

ORDINANCE #2025-007

**AN ORDINANCE AUTHORIZING A GENERAL
OBLIGATION WARRANT IN THE PRINCIPAL AMOUNT OF \$195,000.00
AND MAKING PROVISION FOR THE PAYMENT THEREOF**

BE IT ORDAINED BY THE CITY OF ASHVILLE, ALABAMA (the "City") as follows:

Section 1. **Findings and Representations.** The City, by and through its City Council, does hereby find, determine, represent, and warrant as follows:

(a) It is necessary and in the public interest for the City to enter into and execute a general obligation warrant to METRO BANK for the provision of a term loan in the maximum principal amount of \$195,000.00 for the purpose of financing the acquisition of certain commercial property generally described as St. Clair County Parcels 11-03-08-0-002-007.000 and 11-03-08-0-002-009.000, for public use and benefit.

(b) The assessed valuation of the taxable property in the City for the preceding fiscal year (ending September 30, 2024) is not less than \$22,396,560.00, and the total indebtedness of the City chargeable against the debt limitation for the City prescribed by the Constitution of Alabama of 1901, including the debt of the Warrant, is not more than twenty percent (20%) of said assessed valuation.

Section 2. **Authorization and Description of Warrant.** Pursuant to the authority contained in the applicable provisions of the laws of Alabama, including without limitation, section 11-47-2 of the Code of Alabama (1975), there is hereby authorized to execute a warrant in the principal amount of \$195,000.00 (the "Warrant"). The Warrant shall be dated the date of delivery; shall provide for a maximum amount of One Hundred Ninety-Five Thousand and 00/100 Dollars; shall be payable to METRO BANK or its registered assignees; shall bear interest on the outstanding principal amount at the per annum rate of five and 75/100 percent (5.75%) (as computed on the basis of a 360-day year); and shall provide for payments of principal and interest as such advances are made with all balances owed on the outstanding obligations due and payable on June 16, 2025. The Warrant shall also be subject to prepayment prior to maturity at such times, in such amounts and under such circumstances; and shall contain such other terms and conditions all as set forth in the form of the Warrant, as stated herein below, Section 4 hereof. No other obligation other than the Warrant shall be issued pursuant to this ordinance.

The principal of and interest on the Warrant shall be payable at par and without discount, exchange, deduction or charge therefor, at the office of METRO BANK, Pell City, Alabama (800 Martin Street South, Pell City, Alabama 35128). The City hereby covenants and agrees to pay all bank charges for the Warrant.

Section 3. **Registration and Transfer of Warrant.** The Warrant shall be recorded and registered in the name of the Owner thereof by the City in a book of registration to be maintained for that purpose by the City. The person in whose name the Warrant is registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of the principal and interest on the Warrant shall be made only to or upon the order of such Owner, or its legal representative, and

neither the City nor any agent of the City shall be affected by any notice to the contrary. Such payment of the Warrant shall be valid and effectual to satisfy and discharge the liability of the City upon the Warrant.

The Warrant may be transferred only upon written request of the Owner or its legal representative addressed to the City, such transfer to be recorded on said book of registration and endorsed on the Warrant by the City. Upon presentation for transfer, the Warrant must be accompanied by a written instrument or instruments of transfer satisfactory to the City, duly executed by the Owner or its attorney duly authorized in writing. Upon presentation of the Warrant for transfer, the City shall endorse on the schedule attached to the Warrant for such purpose the principal amount of the Warrant unpaid and interest accrued thereon to the date of transfer. No charge shall be made for the privilege of transfer, but the Owner of the Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

Section 4. **Form of Warrant.** The form of the Warrant and the requisite certificates therefor shall be substantially as follows, with appropriate changes, variations and insertions as provided herein:

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF ASHVILLE, ALABAMA
GENERAL OBLIGATION WARRANT**

CITY OF ASHVILLE, ALABAMA (the "City"), organized and existing under and by virtue of the laws of the State of Alabama, for value received, hereby acknowledges itself indebted to **METRO BANK**, (hereinafter along with any other registered owner of this Warrant, referred to as "Owner") or its registered assignees noted hereon and does hereby order and direct the Treasurer of the City to pay, solely from the Warrant Fund hereinafter referenced the principal sum of

**ONE HUNDRED NINETY-FIVE THOUSAND AND 00/100 DOLLARS
(\$195,000.00)**

along with interest accruing thereon as stated herein below, along with other charges due hereon (hereinafter collectively the "Obligation"), all as evidenced by the records of Owner.

