A RESOLUTION AUTHORIZING TRANSACTIONS RELATED TO THE DECATUR MALL

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ALABAMA, as follows:

SECTION 1. Approval of Expenditure of Public Funds.

The City Council of the City of Decatur, Alabama (the "City"), at its public meeting on the 6th day of August, 2012, and in accordance with Alabama Constitutional Amendment No. 772 (Codified as Section 94.01 of the Recompiled Constitution of Alabama) hereby finds and determines that the proposed expenditure of public funds and giving of things of value for the purposes and in the manner described in (i) the proposed form of Shopping Center Development Agreement (the "Development Agreement") by and between the City and Garrison Decatur Owner LLC, a Delaware limited liability company ("Developer"), and (ii) the proposed form of the City's Limited Obligation Warrant, Series 2012 in the maximum principal amount of $6,800,000 (the "Warrant"), will serve a valid and sufficient public purpose, notwithstanding any incidental benefits accruing to Developer or any other private entity or entities.

The Development Agreement relates to that certain retail shopping mall in the City, known as the Decatur Mall (the "Mall"), located at 1801 Beltline Road, Decatur Alabama, which is presently owned by Developer. The Decatur Mall is approximately 34 years old, was last renovated in 1989, and is in need of renovation in order to attract new tenants to fill vacant space in the Mall. Developer has indicated that it is prepared to renovate and make capital improvements to certain portions of the Mall, namely, with respect to (i) the interior mall space, (ii) the vacant anchor box spaces (which may include possible demolition and new construction), (iii) façade improvements and (iv) common area improvements, all as is more particularly described in the Development Agreement (collectively, the "Renovation Work"), which work would be undertaken in stages based on obtaining new tenant commitments.

Subject to the terms and conditions of the Development Agreement, the City Council hereby approves (i) providing certain funding to the Developer in the form of sales and use tax revenue sharing to assist with the costs of the Renovation Work and to induce the Developer to undertake the same, (ii) the issuance of the Warrant by the City to the Developer in order to evidence such funding obligation, and (iii) each of the City's other obligations, covenants and commitments set forth in the Development Agreement and in the Warrant.

SECTION 2. Approval of Development Agreement.

The City Council hereby authorizes, adopts and approves the Development Agreement (and the transactions and commitments contained therein) in substantially the form and of substantially the content as the form of the Development Agreement presented to and considered at this meeting (a copy of which has been ordered filed in the permanent records of the City in the custody of the City Clerk) with such changes and additions thereto and deletions therefrom as the Mayor shall approve, which approval shall be evidenced by his executing the Development Agreement, and the Mayor is hereby authorized and directed, in the name and on behalf of the

City, to execute, acknowledge and deliver said Development Agreement, and the City Clerk is hereby authorized and directed to affix to the Development Agreement the seal of the City and to attest the same.

SECTION 3. Approval of Warrant.

The City Council hereby authorizes, adopts and approves the Warrant in substantially the form and of substantially the content as the form of the Warrant presented to and considered at this meeting (a copy of which has been ordered filed in the permanent records of the City in the custody of the City Clerk) with such changes and additions thereto and deletions therefrom as the Mayor shall approve, which approval shall be evidenced by his executing the Warrant, and the Mayor is hereby authorized and directed, in the name and on behalf of the City, to execute, acknowledge and deliver said Warrant, and the City Clerk is hereby authorized and directed to affix to the Warrant the seal of the City and to attest the same.

SECTION 4. Authorization of Related Documents and Action.

The Mayor and City Clerk are hereby authorized and directed to execute, deliver, seal and attest the agreements and instruments described above and such other agreements, undertakings, documents and certificates incidental or related thereto, and to take such other actions on behalf of the City as may be necessary or desirable to carry out the transactions contemplated by this resolution.

SECTION 5. Public Benefits Sought to be Achieved.

The public benefits sought to be achieved by the City's adoption of the Development Agreement and the issuance of the Warrant are expected to include, without limitation, (i) promoting local economic development and stimulating the local economy, (ii) increasing employment opportunities in the City, (iii) increasing the City's tax base, which will result in additional tax revenues for the City, (iv) promoting the expansion and retention of business enterprise in the City and (v) promoting the development of infrastructure at appropriate locations in and around the Mall.

SECTION 6. Authorization of Validation.

The City hereby authorizes and approves the filing of validation proceedings in the Circuit Court of Morgan County, Alabama to validate the obligations and transactions described in the Development Agreement and the Warrant, in such form and content as the Mayor shall approve.

SHOPPING CENTER DEVELOPMENT AGREEMENT

"The Decatur Mall"

THIS SHOPPING CENTER DEVELOPMENT AGREEMENT (this "Agreement"), dated effective this ___ day of _____, 2012, is entered into by and between GARRISON DECATUR OWNER LLC, a Delaware limited liability company ("Developer"), and the CITY OF DECATUR, ALABAMA, a municipality organized and existing under the laws of the State of Alabama (the "City") (Developer and the City may be together referred to as the "Parties").

RECITALS

WHEREAS, the City supports and encourages business development in order to grow tax revenues and increase the quality of life of its citizens; and

WHEREAS, Amendment No. 772 to the Constitution of Alabama (1901) as amended ("Amendment No. 772") authorizes the City to lend its credit to or grant public funds and things of value in aid of or to any corporation or other business entity for the purpose of promoting the economic development of the City; and

WHEREAS, Developer owns that certain retail shopping mall in the City, known as the Decatur Mall, located at 1801 Beltline Road, Decatur Alabama (the "Shopping Center"); and

WHEREAS, the Shopping Center is presently anchored by Belk and Sears, with two vacant anchor box spaces (referred to herein as "Anchor #5 Space" and "Big Box Space"), with approximately 199,000 square feet of in-line space; and

WHEREAS, the Shopping Center is approximately 34 years old, was last renovated in 1989, and is in need of renovation in order to attract new tenants to fill vacant space in the Shopping Center; and

WHEREAS, Developer has commenced construction of a 47,000 square foot, 12-screen Carmike theater which is scheduled to open in or around April, 2013 (the "Theater Space"); and

WHEREAS, Developer has funded a tenant allowance to provide funding for the expansion of the existing Belk department store into the interior space of the Shopping Center; and

WHEREAS, Developer has indicated that it is prepared to renovate and make capital improvements to remaining portions of the Shopping Center, namely, with respect to (i) the interior mall space, (ii) the vacant anchor box spaces (which may include possible demolition and new construction), (iii) façade improvements and (iv) common area improvements, all as is more particularly described herein (collectively, the "Renovation Work"), which work would be undertaken in stages based on obtaining new tenant commitments; and

WHEREAS, the Renovation Work, together with the other work described in these Recitals, is estimated to require a capital investment of approximately $27,500,000; and

WHEREAS, upon completion of the various phases of the Renovation Work, the Shopping Center is anticipated to produce a substantial increase in sales and use tax revenues to the City and to provide the opportunity for additional new, full and part time jobs; and

WHEREAS, the City has agreed to provide certain funding, in the form of tax revenue sharing, to assist with the costs of the Renovation Work and to induce Developer to undertake the Renovation Work; and

WHEREAS, the Parties hereto are desirous of having such inducements set forth in a valid, binding and enforceable agreement to set forth the framework for the relationship between the City and Developer with regard to the sharing of tax revenues from the Shopping Center; and

WHEREAS, the City has determined that the economic base of the City, as well as the prosperity and welfare of its citizens and the citizens of Morgan County will be advanced by the Renovation Work, and the City finds that providing financial assistance for the Renovation Work is consistent with Amendment No. 772 and in furtherance of the City's economic development objectives; and

WHEREAS, the City believes it is in the best public interest to enter into an agreement with Developer pursuant to which Developer will undertake the Renovation Work and additional leasing of the Shopping Center and that the City's inducements will promote the economic development of the City and, accordingly, are for a public purpose and are authorized by and consistent with Amendment No. 772; and

WHEREAS, notice of the primary terms of this Agreement was duly published by the City in accordance with the requirements of Amendment No. 772 and a public meeting was conducted by the City Council of the City on _____, 2012 in accordance with Amendment No. 772; and

WHEREAS, upon the execution of this Agreement by both Parties, the commitments contained in this Agreement shall become legally binding obligations of the Parties, subject to the terms and conditions hereof.

AGREEMENT

NOW, THEREFORE, upon and in consideration for the mutual promises and covenants contained herein and for other valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

As used in this Agreement, all capitalized terms shall have the meanings set forth in the Recitals or elsewhere in this Agreement and the following terms shall have the meanings set forth below when capitalized:

"Agreement" has the meaning ascribed to such term in the initial paragraph hereof.

