

**ORDINANCE NO. 2021-002**

**AN ORDINANCE AUTHORIZING A GENERAL  
OBLIGATION WARRANT IN THE PRINCIPAL AMOUNT OF UP TO \$1,200,000.00  
AND MAKING PROVISION FOR THE PAYMENT THEREOF**

BE IT ORDAINED BY THE TOWN OF RAGLAND, ALABAMA (the "Town") as follows:

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

(a) It is necessary and in the public interest for the Town to enter into and execute a general obligation warrant to METRO BANK for the provision of a closed-end line of credit thereafter converting to an amortized term loan (as further described herein) in the maximum principal amount of One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00) for the purpose of paving and improving public streets, lots and spaces and potentially constructing municipal buildings.

(b) The assessed valuation of the taxable property in the Town for the preceding fiscal year (ending September 30, 2020) is not less than \$6,000,000.00, and the total indebtedness of the Town chargeable against the debt limitation for the Town prescribed by the Constitution of Alabama of 1901, including the debt of the Warrant, is not more than twenty percent (20%) of said assessed valuation.

Section 2. **Authorization and Description of Warrant.** Pursuant to the authority contained in the applicable provisions of the laws of Alabama, there is hereby authorized to execute a warrant in the principal amount of up to \$1,200,000.00 (the "Warrant"). The Warrant shall be dated the date of delivery; shall provide for a maximum principal amount of One Million Two Hundred Thousand and 00/100 Dollars; shall be payable to METRO BANK or its registered assignees; outstanding principal balance shall bear interest at the per annum rate of three and 50/100 percent (3.50%) (as computed on the basis of a 360-day year); and shall provide for monthly interest payments on any outstanding principal balance advanced and unpaid until November 1, 2022; and monthly principal and interest payments on the outstanding balance owed as of November 1, 2022 (with first payment due on December 1, 2022) with all outstanding accrued principal and interests being due and payable on November 1, 2037. The Warrant shall also be subject to prepayment, without penalty, prior to maturity at such times, in such amounts and under such circumstances; and shall contain such other terms and conditions all as set forth in the form of the Warrant, as stated herein below, Section 4 hereof. No other obligation other than the Warrant shall be issued pursuant to this ordinance.

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

Section 3. **Registration and Transfer of Warrant.** The Warrant shall be recorded and registered in the name of the Owner thereof by the Town in a book of registration to be maintained for that purpose by the Town. The person in whose name the Warrant is registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of the principal and interest on the Warrant shall be made only to or upon the order of such Owner, or its legal representative, and neither the Town nor any

agent of the Town shall be affected by any notice to the contrary. Such payment of the Warrant shall be valid and effectual to satisfy and discharge the liability of the Town upon the Warrant.

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

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

**UNITED STATES OF AMERICA  
STATE OF ALABAMA  
TOWN OF RAGLAND, ALABAMA  
GENERAL OBLIGATION WARRANT**

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

**ONE MILLION TWO HUNDRED THOUSAND AND 00/100 DOLLARS  
(\$1,200,000.00)**

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

**Interest:** Interest shall accrue on the advanced and unpaid principal balance of the Obligation shall be computed from the date hereon until maturity or default, whichever shall be the first event to occur, at a fixed rate equal to 3.50% per annum.

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

- A. Accrued interest shall be paid beginning on the 1st day of April 2021 and on the same day of each month thereafter for a period of twenty (20) consecutive monthly interest-only payments with the final such interest-only payment being November 1, 2022; followed by
- B. One Hundred Seventy-Nine (179) consecutive monthly principal and interest installments, with the first such installment being due and payable on the 1<sup>st</sup> day of December 2022 and the remaining installments on the same day of each



month thereafter. Initially, the amount of the monthly payment shall be equal to the amount which would be due assuming (i) a principal amount equal to the principal balance outstanding on the Obligation hereunder, (ii) the interest rate then in effect, and (iii) an amortization period equal to fifteen (15) years. On the Maturity Date all principal and interest shall be due and payable in full.

- C. One (1) final installment due and payable on November 1, 2037 and equal to all of the principal of and interest on the Obligation then remaining unpaid

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

**Closed-end Credit:** The principal sum shown above is the maximum amount of principal that Town can borrow under this Warrant. As of the date of this Warrant, Town has not received the maximum amount available hereunder; future advances are contemplated by the terms of this Warrant up to the maximum amount of principal (\$1,200,000.00). Any repayment of part of the principal of the Obligations, will not entitle Town to additional credit without further approval of Owner.

**Maturity.** All outstanding and unpaid principal and interest of this Warrant shall be payable in full, if not sooner paid, on November 1, 2037. This Warrant may be prepaid at any time from time to time in whole or part without premium or penalty and without any prior notice, provided that the interest due on the principal to be prepaid must be paid at the time of such prepayment.

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

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

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

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



It is hereby recited, certified and declared that the indebtedness evidenced and ordered paid by this Warrant is lawfully due without condition, abatement or offset of any description, that this Warrant has been registered in the manner provided by law, that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the execution, registration and issuance of this Warrant, and the adoption of the ordinance authorizing its issuance, have happened, do exist and have been performed as so required and that the principal amount of this Warrant, together with all other indebtedness of the Town, are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

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

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

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

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

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

1. a default of greater than ten (10) days in the payment of any one or more installments of principal or interest that may become due hereunder, when and as the same fall due; or
2. a default in the payment of all principal and interest due hereunder at maturity; or



3. failure to pay when due or to perform or comply with any of the (i) obligations or provisions under this Warrant, or (ii) other obligations and indebtedness of Town to Owner now existing or hereafter incurred or arising, direct or indirect, and however incurred or any part thereof; or
4. a default occurs under the terms of this Warrant or any other documents pertaining to the Obligation; or
5. the insolvency of, general assignment by, calling a meeting of creditors by, judgment against, filing of a petition in bankruptcy by or against, filing a petition for the reorganization of, filing of application in any court for receiver for, or issuance of a writ of garnishment or attachment in a suit or action against the Town or against any of the assets of the Town.

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

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

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

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

- a) the Town shall submit or cause to be submitted to Owner the Town's audited fiscal year end financial statements within one hundred eighty (180) days after the close of each fiscal year, including a balance sheet as of the close of such period, an income statement, and a reconciliation of equity prepared by a certified public accountant acceptable to Owner in accordance with generally accepted accounting principles; and
- b) the Town shall submit or cause to be submitted to Owner such other financial information as Owner may request from time to time, including but not limited to that information as may be required for Owner to determine the Town's compliance with the terms of this instrument.



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

- a) The Town has heretofore furnished to Owner financial information of the Town, and such financial information presents fairly the financial position therein reflected for the respective period covered thereby, in conformity with generally accepted accounting principles applied on a consistent basis through the periods involved;
- b) There has been no material adverse change in the Town's financial condition since the date or dates of such financial information and there will be no material adverse change in such conditions at any time Owner makes an advance of which Owner will not have written notice;
- c) There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the Town's knowledge threatened or in prospect against or affecting the Town, or any property or rights of the Town, which if adversely determined, would materially impair the Town's ability to carry on its business in accord with the projections furnished Owner or would materially and adversely affect the Town's financial condition;
- d) The Town is not now in default, in any material respect or under any judgment, order, injunction, rule, ruling, or regulation of any court or governmental commission, agency, or instrumentality;
- e) Neither the execution and delivery of this Obligation, the assignments nor the consummation of the transactions contemplated hereby and thereby, nor compliance with the terms and provisions hereof and thereof, will conflict with, violate or result in a breach of or default under or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the assets of the Town, pursuant to the terms of any provision of any permit, franchise, contract, or agreement, any law, ordinance or rule or any order, certificate, license, regulation or decree of the United States or any state, territory, or political subdivision thereof, or any court, agency or other tribunal under which the Town or any of the Town's assets are subject;
- f) The Town is not in default of the performance, observation, or fulfillment of any of the obligations, covenants, or conditions contained in any of the foregoing or any material agreement or instrument to which the Town is a party or by which the Town is bound;
- g) The Town has good and marketable title to all of the Town's assets, subject to no lien, mortgage, pledge, encumbrance, or charges of any kind not previously disclosed in writing to Owner except inchoate liens arising by operation of law for obligations which are not yet due;
- h) The Town will maintain insurance (including casualty, liability, and business interruption insurance) with insurance companies satisfactory to Owner on such of the Town's properties, in such amounts and against such risks as is customarily



