

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND
SALE OF UP TO \$1,700,000 GENERAL OBLIGATION
WARRANT (FEDERALLY TAXABLE), SERIES 2018-TB&T**

ORDINANCE NO. 381

WHEREAS, the City has determined to purchase certain real property (the "Property"), to be conveyed to Conecuh Ridge Distillery, LLC, a Delaware limited liability company (the "Company"), pursuant to that certain Project Agreement between the City and the Company; and

WHEREAS, the City has caused to be published a notice satisfying the requirements stated in Section 94.01 of the Constitution of Alabama of 1901, also known as Amendment No. 772 to the Alabama Constitution of 1901, as amended ("Amendment 772"), in order to approve and authorize the use and grant of public funds and things of value, and the lending of the City's credit, in aid of the Company; and

WHEREAS, the City has determined to issue its up to \$1,700,000 General Obligation Warrant (Federally Taxable), Series 2018-TB&T (the "Warrant") to provide funds to consummate the acquisition of the Property and to pay costs associated therewith.

NOW, THEREFORE, BE IT ORDAINED by the City Council (the "Council") of the City of Troy, Alabama (the "City"), as follows:

Section 1. Findings and Determinations. The Council has ascertained and found and does hereby declare as follows:

(a) The Council hereby finds and determines that it is necessary and advisable for the City to acquire the Property and to pay certain costs associated therewith.

(b) The Council hereby finds and determines that it is necessary, proper, and in the public interest, in accordance with Amendment 772, that the City issue the Warrant and use the proceeds of the Warrant to acquire the Property and pay costs related to the Property, and that such use and grant of public funds and things of value and lending of the City's credit will serve a valid and sufficient public purpose, notwithstanding the benefits to the Company and any incidental benefit accruing to any other private entity or entities. The Council hereby finds and determines that the public purposes and benefits include, among other things: promoting and expanding local economic development and stimulating the local economy; inducing a substantial capital investment by the Company within the City; increasing employment opportunities in the City; expanding the City's overall tax base; and promoting the location of new and additional business enterprises in the City, all of which inure to the economic health of the City and constitute important public benefits to the City and its citizens.

(c) The Council hereby finds and determines that in order to obtain funds to accomplish the foregoing purpose it is necessary and advisable for the City to issue the Warrant in accordance with the terms of this Ordinance.

Section 2. Authorization and Description of the Warrant. Pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Section 11-47-2 of the Code of Alabama of 1975, as amended, and for the purposes of acquiring the Property and paying the costs of issuance of the Warrant and costs associated with the Property, there is hereby authorized to be issued by the City its up to \$1,700,000 in aggregate principal amount General Obligation Warrant (Federally Taxable), Series 2018-TB&T. The Warrant shall consist of one warrant in the substantially the form attached hereto as Exhibit A, with such changes as the Mayor of the City may determine are necessary or appropriate (the Mayor's execution of the Warrant being conclusive evidence of such determination). The Warrant shall be dated its date of issuance, shall be issued in fully registered form, shall be transferrable as provided in the form thereof, and shall be sold to Troy Bank and Trust Company, Troy, Alabama (the "Warrantholder").

Section 3. Execution the Warrant. The Warrant shall be executed on behalf of the City by its Mayor and attested by its City Clerk. The corporate seal of the City shall be impressed on the Warrant, and the signature of the City Clerk of the City on the Warrant shall constitute attestation thereof. The Warrant shall be registered by the City Clerk in the records maintained by him as claims against the City. Said officers are hereby directed so to execute, attest and register the Warrant and to cause the seal to be impressed on the Warrant.

Section 4. Warrant Constitutes General Obligation. The indebtedness evidenced and ordered paid by the Warrant is and shall be a general obligation of the City, to the payment of the principal of and premium, if any, and interest on which the full faith and credit of the City are hereby irrevocably pledged.

Section 5. Provisions Constitute Contract. The provisions of this Ordinance shall constitute a contract between the City and each owner of the Warrant.

Section 6. Severability. The provisions of this Ordinance are hereby declared to be severable. In the event any court of competent jurisdiction should hold any provision hereof to be invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provisions of this Ordinance.

Section 7. Sale of Warrant. The Warrant is hereby awarded and sold to the Warrantholder at a purchase price equal to the par amount thereof. The City Clerk is authorized and directed to make the necessary arrangements with Bond Counsel and the Warrantholder to establish the date, location, procedure and conditions for the delivery of the Warrant, and to take all steps necessary to effect due execution and delivery of the Warrant under the terms of this Ordinance.