"Alternative Maximum Warrant Amount" means, as of the close the Construction Period, the product of: (a) the sum of (i) $950,000, plus (ii) all Qualified Hard Costs actually expended during the Construction Period on Interior Mall Improvements, Common Area Improvements, Façade Improvements, Anchor #5 Improvements and Big Box Improvements, plus (iii) the Qualified Soft Costs actually expended by Developer during the Construction Period on Interior Mall Improvements, Common Area Improvements, Façade Improvements, Anchor #5 Improvements and Big Box Improvements up to the lesser of $1,050,000 or 15% of the sum of clauses (i) and (ii) above, multiplied by (b) 42.5%.

"Anchor #5 Expenditure Contingency" means the point in time, if any, when at least $2,500,000 has been expended during the Construction Period on Qualified Hard Costs attributable to the Anchor #5 Improvements.

"Anchor #5 Improvements" means renovations/capital improvements to be made to the Anchor #5 Space as shall be determined by Developer in its sole discretion.

"Anchor #5 Occupancy Ratio" means, as of the close of the calendar year in which the Anchor #5 Expenditure Contingency occurs, and as of the close of each calendar year thereafter during the Construction Period, the percentage (rounded to the nearest two decimal points) determined by using a fraction in which (i) the numerator is the usable retail square footage within the Anchor #5 Space occupied by a Qualified Anchor #5 Tenant who is open for business to the public as of the close of such calendar year, and (ii) the denominator is 81,000; provided, however, if certain space is counted in the numerator in clause (i) above with respect to a calendar year during the Construction Period, such space shall no longer be eligible for being in the numerator on account of any subsequent calendar year.[1]

"Anchor #5 Space" means approximately 81,000 square feet of interior space located on the northern end of the in-line portion of the Shopping Center, as shown on the Site Plan.

"Annual Anchor #5 Amount" means, as of the close of the calendar year in which the Anchor #5 Expenditure Contingency occurs, and as of the close of each calendar year thereafter during the Construction Period, the product of $3,050,000 times the Anchor #5 Occupancy Ratio determinable as of the close of such calendar year.

"Annual Big Box Amount" means, as of the close of the calendar year in which the Big Box Expenditure Contingency occurs, and as of the close of each calendar year thereafter during the Construction Period, the product of $1,600,000 times the Big Box Occupancy Ratio determinable as of the close of such calendar year.

"Annual Creditable Construction Amount" means, with respect to each calendar year

[1] For example, if as of the close of the calendar year when the Anchor #5 Expenditure Contingency occurs, there is one Qualified Anchor #5 Tenant occupying 12,000 usable retail square feet within the Anchor #5 Space, then the percentage for such calendar year would be determined as follows: 12,000÷81,000 = 14.81%. By way of further example, if as of the close of the calendar year immediately following the calendar year when the Anchor #5 Expenditure Contingency occurs, there is no change in the occupancy of the Anchor #5 Space (i.e., that same Qualified Anchor #5 Tenant occupies 12,000 usable retail square feet within the Anchor #5 Space and no other Qualified Anchor #5 Tenants have been added), then the percentage for such calendar year would be determined as follows: 0÷81,000 = 0%. Because the space had been counted in the numerator for the prior year, it would not be eligible to be counted again.

during the Construction Period, the sum of the following:

(i) for the calendar year 2012 only, $400,000;

(ii) the Annual Interior Mall Amount determinable as of the close of such calendar year, until such time as it reaches in the aggregate (on account of the calendar year then closed together with all prior calendar years within the Construction Period) the sum of $1,750,000;

(iii) the Annual Anchor #5 Amount determinable as of the close of such calendar year, until such time as it reaches in the aggregate (on account of the calendar year then closed together with all prior calendar years within the Construction Period) the sum of $3,050,000; and

(iv) the Annual Big Box Amount determinable as of the close of such calendar year, until such time as it reaches in the aggregate (on account of the calendar year then closed together with all prior calendar years within the Construction Period) the sum of $1,600,000.

"Annual Interior Mall Amount" means, as of the close of each calendar year during the Construction Period, the sum of all Qualified Hard Costs actually expended during such calendar year (and within the Construction Period) on Interior Mall Improvements, multiplied by 50%.

"Applicable Sales Tax Revenues" means the net revenues (after payment of the Tax Collection Costs attributable to such net revenues) received by the City from the levy and collection of the Sales Tax, which revenues are attributable to (i) retail sales by a Qualified Business conducted wholly on the Shopping Center Land excluding the Theater Space, (ii) Qualified Belk Sales, or (iii) Qualified Existing Tenant Expansion Sales, less any refunds, credits or amounts required by applicable law to be held in escrow. Applicable Sales Tax Revenues do not include revenues attributable to construction of improvements on the Shopping Center Land.

"Applicable Use Tax Revenues" means the net revenues (after payment of the Tax Collection Costs attributable to such net revenues) received by the City from the levy and collection of the Use Tax, which are generated from Retailer operations conducted by a Qualified Business wholly on the Shopping Center Land excluding the Theater Space, less any refunds, credits or amounts required by applicable law to be held in escrow. Applicable Use Tax Revenues do not include revenues attributable to construction of improvements on the Shopping Center Land.

"Assignment" means any assignment by Developer of its rights, duties or obligations under this Agreement and/or under the Warrant.

"Bank" means such bank selected by the City from time to time to be the depository bank for the Warrant Fund.

"Belk Space" means, collectively, the following space in the Shopping Center occupied by Belk, Inc.: (i) approximately 89,346 square feet of interior space located at the southern end

of the Shopping Center, and (ii) approximately 13,000 square feet of interior space located north of the store described in clause (i), both as shown on the Site Plan.

"Big Box Expenditure Contingency" means the point in time, if any, when Developer or, if applicable, its ground or building lessee, has expended at least $2,000,000 in the aggregate during the Construction Period on Qualified Hard Costs attributable to the Big Box Improvements.

"Big Box Improvements" means either, as shall be determined by Developer in its sole discretion, (i) renovations/capital improvements to be made to the interior of the Big Box Space by Developer, or (ii) demolition of the existing Big Box Space and ground up construction of a replacement building (either by Developer or by a lessee under a ground or building lease).

"Big Box Occupancy Ratio" means, as of the close of the calendar year in which the Big Box Expenditure Contingency occurs, and as of the close of each calendar year thereafter during the Construction Period, the percentage (rounded to the nearest two decimal points) determined by using a fraction in which (i) the numerator is the usable retail square footage within the Big Box Space occupied by a Qualified Big Box Tenant who is open for business to the public as of the close of such calendar year, and (ii) the denominator is the total square footage of usable retail space of the Big Box Space; provided, however, if certain space is counted in the numerator in clause (i) above with respect to a calendar year during the Construction Period, such space shall no longer be eligible for being in the numerator on account of any subsequent calendar year.[2]

"Big Box Space" means, presently, an approximately 25,600 square foot free-standing building on the northerly end of the Shopping Center, which could be increased to as large as 41,000 square feet upon completion of the Big Box Improvements applicable thereto, as shown on the Site Plan; and, in the event of such increase, Big Box Space shall mean such space as so increased.

"City" has the meaning ascribed to such term in the initial paragraph hereof.

"City Assistance" shall mean the City's payments to the Developer under the Warrant described in Article 2 hereof.

"City Limits" means the City limits of Decatur, Alabama.

"Closing" means the closing which marks the issuance and delivery of the Warrant.

"Closing Date" means the date of the Closing.

"Commencement Date" means July 1, 2012.

"Common Area Improvements" means capital improvements to the common areas of the exterior of the Shopping Center, including sidewalks, parking lots, signs, lighting, walkways and landscaping (but does not include maintenance or other items which are chargeable back to

[2] See example provided for Anchor #5 Occupancy Ratio.

tenants of the Shopping Center as common area maintenance expenses). Improvements to the exterior of the building(s) comprising the Shopping Center shall not be deemed Common Area Improvements.

"Construction Period" means the period of time commencing on the Commencement Date and ending as of 11:59 P.M. on December 31, 2017.

"Controlled Organization" means any Organization in which:

(i) the Principal Manager has the right and power to direct or cause the direction of the management and policies of such Organization; and

(ii) the Principal Owner (or an Organization wholly owned by Principal Owner) owns at least fifty-one percent (51%) of the Ownership Interests in such Organization.

"Conveyance" means the conveyance of fee simple title to the Shopping Center Land or any part thereof; provided, however, that for purposes of this Agreement, the term "Conveyance" shall not include the grant of any mortgage or leasehold interest in the Shopping Center Land or any part thereof.

"Cumulative Creditable Construction Amount" means, as of the close of each calendar year during the Construction Period, the Annual Creditable Construction Amount on account of the year then closed, plus the sum of the Annual Creditable Construction Amount on account of each previous calendar year during the Construction Period, up to, on a cumulative basis, the sum of $6,800,000. As of the determination on account of the close of the Construction Period, the Cumulative Creditable Construction Amount shall be and remain fixed at such amount and shall not be subject to further increase. The Cumulative Creditable Construction Amount shall in no event ever be greater than $6,800,000.

"Developer" has the meaning ascribed to such term in the initial paragraph hereof.

"Existing Decatur Retailer" means a Retailer who, as of a particular point in time, has operated a Place of Business in the City Limits, exclusive of the Shopping Center Land, at any time within the Expanded Tenant Recruitment Period up until that point in time (whether or not operating as of the applicable designated point in time).

"Existing Shopping Center Tenant" means a Retailer who has operated a Place of Business in the Shopping Center as of the Commencement Date, or at any time within the six (6) month period prior thereto (whether or not operating as of the Commencement Date).

"Expanded Tenant Recruitment Period" means the Tenant Recruitment Period together with the six (6) month period immediately preceding the Tenant Recruitment Period.

"Expansion Business" means a Retailer who first opens a Place of Business in the Shopping Center during the Tenant Recruitment Period and, at the time thereof, (i) is an Existing Decatur Retailer or a Related Business to an Existing Decatur Retailer, and (ii) is not an Existing Shopping Center Tenant or a Related Business to an Existing Shopping Center Tenant.

"Facade Improvements" means capital improvements to the exterior façade of the building(s) comprising the Shopping Center, excluding the exterior façade of the Belk Space or the exterior façade of the Theater Space. The roof shall not be deemed Façade Improvements.

"Funding Period" means the period of time commencing as of January 1, 2013 and continuing until December 31, 2022.

"Holder" means the lawful owner and holder of the Warrant from time to time.

"Including" means including, without limitation (whether or not such term is capitalized).

"Interior Mall Improvements" means renovations/capital improvements made to the Interior Mall Space as shall be determined by Developer in its sole discretion.

"Interior Mall Space" means the in-line/connected portion of the Shopping Center (including both tenant space and interior common area space) which can currently be accessed through existing interior mall corridors, excluding the Belk Space, the Theater Space and the Anchor #5 Space. The façade, the roof or other exterior parts of the Shopping Center shall not be deemed Interior Mall Space.

"Maximum Principal Amount" means $6,800,000; provided, however, commencing as of the end of the Construction Period, the Maximum Principal Amount shall be recalculated to be an amount equal to the lesser of (i) the Cumulative Creditable Construction Amount determined on account of the calendar year then closed, or (ii) the Alternative Maximum Warrant Amount.

"New Business" means a Retailer who first opens a Place of Business in the Shopping Center during the Tenant Recruitment Period and, at the time thereof, is not (i) an Existing Decatur Retailer or a Related Business to an Existing Decatur Retailer, or (ii) an Existing Shopping Center Tenant or a Related Business to an Existing Shopping Center Tenant. An Existing Shopping Center Tenant who changes its name or is succeeded by a different company by reason of merger, asset sale, conversion, consolidation or similar transaction shall not be deemed a New Business.

"Organization" means a general partnership, limited partnership, limited liability company, registered limited liability partnership, corporation, professional corporation, professional association, trustee, personal representative, fiduciary, trust, business trust, estate, custodianship and any other association, firm, entity or organization.

"Ownership Change" means any transaction involving the Ownership Interests in Developer or in any member of Developer (or in any other Organization that has a direct or indirect ownership interest in Developer or any of its members), whereby the Developer ceases to be a Controlled Organization.

"Ownership Interests" means the issued and outstanding equity interests, membership interests, units, shares or similar indicia of legal or beneficial ownership in an Organization, including any interests into which any of the foregoing are converted, merged or consolidated.

"Parties" has the meaning ascribed to such term in the initial paragraph hereof.

"Permit" means any permit, license, certificate of occupancy, order, certification, registration, approval or authorization issued under any law, regulation or ordinance, whether federal, state, or local.

"Place of Business" means a store open to the public for retail sales of goods in the ordinary course of business as applicable to that Retailer.

"Pledged Revenues" has the meaning ascribed to such term in Section 2.3 hereof.

"Principal Manager" means Garrison Investment Group LP, a Delaware limited partnership.

"Principal Owner" means Garrison Real Estate Fund LP, a Delaware limited partnership.

"Qualified Anchor #5 Tenant" means a Qualified Business operating out of the Anchor #5 Space that meets the following criteria: (i) with respect to a Qualified Business other than a restaurant, such Qualified Business occupies at least 2,500 square feet of usable retail space in the Anchor #5 Space, (ii) if such tenant occupies less than 10,000 square feet of usable retail space in the Anchor #5 Space, such tenant, when taken together with all other tenants of the Anchor #5 Space occupying less than 10,000 square feet of usable retail space, does not exceed in the aggregate more than 51,000 square feet of usable retail space in the Anchor #5 Space, and (iii) if such tenant occupies 10,000 square feet or more usable retail space in the Anchor #5 Space, such tenant's occupancy term is at least three (3) years, and when taken together with all other tenants of the Anchor #5 Space occupying less than 20,000 square feet of usable retail space, does not exceed in the aggregate more than 61,000 square feet of usable retail space within the Anchor #5 Space.

"Qualified Belk Sales" means those retail sales of goods by Belk, Inc. from the Belk Space, which are in excess of $15,200,000 during a calendar year during the Funding Period.

"Qualified Big Box Tenant" means a Qualified Business operating out of the Big Box Space, and who (i) occupies at least 10,000 square feet of usable retail space in the Big Box Space, and (ii) occupies such space under a written lease with an occupancy term of at least three (3) years.

"Qualified Business" means a New Business or a Qualified Expansion Business, and in either case, who (i) is not a Restricted Business, and (ii) with respect to a New Business or a Qualified Expansion Business occupying 10,000 square feet or more of usable retail space in the Shopping Center, is a national or regional Retailer.

"Qualified Construction Costs" means, collectively, Qualified Hard Costs and Qualified Soft Costs.

"Qualified Existing Tenant Expansion Sales" means, with respect to any Existing Shopping Center Tenant who is located in the Interior Mall Space and who is not a Restricted Business, who expands its Place of Business in the Interior Mall Space by at least 1,000 usable retail square feet during the Construction Period, those retail sales of goods from such Existing

Shopping Center Tenant occurring after such expansion, multiplied by a percentage determined as follows: subtract the original usable retail square footage of such Place of Business as of the Commencement Date from the new usable retail square footage (after taking the expansion into account), and then divide the remainder derived therefrom by the new usable retail square footage (after taking the expansion into account), and round the percentage to the nearest two decimal points.[3]

"Qualified Expansion Business" means an Expansion Business who continues to maintain, together with any Related Business thereto, at least the same number of Places of Business in the City Limits (excluding the Place of Business within the Shopping Center) as the maximum number of Places of Business in the City Limits (excluding the Place of Business within the Shopping Center) that such Expansion Business and any Related Business thereto have maintained in the City Limits (excluding the Place of Business within the Shopping Center) at any time within the Expanded Tenant Recruitment Period (whether before or after locating a Place of Business in the Shopping Center). An Expansion Business who becomes a Qualified Expansion Business but who subsequently fails to continuously meet the requirements set forth in this definition, shall thereupon cease to be a Qualified Expansion Business.

"Qualified Hard Costs" means (i) the hard costs paid by the Developer in connection with constructing the Renovation Work, (ii) Qualified Tenant Costs, and (iii) with respect to the Big Box Space only, hard costs paid by a ground or building lessee of such Big Box Space for constructing the Big Box Improvements.

"Qualified Soft Costs" means bona fide third party construction management fees, architectural fees and engineering fees paid by Developer in relation to the hard costs paid by the Developer in connection with constructing the Renovation Work, so long as such fees are not paid to any Organization related to, controlled by, under common control with, or otherwise affiliated with Developer, or to any employee, officer, member, manager, director or partner of Developer or any such Organization described above, but excluding all other soft costs.

"Qualified Tenant Costs" means, with respect to hard costs paid by a tenant of the Shopping Center for renovations and capital improvements to its leased space, which are paid pursuant to a Tenant Concession, the lesser of (i) such hard costs paid by such tenant, or (ii) the applicable Tenant Concession pursuant to which such hard costs were paid.

"Related Business" means any Retailer related to, affiliated with or who shares a commonality of trademark or brand with any other Retailer. Franchisees and/or company-owned stores under the same trademark shall be deemed to be a Related Business to each other. An outlet store and its non-outlet brand shall also be deemed to be a Related Business to each other. Notwithstanding the foregoing, (i) different brands owned by the same parent company shall not be deemed a Related Business to each other[4], and (ii) even if there is a sharing of common

[3] For example, if the original usable retail square footage was 5,000, and then during the Construction Period, the Existing Shopping Center Tenant expands by 2,000 to 7,000 usable retail square feet, the percentage would be determined as follows: 7,000 minus 5,000 = 2,000; 2,000÷7,000 = 28.57%.

[4] For example, Lucky Brand and Juicy Couture, although owned by the same parent company, would not be deemed to be a Related Business to each other.

branding or trademark between Retailers, if the stores offer different goods aimed at a different customer base, they will not be deemed a Related Business to each other.[5]

"Renovation Work" has the meaning ascribed to such term in the Recitals.

"Restricted Business" means a single price point variety retail store, a closeout store, a flea market, a liquidation seller, a discount store, an outlet store, a second hand store, a fireworks store, a surplus store, a pawn shop, an adult book/novelty shop or a head shop.

"Retailer" means a business engaged primarily in selling tangible goods at retail.

"Sales Tax" means the City's general sales tax levied by paragraph (1) of Section 14-62, Chapter 14, Article III, Division 2 of the Code of Decatur, Alabama, as the same may be amended or recompiled from time to time, together with any similar general sales tax enacted in replacement or substitution thereto.

"Shopping Center" has the meaning ascribed to such term in the Recitals.

"Shopping Center Land" means the land upon which the Shopping Center is located, generally as depicted on the Site Plan.

"Shopping Center Lender" has the meaning ascribed to such term in Section 6.3 hereof.

"Site Plan" means that certain Site Plan showing the Shopping Center, a copy of which is attached hereto as Exhibit A and made a part hereof.

"Substituted Tax Rate" means a stated tax rate designated in Section 2.3 hereof with respect to the Sales Tax or the Use Tax, to be utilized in lieu of the tax rates specified in the applicable ordinances under which the Sales Tax and Use Tax are levied, solely for purposes of calculating the City Assistance under Article 2 hereof (and under the Warrant).

"Tax Collection Costs" means the third party collection fees incurred by the City in connection with the collection of a tax, license or fee within the City, including any fees or charges that are payable as a percentage of collections or that are paid to outside attorneys or other third party debt collectors; provided, however, Tax Collection Costs does not include the City's internal costs (such as the overhead of the finance department).

"Tenant Concession" means either (i) a tenant improvement allowance paid from Developer to a tenant of space within the Shopping Center, or (ii) a credit against rent afforded by Developer to a tenant of space within the Shopping Center, and in either case, which is paid or credited pursuant to a specific provision in a written lease with such tenant, and which is specifically designated for such tenant to make renovations and capital improvements to its leased space within the Shopping Center.

[5] For example, a Pottery Barn store would not be deemed to be a Related Business to a Pottery Barn Kids store, and a Gap Store would not be deemed to be a Related Business to a Gap Kids store. But, a Walmart Market would be deemed a Related Business to a Walmart Supercenter because they sell the same types of goods to the same customer base.

"Tenant Recruitment Period" means the period of time commencing on the Commencement Date and ending at the end of the Funding Period.

"Theater Space" has the meaning ascribed to such term in the Recitals.

"Use Tax" shall mean the City's general use tax levied by paragraph (a) of Section 14-70, Chapter 14, Article III, Division 3 of the Code of Decatur, Alabama, as the same may be amended or recompiled from time to time, together with any similar general use tax enacted in replacement or substitution thereto.

"Validation Proceeding" has the meaning ascribed to such term in Section 2.12 hereof.

"Warrant" means the Limited Obligation Warrant, Series 2012, in substantially the form attached as Exhibit B hereto and made a part hereof.

"Warrant Fund" has the meaning ascribed to such term in Section 2.2 hereof.

ARTICLE 2

CITY ASSISTANCE; ISSUANCE OF THE WARRANT

Section 2.1 The Warrant. Subject to the conditions to Closing, the City hereby agrees to issue to Developer on the Closing Date, and Developer agrees to accept from the City on the Closing Date, the Warrant, in a principal sum of up to the Maximum Principal Amount. The Warrant shall bear no interest and shall be payable in annual and monthly installments for up to ten (10) years, all as is more particularly specified hereinafter and in the Warrant. The Warrant shall be in substantially the form as set forth on Exhibit B attached hereto and made a part hereof.

Section 2.2 Establishment of Warrant Fund. The City will establish a bank account with the Bank in the name of the City (the "Warrant Fund"), into which account the applicable revenues described in Section 2.3 below shall be deposited monthly. The Bank shall be and remain the depository for the Warrant Fund.

Section 2.3 Funding Obligations of City. Subject to the provisions of Section 2.7 hereof and provided that no Event of Default exists, commencing with the first month of the Funding Period and for each month of the Funding Period thereafter until the Warrant is paid in full, the City shall pay into the Warrant Fund, not later than the twentieth (20^{th}) day of the month, (i) all of the Applicable Sales Tax Revenues determined by utilizing a Substituted Tax Rate for the Sales Tax of one and one-half percent (1.5%), which revenues are received by the City during the preceding calendar month, and (ii) all of the Applicable Use Tax Revenues determined by utilizing a Substituted Tax Rate for the Use Tax of one and one-half percent (1.5%), which revenues are received by the City during the preceding calendar month; provided, however, for any Applicable Sales Tax Revenues or Applicable Use Tax Revenues which are generated from Retailer operations by a Qualified Expansion Business or which are attributable to Qualified Existing Tenant Expansion Sales, the Substituted Tax Rate calculated above shall be

three-quarters of one percent (.75%) (the amounts required to be remitted by the City pursuant to this Section 2.3 referred to herein collectively as the "Pledged Revenues"). On the earliest to occur of (i) the end of the Funding Period, (ii) the occurrence of an uncured Event of Default on the part of Developer, or (iii) the date on which the City shall have paid an aggregate amount under the Warrant equal to the Maximum Principal Amount, all obligations of the City to remit Pledged Revenues to the Warrant Fund shall cease.

Section 2.4 Payment Terms. Subject to the provisions of Section 2.7 below and provided that no Event of Default exists:

(a) on or before February 15, 2014 and on or before the same day of each of the next three (3) succeeding calendar years thereafter (for a total of 4 annual installments), the City will pay (or cause to be paid) to the Holder the lesser of:

(i) all amounts properly contained in the Warrant Fund as of the close of the immediately preceding calendar year, or

(ii) the Cumulative Creditable Construction Amount determined as of the close of such immediately preceding calendar year minus the sum of all previous payments under the Warrant pursuant to this paragraph (a);

(b) on or before February 15, 2018, the City will pay (or cause to be paid) to the Holder the lesser of:

(i) all amounts properly contained in the Warrant Fund as of the close of the immediately preceding calendar year, or

(ii) the Maximum Principal Amount determined as of the end of the Construction Period minus the sum of all previous payments under the Warrant pursuant to paragraph (a) above; and

(c) commencing in February 2018, on or before the last day of such calendar month and on or before the last day of each of the next 58 succeeding calendar months thereafter until the Warrant is paid in full (for a total of up to 59 monthly installments), the City will pay (or cause to be paid) all amounts properly contained in the Warrant Fund as of the twentieth (20^{th}) day of such month.

At the City's option, the City may retain, at Developer's expense, a "paying agent" to make all payments on the Warrant; provided, however, Developer shall not be required to expend in excess of $400 per year on any such paying agent. If, as of the due date of a payment described in paragraphs (a), (b) or (c) above, there is a pending audit of Qualified Construction Costs, Applicable Sales Tax Revenues or Applicable Use Tax Revenues by either of the Parties, the results of which could reasonably be expected to affect the amount of such payment then due, then the City may pay the undisputed portion of such payment (or an amount calculated based on the undisputed Qualified Construction Costs, Applicable Sales Tax Revenues or Applicable Use Tax Revenues, as applicable), with a reconciliation by the Parties once the audit is completed (it

being understood that if the City paid more than the amount due, then the Holder would refund the amount of such overpayment, and if the City underpaid such amount, then the City would remit the amount of the underpayment to the Holder). However, nothing shall prevent either party from disputing in good faith the results of any such audit.

Section 2.5 Discharge of Indebtedness. On the earliest to occur of (i) the date that the City makes the scheduled payment which is due under the Warrant in December 2022, (ii) the occurrence of an uncured Event of Default on the part of Developer, or (iii) the date on which the City shall have paid an aggregate amount under the Warrant equal to the Maximum Principal Amount, the entire outstanding balance of the Warrant shall be deemed paid, satisfied and discharged in full and all obligations of the City to make payments from the Warrant Fund to the Holder shall cease, and Holder's inspection rights shall terminate. Any remaining amounts contained in the Warrant Fund as of such time shall be returned to the City to be used for any lawful purpose.

Section 2.6 Non-recourse. The sole source of payment of the Warrant shall be from the Pledged Revenues for which the City is required to pay into the Warrant Fund as described in Section 2.3 above, and nothing herein or in the Warrant shall constitute a charge against the general funds or general credit of the City.

Section 2.7 Limited Obligation of City. The City's limited obligation hereunder is subject to (i) the law-imposed requirement that, if necessary, there must first be paid from the Pledged Revenues the necessary and legitimate governmental expenses of operating the City, and (ii) the required payments to all warrant holders of the City, both existing and future.

Section 2.8 Taxable Warrant. The City makes no representation with respect to the tax implications of the Warrant.

Section 2.9 Redemption. The City shall have the right, in its absolute discretion, to redeem the Warrant in whole or in part at any time, upon payment to the Holder of the outstanding principal balance thereof, without premium or penalty.

Section 2.10 Holder's Inspection Rights. During the Funding Period, the City's Finance Department will provide the Holder with the amount of the Applicable Sales Tax Revenues and Applicable Use Tax Revenues for the preceding quarter within a reasonable period of time after the completion of such quarter. Holder shall have the right to review, verify and audit the City's records regarding the Applicable Sales Tax Revenues and Applicable Use Tax Revenues on a quarterly basis, which audit is to be conducted during regular business hours. The City shall maintain such records in complete and accurate form, in accordance with generally accepted accounting principles, consistently applied. Such audit may be conducted by Holder alone or together with a qualified accountant or other qualified individual, at the option of Holder. In the event Holder determines to perform an audit under this paragraph, the City shall, to the extent permitted by applicable law, cooperate with Holder. Each Party shall bear its own costs related to any audit. Notwithstanding the foregoing, unless Developer shall have furnished the City with a written agreement from each business operating in the Shopping Center to the disclosure of its individual revenues to the Holder by the City, then such audit shall be limited to the revenues on an aggregate basis (and not individual store revenues).

Section 2.11 Records Relating to Qualified Construction Costs and Lease Contingencies. On or before January 31 of each calendar year during or immediately following the Construction Period, Developer shall provide to the City a sworn statement listing the itemized Qualified Construction Costs expended or credited during the immediately preceding calendar year, and if requested by the City, accompanied by evidence to establish the actual amount of the Qualified Construction Costs. Additionally, the Developer shall furnish the City with evidence supporting the occurrence, if applicable, of the Anchor #5 Expenditure Contingency and the Big Box Expenditure Contingency, together with a copy of a memorandum of lease or tenant estoppel certificate with respect to the tenancy of any Qualified Anchor # Tenant or Qualified Big Box Tenant, as well as such information as may be reasonably necessary to establish the Anchor #5 Occupancy Ratio and Big Box Occupancy Ratio. With respect to Qualified Tenant Costs, Developer shall endeavor to obtain and furnish to the City such information relating thereto that it can reasonably attain to support such costs; additionally, the City may utilize building permits (and applications therefor) as additional evidence in support of such costs. The City shall have the right to review, verify and audit the Developer's records regarding the Annual Creditable Construction Amount and all components thereof, as well as the determination of the Alternative Maximum Warrant Amount and the foregoing lease contingencies, which audit is to be conducted during regular business hours, at Developer's office. The Developer shall maintain such records in complete and accurate form, in accordance with generally accepted accounting principles, consistently applied. Such audit may be conducted by the City alone or together with a qualified accountant or other qualified individual, at the option of the City. In the event the City determines to perform an audit under this paragraph, the Developer shall, to the extent permitted by applicable law, cooperate with the City. Each Party shall bear its own costs related to any audit.

Section 2.12 Validation Proceeding. Upon approval of this Agreement by the City Council, the City covenants and agrees that it will, within a reasonable period of time thereafter, file a validation proceeding (the "Validation Proceeding") in the Circuit Court of Morgan County, Alabama, to validate the legality and validity of this Agreement and the Warrant, the issuance of the Warrant and the means of payment for the Warrant, and will use all reasonable efforts to cause the Validation Proceeding to be completed (including applicable appeal periods) as expeditiously as reasonably possible.

ARTICLE 3

RENOVATION WORK

Section 3.1 Nature of Shopping Center. Developer acknowledges and agrees that the City is entering into this Agreement with the expectation that, to the extent feasible and practical and depending entirely on tenant interest in the Shopping Center and the Decatur market, (i) Developer will use commercially reasonable efforts to recruit retailers to the Shopping Center who are not currently conducting business in the City Limits, and (ii) that the Shopping Center will be anchored and junior anchored by national and regional Retailers.

Section 3.2 Renovation of the Shopping Center. Developer agrees that all Renovation Work shall be at its sole cost and expense.

Section 3.3 Completion of Certain Construction. Developer shall complete, or cause to be completed, the Theater Space for delivery to Carmike Theaters for fixturing by not later than January 31, 2013, with an anticipated opening by Carmike Theaters in April, 2013.

Section 3.4 Interior Mall Improvements. The Interior Mall Improvements are scheduled to be undertaken between the Commencement Date and December 31, 2014. Developer agrees to expend at least $1,000,000 on Interior Mall Improvements during the Construction Period.

Section 3.5 Qualified Big Box Tenants. Developer shall use commercially reasonable efforts to enter into leases with Qualified Big Box Tenants providing for such Qualified Big Box Tenants to occupy at least 20,000 usable retail square feet within the Big Box Space (if the same is not subject to demolition and ground or building lease), on or before December 31, 2014; provided, however, the failure of Developer to procure such Qualified Big Box Tenants by such date shall in no event constitute an Event of Default under this Agreement as long as Developer is continuing its recruitment efforts and provides evidence of same to the City.

Section 3.6 Qualified Anchor #5 Tenants. Developer shall use commercially reasonable efforts to enter into leases with Qualified Anchor #5 Tenants providing for one such Qualified Anchor #5 Tenant to occupy at least 20,000 usable retail square feet within the Anchor #5 Space and one Qualified Anchor #5 Tenant to occupy at least 10,000 usable retail square feet within the Anchor #5 Space (or in lieu thereof, providing for one such Qualified Anchor #5 Tenant to occupy at least 30,000 usable retail square feet within the Anchor #5 Space), on or before December 31, 2014; provided, however, the failure of Developer to procure such Qualified Anchor #5 Tenants by such date shall in no event constitute an Event of Default under this Agreement as long as Developer is continuing its recruitment efforts and provides evidence of same to the City.

Section 3.7 Assistance With Permitting. The City agrees, with the cooperation of Developer:

(a) to take all reasonable actions necessary to assist Developer in its timely filing of all applications for obtaining all applicable Permits with the federal government, the State of Alabama, the City and all applicable agencies thereof; such assistance to include, when applicable, facilitating the timely consideration, processing, and issuance of all Permits required in connection with the Shopping Center, in accordance with the City's ordinances and regulations. Such Permits shall include, but are not necessarily limited to, site plan approvals, construction and building permits and approvals for the abandonment and creation of all rights-of-way acquisitions and easements; and

(b) to use its best efforts to cause all Permit decisions necessary for construction and subsequent operation of the Shopping Center to be made within thirty (30) days (sixty (60) days if a public hearing is requested) of filing of the applicable and materially complete application, subject to and in accordance with the applicable ordinances and regulations.

ARTICLE 4

CONDITIONS PRECEDENT

Section 4.1 Contingencies to Closing. Notwithstanding any provision herein to the contrary, the issuance of the Warrant and the obligations of the City under Article 2 hereunder are contingent upon the satisfaction of the following conditions:

(a) no Event of Default on the part of Developer shall have occurred or be continuing;

(b) the representations and warranties of the Developer contained in this Agreement and in any statements delivered by Developer pursuant hereto shall be true and correct as of the Closing Date with the same effect as though made on and as of such date;

(c) this Agreement shall not have been terminated by the City pursuant to Section 5.2 hereof; and

(d) the Circuit Court of Morgan County, Alabama shall have entered a judgment validating and confirming those items requested to be validated and confirmed by the City in the Validation Proceeding, and no appeal shall have been taken within the time prescribed by the Alabama Rules of Civil Procedure; or, if an appeal is taken, the judgment of validation of such matters shall be affirmed by the Alabama Supreme Court; or, if the Circuit Court refused to validate such matters, such judgment shall have been reversed by the Alabama Supreme Court and a judgment validating such matters shall have been rendered and not subject to further appeal.

Section 4.2 Closing. The Closing Date will be on a date mutually agreeable to the City and the Developer, to occur as soon as reasonably practicable after satisfaction of any conditions to Closing. On the Closing Date, provided that all the conditions precedent are satisfied, the City shall issue the Warrant to the Developer. The Parties agree to endeavor to close within seven (7) days from the end of the running of the appeal period of the Validation Proceeding, subject to prior satisfaction of the conditions precedent to Closing set forth in Section 4.1 above.

ARTICLE 5

EVENTS OF DEFAULT; REMEDIES

Section 5.1 Events of Default By Developer**.** Each of the following shall be an "Event of Default" by the Developer under this Agreement:

(a) except as otherwise set forth herein, violation or breach of, or default in the observance, fulfillment or performance of, any term, agreement, covenant, obligation, condition or stipulation contained in this Agreement, if the same is not cured within thirty (30) days after written notice by the City; provided however, that if any such violation, breach or default, other than the failure to pay money, by its nature cannot be cured within the period specified above, then such period shall be extended for so long as Developer is proceeding to cure such violation, breach or default as soon as reasonably possible under the circumstances and providing the City with periodic reports describing such efforts; provided, further, however, if

such violation, breach or default is not cured within ninety (90) days from the original notice by the City thereof, such shall be deemed an Event of Default hereunder without further notice;

(b) if any representation or warranty by Developer contained in the Agreement or in the sworn statements described in Section 2.11 is or becomes untrue or materially misleading; and/or

(c) initiation of bankruptcy, reorganization, liquidation, dissolution, or receivership proceedings of the Developer, whether voluntary or involuntary, or Developer's making an assignment for the benefit of creditors.

Section 5.2. Remedies for City on Developer Default. Whenever any Event of Default shall have happened and be continuing, the City may take any one or more of the following remedial actions:

(a) terminate this Agreement and the Warrant and all obligations of the City hereunder and thereunder;

(b) seek and obtain injunctive relief or declaratory relief; and/or

(c) exercise any and all other remedies available at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Section, it shall not be necessary to give any notice, other than such notice as is herein expressly required.

No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

ARTICLE 6

ASSIGNMENT

Section 6.1 Prior to End of Construction Period. Prior to the end of the Construction Period, Developer shall not have the right under this Agreement to effect an Assignment, a Conveyance or an Ownership Change, unless such transaction and the terms and conditions are first approved in writing by the City, which approval shall not be unreasonably withheld as long as (a) the proposed assignee has a reasonably equivalent or greater net worth than that of Developer as of the date of this Agreement, (b) the proposed assignee has reasonably equivalent experience to Developer in regards to redevelopment and management of similar retail properties or has engaged a reputable development/management company who has such experience, and (c) the definition of "Controlled Organization" is amended (together with the corresponding definitions of "Principal Manager" and "Principal Owner") to provide reasonably equivalent

restrictions with respect to such assignee as are contained herein on Developer with respect to an Ownership Change.

Section 6.2 Assignment to Controlled Organization. Developer shall be permitted, without the consent of the City, to cause the Shopping Center Land to be transferred from Developer to a Controlled Organization, provided that Developer makes an assignment of all of its rights, duties and obligations hereunder and under the Warrant to such Controlled Organization who owns the Shopping Center Land, and such Controlled Organization who owns the Shopping Center Land agrees in writing to accept and be bound by all of the rights, duties and obligations of Developer under this Agreement.

Section 6.3 Assignment to Lender. Notwithstanding the provisions of Section 6.1 above, Developer shall have the right to collaterally assign the Warrant, without the City's consent, to any bank or institutional lender providing first-priority financing for the Shopping Center (a "Shopping Center Lender"). In the event of any such collateral assignment, the Developer shall notify the City thereof. No such collateral assignment shall have the effect of assigning Developer's obligations hereunder. So long as the City shall have been provided advance written notice of such assignment, a copy of any and all notices thereafter given to Developer under this Agreement will be simultaneously provided to the Shopping Center Lender at the address provided in such written notice to the City.

Section 6.4 Conveyance or Ownership Change Subsequent to End of Construction Period. Subsequent to the end of the Construction Period, Developer shall have the right under this Agreement to effect an Ownership Change or a Conveyance, so long as no Event of Default by Developer shall be outstanding and uncured as of the effective date of the proposed Ownership Change or Conveyance.

Section 6.5 Assignment Subsequent to End of Construction Period. Subsequent to the end of the Construction Period, Developer shall have the right to effect an Assignment, so long as each of the following conditions are satisfied:

(a) no Event of Default by Developer shall be outstanding and uncured as of the effective date of the proposed Assignment;

(b) Developer shall have furnished the City with the proposed assignment and assumption agreement acceptable to the City in its reasonable discretion, providing that the assignee would assume and be responsible for all of Developer's rights, duties and obligations hereunder; and

(c) such Assignment shall include an assignment of all of Developer's rights, duties and obligations under both this Agreement and under the Warrant.

Section 6.6 Effect of Assignment, Conveyance or Ownership Change. No Assignment, Conveyance or Ownership Change in accordance with this Article 6 shall relieve or release Developer from its obligations hereunder, and Developer expressly acknowledges that it shall remain fully liable to the City for all of its obligations and duties hereunder. Notwithstanding the foregoing, an Assignment in accordance with Section 6.5 hereof

(subsequent to the end of the Construction Period) shall relieve Developer of and from any prospective obligations hereunder first arising subsequent to such Assignment, if Developer shall have first obtained the City's consent to such Assignment and the City's approval of the assignee under such Assignment (including satisfaction with the financial condition of the assignee), which consent and approval shall not be unreasonably withheld.

Section 6.7 Sale of Outparcels. Notwithstanding anything herein to the contrary, Developer shall be permitted to sell or otherwise convey one or more outparcels on the Shopping Center Land from time to time; provided, however, that upon such sale or conveyance, (i) such outparcel shall cease to be considered part of the Shopping Center, (ii) the land the subject thereof shall cease to be part of the Shopping Center Land, (iii) any sales or use tax revenues from businesses on such land subsequent to such sale or conveyance shall not be deemed Applicable Sales Tax Revenues or Applicable Use Tax Revenues, and (iv) any Qualified Construction Costs attributable to such land that had previously been taken into account in determining the Annual Creditable Construction Amount shall be subtracted therefrom upon such sale or conveyance, and likewise, subtracted from the Cumulative Creditable Construction Amount.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

To induce the City to enter into this Agreement and to issue the Warrant to Developer, Developer does hereby make the following representations and warranties to the City, which representations and warranties shall be deemed made by Developer to the City also as of the Closing Date and shall not be merged into the documents executed on the Closing Date:

(a) Developer is a limited liability company organized and existing under the laws of the State of Delaware, is in good standing under the laws of the State of Alabama, is now and will be duly qualified to do business in the State of Alabama and has the power to enter into and to perform and observe the agreements and covenants on its part contained in this Agreement;

(b) The execution and delivery of this Agreement on its part and its performance of its obligations hereunder have been duly authorized by all necessary action on the part of the Developer and its members and managers;

(c) This Agreement constitutes a legal, validly binding obligation of Developer, enforceable in accordance with its terms;

(d) Developer has not engaged or employed any real estate broker or agent with respect to the transactions contemplated by this Agreement;

(e) Developer owns fee simple title to the Shopping Center Land and the improvements thereon;

(f) Developer presently intends to spend (or afford credits, with respect to Tenant Concessions) at least $16,000,000 on or before December 31, 2014 towards Qualified Construction Costs for capital improvements to the Shopping Center; and

(g) during the 2011 and 2012 calendar years, Developer has expended at least $950,000 for construction of tenant improvements of the Belk Space.

ARTICLE 8

MISCELLANEOUS

Section 8.1 Public Purpose of the Shopping Center. The City does hereby ascertain, determine, declare and find that the renovation of the Shopping Center with the City Assistance described herein is in the best interest of the City and will serve a public purpose and further enhance the public benefit and welfare by, among other things: promoting local economic development and stimulating the local economy; increasing employment opportunities in the City; increasing the City's tax base, which will result in additional tax revenues for the City; promoting the expansion and retention of business enterprise in the City; and promoting the development of infrastructure at appropriate locations. The City finds that the above-cited items constitute important public benefits to the City and its citizens. Pursuant to Amendment No. 772, the City does hereby ascertain, declare and find that the expenditure of public funds for the purposes described herein is in the best interest of the City and will serve a valid and sufficient public purpose notwithstanding any incidental benefit accruing to Developer or any other private entity or entities.

Section 8.2 Indemnity. Developer shall release, save, hold harmless, defend and indemnify the City, its elected officials, officers, employees and agents (collectively, the "Indemnified Parties") from and against any and all claims, suits, liabilities, costs, damages, expenses or losses incurred or suffered by any of them arising from or in connection with (a) the Shopping Center, (b) Developer's breach or default in the performance of any obligation herein, (c) any activity of Developer or any of Developer's agents, contractors, employees, invitees or tenants (or any of its tenants' agents, contractors, employees or invitees) in connection with the Shopping Center, and (d) all reasonable costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or action, except for those claims or actions arising out of the gross negligence or willful misconduct of such Indemnified Party. Developer, upon notice from the City, shall defend the same at Developer's reasonable expense by counsel reasonably satisfactory to the City. The foregoing indemnity obligation shall include, but is not limited to, indemnification of the Indemnified Parties against any claim for payment brought by any contractor, subcontractor, materialman, supplier, laborer, design professional or the like in connection with work, labor and/or materials supplied in connection with the Shopping Center. The foregoing indemnity obligation shall survive the expiration or earlier termination of this Agreement.

Section 8.3 Remedies to Developer. Failure by the City to pay any sums when due hereunder, if the same is not cured within twenty (20) days after written notice to the City, shall constitute a default by the City under this Agreement. Upon the occurrence of such default by the City, Developer may take whatever legal proceedings appear necessary or desirable to collect

the City Assistance owed to it, or to enforce any obligation, covenant, or agreement of the City under this Agreement. No remedy herein conferred upon or reserved to Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

Section 8.4 Agreement to Pay Attorney's Fees. In the event that, as a result of an uncured default by a Party to this Agreement, the other party should employ attorneys at law or incur other expenses in the enforcement of any obligation, covenant, agreement, term or condition of this Agreement, the party who is the prevailing or substantially prevailing party shall be entitled to an award of such Party's attorneys' fees and other reasonable expenses incurred from the other Party.

Section 8.5 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this agreement to account for more than one such counterpart.

Section 8.6 Governing Law. The governing law of this Agreement shall be the law of the State of Alabama.

Section 8.7 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 8.8 Notices. All communications and notices expressly provided herein shall be sent, by registered first class mail, postage prepaid; by a nationally recognized overnight courier for delivery on the following business day; or by telex or telecopy (with such telex or telecopy to be confirmed promptly in writing, sent by mail or overnight courier as aforesaid), as follows:

City of Decatur:
Honorable Don Stanford Mayor
City of Decatur
City Hall Tower
402 Lee Street
Decatur, AL 35601
Telephone: (256) 341-4502
Facsimile: (256) 341-4504

with a copy to
Paul O. Woodall, Jr.
1819 5th Avenue North
Suite 1100
Birmingham, Alabama 35203
Telephone: (205) 244-5276
Facsimile: (205) 244-5476

Developer:	Garrison Decatur Owner LLC 1350 Avenue of the Americas 9th Floor New York, New York 10019 Telephone: (212) 372-9568 Facsimile: (212) 372-9525
with a copy to:	Burr & Forman LLP 420 North 20th Street Suite 3400 Birmingham, AL 35203 Attn: Gail Livingston Mills, Esq. Telephone: (205) 251-3000 Facsimile: (205) 458-5100

or to such other address to which the parties shall designate in writing from time to time.

Section 8.9 Media Releases. The City and Developer hereby agree to cooperate fully with each other to coordinate all media releases and publications concerning the Renovation Work on the Shopping Center.

Section 8.10 Section Titles and Headings. The section titles and headings are for convenience only and do not define, modify or limit any of the terms and provisions hereof.

Section 8.11 Binding Effect. This Agreement and all terms, provisions and obligations set forth herein shall be binding upon and shall inure to the benefit of the Developer and its permitted successors and assigns as provided herein, and shall be binding upon and shall inure to the benefit of the City and its successors and assigns.

Section 8.12 Relationship of Parties. The City and Developer agree that nothing contained in this Agreement, or any act of Developer or of the City, shall be deemed or construed by either of the Parties hereto, or by third persons, to create any relationship of third party beneficiary hereof, or of principal and agent, or of a limited or a general partnership or of a joint venture or of any association or relationship between Developer and the City other than as independent contractors in a contract entered into at arm's length. Notwithstanding any of the provisions of this Agreement, it is agreed that the City has no investment or equity interest in the business of Developer, and shall not be liable for any debts of Developer, nor shall the City be deemed or construed to be a partner, joint venturer or otherwise interested in the assets of Developer, nor shall Developer at any time or times use the name or credit of the City in purchasing or attempting to purchase any equipment, supplies or other thing whatsoever. Furthermore, nothing in this Agreement, or any act of Developer, shall be deemed to create any relationship of third party beneficiary hereof, or of principal and agent, or of a limited or a general partnership or of a joint venture between Developer and the City.

Section 8.13 Entire Agreement; Amendment. This Agreement constitutes one entire and complete agreement, and neither of the Parties hereto shall have any rights arising from any separate component of this Agreement without complying in all respects with its duties and

obligations under all parts and components hereof. This Agreement constitutes and includes all promises and representations, expressed or implied, made by the City and Developer. No stipulations, agreements or understandings of the parties hereto shall be valid or enforceable unless contained in this Agreement. No oral conditions, warranties or modifications hereto shall be valid between the Parties. This Agreement may be amended only by a written instrument executed by both Parties.

Section 8.14 Survival of Covenants. The covenants, representations, warranties and indemnities in this Agreement shall not terminate until they have been fully performed or have expired, terminated or discharged by their terms.

Section 8.15 Consent to Jurisdiction. The Developer agrees that it (and any successor entity or company by merger or consolidation) will continuously remain qualified to do business in the State of Alabama at all times during which this Agreement is in effect. Both City and the Developer, for themselves and their respective permitted successors and assigns, (a) irrevocably agree that any suit, action or proceeding arising out of or relating to this Agreement shall be instituted only in the Circuit Court of Morgan County, Alabama, and generally and unconditionally accept and irrevocably submit to the exclusive jurisdiction of the aforesaid court and irrevocably agree to be bound by any final judgment rendered thereby from which no appeal has been taken or is available in connection with this Agreement, (b) irrevocably waive any objection either may have now or hereafter to the laying of the venue of any such suit, action or proceeding, including any objection based on the grounds of forum non conveniens, in the aforesaid court, (c) agree not to commence any action, suit or proceeding relating hereto except in the aforesaid court, and (d) irrevocably agree that all process, summons, notice or document in any such proceedings in any such court may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at their respective addresses set forth in Section 8.8 or at such other address of which the other parties shall have been notified in accordance with the provisions of Section 8.8, such service being hereby acknowledged by the City and the Developer to be effective and binding service in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law.

Section 8.16. Fees and Expenses**.** Developer shall pay its own fees, costs and expenses, including legal fees, in connection with the negotiation and preparation of this Agreement, and in addition will pay up to $35,000 of the reasonable legal fees and related expenses incurred by the City in connection with (i) the negotiation and preparation of this Agreement and the Warrant, (ii) the preparation and publication of the Amendment 772 notice of public meeting and attendance at such meeting, and (iii) the Validation Proceeding (including preparing and filing all pleadings and prosecuting the same to completion). Such amount shall be paid on the earlier to occur of (x) the Closing Date, or (y) ten (10) days after the date of the Validation Proceeding becoming final. The provisions of this Section shall survive any termination of this Agreement by the City.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each party hereto has caused this Shopping Center Development Agreement to be duly executed as of the date first written above.

ATTEST:

CITY OF DECATUR, ALABAMA

_____
City Clerk

_____
Don Stanford
Mayor

GARRISON DECATUR OWNER LLC

By:_____
Its:_____

[ACKNOWLEDGMENTS ON FOLLOWING PAGE]

STATE OF ALABAMA)
COUNTY OF MORGAN)

I, the undersigned authority, a Notary Public and for said County, in said State, hereby certify that Don Stanford, whose name as Mayor of the City of Decatur, Alabama, a municipal corporation, is signed to the foregoing Shopping Center Development Agreement and who is known to me, acknowledged before me on this day, that, being informed of the contents of this Shopping Center Development Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said municipal corporation on the day the same bears date.

Given under my hand and official seal this ____ day of _____, 2012.

[SEAL]

_____
NOTARY PUBLIC
My Commission Expires:_____

STATE OF NEW YORK)
COUNTY OF _____)

I, the undersigned authority, a Notary Public and for said County, in said State, hereby certify that _____, whose name as _____ of Garrison Decatur Owner LLC, a Delaware limited liability company, is signed to the foregoing Shopping Center Development Agreement and who is known to me, acknowledged before me on this day, that, being informed of the contents of this Shopping Center Development Agreement, he/she, as such _____ and with full authority, executed the same voluntarily for and as the act of said limited liability company on the day the same bears date.

Given under my hand and official seal this ____ day of _____, 2012.

