

ORDINANCE NO. 2007-6

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

SECTION 1. The Mayor and City Council (herein called the "Council"), which is the governing body of the City of Hamilton, Alabama (herein called the "City"), have found and ascertained and do hereby declare as follows:

(A) The Council has heretofore approved the acquisition, construction and equipping of an office building (herein called the "Project Building") for use by the Alabama Department of Human Resources (herein called "DHR").

(B) On March 19, 2007, the Council authorized the incorporation of The Public Building Authority of the City of Hamilton, Alabama (herein called the "Building Authority") with the intention that the costs of the Project Building, the land on which it will be located, and related equipment and furnishings (herein together called the "Project") would be financed on a long-term basis through the issuance by the Building Authority of a series of its revenue bonds.

C. In order to finance on a long-term basis the costs of the Project, it is now necessary and desirable for the Building Authority to issue \$2,620,000 in principal amount of its Revenue Bonds (Department of Human Resources Project). Series 2007, to be dated October 1, 2007 (such bonds being herein called the "Series 2007 Bonds").

D. In connection with the issuance of the Series 2007 Bonds, it will be necessary for the City to convey and transfer the land on which the Project Building will be located (herein called the "Project Realty") to the Building Authority, to the end that the Building Authority may complete the acquisition, construction and equipping of the Project.

E. In connection with the issuance of the Series 2007 Bonds, it will be advantageous to the City for the City to lease the Project from the Building Authority under a Lease Agreement providing (i) for successive terms of one year corresponding to the fiscal year of the City, renewable at the option of the City, and (ii) for the payment by the City of rent, during each term of one year that such lease agreement may be in effect, sufficient to pay the principal of and interest on the Series 2007 Bonds that will mature during each such term.

F. It is wise, expedient, necessary and advisable for the City to sublease the Project to DHR under an agreement providing for annual renewal terms extending until the final maturity of the Series 2007 Bonds, at and for net rentals calculated to be sufficient to provide for the payment, when due, of the principal of and the interest on the Series 2007 Bonds.

SECTION 2. The City is hereby authorized to convey to the Building Authority, by statutory warranty deed, title to the Project Realty. The Mayor of the City is hereby authorized and directed to execute and deliver, for and in the name and behalf of the City, the said statutory warranty deed in such form as he may determine to be appropriate. The City Clerk is hereby authorized and directed to affix the official seal of the City to said instrument and to attest the same.

SECTION 3. The City is hereby authorized to lease the Project from the Building Authority under a Lease Agreement to be dated October 1, 2007 (herein called the "Lease") which shall be in substantially the form presented to the meeting of the Council at which this ordinance is adopted (which form is hereby adopted in all respects as if set out in full herein), with such changes as the Mayor shall determine to be necessary or desirable in order to consummate the transaction authorized by this ordinance, the determination of the definitive form of the Lease by such officer to be conclusively established by his execution thereof. 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. The City Clerk is hereby authorized and directed to affix the official seal of the City to the Lease and to attest the same; provided, however, that the Lease shall not be delivered on behalf of the City unless, simultaneously with the delivery thereof, the Building Authority executes and delivers to First Commercial Bank, as Trustee, a Mortgage and Trust Indenture (herein called the "Indenture") in substantially the form presented to the meeting at which this ordinance is adopted (which form is hereby adopted in all respects as if set out in full herein), with such changes as the Mayor shall determine to be necessary or desirable in order to consummate the transaction authorized by this ordinance, the determination of the definitive form of the Indenture by such officer to be conclusively established by his execution of the Lease. The Council hereby acknowledges its understanding of all provisions of the Lease and all provisions of the Indenture relating to the City's rights and obligations under the Lease, and the Council hereby approves all such provisions of the Lease and the Indenture.

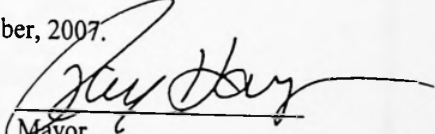
SECTION 4. The City is hereby authorized to sublease the Project to DHR under a lease or sublease agreement to be dated October 1, 2007 (herein called the "Sublease") which shall be in substantially the form presented to the meeting of the Council at which this ordinance is adopted (which form is hereby adopted in all respects as if set out in full herein), with such changes as the Mayor shall determine to be necessary or desirable in order to consummate the transaction authorized by this ordinance, the determination of the definitive form of the Sublease by such officer to be conclusively established by his execution thereof. The Mayor is hereby authorized and directed to execute and deliver the Sublease for and in the name and behalf of the City. The City Clerk is hereby authorized and directed to affix the official seal of the City to the Sublease and to attest the same.

SECTION 5. Neither the Series 2007 Bonds of the Building Authority that will be issued under

the Indenture nor any of the agreements and covenants on the part of the Building Authority therein contained shall ever constitute or give rise to an obligation or debt of the City or a charge against the credit or taxing powers of the City and nothing contained in this ordinance shall ever be construed to the contrary.

SECTION 6. This ordinance shall take effect upon its passage and adoption by the Council.

ADOPTED AND APPROVED this 1st day of October, 2007.


Mayor

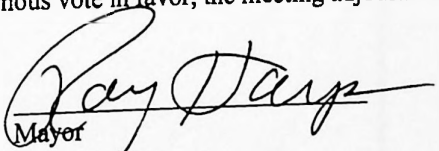
Attest:

City Clerk

Shane Stidham motioned that this ordinance be passed. Richard Gann seconded the motion which passed without opposition.

Mayor Harper then recommended that the Council approve the \$700,000 tax abatement fo Maps Hamilton, LLC. McDavid Franks motioned that the recommendation be tabled until a future meeting. Annette Sherrill seconded the motion. Voting was as follows: Ayes: Annette Sherrill and McDavid Franks. Nays: Richard Gann and Shane Stidham. Mayor Harper then voted "Nay" to break the tie. The Council was then informed by City Attorney Scott Hunt that this would have to be in the form of an Ordinance which would require unanimous consent to consider at this meeting. All present knew that unanimous consent would not be given, therefore the recommendation must carry-over to the next meeting.

There being no further business, Annette Sherrill motioned that the meeting be adjourned. Following a second by Shane Stidham and a unanimous vote in favor, the meeting adjourned at approximately 8:50.


Mayor

City Clerk:

Council:

