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2012/032

ORDINANCE NO. O-10-12

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF  
TAX-EXEMPT GENERAL OBLIGATION WARRANTS, SERIES 2012-C**

**Adopted by**

**the**

**City Council of City of Gadsden**

**on**

**January 17, 2012**

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**AN ORDINANCE AUTHORIZING THE ISSUANCE OF  
TAX-EXEMPT GENERAL OBLIGATION WARRANTS, SERIES 2012-C**

**BE IT ORDAINED BY THE GOVERNING BODY OF CITY OF GADSDEN, as follows:**

**Definitions and Other Provisions of General Application**

**ARTICLE 2 Definitions**

For all purposes of this ordinance, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meaning indicated:

“**Acquisition Costs**” shall mean costs of acquiring, constructing and installing the Warrant-Financed Facilities.

“**Acquisition Fund**” shall mean the fund by that name established pursuant to Section 7.5.

“**Authorized City Representative**” shall mean the Mayor of the City or any other officer or agent of the City authorized by the City’s governing body to act as “Authorized City Representative”.

“**Business Day**” shall mean any day other than a Saturday, a Sunday or a day on which the Paying Agent is required or authorized to be closed under general law or regulation applicable in the place of the Principal Office of the Paying Agent.

“**City**” shall mean the City of Gadsden, a municipal corporation organized under the laws of the State of Alabama.

“**Continuing Disclosure Agreement**” shall mean the Continuing Disclosure Agreement executed and delivered by the City in connection with the issuance of the Series 2012-C Warrants.

“**Debt Service**” shall mean the principal, premium (if any) and interest payable on the Series 2012-C Warrants.

“**Debt Service Fund**” shall mean the fund established pursuant to Article 6.

“**Defaulted Interest**” shall have the meaning stated in Section 3.8.

“**Definitive Terms Certificate**” shall have the meaning stated in Section 3.2(g).

“**Enabling Law**” shall mean Section 11-47-2 of the Code of Alabama 1975.

“**Escrow Agreement**” shall mean the Escrow Trust Agreement dated February 1, 2012, between the City and the Escrow Trustee in respect of the refunding of the Refunded Warrants.

“**Escrow Fund**” shall mean the irrevocable fund established pursuant to the Escrow Agreement.

“**Escrow Trustee**” shall mean The Bank of New York Mellon Trust Company, N.A., a national banking association.

“**Favorable Tax Opinion**” shall mean an Opinion of Counsel stating in effect that the proposed action, together with any other changes with respect to the Series 2012-C Warrants made or to be made in connection with such action, will not cause interest on the Series 2012-C Warrants to become includible

in gross income of the Holders for purposes of federal income taxation.

“**Federal Securities**” shall mean direct obligations of, or obligations the payment of which is guaranteed by, the United States of America.

“**Financing Documents**” shall mean this ordinance and the Series 2012-C Warrants.

“**Financing Participants**” shall mean the City and the Paying Agent.

“**Fiscal Year**” shall mean the fiscal year of the City, as established from time to time by applicable law.

“**Holder**”, when used with respect to any Series 2012-C Warrant, shall mean the person in whose name such Series 2012-C Warrant is registered in the Warrant Register.

“**Interest Payment Date**”, when used with respect to any installment of interest on a Series 2012-C Warrant, shall mean the date specified in such Series 2012-C Warrant as the fixed date on which such installment of interest is due and payable.

“**Internal Revenue Code**” shall mean whichever of the following shall be applicable in the context: the Internal Revenue Code of 1954, as amended; the Internal Revenue Code of 1986, as amended; and the transition rules of related legislation.

“**Opinion of Counsel**” shall mean an opinion from an attorney or firm of attorneys with experience in the matters to be covered in the opinion. Except as otherwise expressly provided in this ordinance, the attorney or attorneys rendering such opinion may be counsel for one or more of the Financing Participants.

“**Outstanding**”, when used with respect to Series 2012-C Warrants, shall mean, as of the date of determination, all Series 2012-C Warrants authenticated and delivered under this ordinance, except:

(1) Series 2012-C Warrants cancelled by the Paying Agent or delivered to the Paying Agent for cancellation,

(2) Series 2012-C Warrants for whose payment or redemption money in the necessary amount has been deposited with the Paying Agent for the Holders of such Series 2012-C Warrants, provided that, if such Series 2012-C Warrants are to be redeemed, notice of such redemption has been duly given pursuant to this ordinance or provision therefor satisfactory to the Paying Agent has been made; and

(3) Series 2012-C Warrants in exchange for or in lieu of which other Series 2012-C Warrants have been authenticated and delivered under this ordinance.

“**Paying Agent**” shall mean the agent of the City appointed as such pursuant to Section 3.10 for the purpose of paying Debt Service on the Series 2012-C Warrants.

“**Post-Default Rate**” shall mean the interest rates borne by the Series 2012-C Warrants. Interest at the Post-Default Rate shall be computed on the basis of an assumed year of 360 days with 12 months of 30 days each.

“**Principal Office of the Paying Agent**” shall mean the office where the Paying Agent maintains its principal corporate trust office in the State of Alabama.

“**Principal Payment Date**”, when used with respect to any Series 2012-C Warrant, shall mean

the date specified in such Series 2012-C Warrant as the fixed date on which the principal of such Series 2012-C Warrant is due and payable.

“**Purchase Agreement**” shall mean the Warrant Purchase Agreement between the City and the Underwriters in respect of the sale of the Series 2012-C Warrants.

“**Qualified Investments**” shall mean:

- (1) Federal Securities,
- (2) An interest in any trust or fund that invests solely in Federal Securities or repurchase agreements with respect to Federal Securities, and
- (3) a certificate of deposit issued by, or other interest-bearing deposit with, any bank organized under the laws of the United States of America or any state thereof, provided that (i) such bank has capital, surplus and undivided profits of not less than \$25,000,000, (ii) such deposit is insured by the Federal Deposit Insurance Corporation or (iii) such deposit is secured by pledging Federal Securities having a market value (exclusive of accrued interest) not less than the face amount of such deposit (less the amount of such deposit insured by the Federal Deposit Insurance Corporation).

“**Refunded 2003-A Warrants**” shall mean the Series 2003-A Warrants with those stated maturities described more particularly in the Definitive Terms Certificate.

“**Refunded 2006-B Warrant**” shall mean the Series 2006-B Warrant in its entirety.

“**Refunded Warrants**” shall mean the Refunded 2006-B Warrant and the Refunded 2003-A Warrants.

“**Regular Record Date**” for the interest payable on any Interest Payment Date on the Series 2012-C Warrants shall mean the date specified in Section 3.8.

“**Series 2003-A Warrants**” shall mean the City’s General Obligation Warrants, Series 2003-A.

“**Series 2006-B Warrant**” shall mean the City’s General Obligation Warrant, Series 2006-B.

“**Series 2012-C Warrants**” shall mean the Tax-Exempt General Obligation Warrants, Series 2012-C, authenticated and delivered pursuant to this ordinance.

“**Special Record Date**” for the payment of any Defaulted Interest on Series 2012-C Warrants shall mean the date fixed by the Paying Agent pursuant to Section 3.8.

“**Taxable**” shall mean that, for purposes of federal income taxation, interest on the Series 2012-C Warrants is includible in the gross income of any Holder thereof for any reason. Interest on the Series 2012-C Warrants shall not be deemed “Taxable” because interest is includible in any calculation of income for purposes of an alternative minimum tax, a foreign branch profits tax or any other type of taxation other than the regular tax imposed on gross income.

“**Tax Certificate and Agreement**” shall mean the Tax Certificate and Agreement to be executed and delivered by the City in conjunction with the delivery of the Series 2012-C Warrants.

“**Term Warrants**” shall have the meaning stated in Section 3.3.

“**Underwriters**” shall mean the original purchasers of the Series 2012-C Warrants from the City

identified in Section 7.1.

“**Warrant-Financed Facilities**” shall mean the municipal facilities being financed by the Series 2012-C Warrants, including the purchase of riverfront property for governmental purposes.

“**Warrant Payment Date**” shall mean each date (including any date fixed for redemption of Series 2012-C Warrants) on which Debt Service is payable on the Series 2012-C Warrants.

“**Warrant Register**” shall mean the register or registers for the registration and transfer of Series 2012-C Warrants maintained pursuant to Section 3.6.

### **ARTICLE 3 General Rules of Construction**

For all purposes of this ordinance, except as otherwise expressly provided or unless the context otherwise requires:

(a) Defined terms in the singular shall include the plural as well as the singular, and vice versa.