Interest: Interest shall accrue on the unpaid principal balance of the Obligation and shall be computed from the date hereon until maturity at a fixed rate equal to 5.75% per annum.

Payments: The principal and interest due on the Obligation shall be paid as follows:

- A. Two Hundred Forty (240) consecutive monthly principal and interest installments in the amount of approximately \$1,362.53, with the first such installment being due and payable Thirty (30) days after closing and the

remaining installments monthly thereafter. The amount of the monthly payment shall be equal to the amount which would be due assuming (i) a principal amount equal to the principal balance outstanding on the Obligation hereunder, (ii) the interest rate stated hereinabove, and (iii) an amortization period equal to twenty (20) years. On the Maturity Date all principal and interest shall be due and payable in full.

BORROWER SPECIFICALLY UNDERSTANDS AND AGREES THAT THE SCHEDULED MONTHLY PAYMENTS OF PRINCIPAL AND INTEREST ARE CALCULATED BASED ON A TWENTY (20) YEAR AMORTIZATION AND THAT THE AMORTIZATION PERIOD IS RELEVANT ONLY FOR PURPOSES OF CALCULATING THE MONTHLY PAYMENT, WHICH WILL RESULT IN A SIGNIFICANTLY HIGHER FINAL PAYMENT. ALL PRINCIPAL AND INTEREST ON THE ENTIRE REMAINING UNPAID BALANCE OF THE OBLIGATIONS WILL BE DUE AND PAYABLE IN FULL ON THE MATURITY DATE.

- B. The final payment will be in an amount equal to all of the principal of and interest on the Obligation then remaining unpaid.

Interest from date on the outstanding unpaid principal balance shall be computed on the basis of a 360-day year by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

Closed-end Credit: The principal sum shown above is the maximum amount of principal that City can borrow under this Warrant. As of the date of this Warrant, City has received the maximum amount available hereunder and future advances are not contemplated by the terms of this Warrant. Any repayment of part of the principal of the Obligations, will not entitle City to additional credit.

Maturity. All outstanding and unpaid principal and interest of this Warrant shall be payable in full, if not sooner paid, in July of 2045. This Warrant may be prepaid at any time from time to time in whole or part without premium or penalty and without any prior notice, provided that the interest due on the principal to be prepaid must be paid at the time of such prepayment.

Effect of Change in Interest Rate on Monthly Payments: The monthly payment on this Obligation will increase or decrease pursuant to a change in the interest rate. The monthly principal and interest installments shall be calculated based upon a Twenty (20) year amortization at the rate of interest then effect at the time of each interest rate change as specified herein. In the event of a change in the interest rate, the Lender will review the amount of the monthly payment, and may, at Lender's discretion recalculate the amount of the monthly payment and so notify Borrower, who shall thenceforth make monthly payments in the amount so indicated. The ability of Lender to make changes in the amount of the monthly payment can occur upon each change of the interest rate. In the event Lender does not change the amount of the monthly payment when interest rate changes or any time thereafter, then the final payment due on this Obligation will increase.

Each payment on this Warrant shall be reflected by notations made by the Owner on its internal records (which may be kept on compute or otherwise), and the Owner is hereby authorized to record on such records all such and payments. The aggregate unpaid amount reflected by the Owner's notations on its records (whether on computer or otherwise) shall be deemed rebuttably presumptive evidence of the principal amount remaining outstanding and unpaid on this Warrant. No failure of the Owner so to record any payment shall limit or otherwise affect the obligation of the City hereunder and no payment of principal by the City shall be affected by the failure of the Owner to record the same.

The execution hereof has been duly authorized at a meeting of the governing body of the City and issued under and pursuant to a resolution adopted by the governing body of the City and the constitution and laws of the State of Alabama, including particularly Section 11-47-2 of the Code of Alabama, 1975.

The City hereby orders and directs the Treasurer or Depository of the City to pay to Owner, or its assignees from the Fund hereinafter referred the principal and accrued interest outstanding on the Obligation when same becomes due.

The indebtedness evidenced hereby shall be a general obligation of the City, and the full faith and credit of the City are hereby sacredly and irrevocably pledged to the punctual payment of the principal hereof and interest hereon.

