

BE IT ORDAINED by the Mayor and City Council of the CITY OF HAMILTON, ALABAMA, as follows:

Section 1. Findings. The Mayor and City Council (herein called the "Council") of the City of Hamilton, Alabama (herein called the "City") have ascertained and found and do hereby determine and declare as follows:

(a) The City has heretofore issued its General Obligation First Mortgage Industrial Development Bonds (Hamilton Plastic Products Project), dated April 1, 1982 (herein called the "Series 1982 Bonds"), which bonds were originally issued in the aggregate principal amount of \$800,000 and are now outstanding in the aggregate principal amount of \$665,000. The City has also heretofore issued its Industrial Development Revenue Bonds, Series A, dated August 22, 1984 (herein called the "Series 1984 Bonds"), which bonds were originally issued in the aggregate principal amount of \$600,000 and are now outstanding in the aggregate principal amount of \$420,000.

(b) The Series 1982 Bonds and the Series 1984 Bonds were issued in order to finance the acquisition, construction and equipping of a manufacturing facility that is located within the corporate limits of the City (said facility, including the parcel of land on which it is located and the equipment and other personal property installed therein, being herein called the "Existing Project"). The City has heretofore leased the Existing Project to Hamilton Plastic Products, Inc., an Alabama corporation (herein called the "Company"), by a Lease Agreement dated as of April 1, 1982, between the City and the Company (herein called the "1982 Lease") and by a Lease Agreement dated as of August 1, 1984, between the City and the Company (herein called the "1984 Lease").

(c) The City has heretofore decided to construct various enlargements of and improvements to the Existing Project and to acquire certain items of machinery and equipment for use in conjunction with the operations to be conducted therein (said enlargements and improvements and said items of machinery and equipment being herein together called the "Project Improvements").

(d) In order to finance a portion of the costs of acquiring, constructing and installing the Project Improvements, the City has heretofore issued three of its Revenue Bond Anticipation Notes, Hamilton Plastics Series in the aggregate principal amount of \$650,000 (herein called the "Outstanding Notes"), pursuant to a Construction Financing Agreement dated as of May 1, 1987, among the City, the Company and AmSouth Bank N.A.

(e) The City and the Company recognize that a savings in interest cost can be realized by the redemption prior to maturity of the Series 1982 Bonds and the Series 1984 Bonds and by the issuance of the Series 1987-A Bonds hereinafter authorized for the purpose of providing a portion of the funds that will be needed so to redeem the Series 1982 Bonds and the Series 1984 Bonds. The Company has therefore requested the City to issue the said Series 1987-A Bonds on the terms provided in the Indenture hereinafter authorized.

(f) In order to provide for the immediate payment of the principal of the Outstanding Notes and the long-term financing of a portion of the costs of the Project Improvements, the Company has requested the City to issue the Series 1987-B Bonds hereinafter authorized.

(g) It is necessary and desirable that the City exercise certain of the powers conferred on it by Amendment No. 84 and Amendment No. 246 to the Constitution of Alabama of 1901 (herein called the "Enabling Amendments") by issuing and selling the said Series 1987-A Bonds and the said Series 1987-B Bonds and by entering into the agreements hereinafter authorized.

Section 2. Authorization of Lease. The Council recognizes that, simultaneously with the issuance of the Series 1987-A Bonds and Series 1987-B Bonds authorized herein, the Company will terminate the 1982 Lease and the 1984 Lease. Upon the termination of the 1982 Lease and the 1984 Lease, the City is hereby authorized to lease the Existing Project, as improved by the Project Improvements (herein called the "Project"), pursuant to the terms of a Lease Agreement (herein called the "Lease") between the City and the Company in substantially the form presented to the meeting of the Council at which this ordinance is adopted, which form shall be attached to the minutes of said meeting as Exhibit I and which is hereby adopted and made a part of this ordinance in all respects as if set out in full herein. The Mayor of the City is hereby authorized and directed to execute and deliver the Lease, for and in the name and behalf of the City, and the City Clerk of the City is hereby authorized and directed to affix the corporate seal of the City to the Lease and to attest the same.

Section 3. Authorization of Series 1987 Bonds. Pursuant to the provisions of the Constitution and laws of the State of Alabama, including particularly the Enabling Amendments, and for the purposes of (i) refunding the outstanding principal of the Series 1982 Bonds and the Series 1984 Bonds, (ii) providing for the immediate payment of the principal of the Outstanding Notes and (iii) providing for the payment of a portion of the costs of the Project Improvements and a portion of the expenses anticipated to be incurred by the City in connection with the issuance and sale of the Series 1987 Bonds hereinafter authorized, there are hereby authorized to be issued by the City \$1,835,000 in principal amount of its General Obligation Industrial Development Bonds (Hamilton Plastic Products Project) to be dated August 1, 1987 (herein called the "Series 1987 Bonds"). The Series 1987 Bonds shall be issued in two separate series, namely the Series 1987-A Bonds in the aggregate principal amount of

\$1,085,000 (herein called the "Series 1987-A Bonds") and the Series 1987-B Bonds in the aggregate principal amount of \$750,000 (herein called the "Series 1987-B Bonds"). The Series 1987 Bonds shall be general obligations of the City, and shall contain such provisions, shall bear interest at such per annum rates, and shall be payable in such amounts and at such times and place, all as are specified in the Indenture authorized to be executed on behalf of the City in Section 5 hereof.

