

2941

BOOK 159 PAGE 484

*The same  
admitted*

STATE OF ALABAMA )  
SHELBY COUNTY )

I, the undersigned, the duly elected, qualified and acting Town Clerk of the Town of Helena, do hereby certify that annexed hereto is a true and correct copy of an Ordinance duly adopted by the Town Council of the Town of Helena at a meeting duly held on the 11th day of March, 1953.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official corporate seal of the Town of Helena, Alabama, this 15 day of April, 1953.

*Mae Joe Davidson*  
Town Clerk

S E A L

AND SALE OF \$85,000 4% GAS SYSTEM REVENUE BONDS OF THE TOWN OF HELENA, ALABAMA, FOR THE PURPOSE OF DEFRAYING THE COST OF CONSTRUCTION OF A GAS SYSTEM FOR SAID TOWN AND SURROUNDING TERRITORY, PRESCRIBING THE DETAILS OF SAID BONDS, AND PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES FROM SAID GAS SYSTEM.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HELENA, Alabama, as follows:

Section 1. That the Town Council, upon evidence duly submitted to and considered by it, hereby finds and determines that there is no gas system or portion thereof now operated by any private or public utility, corporation, individual, partnership or association as a public utility or otherwise within the corporate limits of the Town of Helena or within the surrounding territory outside of such corporate limits in which said Town proposes to establish a gas system.

Section 2. That the Town Council hereby determines that it is necessary and advisable to acquire by construction a gas system in the Town of Helena and surrounding territory and that said system shall consist of transmission lines and a distribution system, including all necessary buildings, real estate, easements, rights-of-way, pipe lines, valves, meters, apparatus and equipment, and all other real and personal property necessary to constitute a complete natural gas transmission and distribution system for said Town and surrounding territory. The term "System" as hereinafter employed in this ordinance shall be understood and construed to mean the complete natural gas transmission and distribution system of the Town of Helena, lying both within and outside of the boundaries of said Town as said system is initially constructed with the proceeds of the Bonds herein authorized, together with all improvements, appurtenances, extensions and additions thereto which may be made while any of the Bonds remain outstanding. The term "the Municipality" as hereinafter employed in this Ordinance shall be understood and construed to mean the Town of Helena. The term "Governing Body" as hereinafter employed in this Ordinance shall



be understood and construed to mean the Town Council of the Town of Helena, Alabama, or such other governing body as shall succeed to the functions and duties of said Town Council.

Section 3. That the Governing Body of the Municipality has caused an estimate of the cost of the proposed System to be made by J. W. Goodwin Engineering Co., Engineers, Birmingham, Alabama, and hereby finds and determines that the estimated cost of said System, including all engineering, legal and other expenses incident thereto, as shown by said estimate, is \$85,000.

Section 4. That the Governing Body of the Municipality, upon evidence duly submitted to and considered by it, hereby estimates the period of usefulness of said System to be thirty-one (31) years, or until March 2, 1984.

Section 5. That \$85,000 aggregate principal amount of 4% Gas System Revenue Bonds of the Town of Helena, Alabama (herein called the "Bonds") are hereby authorized to be issued under and pursuant to the provisions of Sub-division 3, of Article 2, of Chapter 6 (Sections 308 to 340, inclusive) of Title 37 of the Code of Alabama, 1940, as amended, for the purpose of defraying the cost of acquiring by construction the aforesaid proposed System. The Bonds shall be dated March 1, 1953, shall be in the denomination of \$1,000 each, shall be numbered from 1 to 85, consecutively, in the order of maturities, shall bear interest at the rate of four per cent (4%) per annum until paid, payable on September 1, 1953 and semi-annually thereafter on the first day of March and the first day of September in each year, said interest to be evidenced by coupons attached thereto, and shall mature serially in the following amounts on the first day of March in each of the following years, respectively:

<u>NUMBERS OF MATURING BONDS</u>	<u>TOTAL PRINCIPAL AMOUNT MATURING</u>	<u>YEAR OF MATURITY</u>
1-2	\$ 2,000	1956
3-4	2,000	1957
5-6	2,000	1958
7-8	2,000	1959
9-10	2,000	1960
11-12	2,000	1961
13-14	2,000	1962
15-16	2,000	1963
17-18	2,000	1964
19-20	2,000	1965
21-22	2,000	1966
23-25	3,000	1967
26-28	3,000	1968
29-31	3,000	1969
32-34	3,000	1970
35-37	3,000	1971
38-40	3,000	1972
41-43	3,000	1973
44-47	4,000	1974
48-51	4,000	1975
52-55	4,000	1976
56-59	4,000	1977
60-63	4,000	1978
64-67	4,000	1979
68-71	4,000	1980
72-75	4,000	1981
76-80	5,000	1982
81-85	5,000	1983

Section 6. All of the Bonds of this issue of Bonds which mature on March 1, 1964 and thereafter shall be redeemable, at the option of the Town of Helena, on March 1, 1963 or on any interest payment date thereafter. Any redemption may be in whole or in part, but if in part, shall be in the inverse order of maturities and identification numbers, latest maturities and highest numbers first, and any redemption shall be at a redemption price equal to the par value thereof, plus accrued interest thereon to the redemption date plus a redemption premium which shall be equal to  $\frac{1}{4}$  of 1% of the par value of each Bond to be redeemed for each year or fraction thereof from the date fixed for redemption to the date of maturity of each Bond to be redeemed, provided, however, that said redemption premium for any Bond redeemed shall in no event exceed 4% of the par value of such Bonds. Notice of the intended redemption of any of the Bonds shall be given by publication, not less than sixty (60) days

prior to the proposed redemption date, at least once in a daily newspaper published and of general circulation in the City of Birmingham, Alabama. Notice of such redemption having been so given and funds for the payment of the redemption price having been set aside and made available for the payment of such redemption price, each of the Bonds so called for redemption shall cease to bear interest from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

Section 7. That both the principal of and interest on all of the Bonds shall be payable in lawful money of the United States of America at the principal office of The First National Bank of Birmingham, Alabama, in the City of Birmingham, Alabama. The Bonds, together with interest thereon, shall be payable solely from the revenues derived from the operation of the System and the Bonds shall not in any event constitute an indebtedness of the Town of Helena within any state constitutional provision or statutory limitation. The principal of and interest on the Bonds shall be exempted from any and all state, county and municipal and other taxation whatsoever under the laws of the State of Alabama.

Section 8. That the Bonds shall be payable to bearer and shall have all of the qualities and incidents of negotiable instruments under the law merchant and Title 39 of the Alabama Code of 1940, except, they shall not be construed as containing an unconditional promise to pay.

Section 9. That the Bonds and the coupons thereunto appertaining and the form of authentication to be printed on the reverse of the Bonds shall be in substantially the following form:



UNITED STATES OF AMERICA  
STATE OF ALABAMA  
COUNTY OF SHELBY  
TOWN OF HELENA  
4% GAS SYSTEM REVENUE BOND

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

\$1,000

KNOW ALL MEN BY THESE PRESENTS: That the Town of Helena, in the County of Shelby, the State of Alabama, for value received hereby promises to pay to bearer, but solely from the Bond and Interest Redemption Fund hereinafter mentioned, the sum of

ONE THOUSAND DOLLARS

on the first day of March, 19 53, and from said special fund, to pay interest on said sum from the date hereof at the rate of four per cent (4%) per annum, payable on September 1, 1953 and semi-annually thereafter on the first day of March and the first day of September in each year until paid. Both the principal of and interest on this Bond are payable in lawful money of the United States of America at the principal office of The First National Bank of Birmingham, Alabama, in the City of Birmingham, Alabama.

This Bond is one of a duly authorized issue of \$85,000 principal amount of 4% Gas System Revenue Bonds of the Town of Helena, of like tenor except as to maturity dates, numbers and redemption provisions, issued or to be issued under the provisions of Subdivision 3, Article 2, Chapter 6, (Sections 308 to 340), Title 37 of the Alabama Code of 1940, as amended, together with all other laws amendatory thereof or supplementary thereto and under and pursuant to an ordinance of the Town of Helena, duly enacted, for the purpose of defraying the cost of acquiring by construction a natural gas system for said Town and surrounding territory. This Bond and all of the Bonds of said issue which may, from time to time, be outstanding, are payable solely from revenues derived from the operation of said gas system and do not constitute an indebtedness of said Town within any State constitutional provision or statutory limitation.

The Town of Helena hereby covenants and agrees to maintain such rates for services furnished by the said natural gas system as shall be sufficient (a) to provide for the payment of the interest upon and the principal of this Bond and of the other Bonds of the issue of which this Bond forms a part as and when the same become due and payable, to create and maintain the Bond and Interest Redemption Fund, and a Cushion Fund therein, both of said Funds to be held in trust by the Trustee hereinafter referred to, for the payment of the principal of and interest on said Bonds as they become due and payable; (b) to provide for the payment of the expenses of the administration and operation and such expenses for maintenance of the said natural gas system as are necessary to preserve the same in good repair and working order; (c) to build up and maintain a reserve for depreciation of the existing system; and (d) to build up and maintain a reserve for improvements, betterments and extensions to the existing system other than those necessary to maintain the same in good repair and working order as aforesaid.

By virtue of the aforesaid laws of the State of Alabama and the ordinance authorizing the issuance of this Bond, a statutory mortgage lien upon said natural gas system and the appurtenances and extensions thereto has been created in favor of the holder or holders of this Bond and of the Bonds of the issue of which this Bond forms a part and in favor of the holder of the interest coupons of said Bonds. Said system shall remain subject to said statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the Bonds of the issue of which it forms a part, provided that said statutory mortgage lien shall not be construed to give any such Bond or coupon holder authority to compel the sale of said system or any part thereof. Under the provisions of the aforesaid ordinance authorizing the issuance of this Bond, The First National Bank of Birmingham, Alabama, has been made Trustee for the benefit of the



holders of this Bond and of the Bonds of the issue of which this Bond forms a part, with the rights and duties more specifically provided in said ordinance, to which ordinance reference is hereby made for a description of the term and conditions of the aforesaid statutory mortgage lien and the respective rights of the bondholders and of the Trustee in respect to such lien.

The principal of and interest on this Bond are exempted from any and all state, county and municipal and other taxation whatsoever under the laws of the State of Alabama.

The Bonds of this issue of Bonds which mature on March 1, 1964, and thereafter are redeemable at the option of the Town of Helena on March 1, 1963 or on any interest payment date thereafter. Any redemption may be in whole or in part, but if in part, shall be in the inverse order of maturities and identification numbers, latest maturities and highest numbers first, and any redemption shall be at a redemption price equal to the par value thereof plus accrued interest thereon to the redemption date plus a redemption premium which shall be equal to  $\frac{1}{4}$  of 1% of the par value of each Bond to be redeemed for each year or fraction thereof from the date fixed for redemption to the date of maturity of each Bond to be redeemed, provided, however, that said redemption premium for any Bond redeemed shall in no event exceed 4% of the par value of such Bond. Notice of the intended redemption shall be given by publication not less than sixty (60) days prior to the proposed redemption date, at least once in a daily newspaper published and of general circulation in the City of Birmingham, Alabama. If any of said Bonds so redeemable shall have been called for redemption as hereinabove provided, interest shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

In the event of any default by the Town of Helena in the payment of principal of or interest on this or the other Bonds of



this issue, or any other default as provided in the ordinance authorizing their issuance, the Trustee may declare the principal of this Bond and the interest accrued thereon immediately due and payable, whereupon this Bond and such interest shall become immediately due and payable and the holder hereof shall be entitled to all remedies and rights set forth in said ordinance.

Neither this Bond nor any appurtenant coupon shall be valid or become obligatory for any purpose unless this Bond shall have been authenticated by the execution by the Trustee of the certificate hereon endorsed.

It is hereby recited, certified and declared 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 Bond and of the issue of which it forms a part, and the adoption of the ordinance authorizing its issuance, have happened, do exist and have been performed as so required, and that provision has been made for depositing in the Bond and Interest Redemption Fund, and the Cushion Fund therein, sufficient revenue received from the operation of said natural gas system to assure the payments of the principal of and interest on this and the other Bonds of this issue as they become due and payable.

IN WITNESS WHEREOF, THE TOWN OF HELENA has caused this Bond to be executed in its name and on its behalf by its Mayor and by its Treasurer and its corporate seal to be affixed and attested by its Town Clerk, and the coupons hereunto attached to be executed with the facsimile signature of its Mayor, all as of the 1st day of March, 1953.

TOWN OF HELENA

By Frank Naish  
Its Mayor

Mrs. Virginia S. Murphy, Treas.  
Town Treasurer

S E A L

Attest: Mrs. Joe Davidson  
Town Clerk

(Form of Coupon)

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

\$ \_\_\_\_\_

On March (September) 1, 1953 \*(unless the Bond hereinafter mentioned shall have been called for prior redemption and payment of the redemption price duly made or provided for) the Town of Helena will pay to bearer, but solely from the Bond and Interest Redemption Fund provided for that purpose at the principal office of The First National Bank of Birmingham, Alabama, in the City of Birmingham, Alabama, the sum of Twenty Dollars (\$20.00) in lawful money of the United States of America, which sum will, on said date, be six (6) months' interest then due on its 4% Gas System Revenue Bond dated March 1, 1953, No. \_\_\_\_\_.

TOWN OF HELENA

By Flord Maish  
Its Mayor

\*NOTE: The parenthetical clause "(unless the Bond hereinafter mentioned shall have been called for prior redemption and payment of the redemption price duly made or provided for)" is to be inserted only in coupons coming due on September 1, 1963 and thereafter, of all Bonds.

(Form of Trustee's Certificate)

This certifies that the within Bond is one of the Bonds described in the within mentioned Ordinance.

By \_\_\_\_\_  
Authorized Officer



Section 10. That the Bonds shall be executed in the name and on behalf of the Town of Helena by its Mayor and by its Treasurer, and its official corporate seal shall be thereunto affixed and attested by its Town Clerk. The coupons affixed to said Bonds shall be executed in the name of the Town of Helena with the facsimile signature of its Mayor. In case any of the officers whose signature or counter-signature appears on the Bonds or coupons shall cease to be such officer before delivery of such Bonds, such signature or counter-signature shall nevertheless be valid and sufficient for all purposes, the same as if they had remained in office until such delivery.

Section 11. None of the Bonds shall be valid or obligatory for any purpose or shall be entitled to any right or benefit under this Ordinance unless there shall be endorsed thereon a certificate of authentication in substantially the form hereinabove mentioned, duly executed by the Trustee, and such certificate of the Trustee upon any Bond executed on behalf of the Town shall be conclusive evidence and the only evidence that the Bond so authenticated has been duly issued under this Ordinance and that the holder thereof is entitled to the benefit of this Ordinance.

Section 12. In case any of the Bonds or any of the coupons appurtenant thereto shall be or become mutilated, destroyed, stolen or lost, then upon the surrender of such mutilated Bond or coupon to the Trustee, or the presentation to the Town and to the Trustee of evidence satisfactory to them, respectively, of the destruction, theft or loss of such Bond or coupon and that the claimant was the true owner thereof at the time of such event, and, in any event, upon being furnished with indemnity satisfactory to them respectively and upon the payment of all necessary expenses incurred by the Town and the Trustee in investigating said claim and in issuing a new Bond or coupon, the Town shall issue and the Trustee shall thereafter authenticate and deliver to or upon the order of such claimant, a Bond or coupon of like tenor, date, principal amount and maturity as the Bond or coupon

so mutilated, destroyed, stolen, or lost with such notations thereon as the Town and the Trustee shall determine. The Trustee shall forthwith cremate any mutilated Bonds or coupons so surrendered and deliver a certificate of cremation to the Town.

#### SALE OF THE BONDS

Section 13. That the Bonds shall be sold to the highest bidder at public sale at auction in the manner prescribed in Sections 258, 259, and 260 of Title 37 of the Code of Alabama, 1940, as amended, and to this end the Mayor and Town Clerk are hereby authorized and directed to publish a notice of public sale, in substantially the following form, once a week in each of two consecutive weeks in the Reporter-Democrat (which the Town Council, upon evidence submitted to and considered by it, hereby finds to be a newspaper published and of general circulation in Shelby County and of general circulation in the Town of Helena, there being no newspaper published in the Town of Helena), the first of these publications to be not less than ten (10) days before the date of sale:



NOTICE OF SALE OF \$85,000 PRINCIPAL AMOUNT OF 4%  
GAS SYSTEM REVENUE BONDS OF THE TOWN OF HELENA, ALABAMA

The Town Council of the Town of Helena will meet at 2 o'clock P.M., on April 8, 1953, in the Town Hall of said Town for the purpose of conducting a public sale at auction of \$85,000 principal amount of 4% Gas System Revenue Bonds of the Town of Helena, said bonds to be dated March 1, 1953, and to mature on March 1 in each of the following years in the following amounts: \$2,000 in each of the years 1956 to 1966, inclusive; \$3,000 in each of the years 1967 to 1973, inclusive; \$4,000 in each of the years 1974 to 1981, inclusive; and \$5,000 in each of the years 1982 and 1983. Said Bonds shall bear interest at the rate of four per cent (4%) per annum, payable on September 1, 1953 and semi-annually thereafter on March 1 and September 1 in each year until paid. The Bonds which mature in 1964 and thereafter shall be redeemable, at the option of the Town of Helena, on March 1, 1963, or on any interest payment date thereafter, in whole or in part, but if in part, shall be in the inverse order of maturities and identification numbers, latest maturities and highest numbers first. Any redemption shall be a redemption price equal to the par value thereof, plus accrued interest thereon to the redemption date plus a redemption premium which shall be equal to  $\frac{1}{2}$  of 1% of the par value of each Bond to be redeemed for each year or fraction thereof from the date fixed for redemption to the date of each Bond to be redeemed, provided, however, that said redemption premium for any Bond redeemed shall in no event exceed 4% of the par value of such Bond. Each bidder will be required to deposit \$1,700 in cash or a certified check for \$1,700 payable to the order of the Town of Helena, with the Town Treasurer to assure his purchase of and payment for the Bonds if awarded to him. All deposits will be returned at the conclusion of the sale except that of the successful bidder. Should the successful bidder fail to purchase and pay for the Bonds as required, his deposit shall

be retained by the Town of Helena as liquidated damages. The Town will furnish printed Bonds, legal opinions and pay other expenses connected with the issuance and sale of the Bonds. The Town Council shall have the right to reject all bids. The Bonds are to be subject to the legal opinion of Thompson, Dumas, O'Neal and Hayos, of Birmingham, Alabama.

Frank Naish  
Mayor

Attest: Mrs. Sue Davidson  
Town Clerk

Section 14. The Mayor is authorized to fix the date and time of the aforesaid public sale and the dates of publication of the Notice of Sale.



