

REGULAR MEETING

032256

August 28, 2012

A Regular Meeting of the Mayor and Board of Aldermen of the City of Natchez, Mississippi, was held in the City Council Chambers at 6:00 p.m. on Tuesday, August 28, 2012. Mayor Larry L. "Butch" Brown presided at the meeting which was opened with prayer by T.C. McBeth of Word of Truth Baptist Church.

<u>Mayor & Board Present</u>	<u>Elected Officials Absent</u>	<u>City Officials & Department Heads</u>
Larry L. "Butch" Brown Mayor		Donnie Holloway, City Clerk Hyde Carby, City Attorney Temple Hendricks, Board Secretary Jerry Ford
Joyce Arceneaux-Mathis Alderman, Ward 1		Police Chief Danny White Fire Chief Oliver Stewart
James "Rickey" Gray, Jr. Alderman, Ward 2		Sabrina Bartley Curtis Norton Fred Galler
Sarah Carter Smith Alderman, Ward 3		Justin Dollar Salina Edwards David Atkins
Ernest "Tony" Fields Alderman, Ward 4		Eric Junkin
Mark Fortenbery Alderman, Ward 5		
Daniel Dillard Alderman, Ward 6		

MINUTES APPROVED

With a quorum present, a motion was made by Alderman Tony Fields to dispense with the reading of the minutes of the Organizational Meeting of July 2, 2012, and adopt the minutes as printed upon revision and legal review. The motion was seconded by Alderman Fortenbery and carried unanimously.

PUBLIC HEARING

A public hearing for the adjudication of nuisance properties was on the agenda but no code enforcement officers were present. Dr. Rick Maxwell, along with another person, was present. Both advised Mayor Brown that they would attend when the hearing is rescheduled.

VISITORS WELCOMED

A presentation was made by Douglas McAllister, Mark LaFrancis, Mike and Barbara Nell Lomasney of the American Veterans Traveling Tribute which will be held in Natchez beginning November 7th. Events scheduled will include a flag retirement ceremony and an awards ceremony. Mr. McAllister advised that this is a huge undertaking with volunteers and ad contributions needed.

Mark LaFrancis stated that the Veterans Memorial in Memorial Park has fallen into disrepair. Mayor Brown asked Alderman Dillard to meet with David Gardner to discuss repairs. Mayor Brown also stated that Richard Burke used to have marble and copper pipes for repair; David Atkins said that he will take over the repairs to the project and will make contact with Richard Burke.

UNFINISHED BUSINESS

Mayor Brown asked for nominations to fill the open position on the School Board.

Alderman Gray made the motion that Thelma Newsome be reappointed to fill the position on the school board. A second was made by Alderman Arceneaux-Mathis. Alderman Tony Fields recused himself as he's employed by the school district. The motion carried unanimously.

082257

DEPARTMENT HEADS

Traffic:

Curtis Norton gave a report and asked that citizens please stay off the roads during Hurricane Isaac. Alderman Arceneaux-Mathis advised that Beech and Irving used to be one-way streets and she asked if Mr. Norton would please research. Justin Dollar advised that his department is currently working to make Beech one-way.

Public Works:

Justin Dollar asked the BOA, if the damage from the storm necessitates it, may his department utilize the yearly funds budgeted for outside contractors. Mayor Brown advised Mr. Dollar that he has permission to utilize the funds as long as the funds expended are well documented so reimbursement by FEMA, MEMA, etc. can be applied for.

INSPECTIONS:

Fred Galler presented the monthly report for July. Permits with a valuation of \$960,545.00 had been issued. One certificate of occupancy for a business was applied for. Mayor Brown asked that Mr. Galler begin reporting on what the ad valorem tax amounts generated from the permits will be.

PUBLIC OFFICIALS

Alderman Dillard stated that he'd attended the Festival of Music's Reunion at Margaret Martin and although they continue to raise funds for repairs to MM, the building continues to need repairs. The Festival of Music has obtained a grant from MDAH which is to get the envelope of the building intact.

Alderman Dillard presented the 1955 audit and stated that those funds factored in today's dollars would mean that the city should have \$523,000.00 budgeted for the repair of its public properties. Last year the City had \$54,000.00 budget for repairs and maintenance. Alderman Dillard asked that 1 mill (\$113,000.00) be set aside for the repair of our public properties in the upcoming budget. This \$113,000.00 would be above the rents received.

Alderwoman Carter Smith asked about the status of Auburn. Alderman Dillard stated that the City needs to include the match funds that Auburn requested, approximately \$27,000.00 for each of the next three years, in the budget. Alderman Gray asked if Alderman Dillard would look at repairs needed at Martin gym. Mayor Brown stated that he'd advised Clark Feiser to proceed with their grant application for repairs to the detached kitchen and servants' quarters as the City will supply the matching funds.

