

TOWN OF BAY MINETTE, ALABAMA,  
A Municipal Corporation, ET ALS,

Petitioners,

VS.

THE TAXPAYERS AND CITIZENS OF  
THE TOWN OF BAY MINETTE, ALABAMA,

Defendants.

IN THE CIRCUIT COURT OF

BALDWIN COUNTY, ALABAMA

IN EQUITY.

ADMENDMENT TO PETITION.

Come the Petitioners and with leave of court first had and obtain, admend the original petition filed in this cause by adding thereto the following Paragraph No. 7 thereof, the following Paragraph No. 8.

Paragraph No. 8: The assessed value of the property in the Town of Bay Minette, subject to taxation by the Town for the tax year ending September 30, 1949, as assessed by state taxation for said tax year, was \$ 1,744.054. The only general indebtedness of the Town at the approximate date of the filing of this Petition was \$ <sup>\$ 7,000.00</sup>~~22,000.00~~, which was incurred for the purpose of making extensions to the gas systems owned by the Town. There are no sinking funds of the Town.

*J. B. Braswell*  
*White Bradley Ament & Co*

Solicitors for Petitioners.



TOWN OF BAY MINETTE, ALABAMA,	)	
A Municipal Corporation,	)	
M. D. REID, as Mayor, and	)	
J. M. BRISTOW, D. E. BUSHNELL,	)	
NORMAN DURANT, J. M. REED and	)	
R. H. STUART, as members of	)	
the Town Council of said Town,	)	IN THE CIRCUIT COURT OF
	)	BALDWIN COUNTY, ALABAMA.
Petitioners,	)	
VS.	)	IN EQUITY.
	)	
THE TAXPAYERS AND CITIZENS OF	)	
THE TOWN OF BAY MINETTE, ALA-	)	
BAMA,	)	
	)	
Defendants.	)	

# ANSWER OF THE DEFENDANTS

Come the Defendants, by Kenneth C Cooper, as Solicitor for the Twenty-eighth Judicial Circuit of Alabama and as State Solicitor for Baldwin County, Alabama, and for answer and defense <sup>amended</sup> the petition filed in this cause say as follows:

1. The allegations of fact contained in Paragraphs Numbered 1 and 2 of the Petition filed in this cause are hereby admitted to be true.

2. The allegations of fact contained in Paragraphs Numbered from 3 to 7, inclusive, of the said Petition are hereby denied. If the facts alleged in the said Paragraphs Numbered from 3 to 7, inclusive, are true, all conclusions of law therein contained and the legal sufficiency of said facts as a basis for the relief prayed for in the said Petition are hereby denied.

3. The General Obligation Sewer Warrants, which are referred to in the said Petition and which are proposed to be issued by the Town of Bay Minette, Alabama, and the taxes and other means and pledges provided for the payment thereof if the warrants should be issued by said Town, as is contemplated in the said Petition, are and will be in violation of law and invalid for the following reasons, separately and severally:

A. There is no authority in law for the issuance of the said warrants by the said Town.

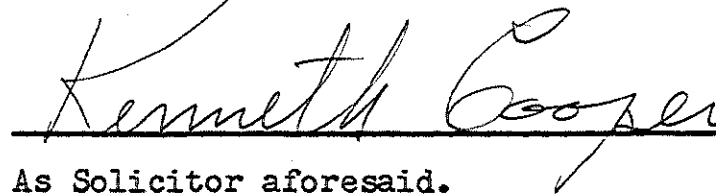
B. The ordinance adopted by the Town Council of the

said Town, dated March 15, 1949, a copy of which ordinance is attached to the Petition filed in this cause and marked Exhibit A, which called an election, as provided in the said ordinance, and for the purposes stated therein, did not provide that the tax referred to therein could be used to pay principal or interest on the said General Obligation Sewer Warrants.

C. The General Obligation Sewer Warrants proposed to be issued by the said Town cannot be lawfully issued under the said ordinance of March 15, 1949.

D. There is no lawful authority vested in the Town of Bay Minette, Alabama, to issue the said General Obligation Sewer Warrants and to pledge for the payment of the principal thereof and the interest thereon the three-fourths of one per centum ( $3/4$  of 1%) ad valorem tax authorized to be levied in the said town at a special election held therein on May 3, 1949.

4. The Defendants deny each and all of the other allegations of the said Petition which have not been specifically answered herein.

  
As Solicitor aforesaid.



TOWN OF BAY MINETTE, ALABAMA, )  
 A Municipal Corporation, )  
 M. D. REID, as Mayor, and )  
 J. M. BRISTOW, D. E. BUSHNELL, )  
 NORMAN DURANT, J. M. REED and )  
 R. H. STUART, as members of )  
 the Town Council of said Town, )  
 )  
 Petitioners, )  
 VS. )  
 )  
 THE TAXPAYERS AND CITIZENS OF )  
 THE TOWN OF BAY MINETTE, ALABAMA, )  
 )  
 Defendants. )

IN THE CIRCUIT COURT OF  
 BALDWIN COUNTY, ALABAMA.  
 IN EQUITY.

# NOTICE

TO THE TAXPAYERS AND CITIZENS OF THE TOWN OF BAY MINETTE, ALABAMA:

Notice is hereby given to you that a petition has been filed in this Court under the provisions of Title 7, Sections 169 to 176, both inclusive, of the 1940 Code of Alabama, seeking the validation and confirmation by this Court of a proposed issue by the Town of Bay Minette, Alabama, a Municipal Corporation, of \$120,000.00 principal amount of general obligation sewer warrants of the said Town to be dated February 1, 1950 for the purpose of providing funds to construct or aid in the construction of a sewage system in and for said Town, and that this Court has issued an order against the taxpayers and citizens of the said Town, requiring them to show cause, at a session of said Court to be held at the County Courthouse of Baldwin County, Alabama in the Town of Bay Minette, Alabama at ten o'clock on the 21st day of June, 1950, why said warrants and the tax or other means provided for the payment thereof and the pledge of revenues made therefor, and all covenants and provisions contained in the ordinance of the said Town whereunder the said warrants are proposed to be issued, should not be validated and confirmed by this Court.

You are, accordingly, required, at the time and place aforesaid, to show cause, if any you have, why the said warrants and the tax or other means provided for their payment and the pledge of revenues made therefor, and all covenants and provisions contained in the ordinance of the said Town whereunder the said warrants

are proposed to be issued, should not be so validated and confirmed

DONE on this the 31<sup>st</sup> day of May, 1950.

W. J. Black

Register of the Circuit Court of Baldwin County, Alabama, in Equity.

IN THE CIRCUIT COURT IN AND FOR BALDWIN COUNTY,  
ALABAMA, IN EQUITY

STATE OF ALABAMA )  
BALDWIN COUNTY )

TO ANY SHERIFF OF THE STATE OF ALABAMA, GREETING:

You are hereby commanded to summon Kenneth Cooper, as Circuit Solicitor for Baldwin County, Alabama, and C. LeNoir Thompson, as County Solicitor for Baldwin County, Alabama, to appear and plead, answer or demur on or before the 21st day of June, 1950 at 10:00 o'clock A. M., to a petition filed in said Circuit Court, in Equity, against the Taxpayers and Citizens of the Town of Bay Minette, Alabama, Defendants, in which the Town of Bay Minette, Alabama, a Municipal Corporation, et als are the Petitioners.

A copy of the petition so filed and of the order made by said Circuit Court thereon are attached hereto, which you shall likewise serve on said named persons, who are to be so summoned by you.

Herein fail not. Due return make of this writ as the law directs.

WITNESS this 31<sup>st</sup> day of May, 1950.

Deice L. Luck  
Register.



TOWN OF BAY MINETTE, ALABAMA,  
A Municipal Corporation,  
M. D. REID, as Mayor, and  
J. M. BRISTOW, D. E. BUSHNELL,  
NORMAN DURANT, J. M. REED and  
R. H. STUART, as members of  
the Town Council of said Town,  
Petitioners,  
VS.

THE TAXPAYERS AND CITIZENS OF  
THE TOWN OF BAY MINETTE, ALABAMA,  
Defendants.

IN THE CIRCUIT COURT OF  
BALDWIN COUNTY, ALABAMA.  
IN EQUITY.

TO THE HONORABLE TELFAIR J. MASHBURN, JR., JUDGE OF THE CIRCUIT  
COURT OF BALDWIN COUNTY, ALABAMA, SITTING IN EQUITY:

Your Petitioners, the Town of Bay Minette, Alabama  
Municipal Corporation, M. D. Reid, as Mayor, and J. M. Bristow, D. E. Bushnell, Norman Durant, J. M. Reed and R. H. Stuart, as members  
the Town Council of said Town, respectfully represent unto the Court  
and your Honor as follows:

1. The Town of Bay Minette, Alabama is a municipal  
corporation, organized and existing under the laws of the State of  
Alabama and situated in Baldwin County, Alabama. M. D. Reid is the  
duly elected, qualified and acting Mayor of the said Town and J. M. Bristow, D. E. Bushnell, Norman Durant, J. M. Reed and R. H. Stuart  
are the duly elected and qualified members of the Town Council of  
the said Town of Bay Minette, Alabama and together constitute the  
governing body of the said Town. The said individuals join herein  
in their said respective official capacities.

2. This proceeding is filed under the provisions of  
Title 7, Sections 169 to 176, both inclusive, of the 1940 Code of  
Alabama and the taxpayers and citizens of the said Town are joined  
as Defendants hereto in the manner provided by law.

3. At a regular meeting of the Town Council of the  
Town of Bay Minette, Alabama held on, to-wit, the 15th day of March  
1949, the Town Council of the said Town adopted an ordinance, a copy  
of which is hereto attached, marked "Exhibit A" and by reference made

a part hereof as though fully incorporated herein, calling an election for the purposes stated in the said ordinance, notice of which election was given in the manner provided by the said ordinance, a copy of which notice is hereto attached, marked "Exhibit B" and by reference made a part hereof as though fully incorporated herein. The said election was held on the 3rd day of May, 1949, at which a majority of the qualified electors of the said Town, who participated in the said election, voted in favor of increasing the ad valorem tax rate of the said Town from one-half of one percent to one and one-fourth percent, which increase became effective on the 1st day of October, 1949, and authorized the said Town to use the funds to be derived or received from the said increased rate of taxation for the purpose of constructing and maintaining a sanitary sewage system and disposal plant and such other appurtenances as may be necessary and proper in connection therewith.

4. At a regular meeting of the Town Council of the said Town held on the 3rd day of January, 1950, the Town Council of the said Town adopted an ordinance authorizing the issuance of \$120,000.00 principal amount of general obligation sewer warrants of the said Town for the purpose of providing funds for the construction of a sewage system in the Town, a copy of which ordinance is hereto attached, marked "Exhibit C" and by reference made a part hereof as though fully incorporated herein.

5. Thereafter and on, to-wit, the 3rd day of January, 1950, the Town Council of the Town of Bay Minette, Alabama adopted a resolution authorizing and directing the Mayor of the said Town to cause such court proceedings to be instituted as he may deem necessary to cause to be validated pursuant to the provisions of Sections 169 to 176, both inclusive, of Title 7 of the 1940 Code of Alabama \$120,000.00 principal amount of general obligation sewer warrants of the said Town, to be dated February 1, 1950, such proceedings to be instituted and conducted in the name of and in behalf of the said Town, the Mayor thereof and the Town Council and its members as the Petitioners therein, a copy of which resolution is hereto attached marked "Exhibit D" and by reference made a part hereof as though fully incorporated herein.

6. Contracts for the construction of the said sewage tem and a sewage disposal plant, which is a necessary part thereof, have been let and construction thereof is now being rapidly completed and in order to raise the money required to construct and pay for the said sewage system and disposal plant, it will be necessary for the said Town to sell and issue \$120,000.00 principal amount of its general obligation sewer warrants to mature as follows, to-wit:

Warrant Numbers (both inclusive)	Maturity Dates	Aggregate Principal Amount Maturing
1 to 6	February 1, 1951	\$ 6,000.00
7 to 12	February 1, 1952	6,000.00
13 to 18	February 1, 1953	6,000.00
19 to 24	February 1, 1954	6,000.00
25 to 30	February 1, 1955	6,000.00
31 to 37	February 1, 1956	7,000.00
38 to 44	February 1, 1957	7,000.00
45 to 51	February 1, 1958	7,000.00
52 to 58	February 1, 1959	7,000.00
59 to 65	February 1, 1960	7,000.00
66 to 73	February 1, 1961	8,000.00
74 to 81	February 1, 1962	8,000.00
82 to 89	February 1, 1963	8,000.00
90 to 97	February 1, 1964	8,000.00
98 to 120	February 1, 1965	23,000.00

Those of the warrants maturing in 1951 to 1960, inclusive (numbered from 1 to 65, inclusive), shall bear interest from their date until their respective maturities at the rate of  $2\frac{3}{4}$  percent per annum and those of the warrants maturing in 1961 to 1965, inclusive, (numbered from 66 to 120, inclusive) shall bear interest from their date until their respective maturities at the rate of  $2\frac{1}{2}$  percent per annum. Said interest shall be payable semi-annually on February 1 and August 1 in each year and shall be evidenced by separate interest coupons attached to the warrants. The said warrants and interest coupons are together herein called "the warrants". In and by the ordinance, of which a copy is attached as Exhibit "C" hereto, the Town Council of the said Town authorized the sale and issuance of the said warrants and sold the same to T. U. Crumpton and Company at par, or 100 percent of their face value, a net interest cost to the Town of 2.558 percent, plus accrued interest to the date of their delivery and authorized delivery thereof to the said purchaser upon payment of the purchase price therefor.

7. The said warrants will be general obligations of the said Town for the payment of the principal of and interest on which the full faith and credit of the Town have been irrevocably pledged. In addition thereto in the resolution and order wherein the warrants are authorized, there has been further irrevocably pledged and ordered segregated and used for the payment of the principal of and interest on the said warrants, pro rata as the said principal and interest shall respectively mature, so much as may be necessary for such purpose of the special annual ad valorem tax of ~~one and one-fourths~~ <sup>three</sup> of one percent authorized as provided by the above described ordinance, which will be levied and collected annually by the Town for the payment of any debt or liability against the Town created for the construction of the said sewage system.

WHEREFORE, Petitioners respectfully pray:

A. That this Court issue an order against the taxpayers and citizens of the Town of Bay Minette, Alabama, a Municipal Corporation, in accordance with the provisions of Title 7, Section 171 of the 1940 Code of Alabama, requiring them to show cause, at a time and place within the county to be designated in such order, why the warrants and the tax or other means provided for the payment thereof and the pledge of revenues made therefor and all covenants and provisions contained in the ordinance whereunder the warrants are proposed to be issued, should not be validated and confirmed by this Court; ordering a copy of this petition and of the said order to be served on the State Solicitor of Baldwin County, Alabama; and ordering the Register of this Court to publish in a newspaper published in Baldwin County, Alabama a notice addressed to the citizens and taxpayers of the Town, requiring them, at the time and place specified in such order, to show cause, if any they have, why the warrants and the means provided for the payment thereof and the pledge of revenues made therefor and all covenants and provisions contained in the ordinance whereunder the warrants are proposed to be issued, should not be validated and confirmed; and,

B. That at the time designated in the order referred to in the preceding paragraph, or any continuance or adjournment

thereof, this Court will determine all questions of law and fact applicable hereto and will render its decree determining the authority of the Town to sell and issue the warrants in the manner and for the purposes contemplated in the said ordinance under which they are proposed to be issued; and validating and confirming the warrants, the legality of all proceedings had or taken in connection with the authorization and sale thereof, the validity of the tax or other means provided for the payment thereof, the validity of the pledge of revenues of the Town made therefor, and the validity of all covenants and provisions on the part of the Town contained in the ordinance whereunder the said warrants are proposed to be issued.

Petitioners further pray that this Court will make and enter such other, further and general orders in the premises as it may deem requisite and proper.