THE BUDGET FOR THE SYSTEM

Section 15. That the System shall be operated on the basis of a fiscal year, beginning on the first day of March and ending on the last day of February in the following year.

Section 16. Prior to the beginning of each fiscal year, the Municipality shall cause to be prepared and approved by its Governing Body an annual budget for the System. Said budget shall include the following:

- (a) The estimated gross revenues and income to be derived from the System during such fiscal year;
- (b) The sum required for the payment of the principal of and interest on the Bonds maturing and coming due during such fiscal year, which will not be less than the amount required by this Ordinance to be paid into the Bond and Interest Redemption Fund in such fiscal year;
- (c) A sum sufficient to provide a reasonable excess amount in the Bond and Interest Redemption Fund during such fiscal year, so as thereby to produce and provide therein a Cushion Fund, to meet any possible deficiencies therein in maturities of future years, which shall not be less than the amounts required by this Ordinance to be paid into the Cushion Fund in such fiscal year;
- (d) An estimated sum sufficient to provide for the payment of all expenses of administration and operation and such expenses for maintenance as may be necessary to preserve the System in good repair and working order for such fiscal year, which shall not be less than the amounts required by this Ordinance to be paid into the Operation and Maintenance Fund;

- (c) An estimated sum sufficient to build up and maintain a reserve for depreciation of the System with respect to such fiscal year, which shall not be less than the amounts required by this Ordinance to be paid into the Depreciation Fund in such year.
- (f) The sum sufficient to build up and maintain a reserve for improvements, betterments and extensions of the System, other than those necessary to maintain the same in good repair and working order, for such fiscal year, which shall not be less than the amounts required by this Ordinance to be paid into the Contingent Fund in such fiscal year.

Section 17 . Any annual budget for the System may be amended or revised by the Governing Body of the Municipality in accordance with changed circumstances and conditions at any time during such fiscal year. The Municipality shall cause to be submitted copies of each such budget or any amendment or revision thereof promptly to the Custodian and to the Trustee.

Section 18 . In the event the Reconstruction Finance Corporation becomes the purchaser of the Bonds, and so long as it is the holder of any of such bonds, the proposed budget and any amendments or revisions thereof, shall be submitted to and approved by the Chief, or Acting Chief, Public Agency Division, Office of Loans of said Corporation (or such officer thereof who may succeed to the functions and duties of said Chief, or Acting Chief) prior to the transmission thereof to the Custodian or to the Trustee.

#### COLLECTION AND DISPOSITION OF REVENUES

Section 19 . Gross Revenue Account: That the Municipality shall collect the gross revenues, receipts and income from its System, including all service charges and all other obligations due it on account of or in connection with the System and the operation thereof, promptly when due and shall deposit the same,



from day to day as collected, in a special account designated and established as the Gross Revenue Account in the bank herein designated as Custodian. The Municipality shall cause the moneys in the Gross Revenue Account to be set aside, segregated, pledged, transferred and transmitted, and the Custodian shall set aside, segregate, pledge, transfer and transmit said moneys into the Bond and Interest Redemption Fund, the Cushion Fund, the Operation and Maintenance Fund, the Depreciation Fund, and the Contingent Fund as hereinafter provided. All such transfers shall be made at par. All charges for exchange, fees or expenses which may be made by the Custodian or by the Trustee in effecting such transfers shall be paid by the Municipality as part of the expenses of operating the System.

Section 20 . Bond and Interest Redemption Fund; Cushion Fund.

That there is hereby established and designated the Bond and Interest Redemption Fund, which shall be held in trust by the Trustee and applied solely to the payment of the principal of and interest on the Bonds as such principal and interest mature and come due and to the payment of any redemption premium on any Bonds redeemed under the provisions of this Ordinance. There is hereby established and designated as a separate account in said Bond and Interest Redemption Fund, the "Cushion Fund" for the purpose of meeting any possible deficiencies in said Fund in maturities of principal and installments of interest in future years. Out of the Gross Revenue Account, there shall be first set aside a sum sufficient to pay the principal of and the interest upon the Bonds as and when the same become due and payable. The Municipality shall cause to be set aside, segregated, pledged and transmitted, and the Custodian shall set aside, segregate, pledge and transmit from the Gross Revenue Account to the Trustee for the account of the Bond and Interest Redemption Fund the following sums on the following dates, respectively:

- (a) On the twentieth day of each month, beginning with and including the month in which the interest shall last be paid from the proceeds of the Bonds, a sum equal to one-sixth ( $1/6$ ) of the next succeeding interest payment on the Bonds;
- (b) On the twentieth day of each month, beginning March 20, 1955, a sum equal to one-twelfth ( $1/12$ ) of the principal of the Bonds maturing on the next succeeding March 1st.

The Municipality shall also cause to be set aside, segregated, pledged and transmitted, and the Custodian shall set aside, segregate, pledge and transmit, from the Gross Revenue Account to the Trustee for the account of the Cushion Fund on the twentieth day of each month, beginning 24 months following the month in which the engineers who have been retained by the Municipality to supervise the construction of the System shall file with the Custodian and the Trustee a certificate that such construction has been completed, the sum of \$ 100.00 per month, such monthly payments to continue until the total amount in the Cushion Fund is at least equal to \$ 5,000.00. The moneys credited to the Cushion Fund shall be used solely for the payment of the principal of and interest on the Bonds as they respectively mature and become due, but only in the event that, at the time of any principal or interest payment date, the money then held in the Bond and Interest Redemption Fund shall be insufficient for such purpose. If after any money is so expended from the Cushion Fund the amount credited thereto is less than the amount required to be accumulated in said Fund, as provided in this Section, the aforesaid monthly transfers shall be resumed and shall be continued until the money credited to said Fund shall again equal or exceed the amount so required to be accumulated in said Fund.



The Municipality shall also cause to be set aside, segregated, pledged and transmitted, and the Custodian shall set aside, segregate, pledge and transmit from the first moneys received in the Gross Revenue Account to the Trustee for the account of the Bond and Interest Redemption Fund or the Cushion Fund therein all sums which theretofore should have been paid into said Bond and Interest Redemption Fund or to the Cushion Fund therein and which have not been so paid. Such payments shall be due as soon as such deficiency occurs and the moneys in the Gross Revenue Account shall not be used for any other purpose until such deficiency is made up.

Whenever and so long as the moneys held in the Bond and Interest Redemption Fund, including the Cushion Fund, shall equal or exceed the total amount of the principal of and interest then due and thereafter to become due on all of the Bonds then outstanding, no further payments or transfers to the Bond and Interest Redemption Fund or to the Cushion Fund need be made.

Section 21. Operation and Maintenance Fund: There is hereby established and designated the "Operation and Maintenance Fund", which shall be opened and maintained as a special account in the bank designated as Custodian and applied solely as hereinafter provided. Out of the remaining gross revenues, there shall next be set aside and paid into the Operation and Maintenance Fund a sum sufficient to provide for the payment of all expenses of administration and operation and such expenses for maintenance as may be necessary to preserve the System in good repair and working order. On the twentieth day of each month during each fiscal year, the Municipality shall cause to be set aside, segregated, pledged and transmitted, and the Custodian shall set aside, segregate, pledge and transfer, from remaining moneys in the Gross Revenue Account to the Operation and Maintenance Fund one-twelfth ( $1/12$ ) of the estimated expenses for the administration, operation, maintenance and repair of the System as set forth in the budget

for such fiscal year. Such budget estimate may be revised from time to time and any overdraft in the Operation and Maintenance Fund shall promptly be paid into said Fund from the Gross Revenue Account, but in no event shall payments or transfers to the Operation and Maintenance Fund exceed the reasonable and necessary expenses of administration, operation, maintenance and repair of the System. The reasonable and necessary expenses of administration, operation, maintenance and repair of the System shall be paid, as incurred or accrued, from the Operation and Maintenance Fund and shall include the cost of procuring the insurance required by this Ordinance, engineering fees, legal fees, and accountants' fees for services required by this Ordinance, and the reasonable compensation of the Trustee and of the Custodian for services performed hereunder. If any surplus shall be accumulated in the Operations and Maintenance Fund which shall be equal to the cost of operating and maintaining the System during the remainder of the fiscal year and the cost of operating and maintaining the System during the succeeding fiscal year, any such excess may be transferred at any time by the Governing Body of the Municipality to the Depreciation Fund, the Contingent Fund, or the Bond and Interest Redemption Fund.

Section 22 . Depreciation Fund. There is hereby established and designated the "Depreciation Fund", which shall be opened and maintained as a special account in the bank designated as Custodian and applied solely as hereinafter provided. Out of the remaining gross revenues, there shall next be set aside and paid into said Depreciation Fund a sum sufficient to build up a reserve for depreciation of the existing System. On the twentieth day of each month during each fiscal year, the Municipality shall cause to be set aside, segregated, pledged, and transferred, and the Custodian shall set aside, segregate, pledge and transfer, from the moneys in the Gross Revenue Account to the Depreciation Fund one-twelfth (1/12) of the amount set forth in the budget for the fiscal year



for depreciation. Such budget estimate may be revised from time to time but in no event shall payments or transfers to the Depreciation Fund exceed an amount reasonably necessary to set up a reserve for depreciation of the System. If any surplus shall be accumulated in the Depreciation Fund over and above that which the Governing Body of the Municipality shall find may be necessary therein during the then fiscal year and the next ensuing fiscal year, any such excess may be transferred to the Contingent Fund or to the Bond and Interest Redemption Fund.