(b) All accounting terms not otherwise defined herein have the meaning assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of application thereof.

(c) All references in this ordinance to designated “Articles”, “Sections” and other subdivisions are to the designated articles, sections and subdivisions of this ordinance as originally executed.

(d) The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this ordinance as a whole and not to any particular article, section or other subdivision.

(e) The term “person” shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or any agency or political subdivision thereof.

(f) The term “including” means “including without limitation” and “including, but not limited to”.

### **Findings, Designations, Elections, Representations and Warranties**

#### **SECTION 2.1 Findings, Representations and Warranties**

The governing body of the City makes the following findings, designations, elections, representations and warranties as the basis for the undertakings on its part herein contained:

(1) The governing body of the City has determined that it is in the public interest that it acquire, construct and install the Warrant-Financed Facilities.

(2) The City has heretofore issued its Series 2003-A Warrants. The governing body of the City has determined that it is in the public interest to refund the Series 2003-A Warrants with those stated maturities described more particularly in the Definitive Terms Certificate in order to realize certain present value interest savings, which savings the City will use to finance a

portion of the Warrant-Financed Facilities. The Series 2003-A Warrants with those stated maturities described more particularly in the Definitive Terms Certificate are referred to herein as the “Refunded 2003-A Warrants”.

(3) The City has heretofore issued its Series 2006-B Warrant. The governing body of the City has determined that it is in the public interest to refund the Series 2006-B Warrant in its entirety in order to realize certain present value interest savings. The Series 2006-B Warrant is sometimes referred to herein as the “Refunded 2006-B Warrant”.

(4) The Refunded 2003-A Warrants and the Refunded 2006-B Warrant are referred to collectively herein as the “Refunded Warrants”.

(5) Pursuant to this ordinance, in order to effect the refunding of the Refunded Warrants, the City will issue the Series 2012-C Warrants.

(6) In order to effect the refunding of the Refunded Warrants, the City and the Escrow Trustee will enter into the Escrow Agreement simultaneously with the issuance of the Series 2012-C Warrants. Pursuant to the Escrow Agreement, the Escrow Fund will be established for the retirement of the Refunded Warrants.

(7) Immediately after the issuance of the Series 2012-C Warrants the total indebtedness of the City chargeable against the debt limitation for the City prescribed by the Alabama Constitution of 1901 will not be more than 20% of the assessed valuation of taxable property within the corporate limits of the City for the last fiscal year (ended on the next preceding September 30). The Series 2012-C Warrants will be chargeable against the City’s debt limitation because the Series 2012-C Warrants will finance purposes other than the acquisition, provision, or construction of schools, water works, or sewers.

(8) In order to enhance flexibility in the timing of the sale of the Series 2012-C Warrants, it is desirable for the governing body of the City to establish certain parameters that will govern the sale of the Series 2012-C Warrants and to delegate to the Mayor of the City the power to approve the final terms of sale and to approve the stated maturities of the Refunded Warrants to be refunded, and, accordingly, it is in the best interests of the City for the Mayor of the City to be authorized and directed to approve the final pricing terms of the Series 2012-C Warrants, subject to the parameters established herein.

## **The Series 2012-C Warrants**

### **ARTICLE 6 Authorization of Series 2012-C Warrants**

Pursuant to the authority to do so contained in the applicable provisions of the constitution and laws of Alabama, including particularly the Enabling Law, there is hereby authorized to be issued a series of warrants entitled “Tax-Exempt General Obligation Warrants, Series 2012-C” (herein called the “Series 2012-C Warrants”). The Series 2012-C Warrants shall be issued for the purposes specified in Article 2.

### **ARTICLE 7 Amount and Terms**

(a) Subject to Section 7.2(b), the aggregate principal amount of the Series 2012-C Warrants that may be authenticated and delivered and Outstanding shall be as described in the Definitive Terms Certificate.



(b) The Series 2012-C Warrants shall be issuable as fully registered warrants without coupons in the denomination of \$5,000 or any multiple thereof. Each Series 2012-C Warrant shall have a single principal maturity. The Series 2012-C Warrants shall be numbered separately from 1 upward.

(c) The Series 2012-C Warrants shall mature on August 1 in the years more particularly described in the Definitive Terms Certificate. Subject to Section 7.2(b), the principal amount of Series 2012-C Warrants maturing on each Principal Payment Date and the applicable rate of interest for the Series 2012-C Warrants of each maturity shall be set forth in the Definitive Terms Certificate.

(d) The Series 2012-C Warrants shall be dated their date of issuance and shall bear interest from such date, or the most recent date to which interest has been paid or duly provided for, until the principal thereof shall become due and payable, at the applicable rate per annum set forth in subsection (c) above. Interest on the Series 2012-C Warrants shall be payable on February 1 and August 1 in each year, beginning August 1, 2012 (each such date being herein called an "Interest Payment Date"), and shall be computed on the basis of a 360-day year with 12 months of 30 days each. Interest on overdue principal and premium and (to the extent legally enforceable) on any overdue installment of interest on the Series 2012-C Warrants shall be payable at the Post-Default Rate.

(e) Interest on the Series 2012-C Warrants payable on any Interest Payment Date prior to the maturity or redemption thereof (in whole or in part) shall be payable by check or draft mailed by the Paying Agent to the registered Holders of the Series 2012-C Warrants at their addresses appearing in the Warrant Register. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date. Payment of the principal of (and premium, if any, on) the Series 2012-C Warrants and payment of accrued interest on the Series 2012-C Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender thereof at the Principal Office of the Paying Agent. Debt Service on the Series 2012-C Warrants payable at maturity shall be payable only upon surrender thereof at the Principal Office of the Paying Agent.

(f) Subsection (e) of this section to the contrary notwithstanding, upon the written request of the Holder of Series 2012-C Warrants in an aggregate principal amount of not less than \$100,000, the Paying Agent will make payment of the Debt Service due on such Series 2012-C Warrant on any Warrant Payment Date by wire transfer to an account of such Holder maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Paying Agent, provided that:

- (1) such written request contains adequate instructions for the method of payment,
- (2) the Holder agrees to pay the Paying Agent's customary charge for handling such wire transfer, and
- (3) payment of the principal of (and redemption premium, if any, on) such Series 2012-C Warrant and payment of accrued interest on such Series 2012-C Warrant due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of such Series 2012-C Warrant to the Paying Agent.

(g) Section 7.2(b) sets forth the parameters for the amount and terms of the Series 2012-C Warrants. The Mayor of the City is hereby authorized and directed to execute and deliver in the name and on behalf of the City a certificate substantially as set forth in Exhibit B that establishes, within the parameters set forth in Section 7.2(b), the definitive amount and terms of the Series 2012-C Warrants, with such changes or additions to such certificate or deletions to such certificate as the Mayor of the City shall approve, which approval shall be conclusively evidenced by his or her execution of such certificate (the "Definitive Terms Certificate"). In setting the definitive amount and terms of the Series 2012-C Warrants reflected in the Definitive Terms Certificate, the Mayor of the City may rely upon the advice

and recommendation of the employees of and advisors to the City.

**ARTICLE 8 Form of Series 2012-C Warrant**

The Series 2012-C Warrants and the authentication certificate shall be substantially in the following form, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this ordinance:

[Form of Series 2012-C Warrant]

NOTICE: Unless this warrant is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to City of Gadsden or its agent for registration of transfer, exchange, or payment, and any warrant issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**City of Gadsden**

**Tax-Exempt General Obligation Warrant, Series 2012-C**

No. \_\_\_\_\_ \$ \_\_\_\_\_

Maturity Date: \_\_\_\_\_ Interest Rate: \_\_\_\_\_ CUSIP: \_\_\_\_\_

The **CITY OF GADSDEN**, an Alabama municipal corporation (the “City”), for value received, hereby acknowledges that it is indebted in the principal sum of

\_\_\_\_\_ **DOLLARS**

and hereby directs its Finance Director to pay (but solely out of the Debt Service Fund referred to below) such principal sum to

\_\_\_\_\_,

or registered assigns, on the maturity date specified above and to pay (but solely out of such Debt Service Fund) interest hereon from the date hereof, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the per annum rate of interest specified above. Interest shall be payable on February 1 and August 1 in each year, beginning August 1, 2012 (each such date being herein called an “Interest Payment Date”), and shall be computed on the basis of a 360-day year with 12 months of 30 days each. Interest shall be payable (but solely out of such Debt Service Fund) on overdue principal (and premium, if any) on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Warrant Ordinance referred to below.