Alderwoman Arceneaux-Mathis stated that the city has not applied for USDA public facilities grants which are available. Mayor Brown asked Alderwoman Arceneaux-Mathis to get the information to James Johnston, Community Development.

Alderman Dillard asked the City Clerk to get the City Attorney copies of the signed agreements for Margaret Martin and the Natchez Convention Center.

Alderman Fortenbery thanked Public Works, the BOS, Engineering Department, and all others for their help regarding the repair on Duncan Park Hole #8. The repair should've cost \$25,000.00 but repairs will be amount \$6,000.00.

Alderman Fields will be attending the St. Catherine Street reunion where he will be presenting information on the St. Catherine Street's Trails Project.

Alderwoman Carter Smith advised that the City will be extending the contract with CableOne until June 2013 to coincide with the County's contract. She feels that we will have more leverage if working with the County. Complaints continue to be received, many dealing with diminished customer service.

Alderwoman Carter Smith made a motion that the contract with CableOne be extended until June 2013, which was seconded by Alderwoman Arceneaux-Mathis. The motion carried unanimously.

The road assessment program has begun and they're looking at a new overlay option which will cost 1/3 of the standard overlay cost.

Alderman Gray stated that the Daisy Street project is going well. He asked that the other half begin as soon as possible. Citizens have asked if the City can place a covered bus stop on a piece of property that

the city owns at George F. West/Daisy Street. He thanked everyone for their continued support regarding his recent house fire.

Alderwoman Arceneaux-Mathis advised that a Government Fleet Road area organization has been established and it will hold a meeting on September 10th at the Greater New Bethel Baptist Church.

CITY CLERK

No report

CITY ATTORNEY

Hyde Carby asked for a motion to solicit proposals for garbage collection next week. The current contract with Waste Management expires November 30, 2012. He would like to advertise for proposals the first week in September with proposals being returned the third week in September. Additionally, the Board should consider whether it wants to receive proposals for disposal at the same time. He would like to involve the County in order to see if any cost savings can be obtained by combining the two government entities. The County's contract expires June 2013.

A motion was made by Alderman Gray, seconded by Alderwoman Carter Smith, to allow the City Attorney to advertise for garbage collection, to coincide with the County's contract. The motion carried unanimously.

The City had previously adopted a TIF for the Holiday Inn Express. The developer now needs the City to adopt a resolution authorizing the form of the development agreement and authorizing the Mayor to execute the agreement.

A motion was made by Alderman Dillard, seconded by Alderwoman Arceneaux-Mathis, for the City to adopt a resolution authorizing the form of the development agreement between Holiday Inn Express and the City and authorizing the Mayor to execute the agreement. The motion carried unanimously.

MAYOR'S REPORT

The Board and City Clerk will be meeting tomorrow to discuss the budget. Budgets for the departments and others that submitted requests, will be discussed.

The City has signed a Proclamation of Existence of a Local Emergency and a Resolution Requesting the Governor to Proclaim a State of Emergency which coincide with the ones completed by the County. This allows the City to submit receipts to FEMA, MEMA, etc.

A motion was made by Aldermen Gray, seconded by Alderwoman Arceneaux-Mathis, to ratify the Proclamation of Existence of a Local Emergency and a Resolution Requesting the Governor to Proclaim a State of Emergency. The motion carried unanimously.

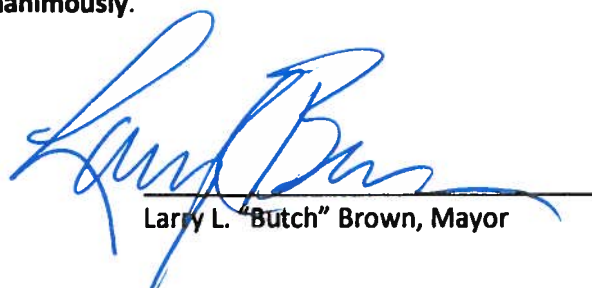
NEW BUSINESS

Alderman Gray stated that he was disappointed in the turnout for the public hearing for the HOME Investment Grant's public hearing which was held at 4:00 p.m. He gave out his personal cell number for the public to call and also asked the Code Enforcement Officers help him find qualified applicants.

The City Clerk advised that the Code Enforcement Officers were in the audience and asked the Mayor if he would like to have the public hearing. Mayor Brown stated that the public hearing would be moved to the next board meeting.

ADJOURNMENT

A motion was made by Alderman Fields and seconded by Alderman Fortenbery to adjourn the meeting of August 28, 2012. The motion carried unanimously.



Larry L. "Butch" Brown, Mayor

032259

ATTEST:


Donnie Holloway, City Clerk

Interoffice Memo

032260

To: Mayor Larry L. "Butch" Brown
From: Curtis Norton, Traffic Director
CC: David Gardner, City Engineer
Date: August 28, 2012
Re: Monthly Activity Report

Monthly Activity Report July 24 – Aug 27, 2012

Pavement Marking:

Marked off 445 Parking spaces, 2 Stop Bars, along with marking 1 set of crosswalks and re-installing 3 Frazier Elementary School signs.

Sign Maintenance:

Straightened poles -	4
and signs	
Cut Limbs -	34 locations
Vandalism -	9 locations
Replaced -	19 signs and 3 poles
Made -	28 signs

Streetlights:

Replaced a bulb in 1 location and a ballast in another City Owned downtown streetlight.

Traffic Signals:

Have done Preventive Maintenance inspections on 17 Traffic Signal cabinets. Replaced 1 Traffic Signal controller due to an accident at one intersection and 2 visors due to another accident at another intersection. Also replaced 8 bulbs and 2 LED's due to general maintenance.

Miscellaneous:

Put out barrels and barricades to close streets for The Minorville Jubilee, along with The National Night Out on Felix St., E Woodlawn Ave, and Minor St.

Set up Work Zones on Main St., Homochitto St., Gov't Fleet Rd. and Lower Woodville Rd. for Public Works.

Picked up barricades from Cathedral School.

Moved old Streetlight poles donated to the City of Natchez from Entergy and stored these.

Recycled the recyclable metals from both our damaged sign inventory along with those from our LED traffic signal project and disposed of the various non-recyclables.

Took the Bucket Truck to Water Works for work on their security system.

Also used the Bucket Truck to Install and remove banner from Main St @ Commerce St.

032262

DEPARTMENT OF PLANNING
AND ZONING
OFFICE OF BUILDING
INSPECTIONS



August 01, 2012

TO: Honorable Mayor and Board of Aldermen

RE: Inspection Department Report for the month of July 2012

Building permits issued.....29
Valuations.....\$ 220,545.00
Fee collected..... \$2,294.00

Electrical Permits Issued.....12
Valuations..... \$388,100.00
Fees Collected..... \$1,541.00

Mechanical Permits Issued.....04
Valuations.....\$27,400.00
Fees Collected..... \$160.00

Plumbing Permits Issued.....06
Valuations..... \$324,500.00
Fees Collected..... \$1,211.00

Certificates of Occupancy..... 01
Fees Collected..... \$25.00

License Renewals..... 00
Fees Collected..... 00.00

Bids for City Building..... 02
Fees Collected..... \$20.00

TOTAL PERMITS ISSUED..... 54

TOTAL VALUATIONS.....\$ 960,545.00

TOTAL COLLECTIONS..... 5,251.00

Respectfully submitted,

Constance Clayton
Constance Clayton
Secretary

9-19-12

032263

No new contract for CableOne per the City Attorney. All parties agreed to extend to June 2013 to correspond with the County's franchise agreement.

Temple

9-19-12

032264

City Attorney will be sending RFP for trash collection once ready to be advertised.

Temple

032265

The Mayor and Board of Aldermen of the City of Natchez, Mississippi (the "Governing Body" of the "City") took up for consideration the matter of a development agreement in connection with the Tax Increment Financing Plan, Holiday Inn Express Project, City of Natchez, Mississippi, October 2011, and a resolution regarding same. Alderman Dillard then offered and moved for the adoption of the following resolution:

RESOLUTION AUTHORIZING THE FORM OF AND EXECUTION OF THE DEVELOPMENT AGREEMENT BETWEEN HOLIDAY INN EXPRESS AND CITY OF NATCHEZ, MISSISSIPPI; AND FOR RELATED PURPOSES.

WHEREAS, the Governing Body, acting for and on behalf of the City, hereby finds, determines, adjudicates and declares as follows:

1. On November 8, 2011, the City approved and adopted the Tax Increment Financing Plan, Holiday Inn Express Project, City of Natchez, Mississippi, October 2011 (the "TIF Plan") which provides for the issuance of not to exceed the principal amount of Five Hundred Thousand Dollars (\$500,000) Tax Increment Limited Obligation Bonds or Notes of the City (the "Bonds") to fund certain infrastructure improvements described in the TIF Plan;

2. As authorized in the TIF Plan, the City and the Natchez Hotel Group, LLC (the "Developer") may contract to undertake the development and construction of necessary infrastructure improvements in order to provide needed services and infrastructure to the Tax Increment Financing District Property described in the TIF Plan to encourage and foster development and redevelopment within the Tax Increment Financing District including the installation and construction of certain infrastructure improvements and related development, all as more fully described in the TIF Plan;

3. The City and Developer desire to enter into that certain development agreement in substantially the same form attached hereto as **Exhibit A** (the "Development Agreement"), dated as of this date;

4. The City and Developer are entering into the Development Agreement pursuant to Sections 21-45-1 *et seq.* of the Mississippi Code of 1972, as amended and Section 19-31-17(o) of the Mississippi Code of 1972, as amended; and

5. It is necessary to approve the form of the Development Agreement and the execution thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY, AS FOLLOWS:

SECTION 1. That the Development Agreement is hereby approved in the form attached hereto as **Exhibit A**, and that the Mayor and Clerk are hereby authorized to execute the Development Agreement in substantially the same form, for and on behalf of the City.

SECTION 2. All orders, resolutions or proceedings of this Governing Body in conflict with the provisions of this resolution shall be and are repealed, rescinded and set aside, but only to the extent of such conflict.

SECTION 3. For cause, this resolution shall become effective immediately upon the adoption thereof.

Alderman Mathis seconded the motion to adopt the foregoing resolution, and the President put the question to a roll call vote, and the result was as follows:

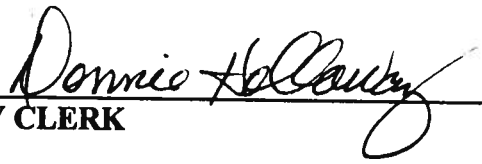
Aldermanwoman Joyce Arceneaux-Mathis	voted: <u>aye</u>
Alderman James "Ricky" Gray	voted: <u>aye</u>
Alderman Bob Pollard	voted: <u>aye</u>
Alderman Tony Fields	voted: <u>aye</u>
Alderman Mark Fortenbery	voted: <u>aye</u>
Alderman Dan Dillard	voted: <u>aye</u>

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this the 20th day of August, 2012.



 MAYOR

ATTEST:



 CITY CLERK

032267

Exhibit A
Development Agreement
(See attached)

ButlerSnow 10616300v1

DEVELOPMENT AGREEMENT

THIS **DEVELOPMENT AGREEMENT** is made and entered into as of August 28th, 2012 (this "**Agreement**"), by and between the **CITY OF NATCHEZ, MISSISSIPPI** (the "**City**"), a body politic of the State of Mississippi (the "**State**"), and **NATCHEZ HOTEL GROUP, LLC**, a Mississippi limited liability company (the "**Developer**").

WITNESSETH:

WHEREAS, the Developer is in the process of developing an 81 room Holiday Inn Express located on approximately three (3) acres of land located on Canal Street between the Hampton Inn and the Isle of Capri Casino within the City (the "**Project**"), as more particularly described in Exhibit I of the Tax Increment Financing Plan, City of Natchez, Mississippi October 2011 (Holiday Inn Express Project) (the "**TIF Plan**"); and

WHEREAS, pursuant to Sections 21-45-1 *et seq.*, Mississippi Code of 1972, as amended from time to time (the "**TIF Act**"), the City is authorized to undertake and carry out redevelopment projects (as defined in the Act) in connection with redevelopment plans (as defined in the Act) and also to carry out such project jointly with other local governmental units pursuant to Section 57-64-1 *et seq.*, Mississippi Code of 1972, as amended from time to time (the "**REDA Act**", and together with the TIF Act, the "**Act**"), within the City in order to encourage private redevelopment therein and is authorized to finance such redevelopment projects through the issuance of tax increment financing bonds; and

WHEREAS, the Developer is requesting the City issue its tax increment financing bonds, in one or more series, pursuant to the Act in a principal amount of not to exceed Five Hundred Thousand Dollars (\$500,000) (the "**Bonds**"), in order to finance all or a part of the cost of construction of various public infrastructure improvements in connection with the Project, including, but not limited to installation of utilities such as water, sanitary sewer, and natural gas lines, relocation of utilities; installation and relocation of electrical services; installation of storm drainage; construction of roadways with curb and gutter, sidewalks; installation of traffic signalization and signage; grading; lighting and landscaping of rights-of-way; capitalized interest; engineering; TIF Plan preparation fees; other incidental costs and related professional fees, as more particularly described in **EXHIBIT A**, attached hereto and made a part hereof (the "**Infrastructure Improvements**"); and

WHEREAS, the total cost of the Infrastructure Improvements and the Project is estimated to be approximately \$5,500,000; and

WHEREAS, by resolution dated October 17, 2011, the City adopted and approved the TIF Plan and indicated its intent, subject to certain conditions precedent, to proceed with the sale and issuance of the Bonds, in one or more series, in order to finance all or a part of the costs of the Infrastructure Improvements pursuant to further proceedings of the City and by virtue of such statutory authority as may now or hereafter be conferred by the Act and as described in the TIF Plan; and

WHEREAS, in order to secure and provide for the payment of the principal of and interest on the Bonds, the City will pledge up to one hundred percent (100%). It is anticipated that Adams County, Mississippi (the "**County**") will also pledge up to fifty percent (50%) of the

increase in ad valorem real and person property taxes generated by the development of the Project, excluding levies for public school purposes, all as provided in Article VI of the TIF Plan (the "Tax Increment"); and

WHEREAS, the City and the Developer now desire to enter into this Agreement pursuant to the Act in order to among other things, provide for (a) the construction and installation of the Project and the Infrastructure Improvements by the Developer and (b) the sale and issuance of the Bonds by the City in order to finance all or a part of the costs of the Infrastructure Improvements and the costs incident to the sale and issuance of the Bonds.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the parties hereto intend to be legally bound hereby and in consideration of mutual covenants hereinafter contained do hereby agree as follows:

1. UNDERTAKINGS OF THE CITY. Subject to the conditions herein stated, the City agrees as follows:

a. The City will affect such procedures with respect to the sale and issuance of the Bonds, including, without limitation, the adoption of appropriate resolutions and such other procedures and documents as may be required by the Act.

b. Prior to the Termination Date (as defined herein), the City will use all reasonable efforts to sell and issue the Bonds, in one or more series, in an amount not to exceed Five Hundred Thousand Dollars (\$500,000), pursuant to the terms of the Act on such terms, conditions and rates of interest as shall be mutually agreeable to the City and to the Purchaser (as defined herein); provided, however, that the Bonds will not be sold and issued until such time as the Developer has complied with the requirements of Paragraph 3 hereof.

c. The sale of the Bonds shall be by negotiated sale to one or more purchasers (the "Purchaser").

d. Pursuant to the resolution or resolutions of the City authorizing the sale and issuance of the Bonds (collectively, the "Bond Resolution"), the proceeds from the sale of the Bonds will be delivered to the City or to a financial institution selected by the City for handling and distribution according to the terms of the Bond Resolution and the Act.

e. Among other provisions, the Bond Resolution will provide that proceeds from the sale of the Bonds shall first pay the City's costs incurred in connection with the Project, which shall include but not be limited to the expenses, costs and fees incurred by the City in connection with the TIF Plan and this Agreement, including cost of issuance of the Bonds and funding a reserve, if any, to pay any debt service on the Bonds that will be due and payable before the first Tax Increment is received by the City and any reserve that may be required by the Purchasers, and then the proceeds shall next be used to reimburse Developers for eligible costs, in an amount not to exceed \$500,000, for installing and constructing the Infrastructure Improvements; and the remainder of the Bond proceeds, if any, shall be disbursed by the City in the manner authorized by the Act.

f. The Bonds shall mature at such time or times not exceeding fifteen (15) years from their date, may be subject to redemption at such times and at such premiums and shall be in such form and in all other respects be of such detail and issued under such conditions as may be determined By the City in the Bond Resolution.

g. The Bonds will be secured by a pledge from the City the City's Tax Increment as provided in the TIF Plan. It is anticipated that the County will also pledge the County's Tax Increment as provided in the TIF Plan.

h. Costs of issuance for the Bonds, including, but not limited to, the fees and expenses of City Counsel, Bond Counsel, and Financial Advisor will be paid from the proceeds of the Bonds; provided, however, that if the Bonds are not issued within twenty-four (24) months from the date of this Agreement or by the Termination Date, which ever shall occur first, fees and expenses incurred by the City Attorney, Bond Counsel, and Financial Advisor will be paid promptly by the Developer.

i. Within a reasonable time after adoption of all proceedings of the City required by the Act for the sale and issuance of the Bonds, the City shall submit the same for validation under the provisions of Sections 31-13-1, *et seq.*, Mississippi Code of 1972, as amended from time to time, and will prosecute said validation proceedings and secure therein a final decree of the Chancery Court of Adams County, Mississippi validating the Bonds.

j. The City's obligation to reimburse the Developer under this Agreement is further limited to the Developer's actual costs to install and construct the Infrastructure Improvements and shall in no event exceed the lesser of \$500,000 or Bond proceeds available after the distribution in accordance with the Bond Resolution and Paragraph 1(d) and (e) of this Agreement. Furthermore, the City's obligation to expend funds or reimburse the Developer is expressly limited to funds available under this Agreement and the Bond Resolution from bond proceeds derived from the sale and delivery of the Bonds and available after distribution in accordance with the Bond Resolution and Paragraph 1(d) and (e) of this Agreement.

2. UNDERTAKINGS OF THE DEVELOPER. Subject to the conditions herein stated, the Developer agrees as follows:

a. The Developer will timely construct and install the Project in accordance with the TIF Plan and in accordance with the building codes of the City and all other applicable federal, State of Mississippi (the "State"), County and City laws and regulations.

b. The Developer will timely construct and install the Infrastructure Improvements in accordance with the building codes of the City and all other applicable federal, State, County and City laws and regulations. The Developer shall submit plans and specifications with respect to the Infrastructure Improvements to the City and such plans and specifications shall be subject to the approval of the City.

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c. The Developer will prepare and file with the City a Preliminary Plat and Final Plat in connection with the Project and Infrastructure Improvements in accordance with the City's zoning and subdivision regulations.

d. In connection with the construction and installation of the Project and the Infrastructure Improvements, the Developer will obtain all necessary approvals from all applicable State, City, federal, County and other governmental agencies.

e. The Developer will execute all appropriate documents necessary to complete the sale and issuance of the Bonds and to the extent required by the City, the Developer will enter into a Tax Payment and Assessment Agreement with the City pursuant to which the Developer will agree, among other things, (i) to timely pay its pro rata share of all ad valorem and other taxes in connection with the Project, (ii) not to contest the tax assessment on its portion of the Project in a manner that would result in a reduction of the assessed value of the Developer's portion of the Project to an amount less than an amount to be agreed to by the City and the Developer to be incorporated by amendment into this Agreement.

f. The Infrastructure Improvements described in **EXHIBIT A** will be constructed and installed to City standards and specifications to allow for their dedication or conveyance to the City.

g. Following their installation and construction and in a manner and form satisfactory to the City, the Developer will dedicate or convey or have dedicated or conveyed to the City, the Infrastructure Improvements described in **EXHIBIT A**, and, if required by the nature of such Infrastructure Improvements, convey or have conveyed easements to the City in connection with such Infrastructure Improvements.

h. The Developer assumes the risk of proceeding with construction of the Project and Infrastructure Improvements prior to sale and issuance of the Bonds, and acknowledges and agrees the City is not authorized or obligated to use its general fund to pay any part of the costs of the Project or the Infrastructure Improvements. In the event the Bonds are not sold and delivered, no resulting liability shall accrue to the City, irrespective of expenditures made by Developer. In the event the Bond proceeds are insufficient to pay the costs of the Infrastructure Improvements, the Developer agrees to pay such deficiency necessary to complete the Infrastructure Improvements as set forth herein.

i. The Developer shall maintain separate records on the costs of the Project and the Infrastructure Improvements in a manner so as to aid the City in accounting for costs eligible for reimbursement under this Agreement.

3. CONDITIONS PRECEDENT TO ISSUANCE OF THE BONDS. Prior to the sale and issuance of the Bonds, the Developer shall, in connection with construction and installation of the Project and the Infrastructure Improvements, have (i) secured all necessary approvals from applicable State, City, federal, County and other governmental agencies; (ii) complete, at Developer's own cost, the acquisition, construction and installation of the Infrastructure Improvements to City standards and specifications; (iii) dedicated the completed and installed Infrastructure Improvements to the City; (iv), complete, at the Developer's own costs, acquisition, installation and construction of the Project; (v) been issued a certificate of completion and occupancy for the Project which Project shall be open for business as a Holiday Inn Express as set forth in the TIF Plan; (vi) executed such documents as the City may require pursuant to Paragraph 2.e. of this Agreement; and (vii) be in substantial compliance with the undertakings of the Developer set forth in Paragraph 2 of this Agreement. Upon satisfaction of the requirements of this paragraph 3, the City agrees to use its best efforts to timely sell and issue the Bonds on a schedule mutually acceptable to the City and the Developer.

4. LIMITED OBLIGATION. The Bonds will be limited obligations of the City payable solely from the Tax Increment and other moneys pledged therefor. Except for the Tax Increment, neither the faith, credit or taxing power of the City nor the faith, credit or taxing power of the State or any political subdivision thereof, including the City, is pledged to the payment of the Bonds.

5. TERMINATION. If the Bonds are not issued and delivered on or before five (5) years from the date hereof, this Agreement shall thereupon terminate (the "Termination Date"). This Agreement may also be terminated by written agreement of the parties hereto. Upon termination of this Agreement, it is expressly understood that the Developer shall bear the sole responsibility and liability for all reasonable fees and expenses incurred by the City Attorney, Bond Counsel and Financial Advisor related, directly or indirectly, to the sale and issuance of the Bonds, and the preparation of this Agreement, recognizing that the City does not have the authority to pay such costs except from the proceeds of the Bonds.

6. ADDITIONAL PROVISIONS.

a. This Agreement has been made by the City and the Developer and no person other than the foregoing and their successors and assigns shall acquire or have any right under or by virtue of this Agreement.

b. This Agreement shall become effective upon the execution and acceptance hereof by the parties hereto and shall be valid and enforced from and after the time of such execution and acceptance.

c. If any paragraph or part of a paragraph of this Agreement shall be declared null and void or unenforceable against any of the parties hereto by any court of competent jurisdiction, such declaration shall not affect the validity or enforceability of any other section or part of a paragraph of this Agreement.

d. In the event any agreement contained in this Agreement shall be breached and such breach shall thereafter be waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

032273

e. This Agreement shall enure to the benefit of the City and the Developer and their respective successors and assigns.

f. This Agreement shall be governed as to validity, construction and performance by the laws of the State.


g. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall constitute but one and the same agreement.

h. No amendment, change, modification, alteration or termination of this Agreement shall be made other than pursuant to a written agreement signed by the City and the Developer.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be duly executed as of the 20th day of August, 2012. 032274

CITY OF NATCHEZ, MISSISSIPPI

By: 
Mayor

ATTEST:


City Clerk

NATCHEZ HOTEL GROUP, LLC

By: _____
Name: _____
Title: _____

ATTEST:

Name: _____
Title: _____

032275

EXHIBIT A

INFRASTRUCTURE IMPROVEMENTS

Various infrastructure improvements in connection with the Project, including but not limited to, installation of utilities such as water, sanitary sewer, and natural gas lines; relocation of utilities; installation and relocation of electrical services, installation of storm drainage; construction of roadways with curb and gutter, sidewalks; installation of traffic signalization and signage; grading; lighting and landscaping of rights-of-way; capitalized interest; engineering; TIF Plan preparation fees; other incidental costs; and related professional fees identified in the TIF Plan.

ButlerSnow 9548888v3

EXHIBIT A

032232

INFRASTRUCTURE IMPROVEMENTS

Various infrastructure improvements in connection with the Project, including but not limited to, installation of utilities such as water, sanitary sewer, and natural gas lines; relocation of utilities; installation and relocation of electrical services, installation of storm drainage; construction of roadways with curb and gutter, sidewalks; installation of traffic signalization and signage; grading; lighting and landscaping of rights-of-way; capitalized interest; engineering; TIF Plan preparation fees; other incidental costs; and related professional fees identified in the TIF Plan.

ButlerSnow 9548888v3

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PROCLAMATION OF EXISTENCE OF A LOCAL EMERGENCY

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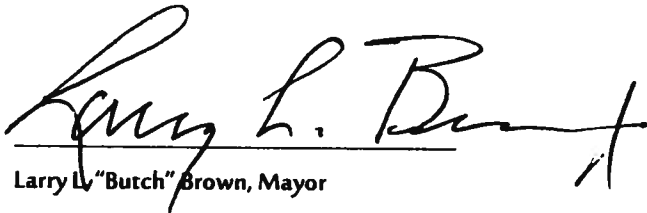
WHEREAS, the Board of Aldermen of the City of Natchez does hereby find that conditions of extreme peril to the safety of persons and property have arisen within the City of Natchez, caused by Hurricane Isaac commencing on or about 4:00 p.m. on August 27, 2012; and

WHEREAS, the aforesaid conditions of extreme peril warrant and necessitate the proclamation of the existence of a local emergency in order to provide for the health and safety of the citizens and the protection of their property within the affected jurisdiction;

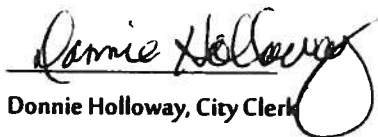
NOW, THEREFORE, IT IS HEREBY PROCLAIMED that in accordance with Section 33-15-17(d), Mississippi Code of 1972, as amended, a local emergency now exists throughout said City; and shall be reviewed every thirty (30) days until such local emergency is no longer in effect and proclaimed terminated by the Board of Aldermen of the City of Natchez, County of Adams, State of Mississippi.

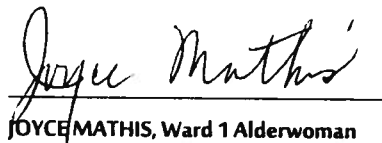
IT IS FURTHER PROCLAIMED AND ORDERED that all City agencies and departments shall render all possible assistance and discharge their emergency responsibilities as set forth in the Comprehensive Emergency Management Plan.

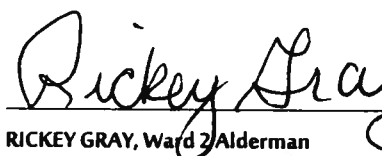
This the 27th day of August, 2012.

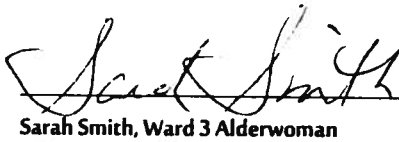

Larry L. "Butch" Brown, Mayor

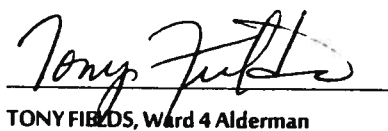
ATTEST:

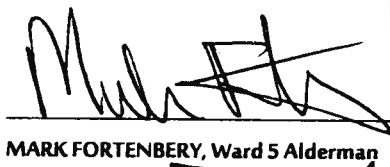

Donnie Holloway, City Clerk

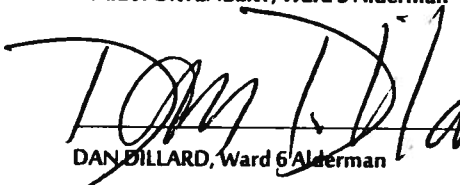
 8:10 8/27/12
JOYCE MATHIS, Ward 1 Alderwoman TIME AND DATE NOTIFIED

 7:00 8/27/12
RICKEY GRAY, Ward 2 Alderman TIME AND DATE NOTIFIED

 8:00 8/27/12
Sarah Smith, Ward 3 Alderwoman TIME AND DATE NOTIFIED

 7:30 8/27/12
TONY FIELDS, Ward 4 Alderman TIME AND DATE NOTIFIED

 6:38 8/27/12
MARK FORTENBERY, Ward 5 Alderman TIME AND DATE NOTIFIED

 8/27/12
DAN DILLARD, Ward 6 Alderman TIME AND DATE NOTIFIED

RESOLUTION REQUESTING GOVERNOR TO PROCLAIM

032277

A STATE OF EMERGENCY

WHEREAS, on August 27th, 2012, the Board of Aldermen of the City of Natchez of the County of Adams found that due to the impact (or imminent threat) of Hurricane Isaac a condition of extreme peril to life and property did exist in the City of Natchez; and

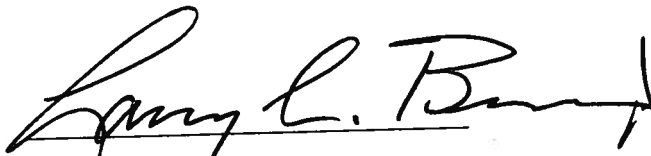
WHEREAS, on August 27th, 2012, in accordance with State Law 33-15-17(d) the Board of Aldermen declared that an emergency does exist throughout the City; and

WHEREAS, it has now been found that local resources are unable to cope with the effects of said emergency:

NOW, THEREFORE, IT IS HEREBY DECLARED AND ORDERED that a copy of this declaration be forwarded to the Governor of Mississippi with the request that he proclaim the City of Natchez to be in a State of Emergency; and

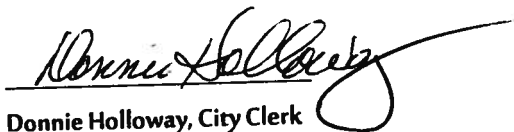
IT IS FURTHER RESOLVED THAT Larry L. "Butch" Brown, Mayor, is thereby designated as the authorized representative of the City of Natchez for the purpose of receipt, processing, and coordination of all inquiries and requirements necessary to obtain available State and Federal Assistance.

This the 27th day of August, 2012.

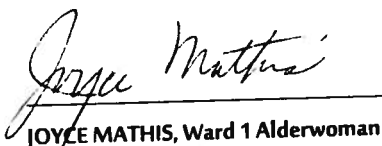


Larry L. "Butch" Brown, Mayor

ATTEST:



Donnie Holloway, City Clerk



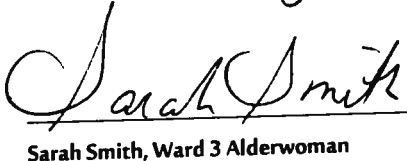
JOYCE MATHIS, Ward 1 Alderwoman

6:52 p.m. 8/28/12
TIME AND DATE NOTIFIED



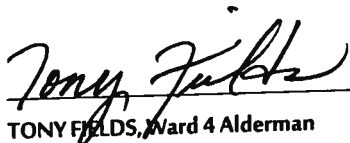
RICKEY GRAY, Ward 2 Alderman

6:49 PM 8/28/12
TIME AND DATE NOTIFIED



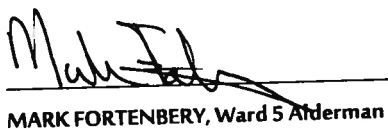
Sarah Smith, Ward 3 Alderwoman

6:48 PM 8/28/12
TIME AND DATE NOTIFIED



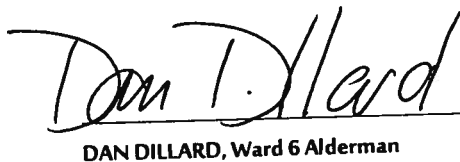
TONY FIELDS, Ward 4 Alderman

6:45 p.m. 8/28/12
TIME AND DATE NOTIFIED



MARK FORTENBERY, Ward 5 Alderman

6:46 p.m. 8/28/12
TIME AND DATE NOTIFIED



DAN DILLARD, Ward 6 Alderman

6:48 pm 8/28/12
TIME AND DATE NOTIFIED