Section 23. Contingent Fund: There is hereby established and designated the "Contingent Fund", which shall be opened and maintained as a trust fund, and shall be held in trust by the Trustee and applied solely as hereinafter provided. Out of the remaining gross revenues, there shall be next set aside and paid into the Contingent Fund a sum sufficient to build up a reserve for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order as hereinabove provided for.

On the twentieth day of each month during each fiscal year beginning with the month following the month in which the engineers, who have been retained by the Municipality to supervise the construction of the System, shall file with the Custodian and the Trustee a certificate that such construction has been completed, the Municipality shall cause to be set aside, segregated, pledged, and transmitted, and the Custodian shall set aside, segregate, pledge and transmit from the remaining moneys in the Gross Revenue Account to the Trustee for the account of the Contingent Fund the sum of \$ 50.00 until the total amount in the Contingent Fund is at least equal to \$ 2,500.00; if any transfer to the Contingent Fund shall be less than the amount herein prescribed, the required transfer for the next succeeding month shall be increased by the amount of such deficiency. All moneys so paid into the Contingent Fund shall be used (1) upon the order



of the Municipality, authorized by its Governing Body and signed by the officer so authorized, solely for the purpose of paying the reasonable cost of replacing any portion of the System which shall become worn out, or which shall become inadequate for the rendition of efficient service, and for the construction of betterments, improvements and additions to and extensions of the System; provided such replacements, betterments, improvements, additions and extensions shall be only of such nature as are correctly chargeable under good accounting practice to a fixed capital account; and (2) upon the order of the Trustee, solely for the payment of the principal of and interest on the Bonds, but only in the event that at the time of any principal or interest payments the moneys in the Bond and Interest Redemption Fund and in the Cushion Fund, hereinabove provided for, are insufficient for such purpose. If, after any money is so expended from the Contingent Fund, the amount therein is less than the amount required to be accumulated in said Fund as provided in this Section, the aforesaid monthly transfers shall be resumed and shall be continued until the money in said Fund shall again equal or exceed the amount so required to be accumulated in said Fund. If any surplus shall be accumulated in the Contingent Fund over and above \$ 2,500.00 and over and above the sum which the Governing Body of the Municipality shall find to be necessary for reasonable and proper improvements, betterments and extensions to the System during the then fiscal year and the next ensuing fiscal year, any such excess may be transferred to the Bond and Interest Redemption Fund or may be applied, insofar as possible, in the purchase or retirement of outstanding Bonds. In the event the Reconstruction Finance Corporation becomes the purchaser of the Bonds, and so long as it is the holder of any of such Bonds, no withdrawals may be made from the Contingent Fund without the prior written approval of the Chief or Acting Chief, Public Agency Division, Office of Loans of the Reconstruction Finance Corporation, or such officer thereof who may succeed to the functions and duties of said Chief or Acting Chief.



Section 24. Surplus Revenues. The term "surplus revenues of the natural gas system" as used in this Section shall mean the moneys on deposit in the Gross Revenue Account after the payment of the required sums into the separate and special Funds, as provided in the foregoing sections of this Ordinance and after the setting apart in said Gross Revenue Account of a reserve in an amount which, when added to the gross revenue and income reasonably expected to be derived from the System during the then ensuing six months' period, shall not exceed the amount sufficient to make the aforesaid payments into the aforesaid separate and special Funds during the said six months' period. Any surplus revenues of the System as of the 31st day of May and of the 30th day of November in each year shall be paid into the Cushion Fund until the total amount in the Cushion Fund shall equal or exceed the amount required to be accumulated in said Fund by Section 20 of this Ordinance, and thereafter, from time to time, whenever and so long as the total amount in the Cushion Fund shall be less than said amount. Whenever and so long as the moneys held in the Cushion Fund shall equal or exceed the amount required to be accumulated in said Fund by Section 20 of this Ordinance, said surplus revenues shall be paid on the 31st day of May and on the 30th day of November in each year into the Contingent Fund until the total amount in the Contingent Fund shall equal or exceed the amount required to be accumulated in said Fund by Section 23 of this Ordinance, and thereafter, from time to time, whenever and so long as the total amount in the Contingent Fund shall be less than said amount. Whenever and so long as the moneys held in the Cushion Fund shall equal or exceed the amount required to be accumulated in said Fund by Section 20 of this Ordinance and the moneys held in the Contingent Fund shall equal or exceed the amount required to be accumulated in said Fund by Section 23 of this Ordinance, fifty per cent (50%) of said surplus revenues shall be paid on the 31st day of May and on the 30th day of November

in each year into the Bond and Interest Redemption Fund and shall be used to redeem the Bonds in the manner provided in Section 6 of this Ordinance. The balance of any surplus revenues of the System remaining after the setting apart of the required reserve in the Gross Revenue Account, as aforesaid, and the payment of the required sums into the separate and special funds, as provided in this section and in the foregoing sections of this Ordinance, may be disposed of by the Governing Body of the Municipality as said Body may determine, from time to time, to be for the best interest of the Municipality.

Section 25 . Investments of Funds; Collateral Security for Funds. The Municipality may cause any of the money on deposit in any of the aforesaid special Funds to be invested or reinvested in securities which are direct and general obligations of the United States of America or which are unconditionally guaranteed by the United States of America as to both principal and interest. All interest received and all profits realized on account of any such investments or reinvestments shall be added to and become a part of the special Fund to which they belong. All such securities shall be credited to the special Fund to which they belong at the then market value of such securities. To facilitate investment, the money in the Bond and Interest Redemption Fund, in the Cushion Fund and in the Contingent Fund may be invested as one fund, provided an accurate record thereof is maintained and a correct accounting thereof is made to each Fund. The money on deposit in each of said special Funds not invested as aforesaid and all moneys in the Gross Revenue Account shall at all times be collaterally secured by a deposit of bonds which are either direct and general obligations of or are unconditionally guaranteed as to both principal and interest by the United States of America and having a market value at least equal



to the amount by which the moneys on deposit in each of said special Funds or said account shall exceed \$10,000.

Section 26. Disposition of Unexpended Balances after Maturity of all Bonds. In the event there has been no default in the payment of the principal of or interest on the Bonds, any unclaimed balance in the Bond and Interest Redemption Fund and in the Contingent Fund remaining ten years after the last maturity date of the Bonds will be transmitted by the Trustee to the Municipality or to its successor in interest, and all rights of the holders of the Bonds and coupons in and to said Funds shall thereupon cease.

#### DESIGNATION OF CUSTODIAN

Section 27. The Governing Body of the Municipality, upon evidence duly submitted to and considered by it, hereby determines that The First National Bank of Birmingham, Birmingham, Alabama is duly qualified to act and is doing business in the State of Alabama and is satisfactory as a Custodian and it hereby designates said Bank as "Custodian" of the gross revenues from the operation of the System and of the Gross Revenue Account, the Operation and Maintenance Fund, and the Depreciation Fund. The Custodian shall not be liable for the misapplication of moneys in any of the Funds designated in the foregoing sections of this Ordinance (other than the failure to set aside, segregate, pledge and transmit moneys in the Gross Revenue Account to the Trustee for the account of the Bond and Interest Redemption Fund, the Cushion Fund, and the Contingent Fund) if disbursed pursuant to the written order of a duly authorized officer of the Municipality and without knowledge or reason to believe that such disbursement constitutes a misapplication of funds. Said Custodian shall signify its acceptance of this Custodianship by indicating such acceptance on a copy of this Ordinance at the place indicated at the end thereof. Said Custodian and its successors are herein referred to as the "Custodian."

DESIGNATION OF TRUSTEE

Section 28 . The Governing Body of the Municipality, upon evidence duly submitted to and considered by it, hereby determines that The First National Bank of Birmingham, Birmingham, Ala. is duly qualified to act and is doing business in the State of Alabama, is a member of the Federal Reserve System, and that said Bank has the powers of a trust company in the United States and is satisfactory as a Trustee, and it hereby designates said Bank as Trustee of the Bond and Interest Redemption Fund, the Cushion Fund and the Contingent Fund, and as Trustee with the powers and duties and subject to the terms and conditions hereinafter more fully set forth. The Bond and Interest Redemption Fund, the Cushion Fund and the Contingent Fund shall be received and held by said Bank in trust for the benefit of the Municipality and the holders of the Bonds and coupons as their respective interest may appear. Said Trustee and its successors are herein referred to as the "Trustee."

COVENANTS BY THE MUNICIPALITY

Section 29 . The Municipality, its successors and assigns, hereby covenant and agree as follows:

- A. Acquisition of the System. That the Municipality will commence and complete the purchase and construction of the proposed System with all reasonable dispatch and that all moneys derived from the sale of the Bonds shall be used solely for the purposes for which the same are authorized in this Ordinance.
- B. Operation of the System. That the Municipality will, at all times, operate the System in an economical and efficient manner and will maintain it in first-class operating condition and will make such ordinary improvements, replacements and repairs from time to time as are necessary to keep the said System in first-class operating condition.



C. Insurance; Fidelity Bonds. That until all principal of and interest on the Bonds have been paid, the Municipality will at all times insure and keep insured with responsible insurers all properties of the System which are of the character usually insured by owners similarly situated, to an amount equal to the full insurable value of such property, and that the proceeds of all such insurance policies shall be available for and shall to the extent necessary be applied to the repair and replacement of the damaged property. If said proceeds are not sufficient for such purposes, the additional cost of repair or replacement shall be paid from the Contingent Fund. Any excess in insurance proceeds over and above that necessary to replace or repair any property lost, destroyed or damaged and covered by such insurance shall be paid into the Bond and Interest Redemption Fund. The Municipality will carry workmen's compensation insurance and public liability insurance in such amounts and to such extent as is customarily carried by owners similarly situated. The Municipality will also, at all times, carry fidelity bonds on all of its officers and employees who may handle funds derived from the System, such bonds to be

in such amounts as are customarily carried by owners engaged in like business of comparable size. The cost of such insurance and bonds shall be considered a part of the cost of operating and maintaining the System. The policies of insurance and the fidelity bonds required by this Section will be deposited with the Trustee.

- D. Rates. That the Municipality shall maintain such rates for services furnished by the System as shall be sufficient to provide for the payment of the interest upon and the principal of the Bonds as and when the same become due and payable, to maintain the payments herein required to be made to the Bond and Interest Redemption Fund and the Cushion Fund therein, to provide for the payment of the expenses of the administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, to maintain the payments required by this Ordinance to be made to the Operation and Maintenance Fund, to build up and maintain a reserve for depreciation of the System, to maintain the payments required by this Ordinance to be made to the Depreciation Fund, and to build up and maintain a reserve for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order, and to maintain the payments required by this Ordinance to be made to the Contingent Fund. The Municipality further covenants and agrees that the revenues deposited in the Bond and Interest Redemption Fund shall be used solely in paying the interest upon, and principal of, the Bonds authorized by this Ordinance and any redemption premium of said Bonds provided for in this Ordinance.



- E. No Free Service. That no free service shall be furnished by the System to the Municipality or to any board, agency, instrumentality, person, firm or corporation. The reasonable cost and value of any service rendered to the Municipality by the System shall be charged against the Municipality and shall be paid for monthly as the service accrues from the current fund or from the proceeds of taxes which the Municipality, within constitutional limitations, is authorized and required to levy in an amount sufficient for that purpose, and such funds, when so paid, shall be accounted for in the same manner as other revenues of the System. No customer shall be connected to the System or served by the Municipality without a proper meter having been first installed, and then only at uniform established rates.
- F. Shutting Off Service for Failure to Pay. Upon failure of any user to pay for services rendered within sixty (60) days, the Municipality shall shut off the connection of such user and shall not furnish him or permit him to receive from the System further service until all obligations owed by him to the Municipality on account of services shall have been paid in full. This covenant shall not, however, prevent the Municipality from causing any System connection to be shut off sooner.
- G. Collection and Disposition of Revenues. That the Municipality shall promptly collect or cause to be collected all service charges and other obligations as the same become due; and that it will hold all collections and all revenues and income from the System, as collected, in trust to be applied as provided in this Ordinance and not otherwise.

- H. Books, Records and Accounts. That the Municipality shall install and maintain proper books of record and account in accordance with standard accounting practice, separate entirely from other records and accounts of the Municipality, in which full and complete entries shall be made of all dealings and transactions of or in relation to the properties, business and affairs of the System. Said system of books, records and accounts shall be so kept as to reveal in detail each item of income and the disposition thereof and each item of expense and shall indicate under what budget item such expense was charged.
- I. Monthly Operating Statement; Annual Audits. That the Municipality will, on or before the tenth day of each month, furnish to the Trustee, to such engineer as may be retained by the Municipality to make any inspection of the System as aforesaid, and to the original purchaser of the Bonds, an operating and income statement of the System in reasonable detail for each preceding month. If such monthly operating and income statement is not submitted to the Trustee during the next succeeding month, the Trustee will employ an independent accountant to make such report and the services of such accounting shall be paid for by the Municipality from the Operation and Maintenance Fund. Not later than sixty (60) days after the close of each fiscal year of the System, the Municipality shall cause an audit of the books, records and accounts of the System for such fiscal year to be made by an independent public accountant satisfactory to the Trustee and shall cause to be prepared and certified by such public accountant a report of such audit together with a balance sheet and an income and surplus account, showing respectively, in reasonable detail, the financial condition of the System at the close of the preceding year and the financial operations thereof during such year. Said annual audit, balance sheet and income and surplus



account shall, at all reasonable times during usual business hours, be open to examination and inspection and copying by any taxpayer, user of services furnished by the System, or holder of any of the Bonds, or anyone acting for and on behalf of such taxpayer, user of the services of the System, or bondholder. Copies of each such annual audit, balance sheet and income and surplus account shall be furnished the Trustee, the engineer who may be retained by the Municipality to make any inspection of the System, and the original purchaser of the Bonds. Both the monthly operating and income statements and the annual audits shall show the number of customers served by the System, the total quantity and sales price billed by the Municipality to each class of customers, and the expense of operating, maintaining and repairing the System during the period covered by such statement or audit.

- J. Inspection of System and Its Books and Records. That the Municipality will permit the Trustee or the holder of any of the Bonds or its or his agent or attorney, duly appointed and authorized in writing, to examine and inspect the System and all papers, books, records, accounts and data of the Municipality relating thereto at all reasonable times and will permit copies or transcripts thereof to be made by any such person or persons at all reasonable times.

K. Prohibition of Competing Franchises, Mortgages  
or Sale of System; Covenant of Faithful Performance.

That the Municipality will not, while any of the Bonds authorized by this Ordinance remain outstanding and unpaid, grant a franchise, license or permit for the operation of any competing system within the boundaries of the Municipality; that the Municipality will not mortgage, pledge, or otherwise encumber the System or any part thereof, or the revenues derived therefrom or any part thereof, unless such encumbrance is junior, secondary and subject in all respects to all obligations set forth in this Ordinance; that the Municipality will not sell, lease, or in any manner dispose of the whole or any integral part of the System, including any and all appurtenances, extensions and additions that may be made thereto, except as expressly authorized by this Ordinance, and that the Municipality will faithfully and punctually perform all duties with reference to the System, the revenues derived therefrom, and the Bonds as required by the Constitution and laws of the State of Alabama and by this Ordinance. All obligations imposed by law upon said Municipality by reason of the construction of the System and the issuance of the Bonds, are hereby recognized and assumed by the Municipality whether or not set forth in this Ordinance.

STATUTORY MORTGAGE LIEN

Section 30 . Creation of Lien. That a statutory mortgage lien upon the System, as specified in Sections 313, 314, and 315, Title 37, of the Alabama Code of 1940, is hereby created, granted and declared to be valid and binding upon the Municipality to and in favor of the respective holders of the Bonds, and each of them,



and to and in favor of the holders of the coupons of the Bonds, and each of them, subject, however, to the terms, conditions and limitations specified in Sections 31 and 32 of this Ordinance. Said statutory mortgage lien is created and declared to be upon the whole of the System and upon all appurtenances, extensions and additions thereto hereafter acquired, and shall take effect immediately upon the delivery of any of the Bonds authorized to be issued under the provisions of this Ordinance. Such statutory mortgage lien shall not be construed to give such holder of any of the Bonds or coupons authority to compel the sale of the System or any part thereof.

Section 31 . Release Clause with Respect to Personal Property, Fixtures and Equipment of the System. Until the Municipality shall default in the payment of the principal of or interest on any of the Bonds or the payments to any of the Funds required in this Ordinance or the performance of any other covenant, promise or obligation undertaken by the Municipality in this Ordinance or in the Bonds, the Municipality, without securing the consent of the Trustee or the holders of any of the Bonds, may alter, replace, or change the personal property or fixtures or equipment used by it in connection with the System, provided such action does not impair the utility thereof and provided the Municipality first substitutes property of equal value and utility to be subject to the lien created by this Ordinance, free and clear of all liens prior hereto. The Municipality may dispose of, free of the lien hereof, the personal property or fixtures or equipment which have been so replaced and which are no longer required for the operation of the System.

Section 32. Release Clause with Respect to Property of the System. While the Municipality is not in default to the knowledge of the Trustee in the payment of the principal of or interest on the Bonds or any payments required by this Ordinance to be made into any of the Funds, or in respect of any of the covenants,

promises or obligations undertaken by the Municipality in this Ordinance, or in the Bonds, the Municipality may obtain a release of any of the property covered by the lien created by this Ordinance but not needed by it as a part of the System, and the Trustee shall release the same from the lien hereof upon deposit by the Municipality with the Trustee of the following:

- (a) A resolution of the Governing Body describing the property to be released in reasonable detail, stating that the Municipality is not in default under any of the provisions of this Ordinance and requesting such release;
- (b) A certificate by an independent licensed engineer satisfactory to the Trustee, made and dated not more than 60 days prior to the date of the release, stating the full value in the opinion of such engineer of the property to be released, that such property is not and will not be needed by the Municipality as part of, or for the efficient operation of, its System, that such release is, in the opinion of such engineer, desirable in the conduct of the business of the Municipality and that the Municipality is not, to the knowledge of said engineer, in default under any of the provisions of this Ordinance;
- (c) An amount in cash equal to the full value of the property to be released as specified in said engineer's certificate.

Upon compliance by the Municipality with the foregoing conditions, the Trustee shall, at the expense of the Municipality, execute and deliver to the Municipality any and all instruments which may be necessary to release from the lien created by this Ordinance that portion of the System proposed to be sold or conveyed by the Municipality. The money deposited with the Trustee as aforesaid will be transferred to the Contingent Fund.



REMEDIES OF THE TRUSTEE AND THE HOLDERS OF THE BONDS

Section 33 . Events of Default. The following events shall be events of default under this Ordinance, and the terms "event of default" or "events of default" shall mean, whenever they are used in this Ordinance or in the Bonds, one or more of the following events:

- (a) If default shall be made in the payment of any part of the principal of any of the Bonds when and as the same become due and payable either by the terms thereof, by declaration or otherwise;
- (b) If default shall be made in the payment of any installment of interest on any of the Bonds when and as the same shall become due and payable and such default shall have continued for a period of sixty days;
- (c) If default shall be made in any obligation in respect of any of the several funds provided for in this Ordinance, and such default shall have continued for a period of sixty days;
- (d) If default shall be made by the Municipality in the performance of any of the obligations on its part to be performed or due observance of any covenant, condition or agreement on the part of the Municipality to be performed, in the Bonds or this Ordinance contained, and such default shall have continued for a period of sixty days after a written notice specifying such default and requiring the same to be remedied shall have been given to the Municipality by the Trustee, whose duty it shall be to give such notice at the request of the holders of at least twenty percent (20%) of the principal amount of the Bonds at any time outstanding;
- (e) If the repair or replacement of any lost, destroyed or damaged property constituting a necessary part of the

System shall not be begun within sixty days after occurrence of such loss, damage or destruction (unless the delay is due to causes beyond the control of the Municipality);

(f) If the Municipality shall sell, lease or in any manner dispose of the System or any part thereof in violation of any provision of this Ordinance;

(g) If any receiver or receivers shall be appointed for all or any substantial part of the System.

Section 34. Remedies Available. Whenever any such event of default shall have happened and be subsisting:

(a) Acceleration. The Trustee may, and upon written request of the holders of not less than twenty per cent (20%) in principal amount of the Bonds then outstanding shall, by notice in writing delivered to the Municipality, declare the principal of all of the Bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable, anything in this Ordinance or the Bonds to the contrary notwithstanding; subject, however, to the right of the holders of a majority in principal amount of the outstanding Bonds by written notice to the Municipality and to the Trustee to annul such declaration and destroy its effect at any time before possession is taken hereunder, if before any such possession is taken, all covenants with respect to which default shall have been made, shall be fully performed, and all arrears of interest upon all Bonds outstanding hereunder and the reasonable expenses and charges of the Trustee, its agents and attorneys, and all other payments required by this Ordinance (except the principal of any Bonds not then due by their terms) and interest accrued on such Bonds since the last interest payment date, shall be paid, or the amount thereof shall be paid to the Trustee for the benefit of those entitled thereto.

(b) Suit at Law or in Equity. The Trustee, upon the written request of the holders of twenty per cent (20%) or more in principal amount of the Bonds then outstanding and upon being indemnified to its satisfaction, shall proceed to protect and enforce its rights and the rights of the holders of the Bonds hereunder and under the Bonds (i) by a suit or suits upon the Bonds; (ii) by mandamus or other suit, action or proceeding, at law or in equity, to enforce and compel performance of all agreements of the Municipality herein contained, including the fixing of rates, the collection and proper segregation of the revenues of the System, and the proper application thereof, and to require the Municipality to carry out the other covenants and agreements herein and in the Bonds set forth and to perform its duties hereunder and under Sections 308 to 340 of Title 37 of the Alabama Code of 1940, as amended; (iii) by action or suit in equity to require the Municipality to account as if it were the trustee of an express trust for



the holders of the Bonds; (iv) by action or suit in equity to enjoin any act or things which may be unlawful or a violation of the rights of the holders of the Bonds; or (v) such other suit, action or proceeding as may be permitted by law, as the Trustee being advised by counsel shall deem most effectual to protect and enforce its rights and the rights of the holders of the Bonds hereunder.

(c) Possession and Operation of System by Trustee. The Trustee, upon the written request of the holders of twenty per cent (20%) or more in principal amount of the Bonds then outstanding, may, in its discretion, with or without declaring the Bonds due and payable, enter upon and take possession of the System and any property at the time forming a part of or used in connection with the System, and operate the same in the name and as the agent of the Municipality, either personally or by superintendents, managers, receivers, agents, servants and attorneys, and from time to time, either by purchase, repair or construction, may maintain and restore and insure and keep insured the same, and each and every part thereof, in the manner and to the same extent as is usual with like properties and likewise, from time to time, make all necessary repairs, renewals, replacements, alterations, additions and improvements thereto and thereon as may seem judicious, and the Trustee shall be entitled to collect and receive all service charges and all revenues and income of the System and every part thereof and, after paying the expense of operating the same, including expenses of operation, maintenance, repair and insurance or other charges thereon, as well as just and reasonable compensation for the services of the Trustee and its agents, attorneys, receivers, counsel or employees, the Trustee shall apply the moneys arising as aforesaid as follows:

First: If the principal of all of the Bonds shall not have become due, to the payment of the installments of interest which are due and unpaid in the order of their maturities with interest on the overdue installments of interest at the rate of six per cent (6%) per annum and next to the payment pro rata of the principal of such Bonds as shall have become due.

Second: If the principal of all the Bonds shall have become due, to the payment of principal and accrued interest thereon, with interest on the overdue installments of interest at the rate of six per cent (6%) per annum, pro rata without any preference or priority whatever.

Upon payment in full of whatever sums may be due for interest and principal or payable for other purposes, and upon making good any other default hereunder, and after crediting to the Bond and Interest Redemption Fund a sum sufficient to pay the interest becoming due on the Bonds outstanding hereunder on the next succeeding interest payment date, and the principal of the Bonds maturing on the next succeeding maturity date, the balance of any moneys then on hand derived from the operation of the System shall be by the Trustee paid as provided in the Ordinance with respect to service charges and the revenue and income from the System; and the System shall be returned to the Municipality and the Municipality shall be entitled to resume possession and management thereof, the same right of entry, however, to exist upon any subsequent default.



(d) Receivership of System. The Trustee, by suit, action or proceeding in any court of competent jurisdiction, shall be entitled as a matter of strict right, to the appointment of a receiver for the System, which receiver may enter and take possession of the System or any part or parts thereof, including all property, land, property rights, easements, franchises, books, records, papers, accounts, and other adjuncts of the System and such receiver may operate and maintain the System, fix and collect all rates and charges, and receive all revenues thereafter arising therefrom in the same manner as the Municipality itself might do, and shall deposit all monies in a separate account or accounts and apply the same in accordance with the obligations of the Municipality and as the court shall direct.

Section 35. No Election Exclusive; Delay No Waiver. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 36. Covenant to Pay Entire Principal and Interest in Event of Default. The Municipality covenants that if default shall be made in the payment of the principal of any of the Bonds when the same shall become payable, whether at the maturity of the Bonds or by declaration as authorized by this Ordinance, then upon the demand of the Trustee, the Municipality will pay to the Trustee (but only out of the revenues from the System and the special Funds herein provided) for the benefit of the holders of the Bonds and coupons then outstanding hereunder, the whole amount due and payable under this Ordinance on all such Bonds and coupons for principal and interest, with interest at the rate of six per cent (6%) per annum on overdue principal and, so far as may be lawful, on overdue installments of interest; and in case the Municipality shall fail to pay the same forthwith upon such demand, the Trustee



in its own name and as Trustee of an express trust shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid, together with its expenses, disbursements and compensation and the expenses, disbursements and compensation of its agents and attorneys; provided, however, that nothing herein contained shall be construed to require the payment of the principal of or interest on the Bonds from any sources other than the revenues from the System, or the special funds herein provided, or to constitute the Bonds a debt or general obligation of the Municipality.

Any moneys thus collected or received by the Trustee under this Section shall be applied by it, first, to the payment of its expenses, disbursements and compensation and the expenses, disbursements and compensation of its agents and attorneys, and, second, toward payment of the amount then due and unpaid upon such of the Bonds and coupons in respect of which such moneys shall have been collected, ratably and without preference or priority of any kind according to the amounts due and payable upon such Bonds and coupons, respectively, at the date fixed by the Trustee for the distribution of such moneys, upon presentation of the several Bonds and coupons and upon stamping such payment thereof, if partly paid, and upon surrender thereof if fully paid.

Section 37. Application of Proceeds Collected by Trustee. Except as otherwise provided in this Ordinance, all proceeds collected by the Trustee pursuant to the exercise of remedies and powers provided for in this Ordinance shall, together with all moneys theretofore received and then held by the Trustee (and not irrevocably appropriated to some other purpose) whether held in any of the special funds or otherwise, be applied in order as follows:

First: To the payment of all costs and expenses of the proceedings whereby such proceeds were obtained.

Second: To the payment of any unpaid compensation of the Trustee for its services hereunder, the expenses of the Trustee, including counsel fees and expenses, and any sums advanced by the Trustee, the repayment of which is a charge prior to that of the Bonds outstanding hereunder.

Third: To the payment of the whole amount then due and unpaid upon the Bonds issued hereunder and then outstanding for principal and interest with interest on overdue principal and overdue installments of interest at the rate of six per cent (6%) per annum, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds and appertaining interest coupons, then to the payment of the principal of and interest on all the Bonds then outstanding hereunder (whether or not such Bonds shall have matured) without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest or otherwise, ratably to the aggregate of such principal and unpaid interest. Payments provided for herein shall be made on the date fixed therefor by the Trustee upon presentation of the several Bonds and coupons and stamping thereon the amount paid if such Bonds and coupons be only partly paid and upon surrender and cancelation thereof if fully paid.

Fourth: To the payment of the surplus, if any, to the Municipality or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 38 . Possession of Bond or Coupon by Trustee Not Required. All rights of action under this Ordinance, or under any of the Bonds or coupons, may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof on any trial or other proceedings relative thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee and any recovery or judgment shall be for the equal benefit of the holders of the Bonds and coupons.



Section 39. Filing of Claim for Bondholder by Trustee.

The Trustee may at any time file a claim in its own name for the benefit of the holders of the Bonds and the coupons in any court proceeding where any such claim may be permitted or required, whether such proceeding be by way of reorganization, bankruptcy, receivership or of any other nature. The holders of the Bonds and of the coupons, by acceptance thereof, hereby constitute and appoint the Trustee as their irrevocable agent and attorney in fact for the purpose of filing any such claim, but such authorization shall not include the power to agree to accept any securities of any nature in lieu of the Bonds and coupons or to alter the terms of the Bonds and coupons.

Section 40. No Bondholder to Institute Suit Except Under Certain Conditions. All right of action in respect of this Ordinance, including all remedies provided by Sections 314 and 315, Title 37 of the Alabama Code of 1940, shall be exercised only by the Trustee and no holder of any of the Bonds shall have any right to institute suit, action or proceeding at law or in equity for the appointment of a receiver or for any other remedy hereunder or by reason hereof, unless and until the Trustee shall have received the written request of such holder and shall have been offered reasonable indemnity and shall have refused or for ten (10) days thereafter neglected to institute such suit, action or proceeding, and it is hereby declared that the making of such request and the furnishing of such indemnity are in each case conditions precedent to the execution and enforcement by any holder or holders of any of the Bonds of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any such holder or holders of any action or cause of action for the appointment of a receiver or for any other remedy hereunder, but the Trustee may in its discretion and, when thereunto duly requested in writing by any holder or holders of any of the Bonds and furnished indemnity satisfactory to it and against expenses, charges and liability,

shall forthwith take such appropriate action by judicial proceedings or otherwise in respect of any existing default on the part of the Municipality as the Trustee may deem expedient in the interest of the holders of the Bonds outstanding hereunder.

Nothing in this Ordinance contained shall, however, affect or impair the right of the holder of any of the Bonds or coupons to enforce payment thereof at or after the maturity in such Bond or coupon provided or to enforce payment of any interest which may accrue on such Bond after its stated maturity, without reference to, or consent of, either the Trustee or the holder of any other Bond; provided, however, any such payment may be enforced only out of the funds for such payment herein referred to.

Section 41. Nothing contained in this Ordinance shall be construed as giving the Trustee or any bondholder authority to compel the sale of the System or any part thereof.

#### THE TRUSTEE

Section 42. Acceptance of Trust. The Trustee shall have all the rights, powers and immunities specified in this Ordinance. The Trustee, by acceptance of its duties hereunder, shall be taken to have agreed thereby with the holders of the Bonds and the coupons that it will make all remittances of principal of and interest on the Bonds and the coupons, out of the funds coming into its possession for that purpose, in bankable funds at par and without deduction for exchange, fees or expenses. The Municipality agrees with the holders of the Bonds and the coupons and with the Trustee that it will pay all charges for exchange, fees or expenses which may be made by the Trustee in the making of remittances in bankable funds of the principal of and interest on any of the Bonds and the coupons at par. Acceptance by the Trustee of the trust hereby created, on the conditions herein set out, will be conclusively presumed and evidenced by execution of the acceptance appearing at the end of this Ordinance. Such acceptance by the Trustee shall be construed to constitute an agreement on its part to perform the



duties herein required of it, either expressly or by reasonable implication, subject, however, to the following conditions:

(a) Action of Trustee through agents and attorneys. The Trustee may execute any of the trusts or powers hereof and perform any duties required of it, by or through attorneys, agents, employees or receivers, and shall be entitled to advice of counsel concerning all matters of trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation as it shall deem proper to all such attorneys, agents, employees and receivers as may reasonably be employed in connection with the trust hereof, and all such outlays and expenditures shall be repaid to the Trustee out of the Operation and Maintenance Fund.

(b) Trustee not responsible for recitals or warranties by Municipality. The Trustee shall not be responsible for any recitals herein or in the Bonds, or for insuring any property or collecting any insurance moneys, or the payment of any insurance premiums, or for the recording, registration, filing or refiling of this Ordinance, or for the validity thereof or for the sufficiency of the security for the Bonds issued under or intended to be secured hereby, or for the payment of claims or liens upon the System, or otherwise as to the maintenance of the security hereof; nor be bound to ascertain or inquire as to the performance of any covenants, conditions or agreements on the part of the Municipality, but the Trustee may require of the Municipality full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The recitals and statements in this Ordinance and in the Bonds contained are statements by the Municipality and shall not be considered as made by or as imposing any obligation or liability upon the Trustee.

(c) Authenticated Bonds, etc. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder or of any of the proceeds of such Bonds paid out conformably herewith. The holders of the Bonds shall not be entitled to interest on funds deposited for the payment thereof. The Trustee may become the owner of any of the Bonds with the same rights which it would have if it were not Trustee.

(d) Action of Trustee on information believed to be genuine or on request of Bondholder. The Trustee shall be protected in acting upon any notice, requisition, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and the Trustee shall not be bound to recognize any person as a holder of any of the Bonds or to take any action at his request, unless such Bond shall be deposited with the Trustee, or submitted to it for inspection. Any action taken by the Trustee pursuant to this Ordinance upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent, is the owner of any of the Bonds, shall be conclusive and binding upon all future owners of the same Bond and of Bonds issued in exchange therefor or in place thereof.



(e) Indemnification of Trustee. The Trustee shall not be compelled to do any act hereunder, or to take any action toward the execution or enforcement of the trusts hereby created or to prosecute or to defend any suit in respect hereof unless requested so to do by the holders of the specified number of the Bonds as herein provided and unless indemnified to its satisfaction against loss, cost, liability and expense.

(f) Noticing Defaults. The Trustee shall not be required to take notice, or be deemed to have notice of any default hereunder, unless the Trustee shall be specifically notified in writing of such default by the holders of one or more of the Bonds.

(g) No personal liability for operation of System. The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts during any period in which the Trustee may be in possession of or manage the System as in this Ordinance provided.

(h) No withdrawal after notice of default. The Trustee shall not be required to permit the withdrawal of any cash, or take any other action, if at the time there exists to its knowledge, brought to its attention by written notice as provided in this Section, any default in respect of any of the provisions of this Ordinance.

#### Section 43. Lien of Trustee for Compensation and Expenses.

The Trustee shall have a first lien hereunder upon the revenues from the System for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and the exercise and performance of the powers and duties of the Trustee hereunder and the cost and expense of defending against any liability in the premises of any character whatsoever.

#### Section 44. Trustee may advance unpaid charge or insurance.

In case the Municipality shall fail seasonably to pay or cause to be paid, out of the Operation and Maintenance Fund or otherwise, any charge upon the System, or any part thereof, or to procure and maintain the insurance thereon required by this Ordinance, the Trustee may pay such charge or procure and maintain such insurance, without prejudice, however, to any rights hereunder of the Trustee or the holders of the Bonds arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of four per cent



(4%) per annum shall be payable on the order of the Trustee from the Operation and Maintenance Fund and the same shall be given preference in payment over any of the Bonds, but the Trustee shall be under no obligation to make any such payments, unless indemnified to its satisfaction against the expense thereof or furnished with means therefor by the holders of any of the Bonds.

Section 45. Examination of Books, Records and Insurance Policies in Trustee's Possession. The Trustee shall permit the Municipality, its officers or members of its Governing Body, or any holder of any of the Bonds, or its or his agent or attorney duly appointed and authorized in writing, to examine and inspect all insurance policies, all of the papers, books, records, accounts and data in its possession and relating to the System at all reasonable times and shall permit copies or transcripts thereof to be made by any such person or persons at all reasonable times.

Section 46. Notices by the Trustee. Any notice required or permitted to be given by the Trustee to the Municipality under the provisions of this Ordinance shall be sufficiently given if it shall have been mailed, postage prepaid, addressed to the Municipality.

#### RESIGNATION, REMOVAL AND APPOINTMENT OF SUCCESSOR TRUSTEE OR CUSTODIAN

Section 47. Resignation. The Trustee at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than sixty (60) days' written notice to the Municipality and publishing notice thereof, specifying the date when such resignation will take effect, at least once in a newspaper published and of general circulation in the City of Birmingham, Alabama, and in a financial newspaper or journal published in the City of New York, N. Y. or the City of Chicago, Ill., and such resignation shall take effect upon the day specified in such notice, unless a successor Trustee shall have been appointed by the holders of the Bonds or by the Municipality as hereinafter provided and shall have accepted such appointment, in which event

such resignation shall take effect immediately upon the appointment and acceptance of a successor trustee. The Custodian at the time acting hereunder may at any time resign and be discharged from the duties hereby created by giving not less than thirty days' written notice to the Municipality and to the Trustee and such resignation shall take effect upon the day specified in such notice, unless a successor Custodian shall have been appointed by the holders of the Bonds or by the Municipality or by the Trustee as hereinafter provided, and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Custodian.

Section 48. Removal. The Trustee or Custodian may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Trustee, the Custodian and to the Municipality, and signed by the holders of a majority in amount of the Bonds then outstanding. The Custodian may also be removed at any time by a certified copy of a resolution of the Governing Body of the Municipality delivered to the Custodian and to the Trustee, providing for such removal and designating a successor Custodian.

Section 49. Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in principal amount of the Bonds then outstanding, by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing and filed with the Municipality; provided, nevertheless, that in any such event, the Municipality may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the holders of the Bonds in the



manner above provided; but any such temporary Trustee so appointed by the Municipality shall immediately and without further act be superseded by the Trustee so appointed by such holders. The Municipality shall publish notice of any such appointment made by it, one time, in a newspaper published and of general circulation in the City of Birmingham, Alabama, and in a financial newspaper or journal published in the City of New York, N. Y., or the City of Chicago, Ill. Any Trustee hereafter appointed shall be a member of the Federal Reserve System, shall be duly qualified to act and to do business in the State of Alabama, and shall be a trust company or bank having the powers of a trust company in the United States.

In the event that no appointment of a successor Trustee shall have been made by the holders of the Bonds pursuant to the foregoing provisions of this Section within sixty days after a vacancy in the office of Trustee shall have occurred, the holder of any of the Bonds issued hereunder or any retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Trustee.

Section 50 . Successor Custodian. In case the Custodian hereunder shall be removed by the Governing Body of the Municipality as hereinabove provided, or in case the Custodian shall resign or be dissolved or shall be in course of dissolution or liquidation or otherwise become incapable of acting hereunder, or in case the Custodian shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by a certified copy of a resolution of the Governing Body of the Municipality filed with the Trustee. In case the Custodian hereunder shall be removed by the bondholders, as hereinabove provided, a successor may be appointed by the holders of a majority in principal amount of the Bonds then outstanding, by

an instrument or concurrent instruments in writing, signed by such holders or by their attorneys in fact, duly authorized in writing and filed with the Trustee and the Municipality; provided, nevertheless, the Municipality may appoint a temporary Custodian to fill such vacancy until a successor Custodian shall be appointed by the holders of the Bonds in the manner above provided; but any such temporary Custodian so appointed by the Municipality shall immediately and without further action be superseded by the Custodian so appointed by such bondholders.

In the event that no appointment of a successor Custodian shall have been made pursuant to the foregoing provisions of this section within sixty days after a vacancy in the office of Custodian shall have occurred, the Trustee shall appoint the successor Custodian by a notice in writing filed with the Municipality.

Any Custodian hereafter appointed shall be a member of the Federal Deposit Insurance Corporation, or such organization as may succeed to the functions and duties of such Corporation, and shall be duly qualified to act and to do business in the State of Alabama.

Section 51 . Vesting Title in Successor Trustee or Custodian.

Every successor Trustee or Custodian appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Municipality, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee or Custodian, without any further act, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Municipality, deliver to such successor all funds at the time held hereunder by such predecessor. Should any instrument in writing from the Municipality be requested by any successor Trustee or Custodian for more fully and certainly vesting in such successor the rights, powers and duties hereby vested or intended to be vested in the predecessor, any such instrument in



writing shall be executed and delivered by the Municipality.

Section 52. Merger or Consolidation of Trustee or Custodian.

Any corporation in which the Trustee or the Custodian, or any successor to either of them, may be merged or converted, or with which such Trustee or Custodian or any successor to either of them may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee or the Custodian or any successor to either of them, shall be a party shall, if satisfactory to the Municipality, be the successor Trustee or Custodian, as the case may be, without the execution or filing of any paper or any other act on the part of the Municipality or such Trustee or Custodian.

MISCELLANEOUS PROVISIONS

Section 53. Priority of Lien; Issuance of Additional Bonds.

That the Bonds from time to time outstanding shall not be entitled to priority, one over the other, in the application of the revenues of the System, or with respect to the statutory mortgage lien securing their payment, regardless of the time or times of their issuance, it being the intention of this Ordinance that there shall be no priority among the Bonds authorized to be issued under the provisions of this Ordinance regardless of the fact that the Bonds may be actually issued and delivered at different times. While any of the Bonds are outstanding, the Municipality will not issue any additional bonds or obligations payable from the revenues of the System unless such additional bonds or obligations are made junior and subordinate in all respects to the Bonds of the issue of Bonds authorized by this Ordinance; provided, however, that in the event that the proceeds from the sale of the Bonds, by error of calculation or otherwise, shall be less than the amount required for the construction of the System, and additional bonds are issued for such purpose, such additional bonds so issued shall be deemed to be of the same issue as the Bonds authorized under this Ordinance and to be entitled to payment from the revenues

derived from the operation of the System and from the Bond and Interest Redemption Fund, without preference or priority or distinction of any one Bond over or from another by reason of priority in the issue, sale or negotiation thereof, or otherwise, or by reason of date of issue or date of maturity thereof; provided further that the written consent of one hundred percent of the holders of all of the outstanding Bonds authorized under this Ordinance shall be required before any additional bonds are issued for such purpose.

Section 54 . Ordinance a Contract But Not a Debt. That the terms, stipulations, conditions, covenants and provisions of this Ordinance shall constitute a contract between the Municipality and the holders of the Bonds and the coupons, and each of them. Each of such terms, stipulations, conditions and covenants shall be construed as a promise, undertaking and covenant to and in favor of the holders of the Bonds and coupons, and each of them. This Ordinance has been adopted by the Governing Body of the Municipality under and pursuant to the provisions of Subdivision 3, Article 2, Chapter 6 , (Sections 308 to 340) Title 37 of the Alabama Code of 1940, as amended, together with all laws amendatory thereof or supplementary thereto, and nothing contained in this Ordinance shall be construed to give rise to an indebtedness of the Municipality within any State constitutional provision or statutory limitation.



Section 55 . Publication of Notice of Adoption of Ordinance.

That the Town Clerk is hereby authorized and directed to cause notice in substantially the following form to be published in The Reporter Democrat, a newspaper of general circulation in the Town of Helena, once a week for two successive weeks:

"An ordinance authorizing the issuance of \$85,000 principal amount of 4% Gas System Revenue Bonds of the Town of Helena, Alabama, under the provisions of Title 37, Chapter 6, Article 2, Sub-division 3, of the Code of Alabama, 1940, was duly passed by the Town Council of the Town of Helena on the 11 day of March, 1953, for the purpose of defraying the cost of acquiring by construction a natural gas transmission and distribution system for said Town and the surrounding territory. Any action or proceeding questioning the validity of said Ordinance must be commenced within thirty days after the first publication of this notice.

Mrs. Lee Davidson  
Town Clerk

The Town Clerk is further authorized and directed to post a copy of the foregoing notice at three public places within the Town of Helena.

Section 56 . Severability Clause. That in the event that any one or more of the provisions of this Ordinance or of the Bonds or the coupons thereunto appertaining shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this Ordinance or the Bonds or coupons; and this Ordinance, the Bonds and coupons, shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Section 57 . Filing. A certified copy of this Ordinance shall be filed for record in the office of the Judge of Probate of Shelby County, Alabama.

Section 58 . Repeal of Other Ordinances. That all ordinances, resolutions and orders, or parts thereof, in conflict with this Ordinance, are to the extent of such conflict hereby repealed.

Section 59 . That this Ordinance shall take effect immediately.

Edw. Marsh  
Mayor

S E A L

Attest:

Mrs. E. Davidson  
Town Clerk



ACCEPTANCE OF TRUSTEESHIP

The undersigned hereby accepts the Trusteeship described in the foregoing Ordinance and agrees faithfully to discharge the duties of such Trustee as set forth in said Ordinance.

THE FIRST NATIONAL BANK OF BIRMINGHAM,  
Birmingham, Alabama

By *R.H. Woodrow, Jr.*  
Its Assistant Trust Officer

S E A L

Attest: *Carl Grantham*  
Its Cashier

STATE OF ALABAMA I

COUNTY OF JEFFERSON

I, Arthur R. Eidson, a Notary Public in and for said County in said State, hereby certify that R.H. Woodrow, Jr. and Carl Grantham, whose names as Assistant Trust Officer and Cashier, respectively, of The First National Bank of Birmingham, Alabama, are signed to the foregoing Acceptance of Trusteeship and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said Bank.

Given under my hand and official seal, this 8<sup>th</sup> day of April, 1953.

Arthur R. Eidson  
Notary Public

NOTARIAL SEAL

My commission expires: 2 October 1954

ACCEPTANCE OF CUSTODIANSHIP

The undersigned heroby accepts the Custodianship described in the foregoing Ordinance and agrees faithfully to discharge the duties of such Custodian as set forth in said Ordinance.

THE FIRST NATIONAL BANK OF BIRMINGHAM  
Birmingham, Alabama  
By [Signature]  
Its Assistant Trust Officer

SEAL

Attest: [Signature]  
Its Cashier

STATE OF ALABAMA )

COUNTY OF JEFFERSON

I, Arthur R. Eidson, a Notary Public in and for said County in said State, hereby certify that R. H. Woodrow, Jr. and Carl Grantham, whose names as Assistant Trust Officer and Cashier, respectively, of The First National Bank of Birmingham, Alabama, are signed to the foregoing Acceptance of Custodianship and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said Bank.

Given under my hand and official seal, this the 8<sup>th</sup> day of April, 1953.

[Signature]  
Notary Public

NOTARIAL SEAL

My commission expires: 2 October 1954

Filed in the office of the Probate Judge on the 18 day of Apr 1953 at 8 o'clock A M.  
and recorded in Deed Book 154 Page 487 this 23 day of Apr 1953.  
Deed Tax \_\_\_\_\_ Mortgage Tax \_\_\_\_\_ has been paid.

L.C. Walker, Judge of Probate