Section 4. Par Clearance Required. All remittances of principal of and interest on the Series 1987 Bonds to the holders thereof shall be made at par and without any deductions for exchange or other costs, fees or expenses. The bank or banks at which the Series 1987 Bonds shall at any time be payable shall be considered, by acceptance of their duties hereunder, to have agreed that they will make, or cause to be made, out of the moneys supplied to them for such purpose, remittances of the principal of and the interest on the Series 1987 Bonds to the holders thereof in bankable funds at par and without any deduction for exchange or other costs, fees or expenses. The City will pay to such bank or banks all reasonable charges made and expenses incurred by them in making such remittances in bankable funds at par.

Section 5. Authorization of Indenture. Pursuant to the provisions of Section 27 of Chapter 81 of Title 11 of the Code of Alabama 1975 and as security for payment of the principal of and the interest on the Series 1987 Bonds and any additional parity bonds that may be issued under the Indenture hereinafter authorized, pro rata and without preference or priority of one bond over another or of the bonds of any one series over those of any other, the Council hereby authorizes and directs (a) the Mayor of the City to execute and deliver to AmSouth Bank N.A. (a national banking association having its principal office in Birmingham, Alabama), for and in the name and behalf of the City, a Mortgage and Trust Indenture (herein called the "Indenture"), covering the Project and setting forth the details of the Series 1987 Bonds, and (b) the City Clerk of the City to affix the corporate seal of the City to the Indenture and to attest the same. The Indenture shall be in substantially the form presented to the Council at the meeting thereof at which this ordinance is adopted, which form shall be attached as Exhibit II to the minutes of the meeting at which this ordinance is adopted and which is hereby adopted and made a part of this ordinance in all respects as if herein set out in full. Without in any way limiting the generality of the foregoing, the Council hereby specifically recognizes and approves those provisions of the Indenture regarding the nature of the Series 1987 Bonds as general obligations of the City and the pledge of the rental or sales proceeds from the Project for the benefit of the Series 1987 Bonds.

Section 6. Authorization of Credit Obligor Mortgage. In consideration of the willingness of AmSouth Bank N.A., Birmingham, Alabama, to issue its Irrevocable Direct-Pay Letter of Credit to the Trustee as security for the payment of the principal of and the interest and premium (if any) on the Series 1987 Bonds, 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 Mortgage and Security Agreement (herein called the "Credit Obligor Mortgage") among the City, the Company and said AmSouth Bank N.A. (herein, in its capacity as a party to the Credit

Obligor Mortgage, called the "Credit Obligor"), under which the Project shall be mortgaged to the Credit Obligor and there shall be assigned and pledged to the Credit Obligor all right, title and interest of the City in and to the Lease and all other properties, moneys, rights and privileges described or intended so to be in the Credit Obligor Mortgage, said mortgage, assignment and pledge to be prior and superior to the lien of the Indenture. The Council does also hereby authorize and direct the City Clerk of the City to affix the corporate seal of the City to the Credit Obligor Mortgage and to attest the same. The Credit Obligor Mortgage shall be in substantially the form presented to the meeting of the Council at which this ordinance is adopted, which form shall be attached to the minutes of such meeting as Exhibit III and which is hereby adopted in all respects as if the same were set out in full herein.

Section 7. Authorization of Official Statement. The Mayor of the City is hereby authorized and directed to execute and deliver, for and in the name and behalf of the City, an Official Statement to be dated August 25, 1987 (herein called the "Official Statement"), with respect to the Series 1987 Bonds, said Official Statement to be in substantially the form presented to the meeting at which this ordinance is adopted, which form shall be attached to the minutes of said meeting as Exhibit IV and which is hereby adopted in all respects as if the same were set out in full herein. The use of the Official Statement by AmSouth Bank N.A., Birmingham, Alabama (herein called the "Underwriter") in connection with the offering and sale of the Series 1987 Bonds is hereby authorized and approved.

Section 8. Authorization of Escrow Trust Agreement. In order to carry out the redemption and retirement of the Series 1982 Bonds on October 1, 1987, the Mayor of the City is hereby authorized and directed to execute and deliver, for and in the name and behalf of the City, an Escrow Trust Agreement between the City and AmSouth Bank N.A., as escrow trustee (herein called the "Escrow Trust Agreement"). The Escrow Trust Agreement shall be in substantially the form presented to the meeting of the Council at which this ordinance is adopted, which form shall be attached to the minutes of such meeting as Exhibit V and which is hereby adopted in all respects as if the same were set out in full herein. The City Clerk of the City is hereby authorized and directed to affix the corporate seal of the City to the Escrow Trust Agreement and to attest the same.

Section 9. Sale of Series 1987 Bonds. The Series 1987 Bonds are hereby sold and awarded to the Underwriter at and for a purchase price of \$1,805,181.25 plus accrued interest on the Series 1987 Bonds from their date to the date of their delivery. The Mayor of the City is hereby authorized and directed to execute the Series 1987 Bonds, for and in the name and behalf of the City, by causing a facsimile of his signature to be imprinted thereon, and the City Clerk of the City is hereby authorized to cause a facsimile of the corporate seal of the City to be imprinted on the Series 1987 Bonds, and to attest the same by causing a facsimile of her signature to be imprinted thereon, all as provided in the Indenture. After the Series 1987 Bonds have been duly executed, sealed and attested as herein and in the Indenture provided, the Mayor of the City is directed to deliver them to AmSouth

Bank N.A., in its capacity as Trustee under the Indenture, and to direct said bank to authenticate the Bonds and to deliver them to the Underwriter upon payment of the purchase price therefor.

Section 10. Use of Proceeds from Sale of Series 1987 Bonds. The entire proceeds received by the City from the sale of the Series 1987 Bonds shall be paid to AmSouth Bank N.A., as Trustee, as aforesaid, and applied by said bank as provided in Section 7.7 of the Indenture.

Section 11. Authorization of Agreement of Sale. The Mayor of the City is further authorized and directed to execute and deliver, for and in the name and behalf of the City, an Agreement of Sale between the City and Company, providing for the conveyance of the Project to the Company for the consideration and on the terms and conditions therein set out, which Agreement of Sale shall be in substantially the form presented to the meeting of the Council at which this ordinance is adopted, which form shall be attached to the minutes of said meeting as Exhibit VI thereto and which is adopted and made a part of this ordinance in all respects as if set out in full herein. The City Clerk of the City is hereby authorized and directed to affix the corporate seal of the City to said Agreement of Sale, and thereafter to attest the same.

Section 12. Authorization of Other Documents. The Mayor and City Clerk of the City are hereby authorized and directed to execute, deliver, seal and attest such other ancillary documents and certificates (including, without limitation, a so-called "No-Arbitrage Certificate") as may be necessary to carry out fully the financing, leasing and other transactions hereinabove authorized.

Section 13. Call for Redemption of Series 1982 Bonds and Series 1984 Bonds. The City hereby calls for redemption on October 1, 1987, all of the outstanding Series 1982 Bonds (which bonds bear the numbers C28 through C160, inclusive), and will redeem and pay the Series 1982 Bonds on that date, at and for a redemption price, with respect to each Series 1982 Bond redeemed, equal to the par or face amount thereof plus accrued interest thereon to October 1, 1987, and a premium equal to six months' interest thereon, computed at the coupon rate thereof. The City also hereby calls all of the outstanding Series 1984 Bonds for redemption on the date of delivery of the Series 1987 Bonds, and will redeem and pay the Series 1984 Bonds on that date, at and for a redemption price, with respect to each Series 1984 Bond redeemed, equal to the par or face amount thereof plus accrued interest thereon to said redemption date.

Section 14. Election Pursuant to Internal Revenue Code. The Council hereby elects, under the provisions of Section 144(a)(4)(A) of the Internal Revenue Code of 1986, as amended, to have the provisions of said Section 144(a)(4)(A) apply to the Series 1987 Bonds.

Section 15. **Ordinance Constitutes Contract.** The provisions of this ordinance, and of the Indenture referred to in Section 5 hereof, shall constitute a contract between the City and the holders of the Series 1987 Bonds.

Section 16. **Severability.** 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.

ADOPTED AND APPROVED this 25th day of August, 1987.

Authenticated:

Mayor

City Clerk

Councilman Randy Jackson moved that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilman Hugh Holland, and, upon said motion being put to vote, the following vote was recorded:

YEAS:

Mayor E. T. Sims, Jr.
Councilman Bryce Bannister
Councilman Chris Hamrick
Councilman Hugh Holland
Councilman Randy Jackson

NAYS:

None

The Mayor thereupon announced that the motion for unanimous consent for immediate consideration of and action on said ordinance had been unanimously carried. Councilman Randy Jackson thereupon moved that the said ordinance be finally adopted, which motion was seconded by Councilman Hugh Holland, and, upon said motion being put to vote, the following vote was recorded: