

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

Section 1. **Findings.** The City Council (herein called the "Council"), which is the governing body of the City of Hamilton, Alabama (herein called the "City"), has found and ascertained and does hereby declare as follows:

(a) the City believes that the development of additional retail facilities (herein called the "Hamilton Village") on a parcel or parcels of land (herein called the "Hamilton Village Land") in the City located at Military Street, Hamilton, Alabama will promote the economic development of the City by inducing commercial enterprises to locate new facilities in the City, promote trade and commerce in the City, increase tax revenues for the City, result in additional jobs for the City's citizens, and result in the renewal and development of portions of the City within the vicinity of the Project;

(b) pursuant to the terms of a Grant Agreement (herein called the "Grant Agreement") between the City and MAP Hamilton, LLC (said individual and business entities, together or separately, being herein called the "Company"), the City is willing to provide financial incentives for the Project and to take certain other actions to encourage the Company to participate in the development of the Project in the City by providing funding in the form of a grant (herein called the "Economic Development Grant") to enable the Company to renovate, improve and/or construct a building or buildings suitable for use as one or more retail facilities (together, the "Improvements") on the Project Land (no part of the Improvements to be on "public property," as that term is defined in Section 39-2-1(4), Ala. Code 1975);

(c) it is in the best interests of the City and its inhabitants for the City to provide a grant to the Company to finance the costs of the renovation, improvement, and/or construction of the Improvements and for other related purposes;

(d) it is therefore necessary and desirable, and in the best interest of the City and its inhabitants, for the City to borrow the principal sum of \$700,000, and in evidence of that borrowing, to issue the Warrant hereinafter authorized and to enter into the Grant Agreement hereinafter described, with such changes as may be approved by the Mayor in order to effectuate the purposes of this ordinance;

(e) the Council heretofore, at a public meeting of the Council on October 8, 2007, satisfied the requirements of paragraph (c) of Amendment No. 772 (herein called the "Economic Development Amendment") to the Constitution of Alabama of 1901 with respect to the Warrant and approved the proposed issuance of the Warrant by the City and the proposed Economic Development Grant to the Company, all in accordance with the applicable provisions of the Economic Development Amendment; and

(f) the Council has been advised by counsel that although a legal basis exists for its determination that the aforesaid issuance of the Warrant (including the sources for the payment of said Warrant) and the use of the proceeds thereof for the Economic Development Grant (including the execution and delivery of the Grant Agreement) are authorized under existing law, in light of certain prior decisions of Alabama courts, the City cannot safely issue the Warrant and use the proceeds for such purposes until a determination is made by a court of competent jurisdiction in a suit brought by the City for the validation of the Warrant, the sources for the payment of said Warrant and the use of proceeds of said Warrant for the aforesaid purposes.

Section 2. Authorization of the Warrant. Pursuant to the provisions of the constitution and laws of the State of Alabama, including particularly Section 11-47-2 of Code of Alabama 1975, as amended, and Amendment No. 772 to the Constitution of Alabama of 1901, and in order to provide funds with which to make the Economic Development Grant and to provide for the payment of the expenses of issuance, the City is hereby authorized to borrow the principal sum of \$700,000 and in evidence of that borrowing to issue its Limited Obligation Sales Tax Warrant, Series 2007 (herein called the "Warrant"). The Warrant shall be dated the date of its issuance, shall be in the principal amount of \$700,000, and shall mature and be payable seven years after the date of its issuance (herein called the "Maturity Date"). The Warrant shall not bear any interest. All unpaid principal shall become due on the Maturity Date, but principal shall be prepaid as herein provided.

Section 3. Limited Obligation and Source of Payment. The indebtedness evidenced and ordered paid by the Warrant is and shall be a limited obligation of the City payable solely from seventy-five percent (75%) of the revenue produced and received by the City from the levy of sales and use taxes with respect to businesses conducted or located on the Project Land (said 75% of said tax revenue being herein called the "Project Sales Tax Revenues") during the seven-year period beginning on the date of the issuance of the Warrant and ending seven years after the date of said issuance. The Project Sales Tax Revenues received by the City shall be used for the creation and maintenance of the Warrant Fund created in Section 5 hereof, in order to provide for payment of the principal of the Warrant when due.

Section 4. General Faith and Credit Not Pledged. The general faith and credit of the City are not pledged for payment of the Warrant. The Warrant shall not be a general obligation of the City but shall be payable solely out of the moneys on deposit in the Warrant Fund. Neither this ordinance nor the Warrant issued hereunder shall be deemed to impose upon the City any obligation to pay the principal of the Warrant, or any other sum, except with the moneys herein directed to be paid into the Warrant Fund. The Warrant and any payments required by this ordinance shall never constitute an indebtedness of the City within the meaning of any constitutional provision or statutory limitation whatsoever, except as may be provided in Amendment No. 772 to the Constitution of Alabama of 1901. None of the agreements, representations or warranties made or implied in this ordinance, or in the issuance of the Warrant, shall ever impose any pecuniary liability upon the City, except with respect to the

Section 10. **Form of the Warrant.** The Warrant shall be in substantially the following form, with appropriate insertions, omissions and other changes to comply with the provisions hereof and to reflect the appropriate date and principal amount:

\$700,000

\$700,000

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF HAMILTON, ALABAMA

LIMITED OBLIGATION SALES TAX WARRANT
SERIES 2007

The CITY OF HAMILTON, a municipal corporation in the State of Alabama (herein called the "City"), for value received, hereby acknowledges itself indebted to and orders and directs the City Clerk of the City to pay to MAP Hamilton, LLC, or registered assigns, upon presentation and surrender hereof, the principal sum of

SEVEN HUNDRED THOUSAND DOLLARS

(or such lesser portion thereof then unpaid) on the ____ day of _____, 20__ [date seven years after date of issuance of warrant] (unless the principal of this warrant shall have been duly called for previous redemption and payment duly provided for). The principal of and interest on this warrant shall be payable in lawful money of the United States of America.

This warrant shall not bear any interest.

This warrant is authorized to be issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Amendment No. 772 to the Constitution of Alabama of 1901 and Section 11-47-2 of the Code of Alabama 1975, as amended, as well as an ordinance duly adopted by the governing body of the City on October 8, 2007 (the "Ordinance"), for purposes for which the City is authorized by law to borrow money and to issue warrants. All capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Ordinance.

The indebtedness evidenced and ordered paid by this warrant is a limited obligation of the City payable solely from seventy-five percent (75%) of the revenue produced and received by the City from the levy of sales and use taxes with respect to businesses conducted or located on the Project Land (said 75% of said tax revenue being herein called the "Project Sales Tax Revenues").

The City created a special fund (the "Warrant Fund"), into which the City will deposit Project Sales Tax Revenues when and as received by the City. The City shall

withdraw funds from the Warrant Fund to pay the principal of this warrant as the same shall become due and payable.

The City reserves the privilege of prepaying all or any part of the principal of this warrant at any time and from time to time, without premium or penalty, and without notice.

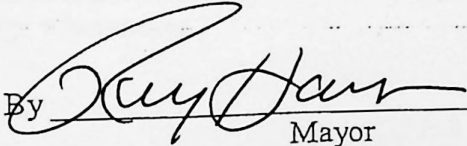
This warrant is subject to mandatory redemption and prepayment on July 1, 2008 and on each January 1, April 1, July 1, and October 1 thereafter, to the extent of any moneys accumulated as of the last business day prior to each such January 1, April 1, July 1, and October 1 in the Warrant Fund, at a redemption price equal to the principal amount of the Warrant called for redemption and prepayment.

The principal of and interest on this warrant will be paid only to the named payee hereof or its registered assigns at the address of the said payee as shown on the books of the City maintained for that purpose by its undersigned registrar.

It is hereby certified that all conditions, actions and things required by the constitution and laws of Alabama to exist, be performed or happen precedent to or in the issuance of this warrant do exist, have been performed and have happened in due and legal form.

IN WITNESS WHEREOF, the City has caused this warrant to be executed in its name and behalf by its Mayor, who has caused its official seal to be hereunto affixed, has caused this warrant to be attested by its City Clerk, both of said officers being hereunto duly authorized, and has caused this warrant to be dated _____, 2007.

CITY OF HAMILTON, ALABAMA

By  _____
Mayor

Attest:

City Clerk

This warrant was registered in the name of the above-registered owner this ____ day of _____, 2007.

By _____ Registrar

For value received _____ hereby sell(s), assign(s)
and transfer(s) unto _____ the within warrant and
hereby irrevocably constitute(s) and appoint(s) _____, attorney, with full
power of substitution in the premises, to transfer this warrant on the books of the City of
Hamilton, Alabama.

Dated this _____ day of _____, _____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within warrant in every particular, without alteration, enlargement or change whatsoever.

Section 11. **Mayor and City Clerk to Effect Borrowing.** The Mayor of the City and its City Clerk are hereby authorized to effect the borrowing authorized in this ordinance at any time, for the purpose for which such borrowing is herein authorized and, at the time of such borrowing, to deliver to the purchaser or purchasers thereof the Warrant in the principal amount of such loan, when the Warrant is executed, sealed and attested as herein specified.

Section 12. **Registration of Warrant.** A registration certificate, in substantially the form hereinabove recited, duly executed by the manual signature of the City Clerk as registrar, shall be endorsed on the Warrant and shall be essential to its validity. The Warrant shall be registered as to principal, and shall be transferable only on the registry books of the City. The City Clerk shall be the registrar and transfer agent of the City and shall keep at the City's office proper registry and transfer books in which it will note the registration and transfer of such Warrant as are presented for those purposes.

Section 13. Authorization of Grant Agreement. In order to provide for the Economic Development Grant, the Council does hereby authorize and direct the Mayor of the City to execute and deliver, for and in the name and behalf of the City, a Grant Agreement (herein, as previously indicated, called the "Grant Agreement") between the City and the Company. The Council does also hereby authorize and direct the City Clerk to affix the corporate seal of the City to the Grant Agreement and to attest the same. The Grant Agreement shall be in substantially the form presented to the meeting of the Council at which this ordinance is adopted (which form shall be preserved in the permanent records of the City pertaining to the said meeting and which is hereby adopted in all respects as if the same were set out in full herein), with such changes, not inconsistent with the provisions hereof, as the Mayor of the City, acting with the advice of counsel to the City, shall determine to be necessary or desirable in order to consummate the transactions authorized by this ordinance, the determination of the definitive form of the Grant Agreement by such officer to be conclusively established by his execution of the same.

Section 14. Special Account. The City shall establish and maintain a special account at a bank of its choice, into which the entire proceeds derived from the loan evidenced by the Warrant shall be deposited. All funds on deposit in said special account shall be applied solely to make the Economic Development Grant in accordance with the provisions of the Grant Agreement and to pay the expenses of issuance of the Warrant, and shall be disbursed from said account on checks, vouchers or drafts signed in the name of the City by its Mayor or City Clerk.

Section 15. Sale of the Warrant. The Warrant is hereby sold and awarded to the Company at and for a purchase price equal to the par or face amount of the Warrant. The Warrant shall be registered in the name of the Company prior to the delivery thereof. The Mayor of the City is hereby authorized and directed to deliver the Warrant to the Company upon payment to the City of the purchase price of the Warrant.

Section 16. General Authorization. The Mayor of the City, the Council President, the City Clerk, and all other officers of the City and of the Council are hereby authorized and directed to execute, deliver, seal and attest such other agreements, undertakings, documents and certificates and to take such other actions on behalf of the City as may be necessary to consummate the issuance and sale of the Warrant and to carry out fully the transactions contemplated by this ordinance.

Section 17. Validation Proceedings. The Council hereby authorizes and directs Hammitte & Hunt, LLC., to file a complaint forthwith in the Circuit Court of Marion County, Alabama, commencing judicial proceedings for the validation of the Warrant (including, without limitation, validation of the issuance of the Warrant, the sources for the payment of the Warrant and the proceedings authorizing the issuance of the Warrant) and to take such actions and follow such procedures as in their judgment shall be necessary for the successful prosecution of such suit. Such validation proceedings may present for judicial determination such issue or issues as such law firm may consider to be necessary or appropriate in order to address and resolve any legal uncertainties related to the issuance of the Warrant. The Mayor of

the City is hereby authorized and directed to provide guidance to the said law firm in structuring the Warrant and related matters that are to be subject to the validation proceedings. In particular, the Mayor is authorized and directed to make determinations regarding such matters as need to be addressed in order to effectively prepare the necessary documentation for the Warrant and for the related validation proceedings.

Section 18. Provisions Constitute Contract. The provisions of this ordinance shall constitute a contract between the City and the Holder of the Warrant.

Section 19. 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 or unenforceable by a court of competent jurisdiction, such holding shall not affect the validity or enforceability of any other portion of this ordinance.

Councilman Shane Stidham then moved that Ordinance 2007-7 - Sales Tax Abatement in the amount of \$700,000 be approved with the stipulation that this shopping center contain a Goody's Clothing Store. This motion was seconded by Richard Gann, and, said motion being put to vote, the cote was recorded:

AYES

Councilman Richard Gann
Councilman Shane Stidham

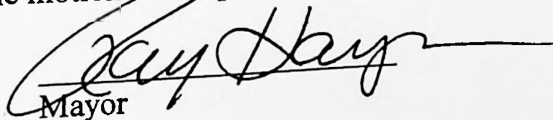
NAYS

Councilman McDavid Franks
Councilwoman Annette Sherrill

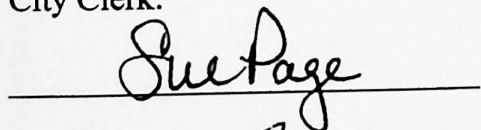
ABSTAINED: Councilman Scotty Sanderson

There being a declared tie, Mayor Harper voted "AYE" and thereupon announced the motion for adoption of said ordinance had been carried.

There being no further business for this Special Session, Shane Stidham motioned that the meeting be adjourned. Richard Gann seconded the motion which passed unanimously.


Mayor

City Clerk:



Council:

