

IN THE CIRCUIT COURT IN AND
FOR BALDWIN COUNTY, ALABAMA

CITY OF BAY MINETTE, a municipal
corporation under the laws of the
State of Alabama, et al.,

Petitioners,

vs.

TAXPAYERS AND CITIZENS OF THE
CITY OF BAY MINETTE,

Defendants.

IN EQUITY

NO. 4622

ORDER OF SERVICE AND TO SHOW CAUSE
AND FIX DATE FOR HEARING

The petition filed in this cause on the 19th day of June, 1959, having been on this date presented to and understood by this Court, it is hereby ordered by the Court as follows:

(1) The said petition is hereby set down for hearing at the county courthouse of Baldwin County, Alabama, in Bay Minette, Alabama, on the 13th day of July, 1959, at eleven o'clock, A. M.

(2) An order is hereby made and issued against the taxpayers and citizens of the City 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 following: (a) the \$225,000 principal amount of General Obligation Sewer Refunding Warrants of said city, to be dated August 1, 1959, which were authorized to be issued and were sold by Ordinance No. 565 of said city adopted by its governing body on June 2, 1959; (b) the proceedings had and taken

in connection with the authorization and sale of said warrants;
(c) the special additional annual ad valorem tax of the said city referred to in said petition and alleged therein to have been authorized on May 3, 1949, to be levied at the rate of $\frac{3}{4}$ of 1% for building a sewage disposal plant, making additions, alterations and repairs to the existing sewer system of said city, and paying the costs of issuing and retiring bonds issued for the said purposes and payment of interest thereon;
(d) the pledge of the said special tax and its proceeds for the benefit of the said warrants, made in the ordinance of the city wherein said warrants were authorized to be issued;
and (e) all agreements contained in said ordinance wherein said warrants were authorized to be issued.

(3) A copy of said petition and of this order shall be served on James A. Hendrix, as Solicitor for the Twenty-Eighth Judicial Circuit of Alabama, he being by virtue of said office the State Solicitor for Baldwin County, Alabama, and also on him as a State Solicitor for said county. Such service shall be made at least eighteen (18) days before the aforesaid date fixed for said hearing.

(4) The register of this Court shall publish in The Baldwin Times, a newspaper published in said city and having a general circulation therein, once a week for three consecutive weeks before the date of the hearing fixed in paragraph (1) of this order, a notice addressed to the taxpayers and citizens of said city in substantially the form attached as Exhibit "A" to this order. The first of said publications shall be at least eighteen (18) days before the aforesaid date fixed for said hearing.

Done this 19th day of June, 1959.

Hubert M. Stone
Circuit Judge, in Equity Sitting

IN THE CIRCUIT COURT OF
BALDWIN COUNTY, ALABAMA

CITY OF BAY MINETTE, a municipal
corporation in the State of
Alabama, et al.,

Petitioners

v.

TAXPAYERS AND CITIZENS OF THE
CITY OF BAY MINETTE,

Defendants

IN EQUITY

NO. 4622

NOTE OF TESTIMONY

This cause was submitted for final decree in behalf
of the petitioners upon:

The original petition and the answer thereto;

The documentary evidence introduced as Petitioners'
Exhibits numbered

The testimony of A. R. Cromartie, Mary F. Smith,
and E. S. Tunstall.

This cause was submitted for final decree in behalf
of the defendants upon the answer of the defendants and the
documentary evidence and testimony above referred to.

FILED

JUL 13-59

ALICE L. DUCK, CLERK
REGISTER

J. B. Blackburn
White Bradley Grant & Ross
Solicitors for the Petitioners

James C. Hendrix
Solicitor for the Defendants

EXHIBIT "A"

IN THE CIRCUIT COURT IN AND
FOR BALDWIN COUNTY, ALABAMA

CITY OF BAY MINETTE, a municipal
corporation under the laws of
the State of Alabama, et al.,

Petitioners,

vs.

TAXPAYERS AND CITIZENS OF THE
CITY OF BAY MINETTE,

Defendants

IN EQUITY

NO. _____

NOTICE OF VALIDATION SUIT
RESPECTING PROPOSED WARRANTS OF THE CITY OF
BAY MINETTE, ALABAMA

TO THE TAXPAYERS AND CITIZENS OF
THE CITY 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, inclusive, of the Code of Alabama of 1940, seeking the validation and confirmation by this court of the matters hereinafter referred to and that this court has issued an order against the taxpayers and citizens of the City of Bay Minette, Alabama, requiring them to show cause, if any they have, at a session of said court to be held at the county courthouse of Baldwin County, Alabama, in Bay Minette, Alabama, on the 13th day of July, 1959, beginning at eleven o'clock, A.M., why the following should not be validated and confirmed by this court: (a) the \$225,000 principal amount of General Obligation Sewer Refunding Warrants to be dated August 1, 1959, proposed to be issued by the City of Bay Minette, Alabama, for the purpose of refunding an outstanding warrant of said city in the principal amount of \$225,000 alleged in said petition to have been heretofore issued for the purpose of paying costs of acquiring, providing and constructing sanitary sewerage for the city; (b) all proceedings had and taken in connection with said warrants to be dated

August 1, 1959; (c) the special additional annual ad valorem tax of the city referred to in said petition and alleged therein to have been authorized at an election held in the city on May 3, 1949, to be levied at the rate of $\frac{3}{4}$ of 1% for building a sewage disposal plant, making additions, alterations and repairs to the existing sewer system of said city, and paying the costs of issuing and retiring bonds issued for the said purposes and payment of interest thereon; (d) the pledge of the said special tax and its proceeds for the benefit of the said warrants, made in the ordinance of said city wherein said warrants were authorized to be issued; and (e) all agreements and provisions contained in the said ordinance wherein said warrants are authorized to be issued. A copy of the said petition is on file in the office of the undersigned Register of the Circuit Court of Baldwin County, Alabama, in Equity, where the same may be inspected and examined by any taxpayer and citizen of said city.

You are accordingly hereby required at the time and place aforesaid to show cause, if any you have, why this court should not make and enter in said cause an order validating and confirming the matters and things referred to in clauses (a) to (e), inclusive, of the preceding paragraph of this notice.

Done this 19th day of June, 1959.

FILED

JUN 19 1959

MADE J. DICK, CLERK
REGISTER

Alvin J. Duck
Register of the Circuit Court
of Baldwin County, Alabama,
In Equity

incurred for making additions to the said sewer system. The proceeds from the special tax can, therefore, be lawfully used for payment of the principal of and interest on the refunding warrants.

(f) The city has power and authority to pledge for the payment of the principal of and interest on the refunding warrants, as such principal and interest respectively mature, so much as may be necessary for such purpose of the special tax and its proceeds.

(g) When the refunding warrants are executed, sealed and delivered to the purchaser thereof and are paid for by the said purchaser, all in the manner contemplated in the authorizing ordinance, the refunding warrants will constitute valid general obligations of the city and the pledges and agreements set forth in the authorizing ordinance will be valid and subsisting pledges and agreements binding on the city.

~~_____~~
DECREE

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

(A) The court does hereby validate and confirm the following: (a) the refunding warrants, (b) all proceedings had or taken in connection with the authorization and sale thereof; (c) the special tax; (d) the pledge made in the authorizing ordinance for payment of the principal of and interest on the refunding

warrants of so much as may be necessary for such purpose of the special tax and its proceeds; and (e) all other agreements on the part of the city contained in the authorizing ordinance.

(B) When the refunding 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 refunding warrants shall thereupon stand validated and confirmed.

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

"Validated and confirmed by decree of the Circuit Court of Baldwin County, Alabama, in Equity, rendered on the 13th day of July, 1959."

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

(4) The costs of this cause are hereby taxed against the city.

13th DONE and ENTERED at Bay Minette, Alabama, this day of July, 1959.

Hubert M. Hall

Judge of the Circuit Court
in Equity Sitting

FILED

JUL 13 1959

**ALICE L. DUCK, CLERK
REGISTER**

IN THE CIRCUIT COURT IN AND FOR
BALDWIN COUNTY, ALABAMA

CITY OF BAY MINETTE, a municipal
corporation under the laws of
the State of Alabama, and the
MAYOR and ALDERMEN of said city,

Petitioners,

vs.

TAXPAYERS AND CITIZENS OF THE
CITY OF BAY MINETTE,

Defendants

IN EQUITY

NO. 4622

(Validation Suit pertain-
ing to \$225,000 General
Obligation Sewer Refund-
ing Warrants)

PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Your petitioners, the City of Bay Minette, and the Mayor and Aldermen of said city, respectfully show unto this court as follows:

1. The City of Bay Minette (herein called "the city") is a municipal corporation duly organized and existing under the laws of the State of Alabama. The population of the city, according to a special federal census taken as of July 29, 1954, was 4,184 inhabitants. The mayor of the city and its five aldermen constitute the governing body of the city.

2. This proceeding is filed under the provisions of Sections 169 to 176, inclusive, of Title 7 of the Code of Alabama of 1940, and the taxpayers and citizens of the city are joined as defendants herein.

3. Pursuant to authorization contained in the city's Ordinance No. 564 which was duly adopted by the governing body of the city at an adjourned regular meeting of said governing body held on May 26, 1959, the city did on May 26, 1959, borrow from T. U. Crumpton & Co. the sum of \$225,000 for the purpose of paying costs to be incurred in acquiring, providing and constructing sanitary sewerage for the city, and in evidence of such borrowing and at the time thereof, did issue the General Obligation Sewer Warrant of the city in the principal amount of \$225,000 dated May 26, 1959, due November 1, 1959, payable to T. U. Crumpton & Co., or assigns, and bearing interest from its date until its maturity at the rate of 4-1/2% per annum payable at its maturity, with the right reserved by the city of paying said warrant at any time prior to its maturity by paying to the holder thereof the principal thereof plus the interest accrued thereon to the date of such payment (the said warrant being herein called "the May warrant"). The May warrant was duly executed and sealed in the manner required by the laws of Alabama, is still outstanding and unpaid, and constitutes a valid warrant of the city evidencing an indebtedness which is a valid general obligation of the city for the payment of which the full faith and credit of the city have been validly and irrevocably pledged. In the proceedings authorizing the May warrant the city further pledged for payment of the principal thereof and the interest thereon the proceeds from the special tax hereinafter referred to.

4. At the time of and immediately following the issuance of the May warrant, the indebtedness of the city evidenced thereby constituted the only outstanding indebtedness of the city; and the said indebtedness was within the then applicable debt limitation of the city provided for in Section 225 of the Constitution of Alabama.

5. At a regular meeting of the governing body of the city on June 2, 1959, the said governing body duly adopted Ordinance No. 565 (herein sometimes called "the authorizing ordinance"), a copy of which, marked Exhibit "A", is attached hereto and hereby made a part hereof as if fully set forth herein. The authorizing ordinance authorizes the issuance by the city, for the purpose of refunding the May warrant, of the General Obligation Sewer Refunding Warrants of the city in the principal amount of \$225,000 (herein called "the refunding warrants"), to consist of two hundred twenty-five coupon warrants in the denomination of \$1,000 each, to be dated August 1, 1959, and to mature in varying principal amounts on August 1 in each year from 1960 to 1989, inclusive. The authorizing ordinance provides that the refunding warrants shall bear interest from their date until their respective maturities at the following per annum rates: 4% on those maturing in 1960 to 1969, inclusive, and 4-1/2% on those maturing in 1970 to 1989, inclusive; which interest shall be payable semiannually on February 1 and August 1 in each year and shall be evidenced by separate interest coupons (herein called "the coupons") attached to the refunding warrants; and provides, further, that the refunding warrants shall be payable as to both principal and interest at the principal office of The First National Bank of Birmingham, in Birmingham, Alabama. The authorizing ordinance provides, further, that the refunding warrants shall be general obligations of the city and that the full faith and credit of the city are irrevocably pledged for payment of the principal thereof and interest thereon and, further, that there are irrevocably pledged for payment of said principal and interest at their respective maturities so much as may be necessary for said purpose

of that certain special additional annual ad valorem tax (herein called "the special tax") of the city authorized to be levied at the rate of three-fourths of one per centum ($3/4$ of 1%) for building a sewage disposal plant, making additions, alterations and repairs to the existing sewer system of the city, and paying the costs of issuing and retiring bonds issued for the said purposes and payment of interest thereon, at an election held in the city on May 3, 1949, pursuant to authorization in that certain amendment to the Constitution of Alabama proposed by Act No. 383 adopted at the 1945 Regular Session of the Legislature of Alabama, together with the proceeds from the special tax. The authorizing ordinance contains an agreement on the part of the city that it will segregate and set aside all the proceeds received by the city from the special tax during each fiscal year, as such proceeds are received, until there shall have been collected and set aside an amount sufficient to pay the interest maturing on the refunding warrants on February 1 of the same fiscal year, plus an amount sufficient to pay the principal and interest maturing on the warrants on August 1 of the ~~then next succeeding~~ ^{face} fiscal year, and that it will use such proceeds for the purpose of paying said principal and interest at the respective maturities thereof.

6. The city has, in Section 13 of the authorizing ordinance, sold the refunding warrants to T. U. Crumpton & Co. at and for a purchase price equal to $97-1/2\%$ of their face value, viz., the sum of \$219,375, plus accrued interest thereon to the date of payment therefor, such sale being subject to the validation of the refunding warrants, of the special tax and of the aforesaid pledge made in the authorizing ordinance of the special tax and its proceeds for the benefit of the refunding warrants.

7. The assessed valuation of the property in the city subject to taxation by it, as the same was assessed for taxation by the State of Alabama for the state tax year that ended September 30, 1958, was \$3,184,940.00. The May warrant constitutes the only obligation of the city that is outstanding on the date of the filing of this petition. The city has no sinking funds on the date of the filing of this petition.

8. The filing of this petition was authorized by resolution adopted by the governing body of the city on June 2, 1959.

WHEREFORE, the petitioners respectfully pray:

(A) That this Court issue an order against the taxpayers and citizens of the city, in accordance with the provisions of Section 171 of Title 7 of the Code of Alabama of 1940, requiring them to show cause, if any they have, at a hearing to be held at a time and place to be designated in such order, why this Court should not validate and confirm (a) the refunding warrants, (b) all proceedings had or taken in connection with the authorization and sale thereof, (c) the special tax, (d) the pledge made in the authorizing ordinance for payment of the principal of and interest on the refunding warrants of so much as may be necessary for such purpose of the special tax and its proceeds; and (e) all agreements and provisions contained in the authorizing ordinance; ordering that a copy of this petition and of said order be served on the State Solicitor of Baldwin County, Alabama; and ordering the Register of this Court to publish in a newspaper published in the city a notice addressed to the taxpayers and citizens of the city requiring them at the time and place specified in such order

to show cause, if any they have, why this court should not validate and confirm the several matters referred to in clauses (a) to (e), inclusive, of this paragraph; and

(B) That at the time and place designated for the hearing in the order referred to in the preceding paragraph (A), or any continuance or adjournment thereof, this Court will hear and determine all questions of law and all facts applicable thereto, and will render its decree determining the authority of the city to sell and issue the refunding warrants and make the pledge therefor as provided in the authorizing ordinance, and validating and confirming the refunding warrants, all proceedings had or taken in connection with the authorization and sale thereof, the special tax, the said pledge, and all agreements and provisions contained in the authorizing ordinance; and

(C) That this Court will enter such other and further orders in the premises as it may deem meet and proper.

FILED

JUN 19 1959

ALICE J. DUCK, CLERK
REGISTER

J. B. Blackburn
White, Bradley, Arout, All + Rose
Solicitors for Petitioners

EXHIBIT "A"

ORDINANCE NO. 565

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE OF \$225,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION SEWER REFUNDING WARRANTS OF THE CITY OF BAY MINETTE, ALABAMA, FOR THE PURPOSE OF REFUNDING A LIKE PRINCIPAL AMOUNT OF INDEBTEDNESS OF THE CITY

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

Section 1. Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

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

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

"Resolution" means a resolution duly adopted by the council.

"Outstanding warrant" means the General Obligation Sewerage Warrant of the city in the principal amount of \$225,000 dated May 26, 1959, which was issued pursuant to the provisions of Ordinance No. 564 of the city adopted on May 26, 1959.

"Refunding warrants" means those issued hereunder.

"Coupons" means those issued hereunder and evidencing the interest on the applicable refunding warrants.

"Callable warrants" means those of the refunding warrants having stated maturities in 1965 and thereafter (being those numbered 26 to 225, inclusive).

"Redemption date" means the date fixed for redemption of callable warrants in any resolution adopted pursuant to the provisions of subsection (a) of Section 5 hereof.

"Redemption price" means the price herein specified at which callable warrants called for redemption may be redeemed.

"Holder" when used in conjunction with refunding warrants or coupons means the person in possession and the apparent owner of the designated item.

"Special tax" means the special additional annual ad valorem tax of the city levied at the rate of three-fourths of one per centum ($3/4$ of 1%) for the purpose of making additions to the sanitary sewer system of the city, including payment of the principal of and interest on any securities that may be issued by the city for additions to the said sanitary sewer system, the said tax being levied pursuant to authorization in that certain amendment to the constitution of Alabama proposed by Act No. 383 adopted at the 1945 Regular Session of the Legislature of Alabama and to authorization at an election held in the city on May 3, 1949, under the provisions of said constitutional amendment.

"Herein", "hereby", "hereunder", "hereof", and similar words refer to this ordinance and not solely to the particular portion thereof in which such word is used.

Definitions include both singular and plural.

Pronouns include both singular and plural and cover all genders.

Section 2. Findings Respecting the Outstanding Warrant. The council has ascertained and found and does hereby declare as follows:

(a) Pursuant to Ordinance No. 564 of the city adopted on May 26, 1959, the city did on May 26, 1959, issue its General Obligation Sewerage Warrant in the principal amount of \$225,000 dated May 26, 1959, due November 1, 1959, for the purpose of paying costs to be incurred in acquiring, providing and constructing sanitary sewerage for the city. The outstanding warrant was duly executed and the seal of the city was affixed thereto and attested in the manner provided by the laws of Alabama, and the outstanding warrant evidences a valid indebtedness and obligation of the city. No part of the principal of or interest on the outstanding warrant has been paid.

(b) The city does not now have and will not have prior to the maturity of the outstanding warrant sufficient funds to pay the principal thereof, and it would be advantageous to the city and its citizens and taxpayers if the outstanding warrant should be refunded at this time by the issuance of the refunding warrants hereinafter authorized, payable in installments over a period of years.

Section 3. Authorization of Refunding Warrants. Pursuant to the applicable provisions of the constitution and laws of Alabama, including particularly Section 253 of Title 37 of the Code of Alabama of 1940, and for the purpose of refunding the outstanding warrant, there are hereby authorized to be issued by the city two hundred twenty-five General Obligation Sewer Refunding Warrants of the city in the aggregate principal amount of \$225,000, numbered from 1 to 225, inclusive, in the principal amount of \$1,000 each, to be dated August 1, 1959, and to mature on August 1 as follows:

<u>Refunding Warrant Numbers (both inclusive)</u>	<u>Year of Maturity</u>	<u>Aggregate Principal Amount Maturing</u>
1 to 5	1960	\$ 5,000
6 to 10	1961	5,000
11 to 15	1962	5,000
16 to 20	1963	5,000
21 to 25	1964	5,000
26 to 32	1965	7,000
33 to 39	1966	7,000
40 to 46	1967	7,000
47 to 53	1968	7,000
54 to 60	1969	7,000
61 to 68	1970	8,000
69 to 76	1971	8,000
77 to 84	1972	8,000
85 to 92	1973	8,000
93 to 100	1974	8,000
101 to 108	1975	8,000
109 to 116	1976	8,000
117 to 124	1977	8,000
125 to 132	1978	8,000
133 to 140	1979	8,000
141 to 148	1980	8,000
149 to 156	1981	8,000
157 to 164	1982	8,000
165 to 172	1983	8,000
173 to 180	1984	8,000
181 to 189	1985	9,000
190 to 198	1986	9,000
199 to 207	1987	9,000
208 to 216	1988	9,000
217 to 225	1989	9,000

Section 4. Interest Rates and Place of Payment.
The refunding warrants shall bear interest from their date until their respective maturities at the following per annum rates: 4% on those maturing in 1960 to 1969, inclusive (being those numbered 1 to 60, inclusive); and 4-1/2% on those maturing in 1970 to 1989, inclusive (being those numbered 61 to 225, inclusive). The said interest shall be payable semiannually each February 1 and August 1 until and at the respective maturities of the refunding warrants, and shall be evidenced by separate interest coupons attached thereto. The refunding warrants and the coupons shall bear interest after their 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 First National Bank of Birmingham in the City of Birmingham in the State of Alabama.

Section 5. Optional Redemption of Callable Warrants. While the city is not in default in the payment of the principal of or interest on any of the refunding warrants, it may at its option call for redemption and redeem all or any part of the callable warrants on August 1, 1964, and on any subsequent interest payment date, at a redemption price for each callable warrant redeemed, to the face value thereof plus accrued interest thereon to the date fixed for redemption and a premium equal to one year's interest thereon computed at the coupon rate thereof. If less than all of the callable warrants at the time outstanding are called for redemption, the callable warrants shall be called for redemption in the inverse order of the numbers of those at the time outstanding. Any such redemption shall be effected in the following manner:

(a) The council shall adopt a resolution containing the following: (1) a call for redemption, on a specified date when they are by their terms subject to redemption, of callable warrants having stated numbers; and (2) a finding that the city is not in default in the payment of the principal of or interest on any of the refunding warrants.

(b) Not less than thirty days prior to the redemption date, the city shall cause to be published one time, in a newspaper that is customarily published not less than six days in each calendar week in the City of Birmingham, Alabama, a notice stating the following: that callable warrants bearing stated numbers have been called for redemption and will become due and payable at the applicable redemption price on a specified redemption date (which shall be the redemption date provided for in the resolution required in subsection (a) of this section); and that all interest thereon will cease after the redemption date.

(c) On or prior to the redemption date the city will notify the bank at which the refunding warrants are payable of the city's compliance with the requirements of the preceding subsections (a) and (b) of this section, and shall further make available at the principal office of said bank the total redemption price of the callable warrants so called for redemption.

Upon compliance by the city with the requirements contained in subsections (a), (b) and (c) of this section, and if the city is not on the redemption date in default in payment of the principal of or interest on any of the refunding warrants, the callable warrants so called for redemption shall become due and payable at the redemption price on the redemption date and interest thereon shall thereafter cease. The bank at which the callable warrants are payable shall not be required to pay any coupon maturing on the redemption date which is applicable to any callable warrant so called for redemption unless the callable warrant to which such coupon is applicable is also presented for payment; provided, that in the event such bank should pay any such coupon without payment of the applicable callable warrant it shall not be liable to the holder of such applicable callable warrant or to the city or to anyone whomsoever; and provided further, that such bank shall pay such coupon out of the moneys supplied to it by the city for such purpose if the holder thereof shall present evidence satisfactory to such bank that such holder is the owner of the coupon so presented and is not the owner of the callable warrant to which such coupon is applicable.

Section 6. Execution of the Refunding Warrants. The refunding warrants shall be executed and the corporate seal of the city shall be affixed thereto by the mayor of the city, and the city 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 city clerk, whose facsimile signatures shall be valid in all respects as if they had signed the coupons in person. The refunding warrants and the coupons shall be registered by the city treasurer in the records maintained by him as a claim against the city and against the special tax and the proceeds therefrom, which registration shall be made simultaneously with respect to all the refunding warrants and the coupons. Said officers are hereby directed so to execute, seal, attest and register the refunding warrants and the coupons.

Section 7. General Obligation and Special Pledge. The indebtedness evidenced and ordered paid by the refunding warrants is and shall be a general obligation of the city for the payment of the principal of and interest on which the full faith and credit of the city are hereby irrevocably pledged. In addition thereto, as security for payment of such principal and interest and as a part of the contract whereunder the money evidenced thereby is borrowed, there are hereby ordered segregated and used and there are hereby irrevocably pledged, for payment of the principal of and interest on the refunding warrants at the respective maturities of said principal and interest, pro rata and without preference of one over another of the refunding warrants, so much as may be necessary for said purpose of the special tax and its proceeds. That portion of the proceeds from the special tax that may exceed the amounts necessary to pay the principal of and interest on the refunding warrants at the respective maturities of said principal and interest is not pledged hereunder. The city represents that the pledge and agreements made in this ordinance respecting the special tax constitute the only outstanding pledge and agreements made by the city with respect to the use of the special tax. The city represents and agrees that upon issuance of the refunding warrants the pledge herein made of the special tax and its proceeds for the benefit of the refunding warrants shall be and remain prior and superior to any and all pledges and agreements that may hereafter be made by the city respecting the special tax and its proceeds. To such extent, if any, as the proceeds from the special tax may not be sufficient to pay said principal and interest at their respective maturities, the city further agrees to use for such purpose so much of the general revenues of the city derived from other sources and available for such purpose as, when added to the proceeds from the special tax, shall be sufficient to pay the principal of and interest on the refunding warrants at the respective maturities of said principal and interest.

Section 8. Maintenance of Special Tax and Application of the Proceeds Therefrom. The city agrees that so long as any part of the principal of or interest on the refunding warrants remains unpaid, it will annually levy and collect the special tax at the times and in the manner provided by the applicable provisions of the constitution and laws of Alabama. The city further agrees that it will segregate and set aside all the proceeds received by the city from the special tax during each fiscal year, as such proceeds are received, until there shall have been collected and set aside an amount sufficient

to pay the interest maturing on the warrants on February 1 of the same fiscal year plus an amount sufficient to pay the principal and interest maturing on the warrants on August 1 of the next succeeding fiscal year and that it will use such proceeds so collected and set aside for the purpose of paying said principal and interest at the respective maturities thereof. Thereafter, any subsequent collections from the special tax during the same fiscal year may be used for any lawful purpose for which the tax was authorized to be used at said election.

Section 9. Form of Refunding Warrants. The refunding warrants and the coupons and the provisions for assignment thereof shall be in substantially the following forms, with appropriate insertions and variations therein to conform to the provisions hereof:

(Form of Warrant)

No. _____

\$1,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF BAY MINETTE

GENERAL OBLIGATION SEWER REFUNDING WARRANT

The City of Bay Minette (herein called "the city"), a municipal corporation in the State of Alabama, hereby acknowledges that it is indebted to V. B. Seale in the principal sum of

ONE THOUSAND DOLLARS

and hereby directs the City Treasurer to pay the said principal sum to said V. B. Seale, or assigns, on the 1st day of August, 19___, upon surrender of this warrant, 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 upon 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 First National Bank of Birmingham in the City of Birmingham in the State of Alabama.

This warrant is one of an issue aggregating \$225,000 in principal amount, consisting of two hundred twenty-five coupon warrants numbered from 1 to 225, inclusive, issued pursuant to the constitution and laws of Alabama, including particularly Section 253 of Title 37 of the Code of Alabama of 1940 and an ordinance of the city duly and legally adopted for the purpose of refunding a valid general indebtedness of the city in said principal amount originally incurred to pay the costs of

acquiring, providing and constructing sanitary sewerage for the city. Those of the said warrants having stated maturities in 1965 and thereafter may be redeemed and paid at the option of the city, as a whole or in part in the inverse order of their numbers, on August 1, 1964, and on any subsequent interest payment date, after not less than thirty days' prior notice given by publication one time in a newspaper published in the City of Birmingham, Alabama, at a redemption price for each warrant redeemed equal to its face value plus accrued interest thereon to the date fixed for redemption and a premium equal to one year's interest thereon.

The indebtedness evidenced and ordered paid by the said warrants is a general obligation of the city for the payment of the principal of and interest on which the full faith and credit of the city have been irrevocably pledged.

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

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, and any person making such delivery shall be deemed to have transferred to the person to whom such delivery is made all of his equities or rights in the coupons so delivered; (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; and (3) that whenever and so long as this warrant may 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 city 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 city has caused this warrant to be executed and its official seal to be hereunto affixed by its mayor and to be attested by its city clerk, who 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 August 1, 1959.

CITY OF BAY MINETTE

By _____
Its Mayor

Attest:

City Clerk

(Form of Coupon)

No. _____ \$ _____

On the 1st day of _____, 19____, the City Treasurer of the City of Bay Minette, a municipal corporation in the State of Alabama, is hereby ordered to pay to the bearer hereof _____ Dollars upon surrender hereof at the principal office of The First National Bank of Birmingham, in the City of Birmingham in the State of Alabama. This coupon represents six months' interest which will become due on said date on, and is a part of and subject to the provisions contained in, the General Obligation Sewer Refunding Warrant of the said City of Bay Minette, Alabama, dated August 1, 1959, numbered _____.

CITY OF BAY MINETTE

By _____
Its Mayor

Attest:

City Clerk

(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 following 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 or after February 1, 1965, immediately following the maturity date of each such coupon, the following:

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

Section 10. Provisions Constitute Contract.
The provisions of this ordinance shall constitute a contract between the city and the holders of the refunding warrants and the coupons.

Section 11. Refunding Warrants Payable at Par.
Each bank at which the refunding warrants and the coupons shall at any time be payable, by acceptance of its duties as paying agent therefor, shall be construed to have agreed thereby with the holders of the refunding warrants and the coupons that all remittances made by it on the refunding warrants and the coupons shall be made in bankable funds at par and without deduction for exchange, fees, or expenses. The city agrees with the holders of the refunding 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 of remittances in bankable funds of the refunding warrants and the coupons.

Section 12. 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 13. Sale of Refunding Warrants. The refunding warrants are hereby sold to T. U. Crumpton & Co. at and for a purchase price equal to 97-1/2% of their face value, viz., the sum of \$219,375, plus accrued interest on the refunding warrants to the date of payment therefor. The refunding warrants shall be issued in the name of V. B. Seale in accordance with directions given by the said purchaser. The mayor of the city is directed and hereby authorized to deliver the refunding warrants to the said purchaser upon payment to the city of the said purchase price. The said sale is made subject to validation by a court of competent jurisdiction of the warrants, of the special tax, and of the pledge herein made of the special tax and its proceeds for the benefit of the refunding warrants.

Section 14. Use of Proceeds from Sale of the Refunding Warrants. The principal proceeds from the sale of the refunding warrants shall be applied for refunding the outstanding warrant, which shall thereupon be canceled and retired. Any accrued interest received from the sale of the refunding warrants shall be applied to payment of the interest on the refunding warrants.

Adopted this 2nd day of June, 1959.

/s/ Harry Still

Chairman pro tempore

Authenticated:

/s/ A. R. Cromartie
City Clerk

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

STATE OF ALABAMA)
)
COUNTY OF BALDWIN)

NO. 4622

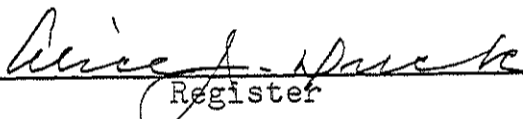
TO ANY SHERIFF OF THE STATE OF ALABAMA -- GREETING:

You are hereby commanded to summon James A. Hendrix, as Solicitor for the Twenty-Eighth Judicial Circuit of Alabama and as State Solicitor for Baldwin County, Alabama, to appear and plead, answer or demur on or before July 13th, 1959, to a petition filed in said Circuit Court, in Equity, against the Taxpayers and Citizens of the City of Bay Minette, defendants, in which the City of Bay Minette, et al., 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 person who is to be so summoned by you.

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

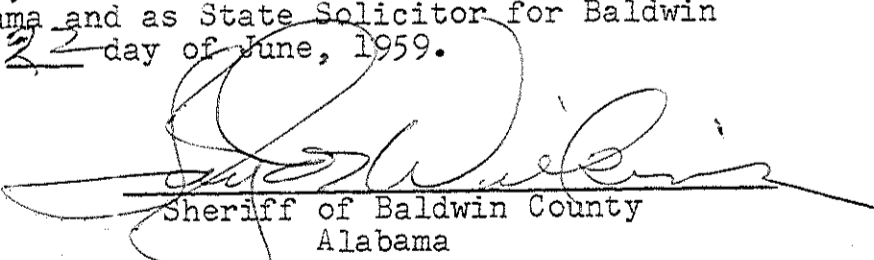
WITNESS my hand this 19th day of June, 1959.



Register

SHERIFF'S RETURN

I have executed the within by leaving a copy thereof, together with a copy of the petition and order mentioned therein, with James A. Hendrix, as Solicitor for the Twenty-Eighth Judicial Circuit of Alabama and as State Solicitor for Baldwin County, Alabama, on this 22 day of June, 1959.



Sheriff of Baldwin County
Alabama

IN THE CIRCUIT COURT OF BALDWIN COUNTY, ALABAMA

CITY OF BAY MINETTE, a
municipal corporation,
et al

Petitioners

v.

TAXPAYERS AND CITIZENS
OF THE CITY OF BAY MINETTE

Defendants

IN EQUITY

NO. 4622

ANSWER OF DEFENDANTS

COME the defendants, by James A. Hendrix, as Solicitor for the Twenty-eighth Judicial Circuit of Alabama, and as State Solicitor for Baldwin County, Alabama, and for answer and defense to the petition filed in this cause say as follows:

(1) For answer to paragraph 1 of the petition, the defendants admit that the City of Bay Minette exists as a municipal corporation under the laws of the State of Alabama, that the mayor of said city and its five aldermen constitute its governing body, and that its population as shown by special federal census was as stated in said paragraph 1.

(2) For answer to paragraph 2 of the petition, the defendants admit that the said petition was filed under the alleged authority of the statutes referred to in said paragraph.

(3) For answer to paragraph 3 of the petition, the defendants say that they are without knowledge or information sufficient to enable them to admit or deny whether Ordinance No. 564 referred to in said paragraph 3 was duly adopted as alleged in said paragraph or whether the warrant of said city referred to in said paragraph 3 was issued as alleged in said paragraph; and the defendants, therefore, deny the averments of said paragraph 3 respecting the adoption of said ordinance and the issuance of said warrant. For further answer to said paragraph 3 the defendants aver that the pledge of the special tax referred to in said paragraph and alleged therein to have been made for payment of the warrant could not be validly made.

(4) For answer to paragraph 4 of the said petition, the defendants say that they are without knowledge or information sufficient to enable them to admit or deny the averments of said paragraph concerning the indebtedness of the city and its constitutional debt limitation at the time of the issuance of the said warrant; and the defendants, therefore, deny that the said warrant constituted the only indebtedness of the city at the time of its issuance and that the indebtedness of the city was at that time within its constitutional debt limit.

(5) For answer to paragraphs 5 and 6 of the petition, the defendants say that they are without knowledge or information sufficient to enable them to admit or deny whether Ordinance No. 565 referred to in said paragraphs was duly adopted as alleged in said paragraph 5, or whether Exhibit "A" attached to the petition is a true and correct copy of said ordinance, if adopted; and the defendants, therefore, deny that the said ordinance was duly adopted.

And for further answer to said paragraph 5, the defendants deny that the pledge of, and agreements with respect to, the aforesaid special tax alleged in said paragraph 5 to have been made in said ordinance can validly be made.

(6) For answer to paragraph 7 of the petition, the defendants say that they are without knowledge or information concerning the assessed valuation of taxable property in said city and the indebtedness and sinking funds of said city sufficient to enable them to admit or deny the averments contained in said paragraph 7; and the defendants, therefore, deny the averments of said paragraph 7.

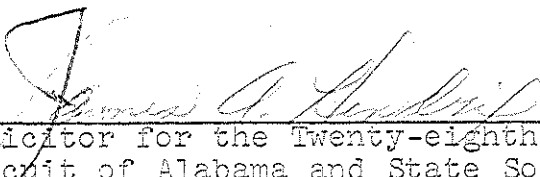
(7) For answer to paragraph 8 of the petition, the defendants say that they are without knowledge or information sufficient to enable them to admit or deny whether the filing of the petition was duly authorized as alleged in said paragraph 8; and the defendants, therefore, deny the averments of said paragraph 8.

(8) For further answer to the petition and to each paragraph thereof, separately and severally, the defendants say that the special pledge and agreements with respect to the special annual ad valorem tax referred to in the petition that are set forth in Sections 7 and 8 of said Ordinance No. 565 cannot be validly made for the following reasons:

(a) There is no authority in law for making the said pledge and said agreements;

(b) The petition shows on its face that the aforesaid special tax was voted at the special election referred to in the petition for building a sewage disposal plant, making additions, alterations, and repairs to the existing sewer system of the city, and paying the costs of issuing and retiring bonds issued for the said purposes and payment of interest thereon. Since payment of the principal of and interest on the proposed warrants referred to in said petition is not among the purposes for which the said special tax was voted at said special election, proceeds from said special tax cannot lawfully be used for payment of such principal and interest; and

(c) The proceeds from the said special tax are required by law to be used for other purposes than payment of the principal of and interest on the said proposed warrants, and the use therefor for payment of such principal and interest would constitute an unlawful diversion of the proceeds of said special tax.


Solicitor for the Twenty-eighth Judicial
Circuit of Alabama and State Solicitor
for Baldwin County, Alabama

FILED

JUL 13 1959

ALICE J. DUCK, CLERK
REGISTER

IN THE CIRCUIT COURT IN AND
FOR BALDWIN COUNTY, ALABAMA

CITY OF BAY MINETTE, a municipal
corporation under the laws of
the State of Alabama, et al.,

Petitioners,

vs.

TAXPAYERS AND CITIZENS OF THE
CITY OF BAY MINETTE,

Defendants

IN EQUITY

NO. 4622

NOTICE OF VALIDATION SUIT
RESPECTING PROPOSED WARRANTS OF THE CITY OF
BAY MINETTE, ALABAMA

TO THE TAXPAYERS AND CITIZENS OF
THE CITY 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, inclusive, of the Code of Alabama of 1940, seeking the validation and confirmation by this court of the matters hereinafter referred to and that this court has issued an order against the taxpayers and citizens of the City of Bay Minette, Alabama, requiring them to show cause, if any they have, at a session of said court to be held at the county courthouse of Baldwin County, Alabama, in Bay Minette, Alabama, on the 13th day of July, 1959, beginning at eleven o'clock, A.M., why the following should not be validated and confirmed by this court: (a) the \$225,000 principal amount of General Obligation Sewer Refunding Warrants to be dated August 1, 1959, proposed to be issued by the City of Bay Minette, Alabama, for the purpose of refunding an outstanding warrant of said city in the principal amount of \$225,000 alleged in said petition to have been heretofore issued for the purpose of paying costs of acquiring, providing and constructing sanitary sewerage for the city; (b) all proceedings had and taken in connection with said warrants to be dated

August 1, 1959; (c) the special additional annual ad valorem tax of the city referred to in said petition and alleged therein to have been authorized at an election held in the city on May 3, 1949, to be levied at the rate of 3/4 of 1% for building a sewage disposal plant, making additions, alterations and repairs to the existing sewer system of said city, and paying the costs of issuing and retiring bonds issued for the said purposes and payment of interest thereon; (d) the pledge of the said special tax and its proceeds for the benefit of the said warrants, made in the ordinance of said city wherein said warrants were authorized to be issued; and (e) all agreements and provisions contained in the said ordinance wherein said warrants are authorized to be issued. A copy of the said petition is on file in the office of the undersigned Register of the Circuit Court of Baldwin County, Alabama, in Equity, where the same may be inspected and examined by any taxpayer and citizen of said city.

You are accordingly hereby required at the time and place aforesaid to show cause, if any you have, why this court should not make and enter in said cause an order validating and confirming the matters and things referred to in clauses (a) to (e), inclusive, of the preceding paragraph of this notice.

Done this 19th day of June, 1959.

FILED

JUN 19 1959

ALICE J. DUCK, CLERK
REGISTER

Alice J. Duck
Register of the Circuit Court
of Baldwin County, Alabama,
In Equity

IN THE CIRCUIT COURT OF BALDWIN COUNTY,
ALABAMA

CITY OF BAY MINETTE,
a municipal corporation,
et al.

Petitioners

v.

TAXPAYERS AND CITIZENS
OF THE CITY OF BAY MINETTE

Defendants

IN EQUITY

NO. 4622

FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND DECREE

THIS CAUSE coming on for trial on this date, pursuant to the order entered herein on June 19, 1959, and it appearing to the court that notice hereof has been given to the defendants as required by law by publication in The Baldwin Times on June 25, 1959, July 2, 1959, and July 9, 1959, that service was on June 22, 1959, made on the Solicitor of the Circuit Court for the Twenty-eighth Judicial Circuit of Alabama, he being by virtue of said office the State Solicitor for Baldwin County, Alabama, and the petitioners and defendants being represented in open court at said trial by their respective solicitors, this cause was submitted on the petition, the answer of the defendants thereto, the documents introduced in evidence, and the evidence taken orally in open court. The cause having been argued before and having been understood by the court, the court upon consideration finds the facts and states its conclusions of law and renders its decree as follows:

(1) The City of Bay Minette (herein called "the city") is a municipal corporation duly organized and existing under the laws of the State of Alabama. The population of the city, according to a special Federal Census taken as of July 29, 1954, was 4,184 inhabitants. Its governing body consists of a mayor and a council composed of five aldermen (said governing body being herein called "the governing body").

(2) At a regular meeting of the governing body of the city (then designated as the Town of Bay Minette) held on March 15, 1949, the governing body duly adopted Ordinance No. 494 of the city calling a municipal election, under that certain amendment to the Constitution of Alabama that was proposed by Act No. 383 adopted at the 1949 Regular Session of the Legislature of Alabama (commonly referred to as Amendment LVI) to be held in the city on May 3, 1949, for the purpose of submitting to the qualified electors of the city the question whether the city should be authorized to levy an additional special annual ad valorem tax at the rate of three-fourths of one per centum ($\frac{3}{4}$ of 1%) for the purpose of building a sewage disposal plant, making additions, alterations, and repairs to the existing sewer system of the city, and paying the costs of issuing and retiring bonds issued for the said purposes and payment of interest thereon (said tax at said rate and for said purposes being herein called "the special tax"). Notice of the said election was duly published once a week for three consecutive weeks in The Baldwin Times, a newspaper published and having general circulation in

the city, in the issues of said newspaper appearing on March 24, 1949, March 31, 1949, and April 7, 1949; the election was duly held on May 3, 1949; and on May 4, 1949, the mayor and council, acting as a board of canvassers, met, canvassed the returns of the said election, and found and declared in official proceedings of the city that a majority of the qualified electors of the city voting at said election had voted in favor of the levy of the special tax.

(3) At a regular meeting of the governing body held on May 26, 1959, the governing body duly adopted Ordinance No. 564 of the city, wherein the city was authorized to borrow the principal sum of \$225,000 for the purpose of paying costs to be incurred in acquiring, providing and constructing sanitary sewerage for the city, consisting of additions to the sanitary sewer system of the city, and in evidence of the obligations created by such borrowing the city was authorized to issue its General Obligation Sewer Warrant (herein called "the outstanding warrant") in the principal amount of \$225,000, to be dated on the date of its issuance, to be payable November 1, 1959, and to bear interest from its date until its maturity at the rate of 4-1/2% per annum, payable at its maturity, with the right reserved by the city of paying the same at any time. Pursuant to authorization in said Ordinance No. 564 and in accordance with the terms thereof, the city did on May 26, 1959, borrow the said sum of \$225,000 and did execute and deliver to the lender the outstanding warrant, which is dated May 26, 1959, and which is now outstanding and unpaid.

(4) At a regular meeting of the governing body held on June 2, 1959, the governing body duly adopted Ordinance No. 565 of the city (herein sometimes called "the authorizing ordinance"), a copy of which, marked Exhibit "A" is attached to and made a part of the petition. The authorizing ordinance authorizes the issuance by the city, for the purpose of refunding the outstanding warrant, of the General Obligation Sewer Refunding Warrants of the city in the principal amount of \$225,000 (herein called "the refunding warrants"), to consist of two hundred twenty-five coupon warrants in the denomination of \$1,000 each, to be dated August 1, 1959, and to mature in varying principal amounts on August 1 in each year from 1960 to 1989, inclusive. The authorizing ordinance provides that the refunding warrants shall bear interest from their date until their respective maturities at the following per annum rates: 4% on those maturing in 1960 to 1969, inclusive; and 4-1/2% on those maturing in 1970 to 1989, inclusive; which interest shall be payable semiannually on February 1 and August 1 in each year and shall be evidenced by separate interest coupons (herein called "the coupons") attached to the refunding warrants, and provides, further, that the refunding warrants shall be payable as to both principal and interest at the office of The First National Bank of Birmingham in Birmingham, Alabama. The authorizing ordinance provides, further, that the refunding warrants shall be general obligations of the city and that the full faith and credit of the city are irrevocably pledged for payment of the principal thereof and interest thereon, and, further,

that there are irrevocably pledged for payment of said principal and interest at their respective maturities so much as may be necessary for said purpose of the special tax and its proceeds. The authorizing ordinance contains a representation that the pledge and agreements made therein constitute the only outstanding pledge and agreements made by the city with respect to the use of the special tax; and a representation and agreement that upon issuance of the refunding warrants the said pledge should remain prior and superior to any and all pledges and agreements that might thereafter be made by the city respecting the special tax and its proceeds.

(5) In Section 13 of the authorizing ordinance, the city has sold the refunding warrants to T. U. Crumpton & Co. at and for a purchase price equal to 97-1/2% of their face value, viz., the sum of \$219,375, plus accrued interest on the refunding warrants to the date of payment therefor, such sale being subject to the validation of the refunding warrants, of the special tax, and of the aforesaid pledge made in the authorizing ordinance for the benefit of the refunding warrants.

(6) On May 26, 1959, at the time of the issuance of the outstanding warrant, it constituted the only outstanding indebtedness of the city.* The assessed valuation of all property located in the city and subject to taxation by it, as assessed for taxation by the State of Alabama for the tax year of said state ending September 30, 1959, was \$3,184,940.

- 5 -

* except an indebtedness in the principal amount of \$11,000 owed to The Water Works and Gas Board of the City of Bay Minette, plus accrued interest on said debt in amount of \$2,175.

(7) The filing of this petition was duly authorized by resolution duly adopted by the governing body at said meeting thereof held on June 2, 1959.

(8) There is no evidence of any collusion, fraud, corruption or unfair dealings in any of the proceedings of the city herein referred to or in any steps heretofore taken or contemplated to be taken in any of the said proceedings, and the governing body of the city has acted in good faith in making the borrowing evidenced by, and in issuing, the outstanding warrant and in authorizing the issuance of and in selling the refunding warrants.

CONCLUSIONS OF LAW

(a) 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 city has power to institute and conduct this proceeding and has duly authorized it.

(b) The aforesaid election held on May 3, 1949, was validly called and conducted and its returns canvassed in accordance with the requirements of law, notice of said election was duly published as required by law, and the levy by the city of the special tax was validly authorized at the said election.

(c) The constitutional debt limit of the city, as provided in Section 225 of the Constitution of Alabama of 1901, with respect to indebtedness incurred on May 26, 1959, for acquiring, providing and constructing sewerage for the city is \$254,795.20, being an amount equal to eight per centum (8%) of the assessed valuation of the property located in the city and subject to taxation by the city as said property was assessed for taxation by the State of Alabama for its tax year ending September 30, 1958.

(d) The outstanding warrant has been duly authorized, sold and issued for purposes for which the city may lawfully incur indebtedness and, at the time of its issuance, it was within the then applicable constitutional debt limitation of the city. The outstanding warrant constitutes a valid general obligation of the city, and is secured by a valid pledge of the full faith and credit of the city. The refunding warrants have been duly authorized and sold. When issued, they will evidence the same indebtedness now evidenced by the outstanding warrant, and will constitute valid general obligations of the city secured by a valid pledge of the full faith and credit of the city for payment of the principal thereof and the interest thereon.

(d) The proceeds from the special tax may be lawfully used for any one or more of the purposes for which it was voted. It may, therefore, be lawfully used to pay the cost of making additions to the city's sanitary sewer system. Payment of the cost of making additions to the said sanitary sewer system includes the payment of the principal of and interest on indebtedness of the city

THE BALDWIN TIMES

JIMMY FAULKNER
PUBLISHER

Alabama's Best County's Best Newspaper

BAY MINETTE, ALABAMA

IN THE CIRCUIT COURT IN AND
FOR BALDWIN COUNTY, ALABAMA
IN EQUITY
No. 4622

CITY OF BAY MINETTE, a municipal
corporation under the laws of
the State of Alabama, et al.,
Petitioners,

vs.
TAXPAYERS AND CITIZENS OF THE
CITY OF BAY MINETTE,
Defendants

NOTICE OF VALIDATION SUIT
RESPECTING PROPOSED WARRANTS OF
THE CITY OF BAY MINETTE, ALABAMA
TO THE TAXPAYERS AND CITIZENS OF
THE CITY 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, Section 169 to 178, inclusive, of the Code of Alabama of 1940, seeking the validation and confirmation by this court of the matters hereinafter referred to and that this court has issued an order against the taxpayers and citizens of the City of Bay Minette, Alabama, requiring them to show cause, if any they have, at a session of said court to be held at the county courthouse of Baldwin County, Alabama, in Bay Minette, Alabama, on the 13 day of July, 1959, beginning at eleven o'clock, A.M., why the following should not be validated and confirmed by this court: (a) the \$225,000 principal amount of General Obligation Sewer Refunding Warrants to be dated August 1, 1959, proposed to be issued by the City of Bay Minette, Alabama, for the purpose of retiring in said petition to have been heretofore issued for the purpose of paying costs of acquiring, providing and constructing sanitary sewage for the city; (b) all proceedings had and taken in connection with said warrants to be dated Aug. 1, 1959; (c) the special addition annual ad valorem tax of the city referred to in said petition and alleged therein to have been authorized at an election held in the city on May 3, 1949, to be levied at the rate of 94 of 1% for building a sewage disposal plant, making additions, alterations and repairs to the existing sewer system of said city.

visions contained in the said ordinance wherein said warrants are authorized to be issued. A copy of the said petition is on file in the office of the undersigned Register of the Circuit Court of Baldwin County, Alabama, in Equity, where the same may be inspected and examined by any taxpayer and citizen of said city.

You are accordingly hereby required at the time and place aforesaid to show cause, if any you have, why this court should not make and enter in said cause an order validating and confirming the matters and things referred to in clauses (a) to (c), inclusive, of the preceding paragraph of this notice.

Done this 19th day of June, 1959.

(S) ALICE J. DUCK
Register of the Circuit Court
of Baldwin County, Alabama,
In Equity 24-31a

AFFIDAVIT OF PUBLICATION

STATE OF ALABAMA,
BALDWIN COUNTY.

E. R. Morrisette, Jr. being duly sworn, deposes and says that he is the EDITOR of THE BALDWIN TIMES, a Weekly Newspaper published at Bay Minette, Baldwin County, Alabama; that the notice hereto attached of

City of Bay Minette vs. Taxpayers & citizens of the city of Bay Minette

COST STATEMENT

525 WORDS @ 5 cents \$ 26²⁵
I hereby certify this is correct, due and unpaid (paid).

E. R. Morrisette
Editor.

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

Date of 1st publication June 25, 1959 Vol. 71 No. 24

Date of 2nd publication July 2, 1959 Vol. 71 No. 25

Date of 3rd publication July 9, 1959 Vol. 71 No. 26

Date of 4th publication _____, 195____ Vol. _____ No. _____

Subscribed and sworn before the undersigned this 9 day of July, 1959

Dorothy Martin
Notary Public, Baldwin County.

FILED

JUL 13 1959

ALICE J. DUCK, CLERK
REGISTER

E. R. Morrisette
Editor.