The interest so payable on any Interest Payment Date will, as provided in the Warrant Ordinance, be paid to the person in whose name this warrant is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the month next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Regular Record Date, and shall be paid to the person in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Paying Agent, notice of such Special Record Date being given to Holders of the Series 2012-C Warrants not less than 10 days prior to such Special Record Date.

Payment of interest on this warrant due on any Interest Payment Date shall be made by check or draft mailed by the Paying Agent to the person entitled thereto at his address appearing in the Warrant Register maintained by the Paying Agent. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date). Payment of the principal of (and premium, if any, on) this warrant and payment of accrued interest on this warrant due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of this warrant at the Principal Office of the Paying Agent. Upon the terms and conditions provided in the Warrant Ordinance, the Holder of Series 2012-C Warrants in an aggregate principal amount of not less than \$100,000 may request that payment of Debt Service on such Series 2012-C Warrant be made by wire transfer to an account of such Holder maintained at a bank in the continental United States or by any other method providing for same-day funds that is acceptable to the Paying Agent, provided that such Holder agrees to pay the Paying Agent's customary charge for handling such wire transfer. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This warrant is one of a duly authorized issue of warrants of the City, aggregating \$\_\_\_\_\_ in principal amount, entitled "Tax-Exempt General Obligation Warrants, Series 2012-C" (the "Series 2012-C Warrants") and issued under and pursuant to an ordinance duly adopted by the governing body of the City (the "Warrant Ordinance") and the constitution and laws of the State of Alabama, including particularly Section 11-47-2 of the Code of Alabama 1975. Capitalized terms not otherwise defined herein shall have the meanings assigned in the Warrant Ordinance.

In accordance with the terms of the Warrant Ordinance, The Bank of New York Mellon Trust Company, N.A., a national banking association, has been appointed to serve as "Paying Agent" with respect to the Series 2012-C Warrants unless and until a successor is appointed pursuant to the terms and conditions of the Warrant Ordinance.

**The indebtedness evidenced by the Series 2012-C Warrants is a general obligation of the City for the payment of which the full faith and credit of the City have been irrevocably pledged, pro rata and without preference or priority of one Series 2012-C Warrant over another.**

Pursuant to the Warrant Ordinance the City has established a special fund for the payment of Debt Service on the Series 2012-C Warrants (the "Debt Service Fund") that will be held by the Paying Agent. The City has obligated itself to pay or cause to be paid into the Debt Service Fund from the taxes, revenues or other general funds of the City sums sufficient to provide for the payment of Debt Service on the Series 2012-C Warrants as the same becomes due and payable.

In the manner and with the effect provided in the Warrant Ordinance, the Series 2012-C Warrants are subject to redemption prior to maturity as follows:

(1) **Optional Redemption.** Series 2012-C Warrants maturing on August 1, 20\_\_ or thereafter, or any smaller principal amount of such Series 2012-C Warrants that is a multiple of the smallest authorized denomination, may be redeemed at the option of the City on \_\_\_\_\_, 20\_\_ or any date thereafter at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

(2) **Mandatory Redemption of Term Warrants.** The Series 2012-C Warrants maturing on August 1, \_\_\_\_\_ (the "Term Warrants") are subject to mandatory redemption, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date, on August 1 in years and amounts (after credits as provided below) as follows:

**Year** **Amount**

\_\_\_\_\_  
\$ \_\_\_\_\_ of the Term Warrants  
will be retired at maturity

Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date with respect to Term Warrants, the Paying Agent shall proceed to select for redemption, by lot, Term Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Term Warrants or portions thereof for redemption on such scheduled mandatory redemption date. In connection with any such redemption prior to maturity, the Paying Agent shall make appropriate entries in the Warrant Register to reflect a portion of any Term Warrant so redeemed and the amount of the principal remaining Outstanding. The Paying Agent's notation in the Warrant Register shall be conclusive as to the principal amount of any Outstanding Term Warrant at any time. The City may, not less than 60 days prior to any such mandatory redemption date, direct that any or all of the following amounts be credited against the Term Warrants scheduled for redemption on such date: (i) the principal amount of Term Warrants delivered by the City to the Paying Agent for cancellation and not previously claimed as a credit; (ii) the principal amount of Term Warrants previously redeemed (other than Term Warrants redeemed pursuant to this paragraph) and not previously claimed as a credit; and (iii) the principal amount of Term Warrants otherwise deemed paid in full and not previously claimed as a credit.

Except in the case of mandatory redemption of the Term Warrants, if less than all Series 2012-C Warrants Outstanding are to be redeemed, the particular Series 2012-C Warrants to be redeemed may be specified by the City by written notice to the Paying Agent, or, in the absence of timely receipt by the Paying Agent of such notice, shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate; provided, however, that (i) the principal amount of Series 2012-C Warrants of each maturity to be redeemed must be a multiple of the smallest authorized denomination of Series 2012-C Warrants, and (ii) if less than all Series 2012-C Warrants with the same stated maturity are to be redeemed, the Series 2012-C Warrants of such maturity to be redeemed shall be selected by lot by the Paying Agent.

Any redemption shall be made upon at least 30 days' notice in the manner and upon the terms and conditions provided in the Warrant Ordinance.

If less than all Series 2012-C Warrants Outstanding with the same maturity are to be redeemed, the particular Series 2012-C Warrants to be redeemed shall be selected not less than 30 nor more than 60 days prior to the redemption date (except as noted below) by the Paying Agent from the Outstanding Series 2012-C Warrants of such maturity which have not previously been called for redemption.

If a trust is established for payment of less than all Series 2012-C Warrants of the same maturity, the Series 2012-C Warrants of such maturity to be paid from the trust shall be selected by the Paying Agent within 7 days after such trust is established and shall be identified by a separate CUSIP number or other designation satisfactory to the Paying Agent. The Paying Agent shall notify Holders whose Series 2012-C Warrants (or portions thereof) have been selected for payment from such trust and shall direct such Holders to surrender their Series 2012-C Warrants to the Paying Agent in exchange for Series 2012-C Warrants with the appropriate designation.

Upon any partial redemption of any Series 2012-C Warrant, the same shall, except as otherwise permitted by the Warrant Ordinance, be surrendered in exchange for one or more new Series 2012-C Warrants of the same maturity and in authorized form for the unredeemed portion of principal. Series 2012-C Warrants (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Warrant Ordinance shall thereupon cease to be entitled to the benefits of the Warrant Ordinance and shall cease to bear interest from and after the date fixed for redemption.

As provided in the Warrant Ordinance and subject to certain limitations therein set forth, this warrant is transferable on the Warrant Register maintained at the Principal Office of the Paying Agent, upon surrender of this warrant for transfer at such office, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the City and the Paying Agent duly executed by, the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Series 2012-C Warrants of authorized denominations and of the same maturity and aggregate principal amount will be issued to the designated transferee or transferees.

The Series 2012-C Warrants are issuable as fully registered, book-entry only warrants in the denomination of \$5,000 each or any integral multiple thereof. The Series 2012-C Warrants are registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. As provided in the Warrant Ordinance and subject to certain limitations therein set forth, Series 2012-C Warrants are exchangeable for a like aggregate principal amount of Series 2012-C Warrants, of any authorized denominations and of the same maturity, as requested by the Holder surrendering the same.

For so long as the Series 2012-C Warrants are registered in the name of DTC or its nominee, the Paying Agent shall transfer and exchange Series 2012-C Warrants only on behalf of DTC or its nominee, in accordance with the Warrant Ordinance. Neither the City nor the Paying Agent shall have any responsibility for transferring or exchanging any Beneficial Owner’s (as defined in Blanket Letter of Representations between the City and DTC) interest in any Series 2012-C Warrants.

No service charge shall be made for any transfer or exchange hereinbefore referred to, but the City may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The City, the Paying Agent and any agent of the City or the Paying Agent may treat the person in whose name this warrant is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this warrant is overdue, and neither the City, the Paying Agent nor any agent shall be affected by notice to the contrary.

It is hereby certified, recited and declared 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 as a claim against the Debt Service Fund in the manner provided by law; that all acts, conditions and things required by the constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the issuance of this warrant have happened, do exist and have been performed; and that the indebtedness evidenced and ordered paid by this warrant, together with all other indebtedness of the City, is within every debt and other limit prescribed in the constitution and laws of the State of Alabama.

It is hereby certified, recited and declared that unless the certificate of authentication hereon has been executed by the Paying Agent by manual signature, this warrant shall not be entitled to any benefit under the Warrant Ordinance or be valid or obligatory for any purpose.

**IN WITNESS WHEREOF**, the City has caused this warrant to be duly executed under its official seal.

Dated: \_\_\_\_\_, 20\_\_\_\_.

**CITY OF GADSDEN**

By: \_\_\_\_\_

Its Mayor

[SEAL]

Attest:

\_\_\_\_\_  
Its City Clerk

**Registration As Claim Against  
Debt Service Fund**

I hereby certify that this warrant has been registered by me as a claim against the Debt Service Fund referred to in this warrant.

\_\_\_\_\_  
Finance Director

**Certificate of Authentication**

This warrant is one of the Series 2012-C Warrants issued pursuant to the within-mentioned Warrant Ordinance.

Date of Authentication: \_\_\_\_\_

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

By: \_\_\_\_\_

Its Authorized Officer

**Assignment**

For value received, \_\_\_\_\_ hereby sell(s), assign(s) and transfer(s) unto \_\_\_\_\_ this warrant and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney to transfer this warrant on the books of the within named City at the office of the within named Paying Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_.

\_\_\_\_\_  
**NOTE:** The name signed to this assignment must correspond with the name of the payee written on the

face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
(Bank or Trust Company)

By \_\_\_\_\_  
(Authorized Officer)

Medallion Number: \_\_\_\_\_

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

**ARTICLE 9 Execution and Authentication**

(a) The Series 2012-C Warrants shall be executed on behalf of the City by its Mayor under its seal reproduced thereon and attested by its City Clerk, and the certification of registration of each Series 2012-C Warrant as a claim against the Debt Service Fund shall be executed by the Finance Director of the City. The signature of any of these officers on the Series 2012-C Warrants may be manual or, to the extent permitted by law, facsimile. Series 2012-C Warrants bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the City shall bind the City, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2012-C Warrants or shall not have held such offices at the date of such Series 2012-C Warrants.

(b) No Series 2012-C Warrants shall be secured by, or be entitled to any lien, right or benefit under, this ordinance or be valid or obligatory for any purpose, unless there appears on such Series 2012-C Warrant a certificate of authentication substantially in the form provided for herein, executed by the Paying Agent by manual signature, and such certificate upon any Series 2012-C Warrant shall be conclusive evidence, and the only evidence, that such Series 2012-C Warrant has been duly authenticated and delivered hereunder.

**ARTICLE 10 Temporary Series 2012-C Warrants**

(a) Pending the preparation of definitive Series 2012-C Warrants, the City may execute, and upon request of the City, the Paying Agent shall authenticate and deliver, temporary Series 2012-C Warrants which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Series 2012-C Warrants in lieu of which they are issued, with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Series 2012-C Warrants may determine, as evidenced by their execution of such Series 2012-C Warrants.

(b) If temporary Series 2012-C Warrants are issued, the City will cause definitive Series 2012-C Warrants to be prepared without unreasonable delay. After the preparation of definitive Series 2012-C Warrants, the temporary Series 2012-C Warrants shall be exchangeable for definitive Series 2012-C Warrants upon surrender of the temporary Series 2012-C Warrants at the Principal Office of the Paying Agent, without charge to the Holder. Upon surrender for cancellation of any one or more

temporary Series 2012-C Warrants, the City shall execute and the Paying Agent shall authenticate and deliver in exchange therefor a like principal amount of definitive Series 2012-C Warrants of authorized denominations. Until so exchanged, temporary Series 2012-C Warrants shall in all respects be entitled to the security and benefits of this ordinance.

#### **ARTICLE 11 Registration, Transfer and Exchange**

(a) The City shall cause to be kept at the Principal Office of the Paying Agent a register (herein referred to as the “Warrant Register”) in which, subject to such reasonable regulations as it may prescribe, the City shall provide for the registration of Series 2012-C Warrants and registration of transfers of Series 2012-C Warrants entitled to be registered or transferred as herein provided. The Paying Agent is hereby appointed “Warrant Registrar” for the purpose of registering Series 2012-C Warrants and transfers of Series 2012-C Warrants as herein provided.

(b) Upon surrender for transfer of any Series 2012-C Warrant at the Principal Office of the Paying Agent, the City shall execute, and the Paying Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2012-C Warrants of any authorized denominations and of the same maturity and aggregate principal amount.

(c) At the option of the Holder, Series 2012-C Warrants may be exchanged for a like aggregate principal amount of Series 2012-C Warrants, of any authorized denominations and of the same maturity, upon surrender of the Series 2012-C Warrants to be exchanged at the Principal Office of the Paying Agent. Whenever any Series 2012-C Warrants are so to be surrendered for exchange, the City shall execute, and the Paying Agent shall authenticate and deliver, the Series 2012-C Warrants which the Holder making the exchange is entitled to receive.

(d) All Series 2012-C Warrants surrendered upon any exchange or transfer provided for in this ordinance shall be promptly cancelled by the Paying Agent.

(e) All Series 2012-C Warrants issued upon any transfer or exchange of Series 2012-C Warrants shall be the valid obligations of the City and entitled to the same security and benefits under this ordinance as the Series 2012-C Warrants surrendered upon such transfer or exchange.

(f) Every Series 2012-C Warrant presented or surrendered for transfer or exchange shall (if so required by the City or the Paying Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the City and the Paying Agent duly executed, by the Holder thereof or his attorney duly authorized in writing.

(g) No service charge shall be made for any transfer or exchange of Series 2012-C Warrants, but the City may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2012-C Warrants.

(h) The City shall not be required (i) to transfer or exchange any Series 2012-C Warrant during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Series 2012-C Warrants and ending at the close of business on the day of such mailing, (ii) to transfer or exchange any Series 2012-C Warrant so selected for redemption in whole or in part, or (iii) to exchange any Series 2012-C Warrant during a period beginning at the opening of business on any Regular Record Date and ending at the close of business on the relevant Interest Payment Date therefor.

#### **ARTICLE 12 Mutilated, Destroyed, Lost and Stolen Series 2012-C Warrants**

(a) If (i) any mutilated Series 2012-C Warrant is surrendered to the Paying Agent, or the City and the Paying Agent receive evidence to their satisfaction of the destruction, loss or theft of any Series 2012-C Warrant, and (ii) there is delivered to the City and the Paying Agent such security or



indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Series 2012-C Warrant has been acquired by a bona fide purchaser, the City shall execute and upon its request the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Series 2012-C Warrant, a new Series 2012-C Warrant of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

(b) Upon the issuance of any new Series 2012-C Warrant under this section, the City may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

(c) Every new Series 2012-C Warrant issued pursuant to this section in lieu of any destroyed, lost or stolen Series 2012-C Warrant shall constitute an original additional contractual obligation of the City, whether or not the destroyed, lost or stolen Series 2012-C Warrant shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this ordinance equally and ratably with all other Outstanding Series 2012-C Warrants.

(d) The provisions of this section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Series 2012-C Warrants.

#### **ARTICLE 13 Payment of Interest on Series 2012-C Warrants; Interest Rights Preserved**

(a) Interest on any Series 2012-C Warrant which is payable on any Interest Payment Date shall be paid to the person in whose name that Series 2012-C Warrant is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the month next preceding such Interest Payment Date. Payment of the principal of (and premium, if any, on) the Series 2012-C Warrants and payment of accrued interest due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of the Series 2012-C Warrants at the Principal Office of the Paying Agent.

(b) Any interest on any Series 2012-C Warrant which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the City to the persons in whose names such Series 2012-C Warrants are registered at the close of business on a special record date (herein called a "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2012-C Warrant and the date of the proposed payment (which date shall be such as will enable the Paying Agent to comply with the next sentence hereof), and at the same time the City shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held solely for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided. Thereupon, the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Paying Agent of the notice of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Series 2012-C Warrant at his address as it appears in the Warrant Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Series 2012-C Warrants are registered on such Special Record Date.

(c) Subject to the foregoing provisions of this section, each Series 2012-C Warrant delivered under this ordinance upon transfer of or in exchange for or in lieu of any other Series 2012-C Warrant shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2012-C Warrant and each such Series 2012-C Warrant shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

#### **ARTICLE 14 Persons Deemed Owners**

The City, the Paying Agent and any agent of the City or the Paying Agent may treat the person in whose name any Series 2012-C Warrant is registered as the owner of such Series 2012-C Warrant for the purpose of receiving payment of Debt Service on such Series 2012-C Warrant (subject to Section 3.8) and for all other purposes whatsoever whether or not such Series 2012-C Warrant is overdue, and, to the extent permitted by law, neither the City, the Paying Agent nor any such agent shall be affected by notice to the contrary.

#### **ARTICLE 15 Paying Agent**

(a) The Bank of New York Mellon Trust Company, N.A., a national banking association, is hereby appointed “Paying Agent” for the purpose of paying Debt Service on the Series 2012-C Warrants on behalf of the City.

(b) The Debt Service on the Series 2012-C Warrants shall, except as otherwise provided herein, be payable at the Principal Office of the Paying Agent.

(c) The Paying Agent may be removed at any time (i) by an instrument or concurrent instruments in writing delivered to the Paying Agent and the City signed by the Holders of a majority in aggregate principal amount of the Series 2012-C Warrants then Outstanding, or (ii) if no default exists with respect to the payment of the Series 2012-C Warrants, by a written notice delivered to the Paying Agent and signed on behalf of the City by an Authorized City Representative.

(d) If the bank designated as Paying Agent pursuant to subsection (a) of this section shall resign or be removed or shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of it or of its property shall be appointed or any public officer shall take charge or control of it or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the City shall appoint a successor Paying Agent. Any successor Paying Agent must have capital and surplus of not less than \$50,000,000, must be subject to supervision or examination by federal or State of Alabama authority, and must have a corporate trust office within the State of Alabama. The City shall give notice of the appointment of any such successor Paying Agent by first-class mail, postage prepaid, to the Holders of Series 2012-C Warrants as their names or addresses appear in the Warrant Register.

(e) No provision of this ordinance shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

#### **ARTICLE 16 Book Entry Only System**

(a) The registration and payment of Series 2012-C Warrants shall be made pursuant to the Book-Entry Only System (the “Book-Entry Only System”) administered by The Depository Trust Company (“DTC”) in accordance with the Blanket Letter of Representations attached to and incorporated by reference in this ordinance as Exhibit A (the “Letter of Representations”) until such System is terminated pursuant to Section 3.11(c).

(b) While Series 2012-C Warrants are in the Book-Entry Only System the following

provisions shall apply for purposes of this ordinance and shall supersede any contrary provisions of this ordinance:

(1) Notwithstanding the fact that DTC may hold a single physical certificate for each stated maturity for purposes of the Book-Entry Only System, the term “Series 2012-C Warrants” shall mean each separate Security (as defined in the Letter of Representations) issued pursuant to the Book-Entry Only System, and the term “Holder” shall mean the person identified on the records of DTC as the owner of the related Security.

(2) The terms and limitations of this ordinance with respect to each separate Series 2012-C Warrant shall be applicable to each separate Security registered under the Book-Entry Only System.

(3) All notices under this ordinance to Holders of Series 2012-C Warrants from either the City or the Paying Agent shall be delivered by the City or the Paying Agent, as the case may be, to DTC for distribution by DTC in accordance with the Letter of Representations. All notices under this ordinance to or from persons other than a Holder of a Series 2012-C Warrant shall be delivered directly to such person as provided in this ordinance and shall not be delivered through DTC or the Book-Entry Only System.

(4) All payments of Debt Service on the Series 2012-C Warrants shall be made by the Paying Agent to DTC and shall be made by DTC to the Participants (as such term is defined in the Letter of Representations) as provided in the Letter of Representations. All such payments shall be valid and effective fully to satisfy and discharge the City’s obligations with respect to such payments.

(5) The Beneficial Owners (as such term is defined in the Letter of Representations) of the Series 2012-C Warrants, by their acquisition of any beneficial interest in a Series 2012-C Warrant or Series 2012-C Warrants, and the Participants severally agree that the City and the Paying Agent shall not have any responsibility or obligation to any Participant or any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any Participant; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal of, purchase price of, premium (if any) and interest on the Series 2012-C Warrants; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice due to any Beneficial Owner which is required or permitted under the terms of this ordinance to be given to Beneficial Owners; or (4) any consent given or other action taken by DTC or its nominee, as owner.

(c) If the City and the Paying Agent concur that it would be in the best interests of the Holders of the Series 2012-C Warrants for the Book-Entry Only System to be discontinued (in whole or in part), such Book-Entry Only System shall be discontinued (in whole or in part) in accordance with the provisions of the Letter of Representations. In addition, the Book-Entry Only System may be discontinued (in whole or in part) at any time by the City or the Paying Agent acting alone in accordance with the Letter of Representations.

#### **ARTICLE 17 Payments Due on a Day Other Than a Business Day**

If any payment on the Series 2012-C Warrants is due on a day which is not a Business Day, such payment shall be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

#### **ARTICLE 18 Cancellation**

All Series 2012-C Warrants surrendered for payment, redemption, transfer or exchange shall be

promptly cancelled by the Paying Agent. No Series 2012-C Warrants shall be registered in lieu of or in exchange for any Series 2012-C Warrant cancelled as provided in this section, except as expressly provided by this ordinance.

### **Redemption of Series 2012-C Warrants**

#### **ARTICLE 20 General Applicability of Article**

(a) The Series 2012-C Warrants shall be redeemable in accordance with the redemption provisions set forth in the form of the Series 2012-C Warrants contained in Section 3.3, the Definitive Terms Certificate, and the provisions of this article.

(b) The Series 2012-C Warrants shall be redeemed in accordance with the mandatory redemption provisions of the Series 2012-C Warrants without any direction from or consent by the City. The Series 2012-C Warrants shall be redeemed in accordance with the optional redemption provisions of the Series 2012-C Warrants only upon direction of the City.

#### **ARTICLE 21 Election to Redeem; Notice to Paying Agent**

The election of the City to exercise any right of optional redemption shall be evidenced by a certified resolution or ordinance of the governing body of the City delivered to the Paying Agent. In case of any redemption at the option of the City of less than all the Outstanding Series 2012-C Warrants, the City shall, at least 60 days prior to the date fixed by the City for redemption of Series 2012-C Warrants (unless a shorter notice shall be satisfactory to the Paying Agent), notify the Paying Agent of such redemption date and of the principal amount and maturities of Series 2012-C Warrants to be redeemed.

#### **ARTICLE 22 Selection by Paying Agent of Series 2012-C Warrants to be Redeemed**

(a) Except in the case of mandatory redemption of the Term Warrants, if any, if less than all Series 2012-C Warrants Outstanding are to be redeemed, the particular Series 2012-C Warrants to be redeemed may be specified by the City by written notice to the Paying Agent, or, in the absence of timely receipt by the Paying Agent of such notice, shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate; provided, however, that (i) the principal amount of Series 2012-C Warrants of each maturity to be redeemed must be a multiple of the smallest authorized denomination of Series 2012-C Warrants, and (ii) if less than all Series 2012-C Warrants with the same stated maturity are to be redeemed, the Series 2012-C Warrants of such maturity to be redeemed shall be selected by lot by the Paying Agent.

(b) The Paying Agent shall promptly confirm to the City in writing the Series 2012-C Warrants selected for redemption and, in the case of any Series 2012-C Warrant selected for partial redemption, the principal amount thereof to be redeemed.

(c) For all purposes of this ordinance, unless the context otherwise requires, all provisions relating to the redemption of Series 2012-C Warrants shall relate, in the case of any Series 2012-C Warrant redeemed or to be redeemed only in part, to the portion of the principal of such Series 2012-C Warrant which has been or is to be redeemed.

#### **ARTICLE 23 Notice of Redemption**

(a) Unless waived by the Holders of all Series 2012-C Warrants then Outstanding, notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date, to each Holder of Series 2012-C Warrants to be redeemed at his

address appearing in the Warrant Register.

(b) All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) the principal amount of Series 2012-C Warrants to be redeemed, and, if less than all Outstanding Series 2012-C Warrants are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2012-C Warrants to be redeemed,

(4) that on the redemption date the redemption price of each of the Series 2012-C Warrants to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date, and

(5) the place or places where the Series 2012-C Warrants to be redeemed are to be surrendered for payment of the redemption price.

(c) Notice of redemption of Series 2012-C Warrants to be redeemed at the option of the City shall be given by the City or, at the City's request, by the Paying Agent in the name and at the expense of the City. Notice of redemption of Series 2012-C Warrants in accordance with the mandatory redemption provisions of the Series 2012-C Warrants shall be given by the Paying Agent in the name and at the expense of the City.

(d) The City and the Paying Agent shall, to the extent practical under the circumstances, comply with the standards set forth in the United States Securities and Exchange Commission's Exchange Act Release No. 23856 dated December 3, 1986, regarding redemption notices, but their failure to do so shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in this section.

#### **ARTICLE 24 Deposit of Redemption Price**

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Series 2012-C Warrants which are to be redeemed on that date. Such money shall be held solely for the benefit of the persons entitled to such redemption price.

#### **ARTICLE 25 Series 2012-C Warrants Payable on Redemption Date**

(a) Notice of redemption having been given as aforesaid, the Series 2012-C Warrants so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2012-C Warrants shall cease to bear interest. Upon surrender of any such Series 2012-C Warrant for redemption in accordance with said notice, such Series 2012-C Warrant shall be paid by the City at the redemption price. Installments of interest due prior to the redemption date shall be payable to the Holders of the Series 2012-C Warrants registered as such on the relevant Record Dates according to the terms of such Series 2012-C Warrants and the provisions of Section 3.8.

(b) If any Series 2012-C Warrant called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption date at the Post-Default Rate.

## **ARTICLE 26 Series 2012-C Warrants Redeemed in Part**

Any Series 2012-C Warrant which is to be redeemed only in part shall be surrendered at the Principal Office of the Paying Agent (with, if the City or the Paying Agent so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the City and the Paying Agent duly executed by, the Holder thereof or his attorney duly authorized in writing), and the City shall execute and the Paying Agent shall authenticate and deliver to the Holder of such Series 2012-C Warrant, without service charge, a new Series 2012-C Warrant or Series 2012-C Warrants, of the same maturity and of any authorized denomination or denominations, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2012-C Warrant so surrendered.

## **Source of Payment, Etc.**

## **ARTICLE 28 General Obligation**

The indebtedness evidenced and ordered paid by the Series 2012-C Warrants shall be a general obligation of the City for the payment of Debt Service on which the full faith and credit of the City are hereby irrevocably pledged, pro rata and without preference or priority of one Series 2012-C Warrant over another. The City hereby covenants and agrees to levy and collect taxes, to the maximum extent permitted by law, at such rate or rates as shall make available tax proceeds which, when added to the revenues of the City from other sources available for such purposes, will be sufficient to pay reasonable expenses of carrying on the necessary governmental functions of the City and to pay Debt Service on the Series 2012-C Warrants as the same shall become due and payable.

## **ARTICLE 29 Provision for Payment of Series 2012-C Warrants**

(a) If Debt Service on the Series 2012-C Warrants is paid in accordance with the terms of the Series 2012-C Warrants and this ordinance, then all covenants, agreements and other obligations of the City to the Holders of the Series 2012-C Warrants shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agent shall pay to the City any surplus remaining in the Debt Service Fund.

(b) Series 2012-C Warrants shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this section if the Paying Agent is provided with the following:

(1) a trust agreement between the City and any bank or other financial institution having corporate trust powers making provision for the retirement of such Series 2012-C Warrants by creating for that purpose an irrevocable trust fund sufficient to provide for payment and retirement of such Series 2012-C Warrants (including payment of the interest that will accrue thereon until and on the date 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) Federal 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 Series 2012-C Warrants or (ii) both cash and such Federal Securities (or a combination thereof) which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose; provided, however, that said trust agreement shall require all cash held on deposit in such trust to be kept continuously secured by holding on deposit as collateral security therefor Federal Securities having a market

value at least equal at all times to the amount to be secured thereby, unless such cash is kept on deposit in U.S. dollar denominated deposit accounts and certificates of deposit with banks or savings associations that are qualified public depositories under Chapter 14A of Title 41 of the Code of Alabama 1975;

(2) a certified copy of a duly adopted resolution or ordinance of the governing body of the City calling for redemption those of such Series 2012-C Warrants that, according to said trust agreement, are to be redeemed prior to their respective maturities;

(3) evidence satisfactory to the Paying Agent that, if the principal of and the interest on the investments (if any) forming part of the trust fund provided for in the preceding subparagraph (1) are paid on the respective due dates of such principal and interest, said trust fund will produce funds sufficient to provide for the full payment and retirement of such Series 2012-C Warrants; and

(4) a Favorable Tax Opinion.

(c) Any trust established pursuant to this section may provide for payment of less than all Series 2012-C Warrants Outstanding or less than all Series 2012-C Warrants of any remaining maturity.

(d) If any trust provides for payment of less than all Series 2012-C Warrants with the same maturity, the Series 2012-C Warrants of such maturity to be paid from the trust shall be selected by the Paying Agent by lot by such method as shall provide for the selection of portions (in authorized denominations) of the principal of Series 2012-C Warrants of such maturity of a denomination larger than the smallest authorized denomination. Such selection shall be made within 7 days after such trust is established. This selection process shall be in lieu of the selection process provided for in Section 4.3 if and to the extent that Series 2012-C Warrants payable from such trust are to be redeemed prior to maturity. After such selection is made, the Series 2012-C Warrants that are to be paid from such trust (including the Series 2012-C Warrants issued in exchange for such Series 2012-C Warrants pursuant to the transfer or exchange provisions of this ordinance) shall be identified by a separate CUSIP number or other designation satisfactory to the Paying Agent. The Paying Agent shall notify Holders whose Series 2012-C Warrants (or portions thereof) have been selected for payment from such trust and shall direct such Holders to surrender their Series 2012-C Warrants to the Paying Agent in exchange for the Series 2012-C Warrants with the appropriate designation. The selection of the Series 2012-C Warrants for payment from such trust pursuant to this section shall be conclusive and binding on the Holders, the City and the Paying Agent.

#### **ARTICLE 30 Officers, Etc. Exempt from Individual Liability**

No recourse under or upon any covenant or agreement of this ordinance, or of any Series 2012-C Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future officer or member of the governing body of the City, or of any successor, either directly or through the City, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this ordinance and the Series 2012-C Warrants issued hereunder are solely corporate obligations, and that no personal liability whatever shall attach to, or is or shall be incurred by, any officer or member of the governing body of the City or any successor, or any of them, because of the issuance of the Series 2012-C Warrants, or under or by reason of the covenants or agreements contained in this ordinance or in any Series 2012-C Warrants or implied therefrom.

## **The Debt Service Fund**

### **ARTICLE 32 The Debt Service Fund**

(a) There is hereby established a special fund with the Paying Agent entitled "Tax-Exempt General Obligation Warrants, Series 2012-C Debt Service Fund" (herein called the "Debt Service Fund"). Money in the Debt Service Fund shall be used solely for the payment of Debt Service on the Series 2012-C Warrants as the same shall become due and payable.

(b) On or before the 25<sup>th</sup> day of each January and July, beginning July 25, 2012, the City will deposit into the Debt Service Fund an amount equal to Debt Service payable on the Series 2012-C Warrants on the next succeeding Warrant Payment Date. If on any Warrant Payment Date the balance in the Debt Service Fund is insufficient to pay the Debt Service on the Series 2012-C Warrants due and payable on such date, the City shall forthwith pay any such deficiency into the Debt Service Fund.

### **ARTICLE 33 Transfer of Funds**

The Finance Director for the City shall collect taxes, revenues and other general funds of the City available for the payment of Debt Service on the Series 2012-C Warrants and shall deposit the same in the Debt Service Fund in the amounts and at the times required by Section 6.1

### **ARTICLE 34 Security for Debt Service Fund**

Any money on deposit in the Debt Service Fund or otherwise held by the Paying Agent pursuant to this ordinance shall be impressed with a trust for the purpose for which the Debt Service Fund is created and shall, unless invested as provided herein or secured by the Federal Deposit Insurance Corporation (or any successor agency of the United States of America), be secured for the benefit of the City and the Holders of the Series 2012-C Warrants either

(1) by holding on deposit as collateral security Federal Securities, or other marketable securities eligible as security for the deposit of public funds under regulations of the Comptroller of the Currency, having a market value (exclusive of accrued interest) not less than the amount of money being secured, or

(2) if the furnishing of security in the manner provided in the foregoing paragraph (1) is not permitted by the then applicable laws and regulations, then in such manner as may be required or permitted by the applicable State of Alabama and Federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of public funds.

### **ARTICLE 35 Investment of Debt Service Fund**

(a) The Paying Agent shall invest or reinvest any money on deposit in the Debt Service Fund not then needed for the payment of Debt Service on the Series 2012-C Warrants in Qualified Investments upon receipt of written direction from the City. All such investments must mature or be subject to redemption at the option of the Holder on or prior to the respective date or dates when cash funds will be required for purposes of the Debt Service Fund. Any investment made with money on deposit in the Debt Service Fund shall be held by or under control of the Paying Agent and shall be deemed at all times a part of the Debt Service Fund.