J. B. Blackburn  
White, Bradley, Arant & All  
B.  
Solicitors for Petitioners.

EXHIBIT A  
AN ORDINANCE  
NUMBER 494

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
BAY MINETTE, ALABAMA, AS FOLLOWS:

SECTION 1: A municipal election is hereby called and will be held in, for and by the City of Bay Minette, Alabama on the 3rd day of May, 1949 for the purpose of determining if a majority of the qualified electors of the said municipal corporation favor increasing the ad valorem taxes of the municipal corporation from the present rate of one-half of one percent to one and one-fourth percent for each year, the proceeds of the additional three-fourths of one percent taxes to be used for constructing a sewage disposal plant, additions, extensions and repairs to the present sewer system of the said City, the costs of issuing and retiring bonds which will be issued to raise money for the said purposes and for the payment of interest thereon.

SECTION 2: The voting places for the said election and the numbers thereof shall be as follows:

Box 1: Courthouse, Bay Minette, Alabama  
Box 2: City Hall, Bay Minette, Alabama  
Box 3: Veterans Club, Bay Minette, Alabama

All qualified electors in the said City of Bay Minette, Alabama residing North of the Louisville and Nashville Railroad and East of Hand Avenue shall vote in Box 1. All qualified electors in the said City residing North of the Louisville and Nashville Railroad and West of Hand Avenue shall vote in Box 2. All qualified electors in the said City residing South of the Louisville and Nashville Railroad shall vote in Box 3.

The said polling places shall open at 8:00 A. M. and close at 5:00 P. M.

SECTION 3: George Noonan, L. D. Owen, Jr., and E. B. Still shall be and they are hereby appointed Managers; A. C. Mott and Derrill Stuart shall be and they are hereby appointed Clerks and H. T. Corley is hereby appointed Returning Officer for Box 1 to conduct the said election.

L. J. Jordan, Harry Still and J. E. Young shall be and they are hereby appointed Managers; J. H. Stacey and E. Davidson shall be and they are hereby appointed Clerks and J. J. Baggett is hereby appointed Returning Officer for Box 2 to conduct the said election.

J. C. Capps, Burley Powell and Marshall White shall be and they are hereby appointed Managers; Roy Davis and Jack Page shall be and they are hereby appointed Clerks and J. H. Brown is hereby appointed Returning Officer for Box 3 to conduct the said election.

SECTION 4: The ballots used in the said election shall be in substantially the following form:

BALLOT

The proposed additional rate of taxation of three-fourths of one percent is authorized and shall be used by the City of Bay Minette, Alabama for building a sewage disposal plant and for making additions, alterations and repairs to the existing sewer system of the said City, to pay the costs of issuing and retiring bonds, which shall be used for the said purposes, and the payment of interest thereon.

For three-fourths percent additional rate of taxation \_\_\_\_\_

Against three-fourths percent additional rate of taxation \_\_\_\_\_

SECTION 5: The returns of said election shall be canvassed and the result of the election declared as provided by Title 37, Sections 281-2 of the 1940 Code of Alabama.

SECTION 6: Notice of the said election shall be given by publication of this ordinance in the manner hereinafter provided

SECTION 7: This ordinance shall be published by publishing a copy hereof once a week for three successive weeks in the Baldwin Times, a newspaper published at Bay Minette in Baldwin County, Alabama, the first publication of which shall be made in the issue of said paper to be published on March 24, 1949.

ADOPTED on this the 15th day of March, 1949.

M. D. REID,  
Mayor.

ATTEST:

MARY F. SMITH,  
City Clerk.

EXHIBIT B

AN ORDINANCE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY MINETTE, ALABAMA AS FOLLOWS:

SECTION 1: A municipal election is hereby called and will be held in, for and by the City of Bay Minette, Alabama on the 3rd day of May, 1949 for the purpose of determining if a majority of the qualified electors of the said municipal corporation favor increasing the ad valorem taxes of the municipal corporation from the present rate of one-half of one percent to one and one-fourth percent for each year, the proceeds of the additional three-fourths of one percent taxes to be used for constructing a sewage disposal plant, additions, extensions and repairs to the present sewer system of the said City, the costs of issuing and retiring bonds which will be issued to raise money for the said purposes and for the payment of interest thereon.

SECTION 2: The voting places for the said election and the numbers thereof shall be as follows:

- Box 1: Courthouse, Bay Minette, Alabama
- Box 2: City Hall, Bay Minette, Alabama
- Box 3: Veterans Club, Bay Minette, Alabama

All qualified electors in the said City of Bay Minette, Alabama residing North of the Louisville and Nashville Railroad and East of Hand Avenue shall vote in Box 1. All qualified electors in the said City residing North of the Louisville and Nashville Railroad and West of Hand Avenue shall vote in Box 2. All qualified electors in the said City residing South of the Louisville and Nashville Railroad shall vote in Box 3.

The said polling places shall open at 8:00 A. M. and close at 5:00 P. M.

SECTION 3: George Noonan, L. D. Owen, Jr., and E. B. Still shall be and they are hereby appointed Managers; A. C. Mott and Derrill Stuart shall be and they are hereby appointed Clerks and H. T. Corley is hereby appointed Returning Officer for Box 1 to conduct the said election.

L. J. Jordan, Harry Still and J. E. Young shall be and they are hereby appointed Managers; J. H. Stacey and E. Davidson shall be and they are hereby appointed Clerks and J. J. Baggette is hereby appointed Returning Officer for Box 2 to conduct the said election.

J. C. Capps, Burley Powell and Marshall White shall be and they are hereby appointed Managers; Roy Davis and Jack Page shall be and they are hereby appointed Clerks and J. H. Brown is hereby appointed Returning Officer for Box 3 to conduct the said election.

SECTION 4: The ballots used in the said election shall be in substantially the following form:

BALLOT

The proposed additional rate of taxation of three-fourths of one percent is authorized and shall be used by the City of Bay Minette, Alabama for building a sewage disposal plant and for making additions, alterations and repairs to the existing sewer system of the said City, to pay the costs of issuing and retiring bonds, which shall be used for the said purposes, and the payment of interest thereon.



For three-fourths percent additional rate of taxation \_\_\_\_\_

Against three-fourths percent additional rate of taxation \_\_\_\_\_

SECTION 5: The returns of said election shall be canvassed and the result of the election declared as provided by Title 37, Sections 281-2 of the 1940 Code of Alabama.

SECTION 6: Notice of the said election shall be given by publication of this ordinance in the manner hereinafter provided

SECTION 7: This ordinance shall be published by publishing a copy hereof once a week for three successive weeks in the Baldwin Times, a newspaper published at Bay Minette in Baldwin County, Alabama, the first publication of which shall be made in the issue of said paper to be published on March 24, 1949.

ADOPTED on this the 15th day of March, 1949.

M. D. REID,  
Mayor.

ATTEST:

MARY F. SMITH,  
City Clerk.

EXHIBIT C

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$120,000.00 PRINCIPAL AMOUNT OF GENERAL OBLIGATION SEWER WARRANTS OF THE TOWN OF BAY MINETTE FOR THE PURPOSE OF PROVIDING FUNDS FOR THE CONSTRUCTION OF A SEWAGE SYSTEM (HEREIN CALLED "THE SYSTEM") IN THE TOWN.

BE IT ORDAINED by the Town Council of the Town of Bay Minette, Alabama as follows:

Section 1. Findings Respecting Need for Sewer System. The Town Council (herein called the "council") of the Town of Bay Minette (herein called "the town") has and does hereby determine that it is necessary to construct a sanitary sewage system (herein called "the system") has heretofore let contracts for the construction thereof, in the town the total estimated cost of which will be in excess of \$120,000.00. The town has caused an investigation to be made and has ascertained that the town does not now have and does not have from its current revenues funds sufficient to construct the system and that it will be necessary for the town to borrow a sum of \$120,000 on the faith and credit of the town for said purpose by the sale and issuance of the warrants hereinafter authorized. The council is of the opinion that it would be advantageous to the town and its citizens and taxpayers for such warrants to be sold and issued.

Section 2. Authorization of Warrants. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 466 of Title 37 of the Code of Alabama of 1940, and for the purpose of raising funds to construct the system, there are hereby authorized to be issued by the town 120 General Obligation Sewer Warrants (herein called "the warrants") of the town in the aggregate principal amount of \$120,000 which shall be dated February 1, 1950, shall be numbered consecutively from 1 to 120, inclusive, shall be in the denomination of \$1,000 each, and shall mature as follows:

Warrant Numbers (both inclusive)	Maturity Dates	Aggregate Principal Amount Maturing
1 to 6	February 1, 1951	\$ 6,000
7 to 12	February 1, 1952	6,000
13 to 18	February 1, 1953	6,000
19 to 24	February 1, 1954	6,000
25 to 30	February 1, 1955	6,000
31 to 37	February 1, 1956	7,000
38 to 44	February 1, 1957	7,000
45 to 51	February 1, 1958	7,000
52 to 58	February 1, 1959	7,000
59 to 65	February 1, 1960	7,000
66 to 73	February 1, 1961	8,000
74 to 81	February 1, 1962	8,000
82 to 89	February 1, 1963	8,000
90 to 97	February 1, 1964	8,000
98 to 120	February 1, 1965	23,000

Those of the warrants maturing in 1951 to 1960, inclusive (numbered from 1 to 65, inclusive), shall bear interest from their date until their respective maturities at the rate of 2-3/4% per annum, and those of the warrants maturing in 1961 to 1965, inclusive (numbered from 66 to 120, inclusive), shall bear interest from their date until their respective maturities at the rate of 2-1/2% per annum. Said interest shall be payable semi-annually on February 1 and August 1 in each year as shall be evidenced by separate interest certificates.

ons (herein called "the coupons") attached to the warrants. The warrants and the coupons shall bear interest after their respective maturities until paid at the rate of 6% per annum, and shall be payable in lawful money of the United States of America at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama.

Section 3. Optional Redemption Provisions. Those of the warrants maturing in 1956 and thereafter (numbered from 31 to 120, inclusive, and herein called "the callable warrants") may be redeemed and paid prior to their respective maturities, at the option of the town, as a whole or in part in their inverse numerical order on February 1, 1955, and on any interest payment date thereafter, the face value of those redeemed plus accrued interest thereon to the redemption date and a premium equal to twelve months' interest on those redeemed computed at the interest rate which would have been payable thereon on the redemption date if they had not been called for redemption; provided, however, that any such redemption made prior to February 1, 1960, may be made only out of revenues derived from the special tax referred to in Section 5 hereof remaining after all payments of the principal of and interest on the warrants then and theretofore due shall have been paid. In order to effect such redemption the town shall first give notice of its election to redeem those of the callable warrants which may be so redeemed and which may be designated by resolution of the council by publication one time not less than thirty (30) days prior to the time fixed for redemption in a daily newspaper printed in the English language and published in the City of Birmingham, Alabama. In the event there is no daily newspaper published in said city at the time the said notice is so required to be published, then such notice may be given by publication one time in a daily newspaper or in a financial journal printed in the English language and published in the City of New York, New York. A newspaper published six days during each calendar week shall constitute a daily newspaper within the meaning of this section. The funds necessary to effect any such redemption shall on or prior to the redemption date be deposited at the bank in which the warrants are payable and, upon the giving of such notice and the making of such deposit, interest on the callable warrants so called for redemption shall cease from and after the redemption date.

Section 4. Execution of Warrants. The warrants shall be executed and the corporate seal of the town shall be affixed thereto by the mayor, and the town clerk shall attest the same by affixing his signature thereto. The coupons shall be executed with the facsimile signature of the mayor and shall be attested with the facsimile signature of the town clerk, whose facsimile signatures shall be valid in all respects as if they had signed the coupons as a person. The warrants and the coupons shall be registered by the town treasurer in the records maintained by him as a claim against the town and the special tax pledged therefor, which registration shall be made simultaneously with respect to all of the warrants and the coupons. Said officers are hereby directed so to execute, seal, attest and register the warrants and the coupons.

Section 5. Pledge for Payment of Warrants. The indebtedness evidenced and ordered paid by the warrants is and shall be a general obligation of the town, for the payment of the principal of and interest on which the full faith and credit of the town are hereby irrevocably pledged. In addition thereto and as a part of the contract whereunder the money evidenced and ordered paid by the warrants is borrowed, the town agrees that it will annually collect and apply for payment of the principal of and interest on the warrants, as long as any part thereof remains unpaid, the entire special annual ad valorem tax of  $\frac{3}{4}$  of 1% (herein called "the special tax") authorized at a special election held in the town on Ma

1949. In the event the proceeds from the special tax shall not be sufficient to pay the principal of and interest on the warrants as said principal and interest shall respectively mature, then so much as may be necessary for such purpose of the general revenues of the town shall be utilized therefor. The special tax, together with the proceeds thereof, is hereby pledged for the payment of the principal of and interest on the warrants, and to the extent that the same may not be necessary to pay the said principal and interest at the respective maturities thereof the surplus of said proceeds shall be utilized for redemption of the callable warrants subject to the provisions of Section 3 hereof or for the purchase of the warrants in the open market at a price not exceeding the face value thereof plus accrued interest thereon to the date of purchase and a premium equal to twelve months' interest on the warrants purchased. The town represents and agrees that the agreement and pledge with respect to the special tax herein made constitute the first and only such pledge and agreement respecting the same and shall be prior and superior to any and all pledges and agreements respecting the special tax which may hereafter be made by the town.

Section 6. Form of Warrants. The warrants and the coupons and the provisions for registration and assignment thereof shall be in substantially the following forms, with appropriate changes to conform with the provisions hereof:

(Form of Warrant)

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

\$1,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

TOWN OF BAY MINETTE

GENERAL OBLIGATION SEWER WARRANT

The Town of Bay Minette (herein called "the town"), a municipal corporation in the State of Alabama, hereby acknowledges that it is indebted, and hereby directs the town treasurer to pay, to T. U. Crumpton or assigns, the principal sum of

O N E   T H O U S A N D   D O L L A R S

on the 1st day of February, 19\_\_, with interest thereon from the date hereof until the maturity hereof at the rate of \_\_\_\_% per annum, payable semi-annually on February 1 and August 1 of each year until and at the maturity hereof upon presentation and surrender of the appropriate interest coupons hereto attached, as the same respectively become due. Both this warrant and the said coupons shall be payable in lawful money of the United States of America at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama.

This warrant is one of a series in the aggregate principal amount of \$120,000, of like tenor except for their numbers and maturity dates and provisions for redemption prior to maturity, issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 466 of Title 37 of the Code of Alabama of 1940, and an ordinance duly and legally adopted by the governing body of the town for the purpose of

raising funds to construct a sewer system in the town.

Those of the warrants maturing in 1956 and thereafter may at the option of the town be redeemed and paid prior to their respective maturities, as a whole or in part in inverse numerical order, on February 1, 1955, and on any interest payment date thereafter, after not less than thirty (30) days' prior published notice, at the face value of the warrants so redeemed plus accrued interest thereon to the redemption date and a premium equal to twelve months' interest on the warrants redeemed; provided, however, that any such redemption made prior to February 1, 1960, may be made only out of surplus revenues derived from the special annual ad valorem tax of  $\frac{3}{4}$  of 1% (herein called "the special tax") authorized to be levied at a special election held in the town on May 3, 1949, after the principal and interest respecting the warrants theretofore maturing shall have been fully paid.

The indebtedness evidenced and ordered paid by this warrant and the coupons applicable hereto is a general obligation of the town for the payment of the principal of and interest on which the full faith and credit of the town have been irrevocably pledged. In addition thereto and as a part of the contract created in the issuance of the warrants, the town has agreed that it will annually levy, collect and apply for payment of the principal of and interest on the warrants the entire of the special tax.

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

This warrant is nonnegotiable but is transferable by assignment. Each taker, owner, purchaser or holder hereof, by receiving or accepting this warrant or any interest coupon, shall consent and agree and shall be estopped to deny: (1) that title to the coupons hereunto appertaining may be transferred by delivery without the necessity of a written assignment; (2) that any person in possession of any such coupon, regardless of the manner in which he shall have acquired possession, is authorized to represent himself as the absolute owner thereof and has the power and authority to transfer absolute title thereto by delivery thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against his transferor or any person in the chain of title and before the maturity thereof; (3) that he has waived and renounced all of his equities or rights therein in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby; and (4) that whenever and so long as this warrant shall be assigned in blank by written assignment by the original payee hereof or by any subsequent assignee hereof in the chain of title to whom written assignment is made, the town may treat any person in possession of this warrant, regardless of how such possession may have been acquired and regardless of the genuineness or effectiveness of any assignment, as the absolute owner hereof for all purposes, and payment to any such person shall discharge all obligations hereunder.

IN WITNESS WHEREOF, the town has caused this warrant to be executed and its official seal to be hereto affixed by its mayor and has caused the same to be attested by its town clerk, both of whom have hereunto subscribed their signatures, has caused the annexed interest coupons to be executed and attested with the facsimile signatures of said officers, and has caused this warrant to be dated February 1, 1950.

TOWN OF BAY MINETTE

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

(Form of Coupon)

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

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

On the 1st day of \_\_\_\_\_, 19\_\_\_\_, the Town Treasurer of the Town of Bay Minette in the State of Alabama is ordered and directed to pay to the bearer hereof the sum of \_\_\_\_\_ Dollars upon presentation and surrender of this coupon at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama, being interest then due on the General Obligation Sewer Warrant of the Town of Bay Minette, Alabama, dated February 1, 1950 and numbered \_\_\_\_\_.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Town Clerk

(FORM OF REGISTRATION)

I hereby certify that this warrant and the interest coupons hereto attached have been duly registered by me as a claim against the Town of Bay Minette in the State of Alabama and the special ad valorem tax specially pledged therefor.

\_\_\_\_\_  
Town Treasurer of the Town of  
Bay Minette, Alabama

(Form of Assignment)

For value received, this warrant and the interest coupons applicable thereto and the indebtedness evidenced and ordered paid thereby are hereby transferred and assigned, without recourse or warranties, to \_\_\_\_\_.

There shall be inserted in each of the callable warrants, immediately after the maturity date thereof, the following:

"(unless this warrant shall have been duly called for prior payment),"

There shall be inserted in each coupon due on and after August 1, 1955, immediately after the maturity date thereof, the following:

"(unless the warrant to which this coupon is applicable shall have been duly called for prior payment),"

Section 7. Provision for Payment at Par. Each bank at which the warrants and the coupons at any time shall be payable by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the holders of the warrants and the coupons that it will make, out of the funds supplied to it for that purpose, all remittances of principal of and interest on the warrants and the coupons in bankable funds at par and without deduction for exchange, fees or expenses. The town agrees with the holders of the warrants and the coupons that it will pay all charges for exchange, fees or expenses which may be made by any such bank in the making or remittances in bankable funds of the principal of and interest on any of the warrants and the coupons.

Section 8. Creation of Contract. The provisions of this ordinance shall constitute a contract between the town and each holder of the warrants and the coupons.

Section 9. Provisions of Ordinance Severable. The various provisions of this ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction such invalidity shall not affect any other portion of this ordinance.

Section 10. Sale of Warrants. The warrants are hereby sold to T. U. Crumpton & Co. at and for the purchase price equal to the face value of the warrants plus accrued interest from the date until the date of payment therefor. The mayor is hereby authorized and directed to deliver the warrants, together with all coupons applicable thereto, to the said purchaser upon payment to the town treasurer, for the account of the town, of said purchase price.

Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_  
19\_\_\_\_.

\_\_\_\_\_  
Mayor

Authenticated:

\_\_\_\_\_  
Town Clerk

EXHIBIT D

BE IT RESOLVED and ordered by the Town Council of the Town of Bay Minette, Alabama, that the mayor of said town is hereby authorized and directed to cause such court proceedings to be instituted as he may deem necessary to cause to be validated, pursuant to the provisions of Sections 169 to 176, inclusive, of Title 7 of the Code of Alabama of 1940, the \$120,000.00 principal amount of General Obligation Sewer Warrants of said town to be dated February 1, 1950, heretofore authorized at this meeting, together with the special ad valorem tax provided for payment thereof and the pledge of said tax made therefor and all covenants and provisions contained in the ordinance under which said warrants are authorized to be issued. Such proceedings shall be instituted and conducted in the name of and in behalf of said town, the mayor thereof and said town council and its members as the petitioners therein and shall be instituted and conducted by J. B. Blackburn and White, Bradley, Arant and All, who are hereby designated as the Solicitors for said petitioners in said proceedings.



TOWN OF BAY MINETTE, ALABAMA,  
A Municipal Corporation,  
M. D. REID, as Mayor, and  
J. M. BRISTOW, D. E. BUSHNELL,  
NORMAN DURANT, J. M. REED and  
R. H. STUART, as members of  
the Town Council of said Town,

Petitioners,

VS.

THE TAXPAYERS AND CITIZENS OF  
THE TOWN OF BAY MINETTE, ALABAMA,

Defendants.

IN THE CIRCUIT COURT OF  
BALDWIN COUNTY, ALABAMA.

IN EQUITY.

#### ORDER

The petition filed in this cause on the 31<sup>st</sup> day of May, 1950 having been on this date presented to the Court and being understood by the Court, it is hereby Ordered by the Court as follows:

1. The said petition is hereby set for hearing at the County Courthouse of Baldwin County, Alabama in the Town of Bay Minette, Alabama at ten o'clock A. M. on the 21st day of June, 1950.

2. An order is hereby made and issued against the taxpayers and citizens of the Petitioner, Town of Bay Minette, Alabama requiring them to show cause, if any they have, at said time and place why this Court should not validate and confirm the \$120,000. principal amount of general obligation sewer warrants of the Town of Bay Minette, Alabama, to be dated February 1, 1950, proposed to be issued by the said Town of Bay Minette, Alabama and the means provided by the payment of said warrants, the pledge of revenues made therefor and all covenants and provisions contained in the ordinance of the said Town whereunder the said warrants are proposed to be issued, all in the manner set out in the said petition.

3. A copy of the said petition and of this order shall be served upon Kenneth Cooper, as Solicitor of the Circuit Court of the Twenty-eighth Judicial Circuit of Alabama, which is composed of Baldwin County, Alabama, he, being by virtue of the said office, the said Solicitor of Baldwin County, Alabama, and

also on C. LeNoir Thompson, as County Solicitor of Baldwin County Alabama. Such service shall be made on each of the said named persons at least eighteen (18) days before the aforesaid date fixed the said hearing.

4. The Register of this Court shall publish in the Baldwin Times once a week for three successive weeks before the of the hearing fixed in this order a notice addressed to the taxpayers and citizens of the said Town of Bay Minette, Alabama, requiring them, at the time and place specified in this order for the hearing of the said petition, to show cause, if any they have, why the said warrants and the tax or other means provided for their payment and the pledge of revenues made therefor, and all covenants and provisions contained in the ordinance of the said Town whereunder the said warrants are proposed to be issued, should not be validated and confirmed by this Court. Publication of the said notice shall be not less than eighteen (18) days prior to the aforesaid date of the said hearing.

DONE on this the 31<sup>st</sup> day of May, 1950.

Jelfair J. Madlbury, Jr.  
Judge of the Circuit Court of Baldwin  
County, Alabama, Sitting in Equity.

TOWN OF BAY MINETTE, ALABAMA,  
A Municipal Corporation,  
M. D. REID, as Mayor, and  
J. M. BRISTOW, D. E. BUSHNELL,  
NORMAN DURANT, J. M. REED and  
R. H. STUART, as members of  
the Town Council of said Town,

Petitioners,

v.

THE TAXPAYERS AND CITIZENS OF  
THE TOWN OF BAY MINETTE, ALABAMA,

Defendants.

IN THE CIRCUIT COURT OF  
BALDWIN COUNTY, ALABAMA.

IN EQUITY.

FINDINGS OF FACT, CONCLUSIONS  
OF LAW, AND DECREE

This cause coming on for trial on this date pursuant to the order previously entered herein setting the same for hearing on this date, and it appearing to the Court that notice hereof has been given to the defendants as required by law, and that the defendants were represented in open court by Kenneth Cooper and C. Lenoir Thompson, respectively the State Solicitor and the County Solicitor for Baldwin County, Alabama, and the petitioners were represented in open court by J. B. Blackburn and William Alfred Rose, this cause was submitted on the petition as amended and the answer of the defendants thereto and the evidence taken orally in open court. The Court upon consideration finds the facts and states its conclusions of law and renders its decree as follows:

FINDINGS OF FACT

(1) The Town of Bay Minette (herein called "the town") is a municipal corporation organized and existing under the laws of Alabama and situated in Baldwin County,

Alabama. M. D. Reid is the duly elected, qualified and acting mayor of the town and the other individual petitioners together constitute all the members of the Town Council of the town. The said mayor and town council together constitute the governing body of the town.

(2) The town council did on March 15, 1949, by ordinance duly adopted, call an election of the qualified electors in the town for the purpose of determining whether or not the town should be authorized to increase its annual rate of taxation by the levy of an additional annual ad valorem tax of  $3/4$  of 1% to be used for constructing a sewage disposal plant, additions, extensions and repairs to the present sewer system of the town, and to pay the cost of issuing and retiring bonds which might be issued for the said purpose and the interest thereon. Notice of the said election was published in the Baldwin Times, a newspaper published in the town, once a week for three successive weeks in the issues of said newspaper published on March 24, 1949, March 31, 1949, and April 7, 1949. The said election so called was held in the town on May 3, 1949, and thereafter the town council in meeting assembled canvassed the returns of the said election and found and declared that a majority of the qualified electors of the town who participated in said election voted in favor of the levy of said additional tax.

At a meeting of the town council held on January 3, 1950, an ordinance (herein called "the authorizing ordinance") was adopted authorizing the issuance of \$120,000 principal amount of General Obligation Sewer

Warrants (herein called "the warrants") of the town for the purpose of providing funds for the construction of a sanitary sewerage system (herein called "the system") in the town. The authorizing ordinance provides that the warrants shall be dated February 1, 1950, shall mature on February 1 in principal installments of \$6,000 in 1951 to 1955, inclusive, \$7,000 in 1956 to 1960, inclusive, \$8,000 in 1961 to 1964, inclusive, and \$23,000 in 1965, shall bear interest at the rate of  $2\frac{3}{4}\%$  per annum with respect to those maturing in 1951 to 1960, inclusive, and at the rate of  $2\frac{1}{2}\%$  per annum with respect to those maturing in 1961 to 1965, inclusive, which interest shall be payable semi-annually on February 1 and August 1, to be evidenced by separate interest coupons (herein called "the coupons"), shall be payable at the principal office of The Merchants National Bank of Mobile in the City of Mobile, Alabama, those maturing in 1956 and thereafter being subject to redemption at the option of the town in whole or in part in inverse numerical order after not less than thirty days' prior published notice, on February 1, 1955, and on any interest payment date thereafter at their face value plus accrued interest to the redemption date and a premium equal to twelve months' interest thereon computed at the interest rate which would have been payable thereon on the redemption date if they had not been called for redemption, provided that any such redemption made prior to February 1, 1960, may be made only out of revenues derived from the said additional tax. In the authorizing ordinance the town pledged for the payment of the warrants and the coupons so much as may be necessary for such purpose of the said additional tax and sold the warrants to T. U. Crumpton

& Co. at a price equal to the face value thereof plus accrued interest from their date until the date of payment therefor.

(3) At the time of the filing of the petition in this cause and at the time of the hearing thereon the total assessed value of the property in the town subject to taxation by it as assessed for state taxation for the tax year ending September 30, 1949, was \$1,742,054 and the aggregate of all indebtedness of the town chargeable against its constitutional debt limit was \$7,000, exclusive of the warrants and exclusive of accrued interest. The accrued interest on the said indebtedness at the time of the hearing in this cause was approximately \$80.00, the said accrued interest having been paid to March 1, 1950. If the warrants are issued by the town the aggregate indebtedness of the town chargeable against its constitutional debt limit will be \$127,000 plus accrued interest. The constitutional debt limit of the town for the purpose of constructing sewers is \$139,364.32.

(4) There is no evidence of any collusion or fraud in any of the said proceedings of the town council or in any of the steps heretofore taken or contemplated to be taken in connection with the issuance of the warrants, and so far as the record in this cause discloses the town council has acted in good faith in authorizing the issuance of and in selling the warrants.

#### CONCLUSIONS OF LAW

(1) All actions and things required under Sections 169 to 176, inclusive, of Title 7 of the Code of Alabama of 1940 to be had and done in this proceeding preliminary to the making of the findings of fact, conclusions of law and decree of this court herein contained

have been had and done in the manner provided by said title and sections of said code. The town has power to institute and conduct this proceeding and has duly authorized it.

(2) The town council has power under the laws of Alabama to construct a sewerage system, including a sewage disposal plant, sufficient for the needs of the inhabitants of the town, and is authorized to make all necessary contracts for such purpose, and to finance the cost of such construction by the issuance of warrants of the town in the form and in the manner authorized in and contemplated by the authorizing ordinance, and to use and pledge for payment of the principal of and interest on the warrants so much as may be necessary for such purpose of the proceeds which may be received by the town from the said additional  $3/4$  of 1% annual ad valorem tax authorized at the said tax election held in the town on May 3, 1949. It is not necessary that the town issue its bonds for said purpose. The said tax election was validly called and held and the said additional tax was duly authorized thereat.

(5) Issuance of the warrants will not cause the town to exceed its constitutional debt limit within the meaning of Section 225 of the Constitution of Alabama of 1901.

(6) All proceedings required under the constitution and laws of the State of Alabama for the authorization, sale and issuance of the warrants and the making of the aforesaid pledge for payment of the principal thereof and interest thereon have been had and done in

the manner provided in said constitution and laws.

(7) When the warrants are executed, sealed and delivered by the town to the purchaser thereof and are paid for by the said purchaser in the manner and under the conditions contemplated in the authorizing ordinance, the warrants will constitute valid warrants of the town as therein provided.

D E C R E E

It is, therefore, upon consideration by the court, ORDERED, ADJUDGED AND DECREED by the court as follows:

(1) The court does hereby validate and confirm all proceedings heretofore had or taken in connection with the authorization and sale by the town of the warrants, and the pledge and agreements on the part of the town with respect thereto contained in the authorizing ordinance. When the warrants shall have been executed and sealed in the manner provided in the authorizing ordinance and shall have been delivered to and paid for by the purchaser thereof pursuant to the sale thereof, then the warrants and the said pledge and agreements shall thereupon stand validated and confirmed.

(2) At the time of the delivery of the warrants to the purchaser thereof pursuant to the sale thereof, the mayor of the town is hereby directed to cause to be stamped, printed or written on the warrants a legend substantially as follows:



"Validated and confirmed by decree of the Circuit Court of Baldwin County, Alabama, in Equity, rendered on the 21st day of June, 1950."

The register of the court is directed thereupon to sign such legend in his capacity as such register.

(3) The costs in this cause are hereby taxed against the town.

DONE and ENTERED at Bay Minette, Alabama, this 21st day of June, 1950.

Jessie A. Mashburn, Jr.  
Judge of the Circuit Court,  
in Equity Sitting

JIMMY FAULKNER  
EDITOR AND PUBLISHER

# the BALDWIN Times

BEST NEWSPAPER

BAY MINETTE, ALABAMA

## Legal Notice

IN THE CIRCUIT COURT OF BALDWIN  
COUNTY, ALABAMA. IN EQUITY  
TOWN OF BAY MINETTE, ALABAMA,  
A Municipal Corporation, M. D. REID,  
Mayor, and J. M. BRISTOW, D. E.  
BUSHNELL, NORMAN DURANT, J. M.  
REED and R. H. STUART, as members  
of the Town Council of said Town,  
Petitioners,

THE TAXPAYERS AND CITIZENS OF  
THE TOWN OF BAY MINETTE, ALA-  
BAMA,  
Defendants.

NOTICE  
TO THE TAXPAYERS AND CITIZENS OF  
TOWN OF BAY MINETTE, ALABAMA:  
Notice is hereby given to you that a  
petition has been filed in this Court un-  
der the provisions of Title 7 Sections 169  
and 170 both inclusive of the 1940 Code of  
Alabama, seeking the validation and con-  
firmation by this Court of a proposed  
ordinance of the Town of Bay Minette, Ala-  
bama, a Municipal Corporation, of \$120,-  
000 principal amount of general obliga-  
tion sewer warrants of the said Town to  
be dated February 1, 1950 for the pur-  
pose of providing funds to construct or  
the construction of a sewage sys-  
tem and for said Town, and that this  
Court has issued an order against the  
taxpayers and citizens of the said Town,  
requiring them to show cause at a ses-  
sion of said Court to be held at the Coun-  
ty Courthouse of Baldwin County Ala-  
bama in the Town of Bay Minette Ala-  
bama at ten o'clock on the 21st day of  
June 1950 why said warrants and the tax  
means provided for the payment  
thereof and the pledge of revenues made  
thereunder and all covenants and provisions  
contained in the ordinance of the said  
Town whereunder the said warrants are  
to be issued should not be vali-  
dated and confirmed by this Court.  
It is, accordingly, required, at the  
place aforesaid, to show cause  
why you have, why the said warrants  
or other means provided for pay-  
ment and the pledge of revenues  
thereof, and all covenants and  
provisions contained in the ordinance of  
the said Town whereunder the said war-  
rants are proposed to be issued, should  
not be validated and confirmed.  
On this the 31st day of May, 1950.

ALICE J. DUCK,  
Register of the Circuit Court  
of Baldwin County, Alabama,  
in Equity. 19-3tc.

## AFFIDAVIT OF PUBLICATION

STATE OF ALABAMA,  
BALDWIN COUNTY.

Jimmy Faulkner, being duly sworn, deposes and says  
that he is the PUBLISHER of THE BALDWIN TIMES, a Weekly Newspaper pub-  
lished at Bay Minette, Baldwin County, Alabama; that the notice hereto attached of

Lawyer at Bay Minette Ala.  
Taxpayers

## COST STATEMENT

374 WORDS @ 3 1/2 cents — — — \$ 13 09

I hereby certify this is correct, due and unpaid (paid).

Jimmy Faulkner  
Publisher.

Was published in said newspaper for 3 consecutive weeks in the following issues:

Date of 1st publication June 1, 1943 Vol. 61 No. 19

Date of 2nd publication June 8, 1943 Vol. 61 No. 20

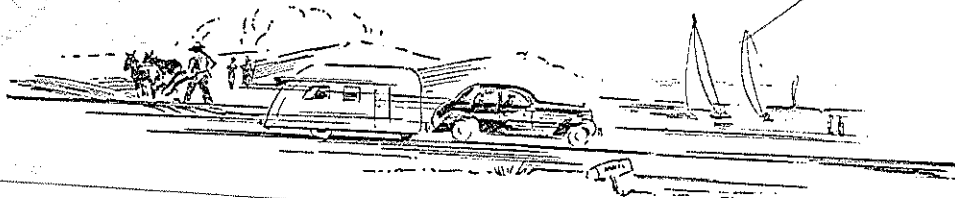
Date of 3rd publication June 15, 1943 Vol. 61 No. 21

Date of 4th publication \_\_\_\_\_, 194 Vol. \_\_\_\_\_ No. \_\_\_\_\_

Subscribed and sworn before the undersigned this 15 day of June, 1943

Dorothy Martin  
Notary Public, Baldwin County.

Jimmy Faulkner  
Publisher.



TOWN OF BAY MINETTE

Versus

TAXPAYERS

IN THE CIRCUIT COURT OF  
BALDWIN COUNTY, ALABAMA.

IN EQUITY. NUMBER 2480.

APPEARED:

For Complainant

Hon. J. B. Blackburn  
Hon. W. A. Rose

For Respondents

Hon. Kenneth Cooper  
Hon. C. L. Thompson

Mr. Rudolph Cromartie, witness for the Town of Bay Minette,  
being first duly and legally sworn, testified as follows:

ON DIRECT EXAMINATION

By Mr. Rose

Q. Are you Mr. Rudolph Cromartie?

A. Right.

Q. Mr. Cromartie, do you occupy any official position with the Town  
of Bay Minette?

A. I am City Clerk.

Q. How long have you been so employed?

A. Since January, 1949.

Q. In other words, since January 1949, you have been employed by  
the Town of Bay Minette?

A. Right.

Q. Since what time have you been Clerk?

A. I believe June, 1949.

MR. ROSE: The records of the Town setting forth meetings of the  
governing body of the Town are in your possession or under your  
control?

A. Yes sir.

Q. Is this book which I hand you in my hand the official minute book  
of the Town Council of the Town of Bay Minette?

A. Yes sir.

Q. The Town Council is the governing body of the Town of Bay Minette?

A. Yes sir.

Q. Is the record set forth in this minute book headed "Minutes of the Regular Meeting of the Town Council of the Town of Bay Minette as held March 3, 1949, the official minutes of the meeting of the Town Council held on that date?

A. Yes sir.

Q. Is Ordinance number 494 set out in those minutes the correct copy of the ordinance referred to in those minutes?

A. Yes sir.

MR. ROSE: We introduce in evidence as Exhibit "A" to his testimony so much of the minutes of the meeting of the Town Council of the Town of Bay Minette held on March 15, 1949 as is set forth in the organization of that meeting and the introduction of and the adoption of the ordinance number 494 that was the ordinance calling the election.

Ordinance admitted, identified as Exhibit "A" to testimony of Rudolph Cromartie and is set forth below:

Exhibit "A" to Testimony of Rudolph Cromartie

"AN ORDINANCE

NUMBER 494

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY MINETTE, ALABAMA, AS FOLLOWS:

SECTION 1: A municipal election is hereby called and will be held in, for and by the City of Bay Minette, Alabama on the 3rd day of May, 1949 for the purpose of determining if a majority of the qualified electors of the said municipal corporation favor increasing the ad valorem taxes of the municipal corporation from the present rate of one-half of one percent to one and one-fourth percent for each year, the proceeds of the additional three-fourths of one percent taxes to be used for constructing a sewage disposal plant, additions, extensions and repairs to the present sewer system of the said City, the costs of issuing and retiring bonds which will be issued to raise money for the said purpose and for the payment of interest thereon.

SECTION 2: The voting places for the said election and the numbers thereof shall be as follows:

- Box 1: Courthouse, Bay Minette, Alabama
- Box 2: City Hall, Bay Minette, Alabama
- Box 3: Veterans Club, Bay Minette, Alabama

All qualified electors in the said City of Bay Minette, Alabama residing north of the Louisville and Nashville Railroad and East of Hand Avenue shall vote in Box 1. All qualified electors in the said City residing North of the Louisville and Nashville Railroad and West of Hand Avenue shall vote in Box 2. All qualified electors in the said City residing South of the Louisville and Nashville Railroad shall vote in Box 3.

The said polling places shall open at 9:00 A. M. and close at 5:00 P. M.

SECTION #: George Noonan, L. D. Owen, Jr., and E. B. Still shall be and they are hereby appointed Managers; A. C. Mott and Derrill Stuart shall be and they are hereby appointed Clerks and H. T. Corley is hereby appointed Returning Officer for Box 1 to conduct the said election.

L. J. Jordan, Harry Still and J. E. Young shall be and they are hereby appointed Managers; J. H. Stacey and E. Davidson shall be and they are hereby appointed Clerks and J. J. Baggette is hereby appointed Returning Officer for Box 2 to conduct the said election.

J. C. Capps, Burley Powell and Marshall White shall be and they are hereby appointed Managers; Roy Davis and Jack Page shall be and they are hereby appointed Clerks and J. H. Brown is hereby appointed Returning Officer for Box 3 to conduct the said election.

SECTION 4: The ballots used in the said election shall be in substantially the following form:

BALLOT

The proposed additional rate of taxation of three-fourths of one percent is authorized and shall be used by the City of Bay Minette, Alabama for building a sewage disposal plant and for making additions, alterations and repairs to the existing sewer system of the said City, to pay the costs of issuing and retiring bonds, which shall be used for the said purposes, and the payment of interest thereon.

For three-fourths percent additional rate of taxation \_\_\_\_\_

Against three-fourths percent additional rate of taxation \_\_\_\_\_

SECTION 5: The returns of said election shall be canvassed and the result of the election declared as provided by Title 37, Sections 281-2 of the 1940 Code of Alabama.

SECTION 6: Notice of the said election shall be given by publication of this ordinance in the manner hereinafter provided.

SECTION 7: This ordinance shall be published by publishing a copy hereof once a week for three successive weeks in the Baldwin Times, a newspaper published at Bay Minette in Baldwin County, Alabama, the first publication of which shall be made in the issue of said paper to be published on March 24, 1949.

ADOPTED on this the 15th day of March, 1949.

M. D. REID  
Mayor

ATTEST:  
MARY F. SMITH,  
City Clerk."

MR. ROSE: We introduce in evidence to his testimony minutes of the special meeting of the Town Council of the Town of Bay Minette held on May 4, 1949.

"CALL AND CONSENT OF SPECIAL MEETING  
OF THE TOWN COUNCIL OF THE TOWN OF  
BAY MINETTE, ALABAMA.

A special Meeting of the Town Council of the Town of Bay Minette, Alabama, is hereby called and ordered to be held in the Council Chamber of the Mayor's office in said Town, at 7:30 P. M., on the 4 day of May, 1949, the public interest, in my opinion, requiring such meeting.

/s/ M. D. Reid  
Mayor of the Town of Bay Minette,  
Alabama

The undersigned members of the Town Council of the Town of Bay Minette, Alabama, hereby join in the above Call and Consent of the holding of such Council Meeting.

/s/ Julian Bristow  
/s/ Norman Durant  
/s/ R. H. Stuart  
/s/ Jesse M. Reed

As Members of the Town Council of the  
Town of Bay Minette, Alabama.

- Q. Are the minutes of the regular meeting of the Town Council of the Town of Bay Minette held on January 3, 1950 correctly set forth in this Minute Book under the heading which I have just referred to?
- A. Yes sir.
- Q. Is the ordinance authorizing the issuance of the general obligation of the Town of Bay Minette held January 3, 1950, setting forth the obligation, at that meeting, introduction and adoption of the ordinance authorizing the issuance of \$120,000.00 principal amount of the general obligation of sewage bonds of the Town of Bay Minette? Also in the same minutes to which we last referred is the resolution set forth authorization for the filing of this proceeding?
- A. Yes sir.

(Offered in evidence)

Exhibit "C"

"MINUTES OF THE REGULAR MEETING OF THE TOWN COUNCIL  
OF THE TOWN OF BAY MINETTE, ALABAMA, AS HELD JANUARY  
3RD, 1950.

The Town Council of the Town of Bay Minette, Alabama, met in regular session on the night of the first Tuesday in January, being January 3, 1950, at 7:30 P. M., that being the proper time, place and date for such meeting.

Upon roll call the following members of the Town Council were found to be present: Councilmen J. M. Bristow, D. E. Bushnell, Norman Durant, J. M. Reed and R. H. Stuart. Mayor M. D. Reid, presided, and A. R. Cromartie, Town Clerk, acted in his capacity.

To

*MR Stuart Judge*

Office of Probate Judge

Date *1-2-51*

Baldwin County

Bay Minette, Ala.

Received of

*Alice J. Duels, Clerk*

*One hundred two + 57/100*

DOLLARS

For

*Cost #1453, Comm - preceding Young B. M.*  
*+ B. M. Land Co -*

\$

*102<sup>57</sup>/<sub>100</sub>*

*MR Stuart*

Please Sign and Return as Soon as Possible

The minutes of the last regular meeting were then read, and after reading and on motion duly made, seconded and unanimously carried, were adopted and approved as read.

There were then read to the Council the following bills or accounts against the Town, all having been previously filed with the Clerk, viz:

#### GENERAL FUND

H. Phillips	\$ 75.00
Ernie Fleming	60.00
Trammell Bryars	67.50
G. W. Ganey	60.00
G. W. Jeffers	60.00
J. E. Philpot	30.00
J. L. Barrow	169.40
J. L. Barrow	90.00
Pete Sellers	80.00
Pete Sellers	32.50
Mary F. Smith	52.50
J. B. Blackburn	25.00
Morrie Bankester	67.50
W. A. Tolbert	67.50
Baldwin Co. Welfare Department	25.00
Bay Minette Cemetery Committee	15.00
U. V. Daniels, Prin. B. M. Schools	50.00
Mrs. E. D. Noonan, Treas. Library	30.00
State Health Department	32.50
Alabama Power Company	247.00
Alford Building Supply	1.48
Baldwin Co. Welfare Department	306.56
Bradleys Hardware	.24
Builders Hardware & Supply Co.	10.11
Burford Toothaker Tractor Company	84.39
Fent's Garage	13.50
Gulf Refining Company	341.49
The Baldwin Times	37.85
Moore Printing Company	41.70
Baldwin Tire Stores	65.20
Municipal Water Board	115.50
Noonan Advertising Company	50.00
Pages Service Station	18.50
Reid Welding & Steel Works	22.50
M. C. Waters	51.00
Wilson Chevrolet Company	101.45
The Water Works & Gas Board	18.83
M. H. Wilkins, Tax Coll.	58.50

#### STREET IMPROVEMENT FUND

Anderson Thompson	24.00
Isiah Williams	24.00
John Wilson	14.40
Myrdis Williams	14.40
Anderson Thompson	24.00
Isiah Williams	24.00

#### NATURAL GAS DEPARTMENT

M. C. Eubanks, Sr.	5.00
D. Ol Cooper	5.00
Mrs. G. C. Arant	5.00
Mrs. Olivia Fox	5.00
Neal Pressley	5.00
The Water Works & Gas Board	18.50



On motion made by Councilman Bushnell, duly seconded by councilman Stuart, and unanimously carried, all of the above bills were ordered paid, payments to be made out of the respective funds.

On motion duly made, seconded and unanimously carried J. B. Blackburn, Town Attorney, salary was raised to \$50.00 on General Fund effective Jan. 1st, 1950, and \$50.00 in the Gas Fund effective Jan. 1, 1950.

The following ordinance was introduced in writing by Councilman Bushnell and read to the meeting:

"AN ORDINANCE AUTHORIZING THE  
ISSUANCE OF \$120,000 PRINCIPAL AMOUNT  
OF GENERAL OBLIGATION SEWER WARRANTS  
of the town of Bay Minette for the  
PURPOSE OF PROVIDING FUNDS FOR THE  
CONSTRUCTION OF A SEWAGE SYSTEM  
(HEREIN CALLED "THE SYSTEM") IN  
THE TOWN

BE IT ORDAINED by the Town Council of the Town of Bay Minette, Alabama, as follows:

Section 1: Findings Respecting Need for Sewer System. The Town Council (herein called the council" of the Town of Bay Minette (herein called "the town") has and does hereby determine that it is necessary to construct a sanitary sewage system (herein called "the system") has heretofore let contracts for the construction thereof in the town the total estimated cost of which will be in excess of \$120,000.00. The town has caused an investigation to be made and has ascertained that the town does not now have and will not have from its current revenues funds sufficient to construct the system and that it will be necessary for the town to borrow the sum of \$120,000 on the faith and credit of the town for said purpose by the sale and issuance of the warrants herein authorized. The council is of the opinion that it would be advantageous to the town and its citizens and taxpayers for such warrants to be sold and issued.

Section 2. Authorization of Warrants. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 466 of Title 37 of the Code of Alabama of 1940, and for the purpose of raising funds to construct the system there are hereby authorized to be issued by the town 120 General Obligation Sewer Warrants (herein called "the warrants") of the town in the aggregate principal amount of \$120,000, which shall be dated February 1, 1950, shall be numbered consecutively from 1 to 120, inclusive, shall be in the denomination of \$1,000 each, and shall mature as follows:

Warrant Numbers (both inclusive)	Maturity Dates	Aggregate Principal Amount Maturing
1 to 6	February 1, 1951	\$ 6,000
7 to 12	February 1, 1952	6,000
13 to 18	February 1, 1953	6,000
19 to 24	February 1, 1954	6,000
25 to 30	February 1, 1955	6,000
31 to 37	February 1, 1956	7,000
38 to 44	February 1, 1957	7,000
45 to 51	February 1, 1958	7,000
52 to 58	February 1, 1959	7,000
59 to 65	February 1, 1960	7,000
66 to 73	February 1, 1961	8,000
74 to 81	February 1, 1962	8,000
82 to 89	February 1, 1963	8,000
90 to 97	February 1, 1964	8,000
98 to 120	February 1, 1965	23,000

Those of the warrants maturing in 1951 to 1960, inclusive, (numbered from 1 to 65, inclusive), shall bear interest from their date until their respective maturities at the rate of 2-3/4% per annum

and those of the warrants maturing in 1961 to 1965, inclusive (numbered from 66 to 120, inclusive), shall bear interest from the date until their respective maturities at the rate of 2-1/2% per annum. Said interest shall be payable semi-annually on February 1 and August 1 in each year and shall be evidenced by separate interest coupons (herein called "the coupons") attached to the warrants. The warrants and the coupons shall bear interest after their respective maturities until paid at the rate of 6% per annum, and shall be payable in lawful money of the United States of America at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama.

Section 3. Optional Redemption Provisions. Those of the warrants maturing in 1956 and thereafter (numbered from 31 to 120, inclusive, and herein called "the callable warrants") may be redeemed and paid prior to their respective maturities, at the option of the town, as a whole or in part in their inverse numerical order on February 1, 1955, and on any interest payment date thereafter, at the face value of those redeemed plus accrued interest thereon to the redemption date and a premium equal to twelve months' interest on those redeemed computed at the interest rate which would have been payable thereon on the redemption date if they had not been called for redemption; provided, however, that any such redemption made prior to February 1, 1960, may be made only out of revenues derived from the special tax referred to in Section 5 hereof remaining after all payments of the principal of and interest on the warrants then and theretofore due shall have been paid. In order to effect such redemption the town shall first give notice of its election to redeem those of the callable warrants which may be so redeemed and which may be designated by resolution of the council by publication one time not less than thirty (30) days prior to the time fixed for redemption in a daily newspaper printed in the English language and published in the City of Birmingham, Alabama. In the event there is no daily newspaper published in said city at the time the said notice is so required to be published, then such notice may be given by publication one time in a daily newspaper or in a financial journal printed in the English language and published in the City of New York, New York. A newspaper published six days during each calendar week shall constitute a daily newspaper within the meaning of this section. The funds necessary to effect any such redemption shall on or prior to the redemption date be deposited at the bank at which the warrants are payable and, upon the giving of such notice and the making of such deposit, interest on the callable warrants so called for redemption shall cease from and after the redemption date.

Section 4. Execution of warrants. The warrants shall be executed and the corporate seal of the town shall be affixed thereto by the mayor, and the town clerk shall attest the same by affixing his signature thereto. The coupons shall be executed with the facsimile signature of the mayor and shall be attested with the facsimile signature of the town clerk, whose facsimile signatures shall be valid in all respects as if they had signed the coupons in person. The warrants and the coupons shall be registered by the town treasurer in the records maintained by him as a claim against the town and the special tax pledged therefor, which registration shall be made simultaneously with respect to all of the warrants and coupons. Said officers are hereby directed so to execute, seal, attest and register the warrants and the coupons.

Section 5. Pledge for Payment of Warrants. The indebtedness evidenced and ordered paid by the warrants is and shall be a general obligation of the town, for the payment of the principal of and interest on which the full faith and credit of the town are hereby irrevocably pledged. In addition thereto and as a part of the contract whereunder the money evidenced and ordered paid by the warrants is borrowed, the town agrees that it will annually levy, collect and apply for payment of the principal of and interest on the warrants, as long as any part thereof remains unpaid, the entire special annual ad valorem

tax of  $3/4$  of 1% (herein called "the special tax") authorized at a special election held in the town on May 3, 1949. In the event the proceeds from the special tax shall not be sufficient to pay the principal of and interest on the warrants as said principal and interest shall respectively mature, then so much as may be necessary for such purpose of the general revenues of the town shall be utilized therefor. The special tax, together with the proceeds thereof, is hereby pledged for the payment of the principal of and interest on the warrants, and to the extent that the same may not be necessary to pay the said principal and interest at the respective maturities thereof the surplus of said proceeds shall be utilized for redemption of the callable warrants subject to the provisions of Section 3 hereof or for the purchase of the warrants in the open market at a price not exceeding the face value thereof plus accrued interest thereon to the date of purchase and a premium equal to twelve months' interest on the warrants purchased. The town represents and agrees that the agreement and pledge with respect to the special tax herein made constitute the first and only such pledge and agreement respecting the same and shall be prior and superior to and all pledges and agreements respecting the special tax which may hereafter be made by the town.

Section 6. Form of Warrants. The warrants and the coupons of provisions for registration and assignment thereof shall be in substantially the following forms, with appropriate change to conform with the provisions hereof.

(Form of Warrant)

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

\$1,000

UNITED STATES OF AMERICA  
STATE OF ALABAMA  
TOWN OF BAY MINETTE  
GENERAL OBLIGATION SEWER WARRANTS

The Town of Bay Minette (herein called "the town"), a municipal corporation in the State of Alabama, hereby acknowledges that it is indebted, and hereby directs the town treasurer to pay, to pay, to T. U. Crumpton or assigns, the principal sum of

O N E T H O U S A N D D O L L A R S

on the 1st day of February, 19\_\_ with interest thereon from the date hereof until the maturity hereof at the rate of \_\_\_\_\_% per annum payable semi-annually on February 1 and August 1 of each year until at the maturity hereof upon presentation and surrender of the appropriate interest coupons hereto attached, as the same respectively become due. Both this warrant and the said coupons shall be payable in lawful money of the United States of America at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama.

This warrant is one of a series in the aggregate principal amount of \$120,000, of like tenor except for their numbers and maturity dates and provisions for redemption prior to maturity, issued pursuant to applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 466 of Title 37 of the Code of Alabama of 1940, and an ordinance duly and legally adopted by the governing body of the town for the purpose of raising funds to construct a sewer system in the town.

Those of the warrants maturing in 1956 and thereafter may at the option of the town be redeemed and unpaid prior to their respective maturities, as a whole or in part in inverse numerical order, on February 1, 1955, and on any interest payment date thereafter, after not less than thirty (30) days' prior published notice, at the face value of the warrants so redeemed plus accrued interest thereon to the redemption date and a premium equal to twelve months' interest on the warrants redeemed; provided, however, that any such redemption

made prior to February 1, 1960, may be made only out of surplus revenue derived from any special annual ad valorem tax of  $\frac{3}{4}$  of 1% (herein called "the special tax") authorized to be levied at a special election held in the town on May 3, 1949, after the principal and interest respecting the warrants theretofore maturing shall have been fully paid.

The indebtedness evidenced and ordered paid by this warrant and the coupons applicable hereto is a general obligation of the town for the payment of the principal of and interest on which the full faith and credit of the town have been irrevocably pledged. In addition thereto and as a part of the contract created in the issuance of the warrants, the town has agreed that it will annually levy, collect and apply for payment of the principal of and interest on the warrants the entire of the special tax.

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

This warrant is nonnegotiable but is transferable by assignment. Each taker, owner, purchaser holder hereof, by receiving or accepting this warrant or any interest coupon, shall consent and agree and shall be estopped to deny: (1) that title to the coupons hereunto appertaining may be transferred by delivery without the necessity of a written assignment; (2) that any person in possession of any such coupon, regardless of the manner in which he shall have acquired possession, is authorized to represent himself as the absolute owner thereof and has the power and authority to transfer absolute title thereto by delivery thereof to a bona fide purchaser for value (present or antecedent) without notice or prior defenses or equities or claims of ownership enforceable against his transferor or any person in the chain of title and before the maturity thereof; (3) that he has waived and renounced all of his equities or rights therein in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby; and (4) that whenever and so long as this warrant shall be assigned in whole or in part by written assignment by the original payee hereof or by any subsequent assignee hereof in the chain of title to whom written assignment is made, the town may treat any person in possession of this warrant, regardless of how such possession may have been acquired and regardless of the genuineness or effectiveness of any assignment, as the absolute owner hereof for all purposes, and payment to any such person shall discharge all obligations hereunder.

IN WITNESS WHEREOF, the town has caused this warrant to be executed and its official seal to be hereto affixed by its mayor and has caused the same to be attested by its town clerk, both of whom have hereunto subscribed their signatures, has caused the annexed interest coupons to be executed and attested with the facsimile signatures of said officer and has executed this warrant to be dated February 1, 1950.

TOWN OF BAY MINETTE

By \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Town Clerk

(Form of Coupon)

Coupon

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

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

On the 1st day of \_\_\_\_\_, 19\_\_\_\_, the Town Treasurer of the Town of Bay Minette in the State of Alabama is ordered and directed to pay to the bearer hereof the sum of \_\_\_\_\_ Dollars upon presentation and surrender of this coupon at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama, being interest then due on the General Obligation Sewer Warrant of the Town of Bay Minette, Alabama, dated February 1, 1950, and numbered \_\_\_\_\_.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Town Clerk

(Form of Registration)

I hereby certify that this warrant and the interest coupons hereto attached have been duly registered by me as a claim against the Town of Bay Minette in the State of Alabama and the special ad valorem tax specially pledged therefor.

\_\_\_\_\_  
Town Treasurer of the Town of  
Bay Minette, Alabama

(Form of Assignment)

For value received, this warrant and interest coupons applicable thereto and the indebtedness evidenced and ordered paid thereby are hereby transferred and assigned without recourse or warranties to

\_\_\_\_\_  
There shall be inserted in each of the callable warrants, immediately after the maturity date thereof, the following:

"(unless this warrant shall have been  
duly called for prior payment),"

There shall be inserted in each coupon due on and after August 1, 1955, immediately after the maturity date thereof, the following:

"(unless the warrant to which this coupon is  
applicable shall have been fully called for  
prior payment)",

Section 7. Provision for Payment at Par. Each bank at which the warrants and the coupons at any time shall be payable, by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the holders of the warrants and the coupons that it will make, out of the funds supplies to it for that purpose, all remittances of principal of and interest on the warrants and the coupons in bankable funds at par and without deduction for exchange, fees or expenses. The town agrees with the holders of the warrants and the coupons that it will pay all charges for exchange, fees and expenses which may be made by any such bank in the making of remittances in bankable funds of the principal of and interest on any of the warrants and the coupons.

Section 8. Creation of Contract. The provisions of this ordinance shall constitute a contract between the town and each holder of the warrants and coupons.

Section 9. Provisions of Ordinance Severable. The various provisions of this ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction such invalidity shall not affect any other portion of this ordinance.

Section 10. Sale of Warrants. The warrants are hereby sold to T. U. Crumpton & Co. at and for the purchase price equal to their face value of the warrants plus accrued interest from their date until the date of payment therefor. The mayor is hereby authorized and directed to deliver the warrants, together with all coupons applicable thereto, to the said purchaser upon payment to the town treasurer, for the account of the town, of said purchase price.

Docted and approved this \_\_\_\_ day of \_\_\_\_, 19\_\_.

\_\_\_\_\_  
Mayor

Authenticated:

\_\_\_\_\_  
Town Clerk

Councilman Stuart moved that the rules be suspended and unanimous consent granted for immediate consideration of and action upon said ordinance, which motion, on being seconded by Councilman Durant, was put to vote and the following vote thereon was recorded: Yeas: Mayor Reid and Councilmen J. M. Bristow, D. E. Bushnell, Norman Durant, J. M. Reed and R. H. Stuart; Nays: None. The mayor thereupon declared that the motion for unanimous consent for immediate consideration of and action upon said ordinance had been unanimously carried. Councilman Reed then moved that the said ordinance be finally adopted as read, which motion, on being seconded by Councilman Bristow, was put to vote and the following vote thereon was recorded: Yeas: Mayor Reid and Councilmen J. M. Bristow, D. E. Bushnell, Norman Durant, J. M. Reed and R. H. Stuart; Nays: None. The mayor thereupon announced that the motion for adoption of said ordinance had been unanimously carried and he signed the ordinance in approval thereof.

Councilman Stuart then introduced the following resolution in writing which was read to the meeting:

"BE IT RESOLVED and ordered by the Town Council of the Town of Bay Minette, Alabama, that the mayor of said town is hereby authorized and directed to cause such court proceedings to be instituted as he may deem necessary to cause to be validated, pursuant to the provisions of Sections 169 to 176, inclusive, of Title 7 of the Code of Alabama of 1940, the \$120,000 principal amount of General Obligation Sewer Warrants of said town to be dated February 1, 1950, heretofore authorized at the meeting, together with the special ad valorem tax provided for payment thereof and the pledge of said tax made therefor and all covenants and provisions contained in the ordinance under which said warrants are authorized to be issued. Such proceedings shall be instituted and

conducted in the name of and in behalf of said town, the mayor thereof, said town council and its members as the petitioners therein, and be instituted and conducted by J. B. Blackburn, White, Bradley, Ar & All who is hereby designated as the solicitors for said petitioners in said proceedings."

Mr. Bristow moved that the foregoing resolution be adopted and spr upon the minutes of this meeting, which motion was seconded by Mr. Durant, and upon the motion being put to vote the following vote was recorded: Yeas: Mayor Reid and Councilmen J. M. Bristow, D. E. Bushnell, Norman Durant, J. M. Reed and R. H. Stuart; Nays: None. The Mayor thereupon announced that the motion for adoption of the said resolution had been unanimously carried.

The council was advised that the Commissioners in the case of City of Bay Minette vs. Bay Minette Land Co. et. al. would report that the said defendants would be entitled to compensation and damages amounting to Two Thousand Dollars, after which it was moved seconded and unanimously carried that the City appeal from the judgment of condemnation in the Probate Court and that the Mayor, Clerk and City Attorney be, and they are hereby fully authorized and empowered to take all such action and execute all such written instruments as may be necessary and proper in connection with said appeal.

There being no further business to come before the Council the meeting was thereupon on motion duly made, seconded and unanimously carried, regularly adjourned.

Attest:

Read, approved and adopted as read,  
this 17th day of January, 1950.

/s/ A. R. Cromartie  
Town Clerk

/s/ M. D. Reid  
Mayor

MR. ROSE: We identify the resolution set forth in the minutes of the Town Council held on January 3, 1950 authorizing the filing of this proceeding. Are the records of the Town pertaining to this outstanding indebtedness in your possession or under your control?

A. Yes sir.

Q. On the date of the filing of the petition in this cause on May 31, 1950 what was the total general obligation, indebtedness of the

Town of Bay Minette?

A. Seven Thousand Dollars.

Q. Was that the indebtedness at the time of the filing of this petition on May 31st?

A. It was Ten Thousand Dollars at that time but due to an error on the part of \_\_\_\_ didn't get notice of one note becoming due, which has since been paid. It was really Ten Thousand Dollars. Three Thousand Five Hundred Dollars has been paid. Paid Three thousand Dollar note and Five Hundred Dollars interest.

Q. What is the indebtedness owing at the present time?

A. Seven Thousand Dollars.

Q. Does that include all indebtedness of the town of all character?

A. Of the general fund, yes sir.

Q. Only obligations of the town outstanding against the general fund or general credit of the town aggregate Seven Thousand Dollars, is that correct?

A. Yes sir.

Q. For what purpose was that Seven Thousand Dollar indebtedness incurred?

A. To be a loan to the Waterworks Board of the Town of Bay Minette for the purpose of paying for a well. The Town's general fund had a little money on hand, that's what it was for, what paid for it, borrowed Ten Thousand Dollars together with the Seventy-five Hundred Dollars of general fund money and let the Waterboard of the Town of Bay Minette have it.

Q. That indebtedness evidenced by outstanding warrants of the Town?

A. That's right.

Q. To what date was the interest last paid on those warrants?

A. Up until that date.

Q. To March 1, 1950?

A. Right.

Q. Bears interest at what rate?

A. Three and one-half percent.

Q. At the present time Seven Thousand Dollars principal owed on the warrants accrued interest from March 1, to the present time?

A. Yes.



Q. Would you compute the amount of interest to date and give us an outside figure?

A. Four months, about eighty dollars.

Q. The maximum interest due is about eighty dollars?

A. Yes sir.

Q. That's the entire indebtedness of the Town outstanding due by the Town and charged against its constitutional debt limit?

A. Yes sir.

Q. That is also payable out of the general funds of the Town?

A. That's right.

Q. Are there any other obligations of the Town ~~is not~~ general obligation?

A. Well, only the other agencies, Water Works Board, Gas Board of the the Town. The Municipal Water Board functions separately.

Q. They are not obligations of the Town itself?

A. No sir.

#### ON CROSS EXAMINATION

By Mr. Cooper

Q. If the Water Works obligations are not general obligations of the Town, whose obligation is that?

A. Water Works Board.

Q. It is a separate unit from the Municipal Corporation?

A. Yes sir. It was incorporated separately.

Q. From the records of your minutes what was the total indebtedness of the Town of Bay Minette on May 31, 1950?

A. On May 31, 1950, the date of the filing of this proceeding what was the total of the general indebtedness? Seven Thousand Dollars.

Q. What else, what other obligation other than the general obligation does the town owe?

A. Well, Water Works, Gas Board have obligations of their own.

Q. How much was that?

A. Two Hundred and Fifty Thousand Dollars, I believe.

Q. How is this obligation taken care of?

A. From revenue bonds from the Gas System itself.

Q. Revenue bonds from the Gas System?

A. Yes sir.

- Q. When are those bonds due? Called last year?
- A. They are not, I don't believe they become due yet, I don't the exact date, I'm sure they were made in November or December of last year, first come due in 1950.
- Q. These bonds authorized by the vote of the citizens of the Municipal Corporation of the Town of Bay Minette?
- A. No sir.
- Q. Was any security given for those Two Hundred Fifty Thousand Dollars of Bonds other than the income from the Gas System?
- A. The Gas System itself.
- Q. Just the Gas System?
- A. Just the Gas System itself, the revenue and Gas System itself.
- Q. The value of the bonds of itself and the Gas System not included in the assessed valuation of the total property in Bay Minette?
- A. No sir, they are not assessable.
- Q. They are not included as part of the assessed taxation for the year 1949?
- A. No sir, they are not assessable.
- Q. I believe you said the exhibits you just identified, stated the results of the election held in May, 1949, for the purposes voted on this?
- A. Yes sir.
- MR. THOMPSON: I will ask you, Mr. Cromartie, this bond issue which was voted by the citizens of Bay Minette on May 3, 1950, did the election authorize the Town of Bay Minette to issue warrants on bonds?
- A. As I recall -
- Q. Which was adopted by the Town, which did it authorize, warrants on bonds?
- A. I don't believe I stated anything except bond, I don't recall, so much quibbling in the sale of bonds.
- Q. They authorized, tell us what was to be used.
- A. Seven and a half mills increase to be used for the purpose of constructing and maintaining sewer extension and a sewage treating plant.

Q. Was the type of bonds specified in this obligation?

A. I don't remember exactly about that. I don't believe any particular type was mentioned.

Q. To refresh your recollection, Ordinance 494 of the City Council of Bay Minette, Alabama, passed on the third day of May reads in part: (Reads from book) "proceeds of additional three-fourths of one percent tax to be used for construction of sewage system of the said city - of the issuing and retiring bonds which will be for raising money for said purpose and interest thereon" -

A. I don't remember what that sale stated.

Q. What was your understanding when the ordinance was drawn up?

THE COURT: Let him have the book to refresh his recollection.

(Witness reads from ordinance book)

A. My understanding is this election was called for the purpose of determining whether or not the qualified voters of the Town of Bay Minette would be willing to have an increase in ad valorem tax of three-fourths of one percent, in order to construct and maintain and operate a sewer system of the Town of Bay Minette, and it says also that it calls for issuing bonds, and so forth, incidental to this would be paid out of this we had to borrow, that was my understanding.

ON RE DIRECT EXAMINATION

By Mr. Rose

Q. Mr. Cromartie, these revenue bonds talking about, payable solely of revenues and under no circumstances chargeable against the general tax revenues or other revenues which go into the general fund of the town?

A. No sir.

That's all.

Mr. Edmund S. Tunstall, being first duly and legally sworn, testified as follows:

ON DIRECT EXAMINATION

By Mr. Rose

Q. Your name is E. S. Tunstall?

A. Yes.

Q. What is your official capacity?

A. Tax Assessor of Baldwin County.

Q. By virtue of that office you are also Tax Assessor of the Town of Bay Minette?

A. Under ordinance passed by the City Council, yes.

Q. Do you have in your possession the records of the assessments for taxation by the Town of Bay Minette of all the taxable properties in the Town?

A. Yes sir.

Q. What was the total assessed valuation of the taxable properties in the Town of Bay Minette subject to taxation by the Town for the year, the tax year which ended September 30, 1949, as assessed for taxation by the State of Alabama for that year?

A. One million, seven hundred forty-one thousand and fifty-four dollars.

ON CROSS EXAMINATION

By Mr. Cooper

Q. Mr. Tunstall, the figure which you have just given is the assessed state taxation within the city limits, is that right?

A. Yes, as fixed by the Legislature in 1947 or 1948, somewhere along there.

Q. Includes all in the city limits?

A. Yes.

Q. Doesn't include anything outside that?

A. No sir.

That's all.

Mr. A. R. Cromartie, being recalled, testified as follows:

ON DIRECT EXAMINATION

By Mr. Rose

Q. Mr. Cromartie, Ordinance Number 494 which is in evidence, and which is the Ordinance calling the special municipal tax election held in the Town on May 30, 1949, it is provided, that ordinance calls the election, giving notice that shall be published by publishing a copy hereof once a week for three successive weeks in the Baldwin Times, a newspaper published in Bay Minette, Baldwin County, Alabama, the first publication

of which shall be made in the issues of said paper to be published March 24, 1949, do you have personal knowledge that this ordinance was published in that newspaper once a week for three successive weeks beginning with the issue dated March 24, 1949?

MR. COOPER: We object. The best evidence is a copy of the notice of the paper. Of the certificate duly recognized by the Court together with that notice.

THE COURT: I believe he is correct. Ought to have proof of publication. That's all.

Mr. James R. Owen, being first duly and legally sworn, testified as follows:

ON DIRECT EXAMINATION

By Mr. Blackburn

Q. Mr. Owen, have you attempted today to get proof of publication of the Ordinance which we have just discussed and also publication in this particular case?

A. I have.

Q. Anyone at the Baldwin Times office who can furnish that certificate?

A. No sir.

MR. COOPER: We object to that as being a part of the record. Attempted to get proof of publication. The ad was run back in March and from March to now is time enough - proper records should be presented to the Court.

THE COURT: Actually a fact, copy of the papers and record I believe - I don't know but what the Court could take judicial knowledge, take the file and proof but that - - I am willing to do this, I would like the record to be straight, that the proof be actually in evidence, - - - as soon as get proof of publication to insert it in the records.

MR. BLACKBURN: If it is agreeable to insert proof of publication it would not be necessary to do anything else.

MR. COOPER: It is agreeable. Just a matter of having the record straight.

Mr. Maxwell Reid, being first duly and legally sworn,  
testified as follows:

ON DIRECT EXAMINATION

By Mr. Rose

Q. Is this Mr. M. D. Reid?

A. Yes sir.

Q. Mr. Reid, what is your connection with the Town of Bay Minette?

A. Mayor.

Q. How long have you been such officer?

A. Since October 1, 1949.

Q. At the time this suit was filed you were duly elected, qualified and acting as Mayor of the Town of Bay Minette?

A. Yes.

Q. At the time this suit was filed I will ask you if J. M. Bristow, D. E. Bushnell, Norman Durant, J. M. Reed and R. H. Stuart were duly elected and qualified members of the Town Council of the Town of Bay Minette?

A. They were.

Q. You heard Mr. Cromartie testify and heard the introduction of the various ordinances and resolutions attached to this petition as evidence?

A. Yes sir.

Q. Were they enacted in the manner stated in those ordinances?

A. They were.

Q. This election you referred to or heard referred to was held as set out in this bill of complaint, was it not?

A. Yes, sir.

Q. A majority of the electors participated in that election as stated in the way set out in those?

A. Yes.

Q. The Town canvassed the election?

A. Yes.

Q. Have you read the Bill of Complaint?

A. Yes.

Q. The facts stated in it are true?

A. Yes sir.

ON CROSS EXAMINATION

By Mr. Cooper:

Q. Mr. Reid, at the time this election was held in May, 1949, was there a sewer system in Bay Minette?

A. Yes sir.

Q. Had that been completely paid for previous to the election?

A. Yes sir.

Q. The additional three-fourths of one percent authorized by the City election is to be solely for the purpose of erecting a new sewage and sewage disposal plant in connection with it?

A. Yes sir.

Q. For the repair and maintenance of that sewer system?

A. Yes the sewer system.

Q. All of his sewer system is located within the city limits of the Town of Bay Minette?

A. Yes sir.

Q. Had the work on the said sewer system been undertaken as yet?

A. Yes, but not completed.

Q. It is not completed?

A. No.

That's all

ON CROSS EXAMINATION

By Mr. Thompson

Q. Mr. Reid, your Ordinance 494 sets out an election to be held for the issuance of bonds, is that right?

A. Right.

Q. Your exhibit "B" sets out the fact that you are planning to issue these bonds, the reason for the election?

A. Election to find<sup>out</sup>/if the people wanted to.

Q. Exhibit "C" sets out you issued warrants?

A. Did I say it called for bonds?

- Q. The exhibit calls it bonds, set up as bonds, whereas in exhibit "C" it sets it out as warrants.
- A. It was my understanding we were to borrow money. I don't know whether the issue would be in bonds or warrants.
- Q. Did the Town of Bay Minette attempt to sell bonds as set out in the previous ordinances?
- A. Yes.
- Q. Did they sell them?
- A. Haven't been sold yet.
- Q. Did it change its finance procedure to use warrants for any particular reason?
- A. That, I don't know.
- Q. In other words you don't know why they issued warrants rather than bonds?
- A. I don't know they issued warrants.
- Q. Exhibit "C" sets out warrants is why I am using that explanation. In anywhere in the resolution of the council where they withdraw the issuance of bonds and decide on the issuance of warrants?
- A. No.
- Q. Just didn't follow the previous ordinance by using the word "bonds" is that correct?
- A. The wording of those things was left to our attorney.
- Q. I am just asking facts. You just abandoned the word "bonds" as set out in the ordinance and issued warrants?
- A. Hasn't issued anything yet.
- Q. Then, in the ordinance of the Town of Bay Minette as shown by Exhibit "C" to issue used the word "warrants" on February call just used word "warrants" as a matter of what was placed before the Town Council, do you know the reason for changing?
- A. That I don't know.
- That's all.

ON CROSS EXAMINATION

By Mr. Blackburn

- Q. These warrants to have been sold are contingent upon their being



validated in this proceeding?

A. They have been.

Q. Have you gotten a bid from T. E. Crumpton and Company at par with a net interest clause to it of 2.558?

A. Yes.

Q. I will ask you whether or not it was a better figure than the Town could get at public sale?

A. It is.

Q. Is it necessary that these warrants be sold for the completion of the sewer system?

A. Very necessary.

MR. THOMPSON: May it please the Court, the testified he was selling bonds and now he is testifying he is selling warrants.

THE COURT: Bond obligation, warrant obligation, may be two obligations. I don't see any distinction there.

MR. BLACKBURN: Adding to the file the Proof of Publication and with that we rest.

(Proof of publication attached to this transcript)

MR. COOPER: The State has no evidence to offer.

THE COURT: I believe the Town has established that it is entitled to decree finding that this ordinance ordering the election was properly passed by the Town Council, that the election was properly held in conformance with the ordinance which was passed, that the people in that election adopted a three-fourths of one percent increase in the Town tax rate for the purpose of paying the expenses of a sewer system and sewage disposal plant and that these bonds have been properly sold and should be validated. Warrants or bonds, as I see it, there is no difference between bonds and warrants.

MR. ROSE: May I interpose a remark? The election proceedings refer strictly to a tax election. There was no authority conferred by that election to issue any kind of \_\_\_\_\_ but whether the town should levy additional taxation for sewage purposes and simply to pay the cost of a bond issue for this purpose. The Town is not obligated to issue bonds. It could draw, probably finance it and use its own money out of the

tax revenues to operate. The idea that it has got to issue bonds is foreign to the issue.

Dated this 22nd day of July, 1950.

Ora S. Nelson  
Court Reporter

JIMMY FAULKNER  
EDITOR AND PUBLISHER

ALABAMA'S BEST COUNTY'S-

BAY MINETTE, ALABAMA

BEST NEWSPAPER

### AFFIDAVIT OF PUBLICATION

STATE OF ALABAMA.  
BALDWIN COUNTY.

Jimmy Faulkner, being duly sworn, deposes and says that he is the PUBLISHER of THE BALDWIN TIMES, a Weekly Newspaper published at Bay Minette, Baldwin County, Alabama; that the notice hereto attached of

an ordinance

#### COST STATEMENT

645 WORDS @ 3 1/2 cents — — — \$ 22.58

I hereby certify this is correct, due and unpaid (paid):

Jimmy Faulkner  
Publisher.

Was published in said newspaper for 3 consecutive weeks in the following issues:

Date of 1st publication Mar. 24, 1949 Vol. 60 No. 9

Date of 2nd publication Mar. 31, 1949 Vol. 60 No. 10

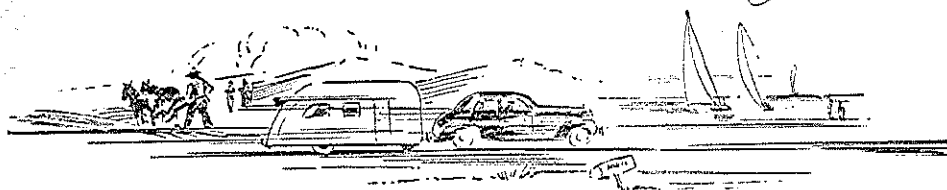
Date of 3rd publication April 7, 1949 Vol. 60 No. 11

Date of 4th publication \_\_\_\_\_, 194\_\_\_\_ Vol. \_\_\_\_\_ No. \_\_\_\_\_

Subscribed and sworn before the undersigned this 20 day of June, 1960

Dorothy Martin  
Notary Public, Baldwin County.

Jimmy Faulkner  
Publisher.



AN ORDINANCE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAY MINETTE,  
ALABAMA, AS FOLLOWS:

SECTION 1: A municipal election is hereby called and will be held in, for and by the City of Bay Minette, Alabama, on the 3rd day of May, 1949, for the purpose of determining if a majority of the qualified electors of the said municipal corporation favor increasing the ad valorem taxes of the said municipal corporation from the present rate of one-half of one percent to one and one-fourth percent for each year, the proceeds of the additional three-fourths of one percent taxes to be used for constructing a sewage disposal plant, additions, extensions and repairs of the present sewer system of the said City, the costs of issuing and retiring bonds which will be issued to raise money for the said purposes and for the payment of interest thereon.

SECTION 2: The voting places for said elections and the numbers thereof shall be as follows:

- Box 1: Courthouse, Bay Minette, Ala.
- Box 2: City Hall, Bay Minette, Ala.
- Box 3: Veterans Club, Bay Minette, Ala.

All qualified electors in the said City of Bay Minette, Alabama, residing North of the Louisville and Nashville Railroad and East of Hand Avenue shall vote in Box 1. All qualified electors in the said City residing North of the Louisville and Nashville Railroad and West of Hand Avenue shall vote in Box 2. All qualified electors in the said City residing South of the Louisville and Nashville Railroad shall vote in Box 3.

The said polling places shall open at 8:00 A.M. and close at 5:00 P.M.

SECTION 3: George Noonan, L. D. Owen, Jr., and E. B. Still shall be and they are hereby appointed Managers. A. C. Mott and Derrill Stuart shall be and they are hereby appointed Clerks and H. T. Corley is hereby appointed Returning Officer for Box 1 to conduct the said election.

L. J. Jordan, Harry Still and J. E. Young shall be and they are hereby appointed Managers; J. H. Stacey and E. Davidson shall be and they are hereby appointed Clerks and J. J. Baggett is hereby appointed Returning Officer for Box 2 to conduct the said election.

J. C. Capps, Burley Powell and Marshall White shall be and they are hereby appointed Managers; Roy Davis and Jack Page shall be and they are hereby appointed Clerks and J. H. Brown is hereby appointed Returning Officer for Box 3 to conduct the said election.

SECTION 4: The ballots used in the said election shall be in substantially the following form:

BALLOT.

The proposed additional rate of taxation of three-fourths of one percent is authorized and shall be used by the City of Bay Minette, Alabama, for building a sewage disposal plant and for making additions, alterations and repairs to the existing sewer system of the said City, to pay the costs of issuing and retiring bonds, which will be issued for the said purposes, and the payment of interest thereon.

For three-fourths percent additional rate of taxation . . . . .

Against three-fourths percent additional rate of taxation . . . . .

SECTION 5: The returns of said election shall be canvassed and the result of the election declared as provided by Title 37, Sections 281-2 of the 1940 Code of Alabama.

SECTION 6: Notice of the said election shall be given by publication of this ordinance in the manner hereinafter provided.

SECTION 7: This ordinance shall be published by publishing a copy hereof once a week for three successive weeks in the Baldwin Times, a newspaper published at Bay Minette in Baldwin County, Alabama, the first publication of which shall be made in the issue of said paper to be published on March 24, 1949.

ADOPTED on this the 15th day of March, 1949.

/signed/ M. D. REID,  
Mayor.

ATTEST:

/signed/ MARY F. SMITH,  
City Clerk.

IN THE CIRCUIT COURT IN AND FOR BALDWIN COUNTY,  
ALABAMA, IN EQUITY

STATE OF ALABAMA }  
BALDWIN COUNTY }

TO ANY SHERIFF OF THE STATE OF ALABAMA, GREETING:

You are hereby commanded to summon Kenneth Cooper, as Circuit Solicitor for Baldwin County, Alabama, and C. LeNoir Thompson, as County Solicitor for Baldwin County, Alabama, to appear and plead, answer or demur on or before the 21st day of June 1950 at 10:00 o'clock A. M., to a petition filed in said Circuit Court, in Equity, against the Taxpayers and Citizens of the Town of Bay Minette, Alabama, Defendants, in which the Town of Bay Minette, Alabama, a Municipal Corporation, et als are the Petitioners.

A copy of the petition so filed and of the order made by said Circuit Court thereon are attached hereto, which you shall likewise serve on said named persons, who are to be so summoned by you.

Herein fail not. Due return make of this writ as the law directs.

WITNESS this \_\_\_\_\_ day of May, 1950.

\_\_\_\_\_  
Register.

TOWN OF BAY MINETTE, ALABAMA,  
A Municipal Corporation,  
M. D. REID, as Mayor, and  
J. M. BRISTOW, D. E. BUSHNELL,  
NORMAN DURANT, J. M. REED and  
R. H. STUART, as members of  
the Town Council of said Town,

Petitioners,

VS.

THE TAXPAYERS AND CITIZENS OF  
THE TOWN OF BAY MINETTE, ALABAMA,

Defendants.

IN THE CIRCUIT COURT OF  
BALDWIN COUNTY, ALABAMA.

IN EQUITY.

TO THE HONORABLE TELFAIR J. MASHBURN, JR., JUDGE OF THE CIRCUIT  
COURT OF BALDWIN COUNTY, ALABAMA, SITTING IN EQUITY:

Your Petitioners, the Town of Bay Minette, Alabama,  
Municipal Corporation, M. D. Reid, as Mayor, and J. M. Bristow, D.  
Bushnell, Norman Durant, J. M. Reed and R. H. Stuart, as members of  
the Town Council of said Town, respectfully represent unto the Court  
and your Honor as follows:

1. The Town of Bay Minette, Alabama is a municipal  
corporation, organized and existing under the laws of the State of  
Alabama and situated in Baldwin County, Alabama. M. D. Reid is the  
duly elected, qualified and acting Mayor of the said Town and J. M.  
Bristow, D. E. Bushnell, Norman Durant, J. M. Reed and R. H. Stuart  
are the duly elected and qualified members of the Town Council of  
the said Town of Bay Minette, Alabama and together constitute the  
governing body of the said Town. The said individuals join herein  
in their said respective official capacities.

2. This proceeding is filed under the provisions of  
Title 7, Sections 169 to 176, both inclusive, of the 1940 Code of  
Alabama and the taxpayers and citizens of the said Town are joined  
as Defendants hereto in the manner provided by law.

3. At a regular meeting of the Town Council of the  
Town of Bay Minette, Alabama held on, to-wit, the 15th day of March  
1949, the Town Council of the said Town adopted an ordinance, a copy  
of which is hereto attached, marked "Exhibit A" and by reference made

a part hereof as though fully incorporated herein, calling an election for the purposes stated in the said ordinance, notice of which election was given in the manner provided by the said ordinance, a copy of which notice is hereto attached, marked "Exhibit B" and by reference made a part hereof as though fully incorporated herein. The said election was held on the 3rd day of May, 1949, at which a majority of the qualified electors of the said Town, who participated in the said election, voted in favor of increasing the ad valorem tax rate of the said Town from one-half of one percent to one and one-fourth percent, which increase became effective on the 1st day of October, 1949, and authorized the said Town to use the funds to be derived or received from the said increased rate of taxation for the purpose of constructing and maintaining a sanitary sewage system and disposal plant and such other appurtenances as may be necessary and proper in connection therewith.

4. At a regular meeting of the Town Council of the said Town held on the 3rd day of January, 1950, the Town Council of the said Town adopted an ordinance authorizing the issuance of \$120,000.00 principal amount of general obligation sewer warrants of the Town for the purpose of providing funds for the construction of a sewage system in the Town, a copy of which ordinance is hereto attached, marked "Exhibit C" and by reference made a part hereof as though fully incorporated herein.

5. Thereafter and on, to-wit, the 3rd day of January, 1950, the Town Council of the Town of Bay Minette, Alabama adopted a resolution authorizing and directing the Mayor of the said Town to cause such court proceedings to be instituted as he may deem necessary to cause to be validated pursuant to the provisions of Sections 169 to 176, both inclusive, of Title 7 of the 1940 Code of Alabama, \$120,000.00 principal amount of general obligation sewer warrants of the said Town, to be dated February 1, 1950, such proceedings to be instituted and conducted in the name of and in behalf of the said Town, the Mayor thereof and the Town Council and its members as the Petitioners therein, a copy of which resolution is hereto attached, marked "Exhibit D" and by reference made a part hereof as though fully incorporated herein.



6. Contracts for the construction of the said sewage system and a sewage disposal plant, which is a necessary part thereof, have been let and construction thereof is now being rapidly completed and in order to raise the money required to construct and pay for the said sewage system and disposal plant, it will be necessary for the said Town to sell and issue \$120,000.00 principal amount of its general obligation sewer warrants to mature as follows, to-wit:

Warrant Numbers (both inclusive)	Maturity Dates	Aggregate Principal Amount Maturing
1 to 6	February 1, 1951	\$ 6,000.00
7 to 12	February 1, 1952	6,000.00
13 to 18	February 1, 1953	6,000.00
19 to 24	February 1, 1954	6,000.00
25 to 30	February 1, 1955	6,000.00
31 to 37	February 1, 1956	7,000.00
38 to 44	February 1, 1957	7,000.00
45 to 51	February 1, 1958	7,000.00
52 to 58	February 1, 1959	7,000.00
59 to 65	February 1, 1960	7,000.00
66 to 73	February 1, 1961	8,000.00
74 to 81	February 1, 1962	8,000.00
82 to 89	February 1, 1963	8,000.00
90 to 97	February 1, 1964	8,000.00
98 to 120	February 1, 1965	23,000.00

Those of the warrants maturing in 1951 to 1960, inclusive (numbered from 1 to 65, inclusive), shall bear interest from their date until their respective maturities at the rate of  $2\frac{3}{4}$  percent per annum and those of the warrants maturing in 1961 to 1965, inclusive, (numbered from 66 to 120, inclusive) shall bear interest from their date until their respective maturities at the rate of  $2\frac{1}{2}$  percent per annum. Said interest shall be payable semi-annually on February 1 and August 1 in each year and shall be evidenced by separate interest coupons attached to the warrants. The said warrants and interest coupons are together herein called "the warrants". In and by the ordinance, of which a copy is attached as Exhibit "C" hereto, the Town Council of the said Town authorized the sale and issuance of the said warrants and sold the same to T. U. Crumpton and Company at par, or 100 percent of their face value, a net interest cost to the Town of 2.558 percent, plus accrued interest to the date of their delivery and authorized delivery thereof to the said purchaser upon payment of the purchase price therefor.

7. The said warrants will be general obligations of the said Town for the payment of the principal of and interest on the said warrants, which the full faith and credit of the Town have been irrevocably pledged. In addition thereto in the resolution and order whereunder the warrants are authorized, there has been further irrevocably pledged and ordered segregated and used for the payment of the principal of and interest on the said warrants, pro rata as the said principal and interest shall respectively mature, so much as may be necessary for such purpose of the special annual ad valorem tax <sup>three</sup> ~~one and one-fourth~~ of one percent authorized as provided by the described ordinance, which will be levied and collected annually on the Town for the payment of any debt or liability against the Town created for the construction of the said sewage system.

WHEREFORE, Petitioners respectfully pray:

A. That this Court issue an order against the taxpayers and citizens of the Town of Bay Minette, Alabama, a Municipal Corporation, in accordance with the provisions of Title 7, Section 171 of the 1940 Code of Alabama, requiring them to show cause, at a time and place within the county to be designated in such order, why the warrants and the tax or other means provided for the payment thereof and the pledge of revenues made therefor and all covenants and provisions contained in the ordinance whereunder the warrants are proposed to be issued, should not be validated and confirmed by this Court; ordering a copy of this petition and of the said order to be served on the State Solicitor of Baldwin County, Alabama, and ordering the Register of this Court to publish in a newspaper published in Baldwin County, Alabama a notice addressed to the citizens and taxpayers of the Town, requiring them, at the time and place specified in such order, to show cause, if any they have, why the warrants and the means provided for the payment thereof and the pledge of revenues made therefor and all covenants and provisions contained in the ordinance whereunder the warrants are proposed to be issued, should not be validated and confirmed; and,

B. That at the time designated in the order referred to in the preceding paragraph, or any continuance or adjournment

thereof, this Court will determine all questions of law and fact applicable hereto and will render its decree determining the authority of the Town to sell and issue the warrants in the manner proposed for the purposes contemplated in the said ordinance under which the warrants are proposed to be issued; and validating and confirming the warrants, the legality of all proceedings had or taken in connection with the authorization and sale thereof, the validity of the tax and other means provided for the payment thereof, the validity of the pledge of revenues of the Town made therefor, and the validity of all covenants and provisions on the part of the Town contained in the ordinance whereunder the said warrants are proposed to be issued.

Petitioners further pray that this Court will make and enter such other, further and general orders in the premises as the Court may deem requisite and proper.

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Solicitors for Petitioners.

EXHIBIT A  
AN ORDINANCE  
NUMBER 494

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
BAY MINETTE, ALABAMA, AS FOLLOWS:

SECTION 1: A municipal election is hereby called and will be held in, for and by the City of Bay Minette, Alabama on the 3rd day of May, 1949 for the purpose of determining if a majority of the qualified electors of the said municipal corporation favor increasing the ad valorem taxes of the municipal corporation from the present rate of one-half of one percent to one and one-fourth percent for each year, the proceeds of the additional three-fourths of one-percent taxes to be used for constructing a sewage disposal plant, additions, extensions and repairs to the present sewer system of the said City, the costs of issuing and retiring bonds which will be issued to raise money for the said purposes and for the payment of interest thereon.

SECTION 2: The voting places for the said election and the numbers thereof shall be as follows:

- Box 1: Courthouse, Bay Minette, Alabama
- Box 2: City Hall, Bay Minette, Alabama
- Box 3: Veterans Club, Bay Minette, Alabama

All qualified electors in the said City of Bay Minette, Alabama residing North of the Louisville and Nashville Railroad and East of Hand Avenue shall vote in Box 1. All qualified electors in the said City residing North of the Louisville and Nashville Railroad and West of Hand Avenue shall vote in Box 2. All qualified electors in the said City residing South of the Louisville and Nashville Railroad shall vote in Box 3.

The said polling places shall open at 8:00 A. M. and close at 5:00 P. M.

SECTION 3: George Noonan, L. D. Owen, Jr., and E. F. Still shall be and they are hereby appointed Managers; A. C. Mott and Derrill Stuart shall be and they are hereby appointed Clerks and H. T. Corley is hereby appointed Returning Officer for Box 1 to conduct the said election.

L. J. Jordan, Harry Still and J. E. Young shall be and they are hereby appointed Managers; J. H. Stacey and E. Davidson shall be and they are hereby appointed Clerks and J. J. Baggett is hereby appointed Returning Officer for Box 2 to conduct the said election.

J. C. Capps, Burley Powell and Marshall White shall be and they are hereby appointed Managers; Roy Davis and Jack Page shall be and they are hereby appointed Clerks and J. H. Brown is hereby appointed Returning Officer for Box 3 to conduct the said election.

SECTION 4: The ballots used in the said election shall be in substantially the following form:

BALLOT

The proposed additional rate of taxation of three-fourths of one percent is authorized and shall be used by the City of Bay Minette, Alabama for building a sewage disposal plant and for making additions, alterations and repairs to the existing sewer system of the said City, to pay the costs of issuing and retiring bonds, which shall be used for the said purposes, and the payment of interest thereon.

For three-fourths percent additional rate of taxation \_\_\_\_\_

Against three-fourths percent additional rate of taxation \_\_\_\_\_

SECTION 5: The returns of said election shall be canvassed and the result of the election declared as provided by Title 37, Sections 281-2 of the 1940 Code of Alabama.

SECTION 6: Notice of the said election shall be given by publication of this ordinance in the manner hereinafter provided.

SECTION 7: This ordinance shall be published by publishing a copy hereof once a week for three successive weeks in the Baldwin Times, a newspaper published at Bay Minette in Baldwin County, Alabama, the first publication of which shall be made in the issue of said paper to be published on March 24, 1949.

ADOPTED on this the 15th day of March, 1949.

ATTEST:

M. D. REID,  
Mayor.

MARY F. SMITH,  
City Clerk.

EXHIBIT B

AN ORDINANCE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAY MINETTE, ALABAMA AS FOLLOWS:

SECTION 1: A municipal election is hereby called and will be held in, for and by the City of Bay Minette, Alabama on the 3rd day of May, 1949 for the purpose of determining if a majority of the qualified electors of the said municipal corporation favor increasing the ad valorem taxes of the municipal corporation from the present rate of one-half of one percent to one and one-fourth percent for each year, the proceeds of the additional three-fourths of one percent taxes to be used for constructing a sewage disposal plant, additions, extensions and repairs to the present sewer system of the said City, the costs of issuing and retiring bonds which will be issued to raise money for the said purposes and for the payment of interest thereon.

SECTION 2: The voting places for the said election and the numbers thereof shall be as follows:

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All qualified electors in the said City of Bay Minette, Alabama residing North of the Louisville and Nashville Railroad and East of Hand Avenue shall vote in Box 1. All qualified electors in the said City residing North of the Louisville and Nashville Railroad and West of Hand Avenue shall vote in Box 2. All qualified electors in the said City residing South of the Louisville and Nashville Railroad shall vote in Box 3.

The said polling places shall open at 8:00 A. M. and close at 5:00 P. M.

SECTION 3: George Noonan, L. D. Owen, Jr., and E. B. Still shall be and they are hereby appointed Managers; A. C. Mott and Derrill Stuart shall be and they are hereby appointed Clerks and H. T. Corley is hereby appointed Returning Officer for Box 1 to conduct the said election.

L. J. Jordan, Harry Still and J. E. Young shall be and they are hereby appointed Managers; J. H. Stacey and E. Davidson shall be and they are hereby appointed Clerks and J. J. Baggette is hereby appointed Returning Officer for Box 2 to conduct the said election.

J. C. Capps, Burley Powell and Marshall White shall be and they are hereby appointed Managers; Roy Davis and Jack Page shall be and they are hereby appointed Clerks and J. H. Brown is hereby appointed Returning Officer for Box 3 to conduct the said election.

SECTION 4: The ballots used in the said election shall be in substantially the following form:

BALLOT

The proposed additional rate of taxation of three-fourths of one percent is authorized and shall be used by the City of Bay Minette, Alabama for building a sewage disposal plant and for making additions, alterations and repairs to the existing sewer system of the said City, to pay the costs of issuing and retiring bonds, which shall be used for the said purposes, and the payment of interest thereon.

For three-fourths percent additional rate of taxation \_\_\_\_\_

Against three-fourths percent additional rate of taxation \_\_\_\_\_

SECTION 5: The returns of said election shall be canvassed and the result of the election declared as provided by Title 37, Sections 281-2 of the 1940 Code of Alabama.

SECTION 6: Notice of the said election shall be given by publication of this ordinance in the manner hereinafter provided.

SECTION 7: This ordinance shall be published by publishing a copy hereof once a week for three successive weeks in the Baldwin Times, a newspaper published at Bay Minette in Baldwin County, Alabama, the first publication of which shall be made in the issue of said paper to be published on March 24, 1949.

ADOPTED on this the 15th day of March, 1949.

M. D. REID,  
Mayor.

ATTEST:

MARY F. SMITH,  
City Clerk.



# EXHIBIT C

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$120,000.00 PRINCIPAL AMOUNT OF GENERAL OBLIGATION SEWER WARRANTS OF THE TOWN OF BAY MINETTE FOR THE PURPOSE OF PROVIDING FUNDS FOR THE CONSTRUCTION OF A SEWAGE SYSTEM (HEREIN CALLED "THE SYSTEM") IN THE TOWN.

BE IT ORDAINED by the Town Council of the Town of Bay Minette, Alabama as follows:

## Section 1. Findings Respecting Need for Sewer System.

The Town Council (herein called the "council") of the Town of Bay Minette (herein called "the town") has and does hereby determine that it is necessary to construct a sanitary sewage system (herein called "the system") has heretofore let contracts for the construction thereof, in the town the total estimated cost of which will be in excess of \$120,000.00. The town has caused an investigation to be made and has ascertained that the town does not now have and will not have from its current revenues funds sufficient to construct the system and that it will be necessary for the town to borrow the sum of \$120,000 on the faith and credit of the town for said purpose by the sale and issuance of the warrants hereinafter authorize. The council is of the opinion that it would be advantageous to the town and its citizens and taxpayers for such warrants to be sold and issued.

Section 2. Authorization of Warrants. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 466 of Title 37 of the Code of Alabama of 1940, and for the purpose of raising funds to construct the system, there are hereby authorized to be issued by the town 120 General Obligation Sewer Warrants (herein called "the warrants") of the town in the aggregate principal amount of \$120,000, which shall be dated February 1, 1950, shall be numbered consecutively from 1 to 120, inclusive, shall be in the denomination of \$1,000 each, and shall mature as follows:

Warrant Numbers (both inclusive)	Maturity Dates	Aggregate Principal Amount Maturing
1 to 6	February 1, 1951	\$ 6,000
7 to 12	February 1, 1952	6,000
13 to 18	February 1, 1953	6,000
19 to 24	February 1, 1954	6,000
25 to 30	February 1, 1955	6,000
31 to 37	February 1, 1956	7,000
38 to 44	February 1, 1957	7,000
45 to 51	February 1, 1958	7,000
52 to 58	February 1, 1959	7,000
59 to 65	February 1, 1960	7,000
66 to 73	February 1, 1961	8,000
74 to 81	February 1, 1962	8,000
82 to 89	February 1, 1963	8,000
90 to 97	February 1, 1964	8,000
98 to 120	February 1, 1965	23,000

Those of the warrants maturing in 1951 to 1960, inclusive (numbered from 1 to 65, inclusive), shall bear interest from their date until their respective maturities at the rate of 2-3/4% per annum, and those of the warrants maturing in 1961 to 1965, inclusive (numbered from 66 to 120, inclusive), shall bear interest from their date until their respective maturities at the rate of 2-1/2% per annum. Said interest shall be payable semi-annually on February 1 and August 1 in each year as shall be evidenced by separate interest coup-



ons (herein called "the coupons") attached to the warrants. The warrants and the coupons shall bear interest after their respective maturities until paid at the rate of 6% per annum, and shall be payable in lawful money of the United States of America at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama.

Section 3. Optional Redemption Provisions. Those of the warrants maturing in 1956 and thereafter (numbered from 31 to 120, inclusive, and herein called "the callable warrants") may be redeemed and paid prior to their respective maturities, at the option of the town, as a whole or in part in their inverse numerical order on February 1, 1955, and on any interest payment date thereafter, at the face value of those redeemed plus accrued interest thereon to the redemption date and a premium equal to twelve months' interest on those redeemed computed at the interest rate which would have been payable thereon on the redemption date if they had not been called for redemption; provided, however, that any such redemption made prior to February 1, 1960, may be made only out of revenues derived from the special tax referred to in Section 5 hereof remaining after all payments of the principal of and interest on the warrants then and theretofore due shall have been paid. In order to effect such redemption the town shall first give notice of its election to redeem those of the callable warrants which may be so redeemed and which may be designated by resolution of the council by publication one time not less than thirty (30) days prior to the time fixed for redemption in a daily newspaper printed in the English language and published in the City of Birmingham, Alabama. In the event there is no daily newspaper published in said city at the time the said notice is so required to be published, then such notice may be given by publication one time in a daily newspaper or in a financial journal printed in the English language and published in the City of New York, New York. A newspaper published six days during each calendar week shall constitute a daily newspaper within the meaning of this section. The funds necessary to effect any such redemption shall on or prior to the redemption date be deposited at the bank at which the warrants are payable and, upon the giving of such notice and the making of such deposit, interest on the callable warrants so called for redemption shall cease from and after the redemption date.

Section 4. Execution of Warrants. The warrants shall be executed and the corporate seal of the town shall be affixed thereto by the mayor, and the town clerk shall attest the same by affixing his signature thereto. The coupons shall be executed with the facsimile signature of the mayor and shall be attested with the facsimile signature of the town clerk, whose facsimile signatures shall be valid in all respects as if they had signed the coupons in person. The warrants and the coupons shall be registered by the town treasurer in the records maintained by him as a claim against the town and the special tax pledged therefor, which registration shall be made simultaneously with respect to all of the warrants and the coupons. Said officers are hereby directed so to execute, seal, attest and register the warrants and the coupons.

Section 5. Pledge for Payment of Warrants. The indebtedness evidenced and ordered paid by the warrants is and shall be a general obligation of the town, for the payment of the principal of and interest on which the full faith and credit of the town are hereby irrevocably pledged. In addition thereto and as a part of the contract whereunder the money evidenced and ordered paid by the warrants is borrowed, the town agrees that it will annually levy, collect and apply for payment of the principal of and interest on the warrants, as long as any part thereof remains unpaid, the entire special annual ad valorem tax of  $3/4$  of 1% (herein called "the special tax") authorized at a special election held in the town on May 3,

1949. In the event the proceeds from the special tax shall not be sufficient to pay the principal of and interest on the warrants a said principal and interest shall respectively mature, then so much as may be necessary for such purpose of the general revenues of the town shall be utilized therefor. The special tax, together with the proceeds thereof, is hereby pledged for the payment of the principal of and interest on the warrants, and to the extent that the same may not be necessary to pay the said principal and interest the respective maturities thereof the surplus of said proceeds shall be utilized for redemption of the callable warrants subject to the provisions of Section 3 hereof or for the purchase of the warrant in the open market at a price not exceeding the face value thereof plus accrued interest thereon to the date of purchase and a premium equal to twelve months' interest on the warrants purchased. The town represents and agrees that the agreement and pledge with respect to the special tax herein made constitute the first and only such pledge and agreement respecting the same and shall be prior and superior to any and all pledges and agreements respecting the special tax which may hereafter be made by the town.

Section 6. Form of Warrants. The warrants and the coupons and the provisions for registration and assignment thereof shall be in substantially the following forms, with appropriate changes to conform with the provisions hereof:

(Form of Warrant)

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

\$1,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

TOWN OF BAY MINETTE

GENERAL OBLIGATION SEWER WARRANT

The Town of Bay Minette (herein called "the town"), municipal corporation in the State of Alabama, hereby acknowledges that it is indebted, and hereby directs the town treasurer to pay, T. U. Crumpton or assigns, the principal sum of

ONE THOUSAND DOLLARS

on the 1st day of February, 19\_\_\_\_, with interest thereon from the date hereof until the maturity hereof at the rate of \_\_\_\_\_% per annum, payable semi-annually on February 1 and August 1 of each year until and at the maturity hereof upon presentation and surrender of the appropriate interest coupons hereto attached, as the same respectively become due. Both this warrant and the said coupons shall be payable in lawful money of the United States of America at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama.

This warrant is one of a series in the aggregate principal amount of \$120,000, of like tenor except for their numbers and maturity dates and provisions for redemption prior to maturity, issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 466 of Title 37 of the Code of Alabama of 1940, and an ordinance duly and legally adopted by the governing body of the town for the purpose of

raising funds to construct a sewer system in the town.

Those of the warrants maturing in 1956 and thereafter may at the option of the town be redeemed and paid prior to their respective maturities, as a whole or in part in inverse numerical order; on February 1, 1955, and on any interest payment date thereafter, after not less than thirty (30) days' prior published notice at the face value of the warrants so redeemed plus accrued interest thereon to the redemption date and a premium equal to twelve months interest on the warrants redeemed; provided, however, that any such redemption made prior to February 1, 1960, may be made only out of surplus revenues derived from the special annual ad valorem tax of  $\frac{3}{4}$  of 1% (herein called "the special tax") authorized to be levied at a special election held in the town on May 3, 1949, after the principal and interest respecting the warrants theretofore maturing shall have been fully paid.

The indebtedness evidenced and ordered paid by this warrant and the coupons applicable hereto is a general obligation of the town for the payment of the principal of and interest on which the full faith and credit of the town have been irrevocably pledge. In addition thereto and as a part of the contract created in the issuance of the warrants, the town has agreed that it will annually levy, collect and apply for payment of the principal of and interest on the warrants the entire of the special tax.

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

This warrant is nonnegotiable but is transferable by assignment. Each taker, owner, purchaser or holder hereof, by receiving or accepting this warrant or any interest coupon, shall consent and agree and shall be estopped to deny: (1) that title to the coupons hereunto appertaining may be transferred by delivery without the necessity of a written assignment; (2) that any person in possession of any such coupon, regardless of the manner in which he shall have acquired possession, is authorized to represent himself as the absolute owner thereof and has the power and authority to transfer absolute title thereto by delivery thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against his transferor or any person in the chain of title and before the maturity thereof; (3) that he has waived and renounced all of his equities or rights therein in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby; and (4) that whenever and so long as this warrant shall be assigned in blank by written assignment by the original payee hereof or by any subsequent assignee hereof in the chain of title to whom written assignment is made, the town may treat any person in possession of this warrant, regardless of how such possession may have been acquired and regardless of the genuineness or effectiveness of any assignment, as the absolute owner hereof for all purposes, and payment to any such person shall discharge all obligations hereunder.

IN WITNESS WHEREOF, the town has caused this warrant to be executed and its official seal to be hereto affixed by its mayor and has caused the same to be attested by its town clerk, both of whom have hereunto subscribed their signatures, has caused the annexed interest coupons to be executed and attested with the facsimile signatures of said officers, and has caused this warrant to be dated February 1, 1950.

TOWN OF BAY MINETTE

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

(Form of Coupon)

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

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

On the 1st day of \_\_\_\_\_, 19\_\_\_\_, the Town Treasurer of the Town of Bay Minette in the State of Alabama is ordered and directed to pay to the bearer hereof the sum of \_\_\_\_\_ Dollars upon presentation and surrender of this coupon at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama, being interest then due on the General Obligation Sewer Warrant of the Town of Bay Minette, Alabama, dated February 1, 1950 and numbered \_\_\_\_\_.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Town Clerk

(FORM OF REGISTRATION)

I hereby certify that this warrant and the interest coupons hereto attached have been duly registered by me as a claim against the Town of Bay Minette in the State of Alabama and the special ad valorem tax specially pledged therefor.

\_\_\_\_\_  
Town Treasurer of the Town of  
Bay Minette, Alabama

(Form of Assignment)

For value received, this warrant and the interest coupons applicable thereto and the indebtedness evidenced and ordered paid thereby are hereby transferred and assigned, without recourse or warranties, to \_\_\_\_\_.

\_\_\_\_\_

There shall be inserted in each of the callable warrants, immediately after the maturity date thereof, the following:

"(unless this warrant shall have been duly called for prior payment),"

There shall be inserted in each coupon due on and after August 1, 1955, immediately after the maturity date thereof, the following:

"(unless the warrant to which this coupon is applicable shall have been duly called for prior payment),"

Section 7. Provision for Payment at Par. Each bank at which the warrants and the coupons at any time shall be payable, by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the holders of the warrants and the coupons that it will make, out of the funds supplied to it for that purpose, all remittances of principal of and interest on the warrants and the coupons in bankable funds at par and without deduction for exchange, fees or expenses. The town agrees with the holders of the warrants and the coupons that it will pay all charges for exchange, fees or expenses which may be made by any such bank in the making or remittances in bankable funds of the principal of and interest on any of the warrants and the coupons.

Section 8. Creation of Contract. The provisions of this ordinance shall constitute a contract between the town and each holder of the warrants and the coupons.

Section 9. Provisions of Ordinance Severable. The various provisions of this ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction such invalidity shall not affect any other portion of this ordinance.

Section 10. Sale of Warrants. The warrants are hereby sold to T. U. Crumpton & Co. at and for the purchase price equal to the face value of the warrants plus accrued interest from their date until the date of payment therefor. The mayor is hereby authorized and directed to deliver the warrants, together with all coupons applicable thereto, to the said purchaser upon payment to the town treasurer, for the account of the town, of said purchase price.

Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Mayor

Authenticated:

\_\_\_\_\_  
Town Clerk

EXHIBIT D

BE IT RESOLVED and ordered by the Town Council of the Town of Bay Minette, Alabama, that the mayor of said town is hereby authorized and directed to cause such court proceedings to be instituted as he may deem necessary to cause to be validated, pursuant to the provisions of Sections 169 to 176, inclusive, of Title 7 of the Code of Alabama of 1940, the \$120,000.00 principal amount of General Obligation Sewer Warrants of said town to be dated February 1, 1950, heretofore authorized at this meeting, together with the special ad valorem tax provided for payment thereof and the pledge of said tax made therefor and all covenants and provisions contained in the ordinance under which said warrants are authorized to be issued. Such proceedings shall be instituted and conducted in the name of and in behalf of said town, the mayor thereof and said town council and its members as the petitioners therein and shall be instituted and conducted by J. B. Blackburn and White, Bradley, Aran and All, who are hereby designated as the Solicitors for said petitioners in said proceedings.

FILED  
MAR 1 1950  
TOWN OF BAY MINETTE