maintained by similar cities in the same vicinity, and, within 10 days after notice in writing from Owner shall obtain such additional insurance as Owner may reasonably request;

- i) The Town will comply with all applicable statutes and governmental regulations and pay all taxes, assessments, charges, claims for labor, supplies, rent, and other obligations which, if unpaid, might give rise to a lien against our property except claims being contested in good faith against which reserves have been set up;
- j) The Town will maintain a system of accounting and keep such records and accounts as may be required or necessary to permit the preparation of financial statements in accord with generally accepted accounting principles applied on a consistent basis through the periods involved;
- k) The Town has the full power and authority to enter into this Warrant, to execute and deliver this Warrant, and to incur the obligations provided for therein, all of which have been authorized by all proper and necessary action;
- l) The Town will not otherwise become or remain liable in connection with the obligations of any other person or company except for temporary short term investments and high grade commercial paper and certificates of deposit;
- m) The Town will duly and punctually pay the principal and interest on the Obligation in accordance with the terms thereof and of this instrument and pay other indebtedness reflected on Town's financial statements in accordance with the terms of such indebtedness; and

**Owner may Enter into Participation Arrangements:** The Town understands that the Owner may from time to time enter into a participation agreement or agreements with one or more participants pursuant to which such participant or participants shall be given participation in advances made under this Warrant and that such participants may from time to time similarly grant to other participants subparticipations in such advances. For the purposes of this paragraph only, the Town and every other party liable hereon shall be deemed to be directly obligated to each participant or subparticipant in the amount of its participating interest in the amount of the principal of, and interest on, advances made under this Warrant.

**Waivers, Cost of Collection, Miscellaneous:** The Town hereby agrees to pay all costs of preparing, collecting, securing or attempting to collect this Warrant and the Obligation, or defending any unsuccessful claim asserted against the Owner in connection with this Warrant or the Obligation, including court costs, expenses of collection, and including a reasonable attorney's fee. The Town agrees to provide Owner, upon request, any financial statements or information Owner may deem necessary; and notes that all financial statements and information so provided shall be accurate, correct, and complete. No failure or delay on the part of Owner in exercising any right, power or privilege under this Warrant shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. No modification, amendment or waiver of any provisions of this Warrant shall be effective unless in writing and signed by a duly authorized officer of Owner, and then the same shall



be effective only in the specific instance and for the purpose for which given. All rights and remedies hereunder and under any statute or rule of law or at equity shall be cumulative and may be exercised successively or concurrently. This Warrant shall be governed by and construed in accordance with the laws of the State of Alabama. **THE TOWN CONSENTS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED IN PELL CITY, ALABAMA AND WAIVES ANY OBJECTION IT MAY HAVE BASED UPON IMPROPER VENUE OR FORUM NON CONVENIENS OR TO THE CONDUCT OF ANY PROCEEDINGS IN ANY SUCH COURT. IN ANY JUDICIAL PROCEEDING BROUGHT WITH RESPECT TO, RELATING TO, OR PERTAINING TO THIS WARRANT, THE OBLIGATIONS, THE ADMINISTRATION, HANDLING OR COLLECTION OF THE OBLIGATION, OR THE ACTIONS OF OWNER, THE TOWN WAIVES ANY RIGHT TO TRIAL BY JURY.** The Town covenants and agrees that it will furnish Owner a prompt written notice of any action or inaction by Owner or its agents or attorneys in connection with this Warrant, or the advances or obligations thereunder, that may be actionable against Owner, its agents, the Owner's attorneys, or a defense to payment of the Town's obligations to the Owner for any reason, including, but not limited to, commission of a tort or violation of any contractual duty or duty implied by law. Town further agrees that, unless this notice is duly given as promptly as possible (and in any event within thirty (30) days) after the Town has knowledge or with the exercise of reasonable diligence should have had knowledge of any such action or inaction, Town will not assert and shall be deemed to have waived, any claim or defense arising therefrom. Any provision of this Warrant that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. This Warrant and the Ordinance issuing same contain the entire understanding and agreement between the Town and the Owner with respect to the Obligation and supersede any and all prior agreements, understandings, promises, and statements with respect to the Obligation. This Warrant may not be modified, amended, or supplemented in any manner except by a written agreement executed by both the Town and the Owner.