Section 8. Registration; Transfer and Exchange of Warrant. The Warrant shall be registered as to both principal and interest in the name of the registered owner thereof on the books to be kept for that purpose by the City Clerk, who is hereby designated as Registrar. The City covenants and agrees to cause to be kept and maintained proper registry books for recording accurately all registrations of the Warrant and to cause to be made accurate notations of such registration on the reverse of the Warrant, authenticated in each instance by the signature of the City Clerk. No transfer of the Warrant shall be valid unless made at the written request of the

registered owner or his legal representative, and noted on the registration books by the Registrar. No charge shall be made to any registered owner for the privilege of registration and transfer hereinabove granted, but any registered owner requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto.


Section 9. Replacement of Mutilated, Lost, Stolen or Destroyed Warrant. In the event the Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of mutilation, the mutilated Warrant is first surrendered to the Registrar, and (b) in the case of loss, theft, or destruction, there is first furnished to the City and the Registrar evidence satisfactory to each of them of such loss, theft or destruction, together with indemnity satisfactory to each of them. The City and Registrar may charge the named payee with the expense of issuing any such new promissory note.

Section 10. Other Documents. The City hereby authorizes Bond Counsel to prepare such other and further agreements, documents, certifications, and instruments as the Warrantholder may require or as may be necessary or appropriate to consummate the transactions contemplated in this Ordinance, including without limitation any certificates or reports referred to herein. The Mayor and City Clerk are hereby authorized and directed to execute and deliver any and all such additional documents or certificates.

Section 11. Effective Date. This Ordinance shall become effective upon its approval as provided by law.

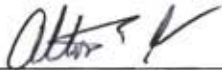
[Signatures follow on next page]

ADOPTED this 9th day of January, 2018.



Marcus Paramore
Council President

ATTEST:



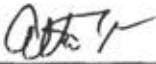
Alton Starling
City Clerk

APPROVED this 23rd day of January, 2018.



Jason A. Reeves
Mayor

ATTEST:



Alton Starling
City Clerk

EXHIBIT A
FORM OF WARRANT
(Attached)

No. R-1

**UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF TROY
GENERAL OBLIGATION WARRANT (FEDERALLY TAXABLE)
SERIES 2018-TB&T**

Dated Date:
January __, 2018

Maturity Date:
July 10, 2019

Interest Rate:
4.85%

The City of Troy, Alabama, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Alabama (the "City"), for value received, hereby acknowledges itself indebted and directs and orders the payment to Troy Bank and Trust Company (the "Holder"), or its registered assigns noted hereon and on the registration books of the City maintained for that purpose at the City's principal office in Troy, Alabama, the aggregate principal sum of

ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$1,700,000)

or such lesser amount as shall have been advanced hereunder as hereinafter provided, on the Maturity Date specified above, together with interest thereon from the date hereof at the rate specified above. Payments of accrued interest on this Warrant shall be made quarterly, commencing April 10, 2018 and continuing on the 10th day of each July, October, January, and April until this Warrant is paid in full.

Except as otherwise required by law, payments received by the Holder shall be applied first to any fees and charges contemplated herein, then to accrued and unpaid interest and finally to principal. If any payment or any portion thereof due hereunder is not received within 10 days of the due date, a late fee in the amount of 5% of the total past due amount shall be charged against and paid by the City, with respect to each 10-day period that any such amount shall remain outstanding.

Interest on this Warrant shall be calculated on an Actual/365 basis.

During the period from the date hereof through the Maturity Date, advances of principal hereunder ("Advances") may be made by the Holder upon the written, telephonic or facsimile request of the City and the Holder is entitled to rely conclusively upon such requests when received from the City Clerk or Mayor of the City. The City agrees to furnish the Holder written confirmation of any non-written request for an Advance within five days of the resulting Advance, but any such Advance shall be deemed to be made under and entitled to the benefits of this Warrant irrespective of any failure by the City to furnish such written confirmation. The unpaid principal balance of this Warrant at any time shall be the total amount of the Advances hereunder, less the amount of payments or prepayments of principal made hereon by or for the account of the City.

The amount from time to time outstanding under this Warrant and each payment on this Warrant shall be evidenced by entries in the Holder's internal records, which shall be conclusive evidence absent manifest error of (a) the amount of principal and interest owing on this Warrant from time to time; (b) the amount of each Advance made to the City under this Warrant; and (c) the amount of each principal and/or interest payment received by the Holder on this Warrant. The failure of the Holder to make an accurate entry of Advances and payments shall not limit or otherwise affect the obligation of the City to repay funds actually advanced by the Holder hereunder.

Both the principal of and interest on this Warrant are payable in lawful money of the United States of America, at par and without discount, exchange, deduction, or charge therefor to the then registered owner hereof at the address shown on the registration books of the City (except for the final payment of such principal and interest which shall be made only upon the surrender of this Warrant to the City for cancellation); provided, however, that so long as this Warrant shall be registered in the name of Troy Bank and Trust Company, any payment of principal or interest with respect to this Warrant shall be made by check mailed to Troy Bank and Trust Company, P.O. Box 967, Troy, Alabama 36081, or by wire transfer, automated clearinghouse, authorized bank account debit, or bank draft as directed by the Holder in writing. Payment of principal of and interest on this Warrant shall be deemed timely made if mailed or paid by wire transfer, automated clearinghouse, authorized bank account debit, or bank draft to the registered owner on the applicable payment date with respect to which such payment is made or, if such payment date is not a business day, then on the first business day following the payment date.

The City may prepay this Warrant in whole or in part without prepayment penalty, but only upon payment of all interest accrued to the date of such prepayment.

This Warrant is duly authorized and issued by the City pursuant to the Constitution and laws of the State of Alabama, including, particularly, Section 11-47-2 of the Code of Alabama 1975, as amended, Amendment 772 of the Constitution of Alabama of 1901, and an ordinance of the City Council of the City duly adopted on January 9, 2018 (the "Ordinance") for the lawful purposes of providing funds to acquire certain real property and to pay certain costs related thereto.

The indebtedness evidenced and ordered paid by this Warrant is a general obligation of the City, to the payment of the principal of and premium, if any, and interest on which the full faith and credit of the City have been irrevocably pledged.

This Warrant is registered as to principal and interest in the name of the owner hereof on the registration books of the City maintained for that purpose at its principal office. Upon presentation hereof at such office, this Warrant may be transferred on such books by the registered owner in person or by duly authorized attorney, evidence of such transfer to be endorsed hereon. The City Clerk is the Registrar and execution of the Registration Certificate by the City Clerk as Registrar hereon is essential to the validity hereof.

Reference is made to the Ordinance for additional provisions with respect to the rights, duties and obligations of the City, the Registrar, and the Holder, and the terms and conditions upon

which this Warrant issued and secured. The Holder of this Warrant assents, by acceptance hereof, to all of the provisions of the Ordinance.


It is hereby recited, certified, and declared that the obligation evidenced by this Warrant will be lawfully due without condition, abatement, or offset of any description and that all conditions, acts, and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this Warrant and the adoption of the resolution authorizing its issuance exist, have been performed, and have happened in time, form, and manner as so required.

IN WITNESS WHEREOF, The City of Troy, Alabama, acting by and through its governing body, has caused this Warrant to be executed in its name and on its behalf by its Mayor, to be attested to by its City Clerk, and its official seal to be affixed this 10th day of January, 2018.


CITY OF TROY, ALABAMA

(SEAL)

By: _____


Jason A. Reeves
Mayor

ATTEST:



Alton Starling, City Clerk

Approved and Accepted this ____ day of January, 2018:

TROY BANK AND TRUST COMPANY

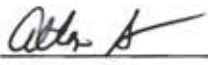
By: _____

Its _____

REGISTRATION CERTIFICATE

(No Writing below except by the Registrar)

The within Warrant has been registered in the name of the last owner named below on the registration books of the City of Troy, Alabama maintained for that purpose at its principal office by the City Clerk, as the Registrar, and the principal of and interest on this Warrant shall be payable to such registered owner only at the address shown below or at such other address as such registered owner may direct in writing, and this Warrant may thereafter be transferred only upon an assignment duly executed by such registered owner, such transfer to be made on such books and endorsed hereon:

Date of Registration	Registered Owner	Signature of Registrar
January <u>23^d</u> , 2018	Troy Bank and Trust Company 1000 Hwy 231 South P.O. Box 967 Troy, Alabama 36081	 Alton Starling City Clerk

The following abbreviations, when used in the inscription on the face of this Warrant or in the Assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property

UNIF GIFT MIN ACT - _____ Custodian _____
(Custodian) (Minor)

under Uniform Gift to Minors Act _____
(State)

Additional abbreviations may also be used although not in the above list.

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Warrant and irrevocably constitutes and appoints attorney to transfer this Warrant on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Bank, Trust Company or Firm*)

By: _____
Authorized Officer

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

Its Medallion Number

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

CITY OF TROY, ALABAMA

NOTICE OF PROPOSED ACTION AT PUBLIC MEETING

Notice is hereby given that on January 9, 2018 at 5:00 o'clock, P.M., local time (or at such other time as such meeting may be adjourned), at the Troy City Hall (301 Charles W. Meeks Avenue, Troy, Alabama 36081), the City Council of the City of Troy, Alabama (the "City") will hold a meeting, which will constitute a public meeting, to consider, discuss, vote upon, and take action on the adoption of a resolution authorizing and approving the grant of public funds and things of value in aid of, and the lending of the City's credit to, Conecuh Ridge Distillery, LLC, a Delaware limited liability company, and its successors and assigns (the "Company"), in connection with a whisky distillery and related facilities to be located in the City (the "Project"). The City Council has heretofore adopted a resolution authorizing the use and grant of public funds and things of value in aid of the Company in connection with the Project. The action proposed to be taken at the meeting on January 9, 2018 is the authorization of the City's borrowing up to \$1,700,000 in order to obtain funds to acquire certain real property to be conveyed to the Company for use as the site for the Project and to pay related costs. The public benefits sought to be achieved include: promoting and expanding local economic development and stimulating the local economy; a substantial capital investment by the Company within the City; increasing employment opportunities in the City; expanding the City's overall tax base; and promoting the location of new and additional business enterprises in the City, all of which inure to the economic health of the City and constitute important public benefits to the City and its citizens.

Notice of this public meeting is being published pursuant to the requirements of Section 94.01 of the Constitution of Alabama of 1901 (also known as Amendment 772 to the Alabama Constitution of 1901), as amended, and all other applicable laws, to the extent applicable.

CITY OF TROY, ALABAMA

Post-Publication Affidavit of Legal Notice

State of Alabama Pike County

Before me, a notary public in and for Pike County, Alabama, personally appeared Stacy Graning, who, by me duly sworn, deposes and says that:

"My name is Stacy Graning. I am the publisher of:
THE TROY MESSENGER

THE TROY MESSENGER published the attached legal notice(s)
in the issue(s) of:

January 2, 2018

The sum charged for publication was \$ 263.25. The sum charged by the Newspaper for said publication does not exceed the lowest classified rate paid by commercial customers for an advertisement of similar size and frequency in the same newspaper(s) in which the public notice(s) appeared.

There are no agreements between the Newspaper and the officer or attorney charged with the duty of placing the attached legal advertising notices whereby any advantage, gain or profit accrued to said officer or attorney."

Stacy Graning
AFFIANT

Sworn and subscribed this 3rd day of

January 20 18

Emilee Long
Notary Public

MY COMMISSION EXPIRES SEPTEMBER 1, 2019

"All our legal notices are now posted on
www.alabamalegals.com at no additional cost to you. This is an added service of this newspaper and the Alabama Press Association."

and its successors and assigns (the "Company"), in connection with a whiskey distillery and related facilities to be located in the City (the "Project"). The City Council has heretofore adopted a resolution authorizing the use and grant of public funds and things of value in aid of the Company in connection with the Project. The action proposed to be taken at the meeting on January 9, 2018 is the authorization of the City's borrowing up to \$1,700,000 in order to obtain funds to acquire certain real property to be conveyed to the Company for use as the site for the Project and to pay related costs. The public benefits sought to be achieved include: promoting and expanding local economic development and stimulating the local economy; a substantial capital investment by the Company within the City; increasing employment opportunities in the City; expanding the City's overall tax base; and promoting the location of new and additional business enterprises in the City, all of which inure to the economic health of the City and constitute important public benefits to the City and its citizens.

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CITY OF TROY, ALABAMA

Troy Messenger
205049
1/2/2018

CITY OF TROY, ALABAMA

NOTICE OF PROPOSED ACTION AT PUBLIC MEETING

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