(b) All interest accruing on such investments and any profit realized therefrom shall be deposited in the Debt Service Fund and shall be credited to the deposits required by Section 6.1. Any losses resulting from liquidation of investments shall be charged to the Debt Service Fund and shall be



added to the next ensuing deposit specified in Section 6.1. The Paying Agent shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in the Debt Service Fund is insufficient to pay Debt Service on the Series 2012-C Warrants when due.

(c) Any investment of money in the Debt Service Fund may be made by the Paying Agent through its own bond department or investment department, and any certificates of deposit issued by the Paying Agent shall be deemed investments rather than deposits.

### **Sale and Delivery of Series 2012-C Warrants; Creation of Acquisition Fund**

#### **ARTICLE 37 Sale of Series 2012-C Warrants**

(a) The Series 2012-C Warrants are hereby authorized to be sold to Raymond James & Associates, Inc. and Gardner Michael Capital, Inc. (the “Underwriters”) on the terms and conditions set forth in the Definitive Terms Certificate and the Purchase Agreement.

(b) The Underwriters shall be under no duty to inquire as to the application of the proceeds of the Series 2012-C Warrants. Nevertheless, such proceeds shall be held and applied solely for the purposes specified in this ordinance.

#### **ARTICLE 38 Official Statement, Purchase Agreement, Continuing Disclosure Agreement and Other Documents**

(a) The governing body of the City does hereby approve and authorize the Purchase Agreement and the Preliminary Official Statement dated January 12, 2012. The Mayor of the City is hereby authorized and directed to complete the Preliminary Official Statement (such Preliminary Official Statement as completed being herein referred to as the “Official Statement”) with (i) information relating to the terms of sale of and interest rates on the Series 2012-C Warrants as herein provided and as provided in the Definitive Terms Certificate, (ii) such information regarding reoffering prices or yields on the Series 2012-C Warrants as shall be provided by the purchaser of the Series 2012-C Warrants and (iii) such changes or additions thereto or deletions therefrom as the executing officers shall approve and shall be acceptable to the purchaser of the Series 2012-C Warrants. The Mayor of the City is hereby authorized and directed to date the Official Statement as of an appropriate date and to execute and deliver the Purchase Agreement and the Official Statement in the name and on behalf of the City in substantially the form presented at this meeting, with such changes or additions thereto or deletions therefrom as the officer executing the same shall approve, which approval shall be conclusively evidenced by his or her execution of such instruments.

(b) The Series 2012-C Warrants shall be sold pursuant to the Purchase Agreement, the form of which has been presented to the governing body of the City and is hereby approved. In order to provide for the sale of the Series 2012-C Warrants, the Mayor of the City is hereby authorized and directed to execute and deliver the Purchase Agreement for and in the name and behalf of the City. The Purchase Agreement shall be in such form as the Mayor of the City, acting with the advice and recommendation of the employees of and advisors to the City, shall determine to be necessary or desirable in order to consummate the transactions authorized by this ordinance, the determination of the definitive form of the Purchase Agreement by the Mayor of the City to be conclusively established by his execution of the same. Notwithstanding the foregoing provisions of this paragraph, the Mayor of the City shall not execute and deliver the Purchase Agreement unless (1) the principal amount of the Series 2012-C Warrants does not exceed \$8,000,000; (2) the final maturity date for the Series 2012-C Warrants is not later than August 1, 2029; (3) the interest rate for any maturity of the Series 2012-C Warrants does not exceed 5.50%; (4) the weighted average maturity of the Series 2012-C Warrants does not exceed 13 years; (5) the period of time between the date of the Series 2012-C Warrants and the first

date on which the Series 2012-C Warrants are subject to optional redemption is no longer than 10 years, and the premium payable on the Series 2012-C Warrants in connection with any such optional redemption does not exceed 0%; (6) the all-in total interest cost for the Series 2012-C Warrants (that is, taking into account accrued interest, any original issue discount or original issue premium, the underwriter's discount, any premiums or fees for credit enhancement paid from proceeds of the Series 2012-C Warrants, and any other costs of issuance paid from proceeds of the Series 2012-C Warrants) is not greater than 4.25%; and(7) the underwriter's discount reflected in the Purchase Agreement does not exceed \$7.95 per thousand dollars of the principal amount of the Series 2012-C Warrants. The Mayor's execution and delivery of the Purchase Agreement and the Definitive Terms Certificate shall constitute his approval of the final pricing terms of the Series 2012-C Warrants.

(c) The Mayor of the City and any person or persons designated and authorized by either of such officer to act in the name and on behalf of the City, or any one or more of them, are authorized to do and perform or cause to be done and performed in the name and on behalf of the City such other acts, to pay or cause to be paid on behalf of the City such related costs and expenses, and to execute and deliver or cause to be executed and delivered in the name and on behalf of the City such other notices, requests, demands, directions, consents, approvals, orders, applications, certificates, agreements, further assurances or other instruments or communications, under the seal of the City or otherwise, as they or any of them may deem necessary, advisable, or appropriate in order to carry into effect the intent of the provisions of this ordinance and to demonstrate the validity of the Series 2012-C Warrants, the absence of any pending or threatened litigation with respect to the Series 2012-C Warrants and the transactions contemplated by this ordinance, and the exemption of interest on the Series 2012-C Warrants from Federal and State of Alabama income taxation.

(d) Each act of any officer or officers of the City or any person or persons designated and authorized to act by any officer of the City, which act would have been authorized by the foregoing provisions of this ordinance except that such action was taken prior to the adoption of this ordinance, is hereby ratified, confirmed, approved and adopted.

#### **ARTICLE 39 Application of Proceeds**

The proceeds from the sale of the Series 2012-C Warrants shall be delivered to the Paying Agent for deposit in a clearance account and shall be applied by the Paying Agent for the purposes and in the order set forth in the Definitive Terms Certificate.

#### **ARTICLE 40 Redemption of Certain Warrants**

The City hereby calls the Refunded 2003-A Warrants for redemption on the first optional redemption date for the Refunded 2003-A Warrants. The City hereby directs the Mayor of the City to take all action necessary to effect such redemption. The City is not in default with respect to the payment of the principal of or interest on the Series 2003-A Warrants or any other warrants of such series designation.

#### **ARTICLE 41 Acquisition Fund**

(a) On or prior to closing, the City will establish with a bank to be identified on the closing statement executed and delivered by an Authorized City Representative at closing (the "Depository Bank") a fund that shall be designated the "Tax-Exempt General Obligation Warrants, Series 2012-C Acquisition Fund" (herein called the "Acquisition Fund"). A deposit to the Acquisition Fund is to be made pursuant to Section 7.3 and the Definitive Terms Certificate.

(b) The money in the Acquisition Fund shall be paid out by the Depository Bank from time to time for the purpose of paying (i) the issuance expenses incurred in connection with the Series 2012-C Warrants and (ii) the Acquisition Costs. The City hereby covenants and agrees that (i) the items for

which payment is requested will not be items for which any previous request for payment will have been made, (ii) the purpose for which such payment is to be made will be one for which Acquisition Fund money is authorized to be paid under this ordinance, and (iii) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement or any applicable provision of law.

(c) Whenever an Authorized City Representative shall have filed with the Depository Bank a certificate stating (i) that acquisition, construction and equipping of the Warrant-Financed Facilities has been completed in accordance with the plans and specifications previously approved by the City and (ii) that all issuance expenses and the Acquisition Costs have been paid in full, any money then remaining in the Acquisition Fund shall be deposited in the Debt Service Fund held by the Paying Agent for payment of the principal portion of Debt Service on the next ensuing Interest Payment Date.

## **Miscellaneous**

### **ARTICLE 43 Agreement to Pay Attorneys' Fees**

If the City should default under any of the provisions of this ordinance and the Holder of any Series 2012-C Warrant should employ attorneys or incur other expenses for the collection of any payments due hereunder or the enforcement of performance or observance of any agreement or covenant on the part of the City herein contained, the City will (to the extent legally enforceable) on demand therefor pay to such Holder the reasonable fees of such attorneys and such other expenses so incurred.

### **ARTICLE 44 Provisions of Ordinance a Contract**

The terms, provisions and conditions set forth in this ordinance constitute a contract between the City and the Holders of the Series 2012-C Warrants and shall remain in effect until the Debt Service on the Series 2012-C Warrants shall have been paid in full or provision for such payment has been made in accordance with Section 5.2.

### **ARTICLE 45 Separability Clause**

If any provision in this ordinance or in the Series 2012-C Warrants shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

### **ARTICLE 46 Governing Law**

This ordinance shall be construed in accordance with and governed by the laws of the State of Alabama.

### **ARTICLE 47 Designation of Time for Performance**

Except as otherwise expressly provided herein, any reference in this ordinance to the time of day shall mean the time of day in the city of the Principal Office of the Paying Agent.

### **ARTICLE 48 Notices to Holders of the Series 2012-C Warrants; Waiver**

(a) Where this ordinance provides for notice to any Holder of a Series 2012-C Warrant of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to such Holder at the address of such Holder as it appears in the Warrant Register, not later than the latest date, and not earlier than the earliest date, prescribed for

the giving of such notice.

(b) In any case where notice to Holders of the Series 2012-C Warrants is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders of the Series 2012-C Warrants. Where this ordinance provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of the Series 2012-C Warrants shall be filed with the City and the Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**ARTICLE 49 Tax Certificate and Agreement**

The City agrees that it will comply with the covenants and agreements to be made by it in the Tax Certificate and Agreement, to be executed and delivered in conjunction with the delivery of the Series 2012-C Warrants.

**ARTICLE 50 Amendment of Description of Warrant-Financed Facilities or Uses of Series 2012-C Warrant Proceeds**

The City may amend or change the description of the Warrant-Financed Facilities or the uses of Series 2012-C Warrant proceeds contained in this ordinance, provided that: (1) the governing body of the City adopts a resolution or ordinance setting forth such amendment or change, (2) the uses, as so amended or changed, are eligible for financing with proceeds of warrants issued pursuant to the Enabling Law, (3) such amendment or change will not cause the amount of the Series 2012-C Warrants chargeable against the City's constitutional limitation on indebtedness to increase, and (4) the City delivers to the Paying Agent a Favorable Tax Opinion.

**ARTICLE 51 Inspection of Records**

The City will at any and all times, upon the request of the Paying Agent, afford and procure a reasonable opportunity for the Paying Agent by its representatives to inspect any books, records, reports and other papers of the City relating to the performance by the City of its covenants in this ordinance, and the City will furnish to the Paying Agent any and all information as the Paying Agent may reasonably request with respect to the performance by the City of its covenants in this ordinance.

**ARTICLE 52 Amendments to Ordinance Not to Affect Tax Exemption**

No amendment may be made to this ordinance or the Series 2012-C Warrants unless the Paying Agent receives a Favorable Tax Opinion.

**ARTICLE 53 Repeal of Conflicting Provisions**

All resolutions and orders or parts thereof in conflict with this ordinance are, to the extent of such conflict, hereby repealed.

**ARTICLE 54 Effect of Headings and Table of Contents**

The article and section headings herein and in the table of contents are for convenience only and shall not affect the construction hereof.

**ARTICLE 55 Remedies**

In the event that the City should default in the payment of the principal of or interest on the

Series 2012-C Warrants, or should fail to comply with any of the other covenants and agreements contained in this ordinance, the Holders of the Series 2012-C Warrants shall be entitled to exercise all available remedies under the laws of the State of Alabama, whether in law or at equity.

Adopted this 17<sup>th</sup> day of January, 2012.

[S E A L]

Attest: \_\_\_\_\_  
Its City Clerk

\_\_\_\_\_  
Its Mayor

**EXHIBIT A**

**Blanket Letter of Representations**

The Blanket Letter of Representations is on file with The Depository Trust Company.

**EXHIBIT B**

**Form of Definitive Terms Certificate**

The undersigned, being the duly appointed Mayor of City of Gadsden, a municipal corporation organized under the laws of the State of Alabama (the "City"), does hereby certify as follows:

1. This certificate is being delivered in connection with the issuance by the City of its \$\_\_\_\_\_ Tax-Exempt General Obligation Warrants, Series 2012-C (the "Series 2012-C Warrants") under and pursuant to an ordinance duly adopted by the governing body of the City on \_\_\_\_\_, 20\_\_ (the "Warrant Ordinance"). Capitalized terms not otherwise defined herein shall have the meanings assigned in the Warrant Ordinance.

2. Section 7.2(b) of the Warrant Ordinance sets forth the parameters for the amount and terms of the Series 2012-C Warrants. Section 3.2(g) of the Warrant Ordinance authorizes and directs the undersigned officer of the City to execute and deliver in the name and on behalf of the City a certificate that establishes, within the parameters set forth in Section 7.2(b) of the Warrant Ordinance, the definitive amount and terms of the Series 2012-C Warrants (the "Definitive Terms Certificate"). This certificate constitutes the Definitive Terms Certificate contemplated by the Warrant Ordinance.

3. Pursuant to the authority granted by the City set forth in Section 3.2(g) of the Warrant Ordinance, the undersigned officer hereby establishes the following definitive amount and terms of the Series 2012-C Warrants:

(a) The aggregate principal amount of the Series 2012-C Warrants which may be authenticated and delivered and Outstanding is limited to \$\_\_\_\_\_.

(b) The Series 2012-C Warrants shall mature on \_\_\_\_\_ 1 in the years \_\_\_\_\_ through \_\_\_\_\_ (each such maturity date being herein called a "Principal Payment Date"). [All Series 2012-C Warrants with the same maturity shall bear interest at the same rate.] The principal amount and applicable interest rate of Series 2012-C Warrants maturing on each Principal Payment Date (subject to adjustment as provided above) is as follows:

<b>Year of Maturity</b>	<b>Principal Amount Maturing</b>	<b>Applicable Interest Rate</b>
-----------------------------	--------------------------------------	-------------------------------------

(c) The Series 2012-C Warrants are subject to redemption prior to maturity as set forth on Annex 1 hereto.

4. The undersigned officer of the City hereby certifies that the definitive amount and terms of the Series 2012-C Warrants set forth above are in conformity with the parameters set forth in the Warrant Ordinance and in support thereof hereby certifies that: (a) the principal amount of the Series 2012-C Warrants is \$\_\_\_\_\_; (b) the final maturity date for the Series 2012-C Warrants is \_\_\_\_\_; (c) the interest rate for any maturity of the Series 2012-C Warrants does not exceed \_\_\_\_\_%; (d) the weighted average maturity of the Series 2012-C Warrants is \_\_\_\_\_ years; (e) the period of



time between the date of the Series 2012-C Warrants and the first date on which the Series 2012-C Warrants are subject to optional redemption is \_\_\_\_ years, and the premium payable on the Series 2012-C Warrants in connection with any such optional redemption is \_\_\_\_%; (f) the all-in total interest cost for the Series 2012-C Warrants (that is, taking into account accrued interest, any original issue discount or original issue premium, the underwriter's discount, any premiums or fees for credit enhancement paid from proceeds of the Series 2012-C Warrants, and any other costs of issuance paid from proceeds of the Series 2012-C Warrants) is \_\_\_\_%; and (g) the underwriter's discount reflected in the Purchase Agreement is \$\_\_\_\_ per thousand dollars of the principal amount of the Series 2012-C Warrants.

5. The proceeds from the sale of the Series 2012-C Warrants shall be delivered to the Paying Agent for deposit in a clearance account and shall be applied by the Paying Agent for the following purposes and in the following order:

(a) the amount (if any) received as accrued interest on the sale of the Series 2012-C Warrants shall be deposited in the Debt Service Fund;

(b) the sum of \$\_\_\_\_\_ will be deposited in the Acquisition Fund and shall be applied as provided in the Warrant Ordinance;

(c) the sum of \$\_\_\_\_\_ will be deposited in the Escrow Fund to be used in accordance with the Escrow Agreement; and

(d) the issuance expenses specified on the closing statement executed and delivered by an Authorized City Representative at closing shall be paid as provided in such closing statement.

6. The Refunded 2003-A Warrants shall include those Series 2003-A Warrants with stated maturities in \_\_\_\_\_ and thereafter.

7. As described in Section 5, out of the proceeds from the sale of the Series 2012-C Warrants, the sum of \$\_\_\_\_\_ will be deposited in the Escrow Fund to be used in accordance with the Escrow Agreement. Additionally, contemporaneously with the issuance of the Series 2012-C Warrants, the City will cause the Paying Agent to make an intrabank transfer in the amount of \$\_\_\_\_\_ from the debt service fund created with respect to the Series 2012-C Warrants to the Escrow Fund to be used in accordance with the Escrow Agreement. A total of \$\_\_\_\_\_ will be deposited or transferred into the Escrow Fund to be used in accordance with the Escrow Agreement.

8. The undersigned officer of the City holds such position as of the date hereof.

**IN WITNESS WHEREOF**, this certificate has been executed on behalf of the City by the undersigned officer.

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Name:  
Title:

[S E A L]

**Annex 1**

**Provisions Relating to Redemption Prior to Maturity**