It is hereby recited, certified 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 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 execution, registration and issuance of this Warrant, and the adoption of the ordinance authorizing its issuance, have happened, do exist and have been performed as so required and that the principal amount of this Warrant, together with all other indebtedness of the City, are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

Form of Payments: All payments coming due on this Warrant shall be made in cash or immediately available funds at Owner's office at which payment is made. At its option, Owner may elect to give the City credit for any payment made by check or other instrument in accordance with the Owner's availability schedule in effect from time to time for such items and instruments, which the Owner will make available to the City on request.

Application of Payments: Each payment on the Obligation will first reduce charges owed by the City that are neither principal nor interest. The remainder of each payment will be applied first to accrued but unpaid interest and then to unpaid principal.

Late Charge: The City further agrees to pay to Owner, on demand, a late charge computed as follows to cover the extra expense involved in handling late payments. If any scheduled payment of principal or principal plus interest is in default ten (10) days or more then the late charge will be equal to the lesser of 5% of any payment that is not paid within such 10 days after it is due or \$100.00. This provision shall not be deemed to excuse a late payment or be deemed a waiver of any other right Owner may have, including, without limitation, the right to declare the entire unpaid principal and interest immediately due and payable.

Prepayment: The principal of this Warrant is subject to prepayment prior to maturity at the option of the City on any date, in whole or in part (but if in part, such prepayment shall be applied to the principal installments hereof in the inverse order of their maturity or due dates), without premium or penalty, upon prior notice to the Owner hereof and payment of the principal amount hereof to be prepaid plus interest accrued on such principal amount to the date of such prepayment.

Events of Default and Default: The occurrence of any of the following events shall constitute an Event of Default hereunder, time being of the essence, entitling the Owner, at its option, and without further notice to the City, to declare the entire Obligation (principal plus accrued interest and charges) immediately due and payable at once and in full with interest to date:

1. a default in the payment of any one or more installments of principal or interest that may become due hereunder, when and as the same fall due; or
2. a default in the payment of all principal and interest due hereunder at maturity; or
3. failure to pay when due or to perform or comply with any of the (i) obligations or provisions under this Warrant, or (ii) other obligations and indebtedness of City to Owner now existing or hereafter incurred or arising, direct or indirect, and however incurred or any part thereof; or
4. a default occurs under the terms of this Warrant or any other documents pertaining to the Obligation; or
5. the insolvency of, general assignment by, calling a meeting of creditors by, judgment against, filing of a petition in bankruptcy by or against, filing a petition for the reorganization of, filing of application in any court for receiver for, or issuance of a writ of garnishment or attachment in a suit or action against the City or against any of the assets of the City.

Failure of the Owner to declare such indebtedness to be due and payable in the Event of a Default shall not constitute a waiver of the right later to declare the entire indebtedness to be at once due and payable. Owner may note the fact of acceleration hereon without stating the grounds therefor, and whether or not noted hereon such election to accelerate shall be effective.

Upon the occurrence of an Event of Default, both principal and accrued interest on this Obligation shall bear interest after maturity or default at the rate equal to the rate on the Obligation set forth above.

Rights upon an Event of Default: The City agrees (i) the Owner shall have all rights and remedies for the enforcement of this Note as may be provided by the laws of the State of Alabama, and (ii) the Treasurer of the City is subject to mandamus in the event such officer has money available for payment of principal of and interest on this Warrant and does not, as required by this Warrant, deposit such money in the Fund, when as required by this Warrant in each fiscal year, and apply such proceeds (and investment earnings thereon) to the payment of the principal

of and interest on this Warrant when and as the same become due and payable in each fiscal year in amounts sufficient for such purposes.

Financial Reporting: So long as there shall be an outstanding Obligation to Owner, the City covenants and agrees that:

- a) the City shall submit or cause to be submitted to Owner the City's audited fiscal year-end financial statements within one hundred twenty (120) days after the close of each fiscal year, including a balance sheet as of the close of such period, an income statement, and a reconciliation of equity prepared by a certified public accountant acceptable to Owner in accordance with generally accepted accounting principles; and
- b) the City shall submit or cause to be submitted to Owner such other financial information as Owner may request from time to time, including but not limited to that information as may be required for Owner to determine the City's compliance with the terms of this instrument.