**Establishment of a Fund:** The Town has established by the ordinance authorizing the issuance of this Warrant a special fund designated "2021 General Obligation Fund" for the payment of the principal of and interest on this Warrant and has obligated itself to pay or cause to be paid into said Fund from the taxes, revenues or funds of the Town sums sufficient to provide for the payment of the principal of and interest on this Warrant as the same mature and come due.

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

**Transferability of this Warrant:** This Warrant may be transferred only upon written



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

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

[SIGNATURES ON FOLLOWING PAGES.]

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[WARRANT SIGNATURE PAGE.]

IN WITNESS WHEREOF, we the undersigned Mayor and Clerk of TOWN OF RAGLAND, ALABAMA have hereunto set our hands and affixed the seal of said Town and have caused this Warrant to be dated March 8, 2021.

**TOWN OF RAGLAND, ALABAMA**

By: 

Richard Bunt  
Its Mayor

ATTEST: 

Clerk


**SEAL**



[TREASURER'S REGISTRATION ON FOLLOWING PAGE.]

**REGISTRATION**

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

  
\_\_\_\_\_  
Treasurer or Depository of the  
TOWN OF RAGLAND,

ALABAMA

**REGISTRATION OF OWNERSHIP**

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

Date of Registration	In Whose Name Registered	Signature of Authorized Officer of the Town
<u>March</u> , 2021	<u>Metro Bank</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

Date of Transfer	Principal Unpaid	Accrued Interest on Date of Transfer	Signature of Authorized Officer of the Town
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____



_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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

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

Section 7. **Warrant Fund.** There is hereby established a special fund designated the "2021 General Obligation Warrant Fund" (the "Warrant Fund"). Money in the Warrant Fund shall be used solely for the payment of the principal of and interest on the Warrant. The Town shall pay or cause to be paid into the Warrant Fund from time to time such sums as shall be sufficient to assure the payment of the principal of and interest on the Warrant as it matures and comes due. The Warrant Fund shall be maintained in such bank as the Town shall designate and the Treasurer of the Town shall cause deposits to be thereto and withdrawals therefrom as aforesaid.

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

Section 9. **Sale and Delivery of Warrant; Closing Papers.** The Warrant is hereby sold and issued to METRO BANK, upon the payment of the Town of the purchase price of up to \$1,200,000.00. The Town has determined that the sale of the Warrant to such purchaser on such terms is most advantageous to the Town. The Warrant shall be delivered to such purchaser at



Ragland, Alabama, upon the payment to the Town of the aforesaid purchase price. The Town Treasurer or Depository is hereby authorized and directed to affect such delivery and in connection therewith to deliver such closing papers containing such representations as are required to demonstrate: the legality and validity of the Warrant, and the absence of pending or threatened litigation with respect to any of such matters. The Treasurer or Depository shall give a receipt to said purchaser for the purchase price paid, and such receipt shall be full acquittal to said purchaser and said purchaser shall not be required to see to, or be responsible for, the application of the proceeds of the Warrant. Nevertheless, the proceeds of the Warrant shall be held in trust and applied solely for the purposes specified in this ordinance.

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

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

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

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

Adopted this 8 day of March 2021.

**TOWN OF RAGLAND, ALABAMA**

By: 

Richard Bunt, Its Mayor

ATTEST: 

Clerk

**SEAL**