and to the City and signed by the Holders of a majority in aggregate principal amount of the Warrants then outstanding and the Insurer.

(e) Appointment of Successor Bank; Interim Bank. In case the Bank shall resign, be removed, be dissolved, be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the Insurer and the Holders of a majority in aggregate principal amount of Warrants then outstanding through an instrument or concurrent instruments in writing signed by such Holders. In case of any such resignation or event which causes the Bank to be incapable of acting, the City, by an instrument signed by the Mayor, shall appoint an interim Bank to serve until a successor Bank shall be appointed by the Holders of a majority in aggregate principal amount of the Warrants and the Insurer, as provided above. Whenever necessary to avoid or fill a vacancy in the office of Bank, the City will appoint an interim Bank in order that there shall at all times be a Bank hereunder. Any interim Bank so appointed by the City shall immediately and without further act be superseded by the Bank appointed by the holders of the Warrants and the Insurer.

The City shall cause notice of the appointment of an interim Bank, in the event that such an appointment is made, to be forwarded by United States Registered or Certified Mail, postage prepaid, to every Holder of a Warrant and the Insurer. When the appointment of a successor Bank, as selected by the Insurer and the Holders of a majority in principal amount of the Warrants then outstanding, becomes effective, the City shall also cause notice of that fact to be given in the manner provided above for the notice required to be given upon the appointment of an interim Bank. Every interim or successor Bank appointed pursuant to this Section shall be a trust company or bank which is qualified to perform all duties of the Bank under this Ordinance and which has, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than \$25,000,000, if there be such an institution willing, qualified and able to accept appointment as Bank upon reasonable or customary terms.

(f) Concerning any Successor Bank. Every successor Bank shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting its appointment as Bank hereunder, and thereupon such successor Bank, without any further act, deed or conveyance, shall become fully vested with all the rights, powers and duties of its predecessor. Such predecessor shall, nevertheless, on the written request of the City or such successor Bank, execute and deliver an instrument transferring to such successor Bank all rights, powers and interests of such predecessor hereunder; and every predecessor Bank shall deliver all securities and moneys held by it as Bank hereunder to its successor.

(g) Merger or Consolidation of Bank. Any corporation into which the Bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank, shall be the successor of the Bank hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case the registration certificates with respect to any Warrants shall have been executed by the Bank then in office, any successor by merger or consolidation to such Bank may adopt the registration of such Warrants and deliver such Warrants with the same effect as if such successor Bank had itself registered such Warrants.

(h) Compensation of Bank. Subject to the provisions of any separate agreement with the Bank, the City shall pay to the Bank from time to time reasonable compensation for all services rendered by it under this Ordinance, including its services as registrar and paying agent for the Warrants, and also all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its duties hereunder.

Section 26. Regarding the Refunded 1999 Warrants.

(a) The Council hereby finds and declares that the City is not in default in the paying of the principal of or the interest on the 1999 Warrants.

(b) The City hereby calls for redemption on June 27, 2009, those of the 1999 Warrants that have stated maturities in 2009 and thereafter. The Bank of New York Mellon Trust Company, N.A., is hereby authorized and directed to give notice of and effect said redemption of the outstanding 1999 Warrants in the manner provided in Section 4 of the Ordinance authorizing the issuance of the 1999 Warrants.

Section 27. Creation of Contract. The provisions of this Ordinance shall constitute a contract between the City and each Holder of the Warrants.

ADOPTED this 27th day of May, 2009.

/s/ William R. Marks
President of the City Council

Approved:

/s/ Dan Williams
Mayor

Authenticated:

/s/ John Hamilton
City Clerk

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

YEAS:

President William R. Marks
Councilmembers Mignon A. Bowers
Dr. Mildred Caudle
Jimmy W. Gill
Harold G. Wales

NAYS:

None

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

	YEAS:	NAYS:
President Councilmembers	William R. Marks Mignon A. Bowers Dr. Mildred Caudle Jimmy W. Gill Harold G. Wales	None

The President thereupon declared that the motion for adoption of said ordinance had been 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 purchase for the Cemetery, Parks & Recreation Department Infield Pro equipment from Kilpatrick Irrigation & Landscape Projects for the amount listed:

Super Star SP 3WD Prime	\$ 9,900.00
Front Mounted Plow Aluminum Blade	\$ 499.00
Infield Scarifier with Gauge Wheels/Chisel	\$ 900.00
Flex Action Infield Finisher w/Brush	\$ 1,481.00
TOTAL	\$12,780.00

The Capital Expenditure Fund will be charged for \$12,780.00.

Councilmember Gill moved that unanimous consent be given for immediate consideration of and action on said resolution, which motion was seconded by Councilmember Bowers, and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Bowers, 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 resolution had been unanimously carried. Councilmember Wales thereupon moved that the resolution be finally adopted, which motion was seconded by Councilmember Caudle and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Bowers, Wales, Gill, Marks and Caudle; NAYS: None. The President thereupon announced that the motion for the adoption of the said resolution had been 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, that the bid of \$100,620.00 by Schweitzer Engineering Laboratories, Inc., for switchboard panels for the upgrade of the Athens District Substation be accepted and that the Utilities general manager be authorized to issue a purchase order to the company.

The motion was seconded by Councilman Wales 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, that the bid of \$40,722.00 by Schweitzer Engineering Laboratories, Inc., for voltage regulator controls for the upgrade of the Athens District Substation and for Poplar Creek Substation be accepted and that the Utilities general manager be authorized to issue a purchase order to the company.

The motion was seconded by Councilwoman Bowers 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 payment of budgeted travel/education expenses for specified Water/Wastewater employees in the total amount of \$4,260.41.

Gene McLin (Wastewater Dept.)	ARWA Conference Orange Beach, AL May 17-19, 2009	\$ 713.69
John Stockton (Water Services)	AWWA Conference San Diego, CA June 14-18, 2009	\$1,851.27
Stacy Calder (Water Dept.)	ARWA Conference Orange Beach, AL May 17-19, 2009	\$1,000.97
Chuck Shelton (Water Dept.)	ARWA Conference Orange Beach, AL May 17-19, 2009	\$ 694.48

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 2009-1729

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, that the Municipal Code, Chapter 50, 'Municipal Utilities and Services', Article III, 'Waterworks and Sewer Systems', Section 50-70, 'Rates for Potable Water Service', shall be amended as follows.

(a) Effective July 1, 2009, rates for potable water service shall be as follows:

<i>Metered Usage Gallons/month</i>	<i>Rate per 1000 Gallons</i>	
	<i>City</i>	<i>Rural</i>
0 – 4,000	\$3.03	\$4.55
4,001 – 12,000	\$2.95	\$4.43
12,001 – 25,000	\$2.88	\$4.34
25,001 – 100,000	\$2.77	\$4.17
100,001 – 250,000	\$2.54	\$3.81
250,001 – 1,000,000	\$2.18	\$3.26
1,000,001 – 5,000,000	\$1.67	\$2.54
5,000,001 – 20,000,000	\$1.52	\$2.36
20,000,001 – 35,000,000	\$1.67	\$2.54
All over 35,000,000	\$1.92	\$2.88

(c) **Twenty (20¢)** per 1,000 gallons of all total rates for all volume categories, both City and Rural, shall be specifically dedicated to the public water system Capital Infrastructure Fund. Each month, that sum of money from the total metered sales revenue shall be transferred to a specific Capital Infrastructure Account for the Water Department.

ADOPTED and APPROVED this, the 27th day of May, 2009.

/s/ William R. Marks
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 Bowers 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 Bowers, 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 Wales and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Bowers, 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 introduced the following ordinance:

**STATE OF ALABAMA,
LIMESTONE COUNTY,
CITY OF ATHENS.**

ORDINANCE NUMBER 2009-1730

RATES FOR SANITARY SEWER SERVICE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATHENS, ALABAMA, that the Municipal Code, Chapter 50, 'Municipal Utilities and Services', Article III, 'Waterworks and Sewer Systems', Section 50-72, 'Sewer Service Rates', Section 2, *Volume Changes*, shall be amended as follows.

1. *Volume Charges*

- a. Effective July 1, 2009, the rate for all customer classes be **\$3.62**/1,000 gallons.
- a. **Sixty cents (60¢)** per 1,000 gallons of the volumetric rate charge from every customer shall be specifically dedicated to the wastewater system Capital Infrastructure Fund each month. That sum of money from the total metered sales revenue shall be transferred to the Capital Infrastructure Account for the Wastewater Department.

ADOPTED and APPROVED this, the 27th day of May, 2009.

/s/ William R. Marks
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 Bowers 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 Bowers, 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 Caudle and upon the said motion being put to vote the following vote was recorded: YEAS: Councilmembers Bowers, 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.

Councilwoman Caudle moved the adoption of the following resolution:

RESOLUTION

Revised FY 09 Wastewater Dept.

	FY 2009
Metered Sales	\$ 3,016,678.00
Miscellaneous Revenues	\$ 86,800.00
Capital Reserve Funds	\$ 313,000.00
Aid to Construction	\$ 5,000.00
Total - Regular	\$ 3,421,478.00
Capital Infrastructure Account	\$ 780,620.00

Grand Total: \$ 4,202,098.00

EXPENSES:

Salaries and Fringes	\$ 1,494,890.00
Treatment Plant Operation & Maint	\$ 382,950.00
Collection System Operation & Maint	\$ 139,250.00
Administrative	\$ 144,785.00
Allocation at Finance Department	\$ 77,430.00
Allocation to Customer Services	\$ 108,998.00
Uncollectible Accounts	\$ 126,418.00
Vehicle and Equipment Operation & Maint	\$ 60,000.00
Appropriation to General Fund	\$ 75,417.00
Debt Service	\$ 591,229.00
General Fund Salaries and Expenses	\$ 62,160.00
Capital Expenditures	\$ 114,448.00
Construction Materials & Capitalized Equip Repair	\$ 60,000.00
Other Capital (Equipment, tools, etc.)	\$ 54,448.00
Totals:	\$ 3,377,975.00

Net Proposed Budget \$ 43,503.00

Required Bond Coverage = 20% of \$592,229)	\$ 118,246.00
Available Bond Coverage	\$ 118,920.00

Cap. Infrastructure Fund (Authorized Expenditures)	\$ 831,149.00
Net Capital Infrastructure	\$ (50,519.00)

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

Councilwoman Caudle moved the adoption of the following resolution:

RESOLUTION

Revised FY 09 Water Dept. Budget

REVENUES:	FY 2009
Metered Sales	\$ 3,742,396.00
Miscellaneous Revenue	\$ 130,200.00
Aid to Construction	\$ 14,000.00
Capital Reserve Funds	\$ 295,405.00
Total Regular	\$ 4,193,001.00

Capital Infrastructure Account	\$ 359,350.00
Grand Total Revenue	\$ 4,552,651.00

EXPENSES:

Salaries and Fringes	\$ 1,229,640.00
Water Production Expenses	\$ 742,650.00
Annual Consumer Confidence Report (Fed Mandate)	\$ 3,555.00
Transmission and Distribution Expenses	\$ 152,500.00
Tank Maintenance Expenses	\$ 90,000.00
Administrative Expenses	\$ 235,320.00
LCEDA	\$ 30,430.00
Allocation to Finance Dept (New Line FY 2005)	\$ 100,161.00
Allocation to Customer Services (New Line FY 2007)	\$ 258,506.00
Uncollectible Accounts	\$ 66,500.00
Vehicle and Equipment Operation & Maint	\$ 60,000.00
Appropriation to General Fund	\$ 187,120.00
Debt Service Expenses	\$ 644,359.00
General Fund Salaries & Expenses	\$ 62,160.00
Capital Expenditures	\$ 319,965.00
Const Mtls, Dist Sys Imp Fund, & Capt Eqp Rep	\$ 297,965.00
Other Capital (Equipment, tools, etc)	\$ 22,000.00
Totals	\$ 4,182,866.00

Net Proposed Budget: \$ 10,135.00

Bond Coverage = 20% of \$644,359.00	\$ 128,872.00
Available Bond Coverage	\$ 197,255.00

Capital Infrastructure Fund (Authorized Expenditures)	\$ 187,060.00
Net Capital Infrastructure	\$ 172,290.00

* * *

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

/s/ William R. Marks
PRESIDENT, CITY COUNCIL

ATTEST:

/s/ John S. Hamilton
CITY CLERK