City's Warranties and Representations: In order to induce Owner to make and to continue to make advances hereon, the City represents, covenants and warrants to Owner the following:

- a) The City has heretofore furnished to Owner financial information of the City, and such financial information presents fairly the financial position therein reflected for the respective period covered thereby, in conformity with generally accepted accounting principles applied on a consistent basis through the periods involved;
- b) There has been no material adverse change in the City's financial condition since the date or dates of such financial information and there will be no material adverse change in such conditions at any time Owner makes an advance of which Owner will not have written notice;
- c) There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the City's knowledge threatened or in prospect against or affecting the City, or any property or rights of the City, which if adversely determined, would materially impair the City's ability to carry on its business in accord with the projections furnished Owner or would materially and adversely affect the City's financial condition;
- d) The City is not now in default, in any material respect or under any judgment, order, injunction, rule, ruling, or regulation of any court or governmental commission, agency, or instrumentality;
- e) Neither the execution and delivery of this Obligation, the assignments nor the consummation of the transactions contemplated hereby and thereby, nor compliance with the terms and provisions hereof and thereof, will conflict with, violate or result in a breach of or default under or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the assets of the City, pursuant to the terms of any provision of any permit, franchise, contract, or

agreement, any law, ordinance or rule or any order, certificate, license, regulation or decree of the United States or any state, territory, or political subdivision thereof, or any court, agency or other tribunal under which the City or any of the City's assets are subject;

- f) The City is not in default of the performance, observation, or fulfillment of any of the obligations, covenants, or conditions contained in any of the foregoing or any material agreement or instrument to which the City is a party or by which the City is bound;
- g) The City has good and marketable title to all of the City's assets, subject to no lien, mortgage, pledge, encumbrance, or charges of any kind not previously disclosed in writing to Owner except inchoate liens arising by operation of law for obligations which are not yet due;
- h) The City will maintain insurance (including casualty, liability, and business interruption insurance) with insurance companies satisfactory to Owner on such of the City's properties, in such amounts and against such risks as is customarily maintained by similar cities in the same vicinity, and, within 10 days after notice in writing from Owner shall obtain such additional insurance as Owner may reasonably request;
- i) The City will comply with all applicable statutes and governmental regulations and pay all taxes, assessments, charges, claims for labor, supplies, rent, and other obligations which, if unpaid, might give rise to a lien against our property except claims being contested in good faith against which reserves have been set up;
- j) The City will maintain a system of accounting and keep such records and accounts as may be required or necessary to permit the preparation of financial statements in accord with generally accepted accounting principles applied on a consistent basis through the periods involved;
- k) The City has the full power and authority to enter into this Warrant, to execute and deliver this Warrant, and to incur the obligations provided for therein, all of which have been authorized by all proper and necessary action;
- l) The City will not otherwise become or remain liable in connection with the obligations of any other person or company except for temporary short-term investments and high-grade commercial paper and certificates of deposit;
- m) The City will duly and punctually pay the principal and interest on the Obligation in accordance with the terms thereof and of this instrument and pay other indebtedness reflected on City's financial statements in accordance with the terms of such indebtedness; and

Owner may Enter into Participation Arrangements: The City understands that the Owner may from time to time enter into a participation agreement or agreements with one or more participants pursuant to which such participant or participants shall be given participation in advances made under this Warrant and that such participants may from time to time similarly grant to other participants subparticipations in such advances. For the

purposes of this paragraph only, the City and every other party liable hereon shall be deemed to be directly obligated to each participant or subparticipant in the amount of its participating interest in the amount of the principal of, and interest on, advances made under this Warrant.

Waivers, Cost of Collection, Miscellaneous: The City hereby agrees to pay all costs of preparing, collecting, securing or attempting to collect this Warrant and the Obligation, or defending any unsuccessful claim asserted against the Owner in connection with this Warrant or the Obligation, including court costs, expenses of collection, and including a reasonable attorney's fee. The City agrees to provide Owner, upon request, any financial statements or information Owner may deem necessary; and notes that all financial statements and information so provided shall be accurate, correct, and complete. No failure or delay on the part of Owner in exercising any right, power or privilege under this Warrant shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. No modification, amendment or waiver of any provisions of this Warrant shall be effective unless in writing and signed by a duly authorized officer of Owner, and then the same shall be effective only in the specific instance and for the purpose for which given. All rights and remedies hereunder and under any statute or rule of law or at equity shall be cumulative and may be exercised successively or concurrently. This Warrant shall be governed by and construed in accordance with the laws of the State of Alabama. **THE CITY CONSENTS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED IN ST. CLAIR COUNTY, ALABAMA AND WAIVES ANY OBJECTION IT MAY HAVE BASED UPON IMPROPER VENUE OR FORUM NON CONVENIENS OR TO THE CONDUCT OF ANY PROCEEDINGS IN ANY SUCH COURT. IN ANY JUDICIAL PROCEEDING BROUGHT WITH RESPECT TO, RELATING TO, OR PERTAINING TO THIS WARRANT, THE OBLIGATIONS, THE ADMINISTRATION, HANDLING OR COLLECTION OF THE OBLIGATION, OR THE ACTIONS OF OWNER, THE CITY WAIVES ANY RIGHT TO TRIAL BY JURY.** The City covenants and agrees that it will furnish Owner a prompt written notice of any action or inaction by Owner or its agents or attorneys in connection with this Warrant, or the advances or obligations thereunder, that may be actionable against Owner, its agents, the Owner's attorneys, or a defense to payment of the City's obligations to the Owner for any reason, including, but not limited to, commission of a tort or violation of any contractual duty or duty implied by law. City further agrees that, unless this notice is duly given as promptly as possible (and in any event within thirty (30) days) after the City has knowledge or with the exercise of reasonable diligence should have had knowledge of any such action or inaction, City will not assert and shall be deemed to have waived, any claim or defense arising therefrom. Any provision of this Warrant that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. This Warrant and the Ordinance issuing same contain the entire understanding and agreement between the City and the Owner with respect to the Obligation and supersede any and all prior agreements, understandings, promises, and statements with respect to the Obligation. This Warrant may not be modified, amended, or supplemented in any manner except by a written agreement executed by both the City and the Owner.

Establishment of a Fund: The City has established by the ordinance authorizing the issuance of this Warrant a special fund designated "2025 General Obligation Fund" for the payment of the principal of and interest on this Warrant and has obligated itself to pay or

cause to be paid into said Fund from the taxes, revenues or funds of the City sums sufficient to provide for the payment of the principal of and interest on this Warrant as the same mature and come due.

Registration of this Warrant: This Warrant is recorded and registered as to principal and interest in the name of the Owner on the book of registration maintained for that purpose by the City. The person in whose name this Warrant is registered shall be deemed and regarded as the absolute Owner hereof for all purposes and payment of the principal of and interest on this Warrant shall be made only to or upon the order of the Owner thereof or its legal representative, and neither the City nor any agent of the City shall be affected by any notice to the contrary. Such payment of principal of and interest on this Warrant shall be valid and effectual to satisfy and discharge the liability of the City upon this Warrant.

Transferability of this Warrant: This Warrant may be transferred only upon written request of the Owner or its legal representative addressed to the City, such transfer to be recorded on said book of registration and endorsed hereon by the City. Upon presentation to the City for transfer, this Warrant must be accompanied by a written instrument or instruments of transfer satisfactory to the City, duly executed by the Owner or its attorney duly authorized in writing, and the City shall endorse on the schedule attached hereto for such purpose the principal amount of this Warrant unpaid and the interest accrued hereon to the date of transfer. No charge shall be made for the privilege of transfer, but the Owner of this Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

Ancillary Documents and Agreements: The City agrees to execute all other agreements, affidavits, power of attorney, pledges, assignments, conveyances, warrants, Warrants, and other instruments as may reasonably be requested by the Owner in connection with the Obligations.

[SIGNATURES ON FOLLOWING PAGES.]

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[WARRANT SIGNATURE PAGE.]

IN WITNESS WHEREOF, we the undersigned Mayor and Clerk of CITY OF ASHVILLE, ALABAMA have hereunto set our hands and affixed the seal of said City and have caused this Warrant to be dated June 16, 2025.

CITY OF ASHVILLE, ALABAMA

By: 

Derrick Mostella
Its Mayor

ATTEST: _____

Chrystal St. John
City Clerk

SEAL

[TREASURER'S REGISTRATION ON FOLLOWING PAGE.]

REGISTRATION

I hereby certify that this Warrant has been duly registered by me as a claim against CITY OF ASHVILLE, ALABAMA, and the Fund referred to herein.

Treasurer or Depository of the
CITY OF ASHVILLE,

ALABAMA

REGISTRATION OF OWNERSHIP

This Warrant is recorded and registered on the registry books of the CITY OF ASHVILLE, ALABAMA in the name of the last owner named below. The principal of the interest on this Warrant shall be payable only to or upon the order of such Owner.

| Date of Registration | In Whose Name Registered | Signature of Authorized Officer of the City |
|-------------------------------|--------------------------------|--|
| <u>June 16, 2025</u> _____ | <u>Metro Bank</u> _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

**ENDORSEMENT BY THE CITY OF UNPAID
PRINCIPAL AND ACCRUED INTEREST
ON DATE OF TRANSFER .**

| Date of Transfer | Principal Unpaid | Accrued Interest on Date of Transfer | Signature of Authorized Officer of the City |
|---------------------|---------------------|--|---|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Section 5. **Execution of the Warrant and Ancillary Documents.** The Warrant and all documents relating thereto or associated therewith shall be executed in the name and on behalf of the City by the Mayor of the City and attested by the Clerk of the City and the official seal of the City shall be affixed thereto. The Warrant shall be registered by the Treasurer or Depository of the City in the records maintained by said Treasurer or Depository as a claim against the City and the Warrant Fund hereinafter established, and the registration of ownership of the Warrant shall be executed by said Treasurer or Depository who shall also make the endorsements provided at the time of any transfer and shall make the notations provided with respect to any partial

prepayment. Said officers are hereby directed to so execute, attest and register the Warrant and to make the appropriate endorsements and notations, if any, thereon.

Section 6. **Warrant Evidences General Obligation.** The indebtedness evidenced and ordered paid by the Warrant shall be a general obligation of the City for the punctual payment of the principal of and interest on which the full faith, credit and taxing power of the City are hereby sacredly and irrevocably pledged.

Section 7. **Warrant Fund.** There is hereby established a special fund designated the "2025 General Obligation Warrant Fund" (the "Warrant Fund"). Money in the Warrant Fund shall be used solely for the payment of the principal of and interest on the Warrant. The City shall pay or cause to be paid into the Warrant Fund from time to time such sums as shall be sufficient to assure the payment of the principal of and interest on the Warrant as it matures and comes due. The Warrant Fund shall be maintained in such bank as the City shall designate and the Treasurer of the City shall cause deposits to be thereto and withdrawals therefrom as aforesaid.

Section 8. **Expenses of Collection; Interest After Maturity or Default.** The City covenants and agrees that, if the principal of and interest on the Warrant are not paid promptly as such principal and interest matures and comes due, it will pay to the Owner of the Warrant or the respective registered assigns thereof all expenses incident to the collection of any unpaid portion thereof, including a reasonable attorney's fee. Moreover, the City covenants and agrees that upon the occurrence of an Event of Default, both principal and accrued interest on this Obligation shall bear interest after maturity or default at the rate equal to the rate on the Obligation.

Section 9. **Sale and Delivery of Warrant; Closing Papers.** The Warrant is hereby sold and issued to METRO BANK, upon the payment of the City of the purchase price of \$195,000.00. The City has determined that the sale of the Warrant to such purchaser on such terms is most advantageous to the City. The Warrant shall be delivered to such purchaser at Lincoln, Alabama, upon the payment to the City of the aforesaid purchase price. The City Treasurer or Depository is hereby authorized and directed to affect such delivery and in connection therewith to deliver such closing papers containing such representations as are required to demonstrate: the legality and validity of the Warrant, and the absence of pending or threatened litigation with respect to any of such matters. The Treasurer or Depository shall give a receipt to said purchaser for the purchase price paid, and such receipt shall be full acquittal to said purchaser and said purchaser shall not be required to see to, or be responsible for, the application of the proceeds of the Warrant. Nevertheless, the proceeds of the Warrant shall be held in trust and applied solely for the purposes specified in this ordinance.

Section 10. **Application of Proceeds of Warrant.** The proceeds from the sale of the Warrant shall be held in trust by the Treasurer or Depository of the City and applied by the Treasurer or Depository of the City for the purpose referred to in Section 1 of this ordinance, including the payment of expenses incurred in connection with the issuance of the Warrant.

Section 11. **Provisions of Ordinance a Contract.** The terms, provisions and conditions set forth in this ordinance constitute a contract between the City and Owner of the Warrant and shall remain in effect until the principal of and interest on the Warrant shall have been paid in full.

Section 12. **Severability.** The provisions of this ordinance are severable. In the event that any one or more of such provisions or the provisions of the Warrant shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this ordinance or of the Warrant, and this ordinance and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.


Section 13. **Repeal of Conflicting Provisions.** All ordinances, resolutions and orders or parts thereof in conflict with this ordinance are, to the extent of such conflict, hereby repealed.

Adopted this 16th day of June 2025.

CITY OF ASHVILLE, ALABAMA

By: 

Derrick Mostella
Its Mayor

ATTEST: 
Chrystal St. John
City Clerk

SEAL