[SEAL]

_____
NOTARY PUBLIC
My Commission Expires:_____

EXHIBIT A

Site Plan

SEE ATTACHED

REDEVELOPMENT TIMELINE

2012

2013

2014

2015

PROPOSED
RESTAURANTS
±5,500 SF EACH

BELTLINE ROAD

DANVILLE ROAD

BELK
(13K EXPANSION)

Belk
86,348 SF

CARMIKE
12-SCREEN
MOVIE
THEATER
47,000 SF

ANCHOR #5

SEARS
67,975 SF

JC'S 5 STAR
OUTLET
50,731 SF

BIG BOX
RETAIL/
GROCER

PROPOSED
OFFICE
21,556 SF

0 100' 200' 400'

GRAPHIC SCALE

NORTH

DECATUR MALL

DECATUR, AL 35601

SITE
PLAN

LEASING &
MANAGEMENT
AGENTS:

URBAN

RETAIL PROPERTIES, LLC.

111 East Wacker Drive
Suite 2400
Chicago, IL 60601
312-915-2000

DEC. 2011

EXHIBIT B

Form of Warrant

SEE ATTACHED

THIS WARRANT HAS NOT BEEN REGISTERED (i) UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (ii) UNDER ANY STATE SECURITIES LAW AND MAY NOT BE TRANSFERRED WITHOUT REGISTRATION EXCEPT PURSUANT TO AN EXEMPTION THEREFROM. ADDITIONALLY, THIS WARRANT IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AS CONTAINED IN ARTICLE 6 OF THE DEVELOPMENT AGREEMENT (AS HEREINAFTER DEFINED).

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF DECATUR, ALABAMA
LIMITED OBLIGATION
WARRANT SERIES 2012

The City Clerk/Treasurer of the **CITY OF DECATUR, ALABAMA**, a municipal corporation under the laws of the State of Alabama (the "City"), is hereby ordered to pay to GARRISON DECATUR OWNER LLC, a Delaware limited liability company ("Developer", and together with any subsequent registered and permitted assignee hereof, from time to time, the "Holder"), a sum of up to the Maximum Principal Amount (as such term is defined in the Development Agreement, and hereinafter, the "Maximum Principal Amount") (which in no event shall exceed $6,800,000), or such lesser amount as may be payable as hereinafter provided, at the times and in the manner set forth below. This Warrant is issued as a single fully registered warrant payable to the Holder. This Warrant shall not bear interest, and shall be payable over a period of up to ten (10) consecutive years, subject to the terms and conditions specified below.

This Warrant is issued pursuant to and in accordance with (i) Alabama Constitutional Amendment No. 772 (Codified as Section 94.01 of the Recompiled Constitution of Alabama), (ii) that certain Resolution No. 12-___ adopted by the City Council of the City on August __, 2012, and (iii) that certain Shopping Center Development Agreement dated effective August ___, 2012 (the "Development Agreement") between the City and Developer (*all defined terms used in this Warrant without definition shall have the meaning set forth in the Development Agreement*).

THIS WARRANT IS SUBJECT TO THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT, WHICH ARE, BY THIS REFERENCE, INCORPORATED HEREIN AND MADE A PART HEREOF.

1. Establishment of Warrant Fund. Pursuant to the Development Agreement, the City is authorized to and shall establish the Warrant Fund with the Bank, which shall be a special fund into which the applicable Pledged Revenues pursuant to Section 2 hereof shall be deposited, and from which the applicable payments of debt service on this Warrant shall be made.

2. Funding Obligations of City. Subject to the provisions of Section 6 hereof and provided that no Event of Default exists, commencing with the first month of the Funding Period and for each month of the Funding Period thereafter until this Warrant is paid in full, the City shall pay into the Warrant Fund, not later than the twentieth (20^{th}) day of the month, (i) all of the

Applicable Sales Tax Revenues determined by utilizing a Substituted Tax Rate for the Sales Tax of one and one-half percent (1.5%), which revenues are received by the City during the preceding calendar month, and (ii) all of the Applicable Use Tax Revenues determined by utilizing a Substituted Tax Rate for the Use Tax of one and one-half percent (1.5%), which revenues are received by the City during the preceding calendar month; provided, however, for any Applicable Sales Tax Revenues or Applicable Use Tax Revenues which are generated from Retailer operations by a Qualified Expansion Business or which are attributable to Qualified Existing Tenant Expansion Sales, the Substituted Tax Rate calculated above shall be three-quarters of one percent (.75%) (the amounts required to be remitted by the City pursuant to this Section 2 referred to herein collectively as the "Pledged Revenues"). On the earliest to occur of (i) the end of the Funding Period, (ii) the occurrence of an uncured Event of Default on the part of Developer, or (iii) the date on which the City shall have paid an aggregate amount under this Warrant equal to the Maximum Principal Amount, all obligations of the City to remit Pledged Revenues to the Warrant Fund shall cease.

3. Payment Terms. Subject to the provisions of Section 6 below and provided that no Event of Default exists:

(a) on or before February 15, 2014 and on or before the same day of each of the next three (3) succeeding calendar years thereafter (for a total of 4 annual installments), the City will pay (or cause to be paid) to the Holder the lesser of:

(i) all amounts properly contained in the Warrant Fund as of the close of the immediately preceding calendar year, or

(ii) the Cumulative Creditable Construction Amount determined as of the close of such immediately preceding calendar year minus the sum of all previous payments under this Warrant pursuant to this paragraph (a);

(b) on or before February 15, 2018, the City will pay (or cause to be paid) to the Holder the lesser of:

(i) all amounts properly contained in the Warrant Fund as of the close of the immediately preceding calendar year, or

(ii) the Maximum Principal Amount determined as of the end of the Construction Period minus the sum of all previous payments under this Warrant pursuant to paragraph (a) above; and

(c) commencing in February 2018, on or before the last day of such calendar month and on or before the last day of each of the next 58 succeeding calendar months thereafter until this Warrant is paid in full (for a total of up to 59 monthly installments), the City will pay (or cause to be paid) all amounts properly contained in the Warrant Fund as of the twentieth (20^{th}) day of such month.

At the City's option, the City may retain, at Developer's expense, a "paying agent" to make all payments on this Warrant; provided, however, Developer shall not be required to expend in excess of $400 per year on any such paying agent. If, as of the due date of a payment described in paragraphs (a), (b) or (c) above, there is a pending audit of Qualified Construction Costs, Applicable Sales Tax Revenues or Applicable Use Tax Revenues by either of the Parties, the results of which could reasonably be expected to affect the amount of such payment then due, then the City may pay the undisputed portion of such payment (or an amount calculated based on the undisputed Qualified Construction Costs, Applicable Sales Tax Revenues or Applicable Use Tax Revenues, as applicable), with a reconciliation by the Parties once the audit is completed (it being understood that if the City paid more than the amount due, then the Holder would refund the amount of such overpayment, and if the City underpaid such amount, then the City would remit the amount of the underpayment to the Holder). However, nothing shall prevent either party from disputing in good faith the results of any such audit.

4. Discharge of Indebtedness. On the earliest to occur of (i) the date that the City makes the scheduled payment which is due under this Warrant in December 2022, (ii) the occurrence of an uncured Event of Default on the part of Developer, or (iii) the date on which the City shall have paid an aggregate amount under this Warrant equal to the Maximum Principal Amount, the entire outstanding balance of this Warrant shall be deemed paid, satisfied and discharged in full and all obligations of the City to make payments from the Warrant Fund to the Holder shall cease, and Holder's inspection rights shall terminate. Any remaining amounts contained in the Warrant Fund as of such time shall be returned to the City to be used for any lawful purpose.

5. Non-recourse. The sole source of payment of this Warrant shall be from the Pledged Revenues for which the City is required to pay into the Warrant Fund as described in Section 2 above, and nothing herein or in the Development Agreement shall constitute a charge against the general funds or general credit of the City.

6. Limited Obligation of City. The City's limited obligation hereunder is subject to (i) the law-imposed requirement that, if necessary, there must first be paid from the Pledged Revenues the necessary and legitimate governmental expenses of operating the City, and (ii) the required payments to all warrant holders of the City, both existing and future.

7. Taxable Warrant. The City makes no representation with respect to the tax implications of this Warrant.

8. Redemption. The City shall have the right to redeem this Warrant in whole or in part at any time, upon payment to the Holder of the outstanding principal balance, without premium or penalty.

9. Setoff. The City shall be entitled to set off against payments under this Warrant: (i) any and all payments or sums owing from Developer to the City under the Development Agreement, (ii) the value of any obligations to be undertaken by Developer under the Development Agreement, (iii) any damages suffered or incurred by the City on account of any breach by Developer under the Development Agreement and/or (iv) any and all payments or

sums owing from Holder to the City. Such right of set off shall be separate and apart from any and all other rights and remedies that the City may have against the Developer or Holder.

10. Registered Holder. The payments under this Warrant will be paid to the person in whose name this Warrant is registered at the close of business on the last Business Day prior to such payment date. "Business Day" shall mean any day other than (a) a Saturday, a Sunday or (b) a day on which the payment system of the Federal Reserve System is not operational, or (c) a day on which banking institutions are required or authorized to remain closed in the City of Decatur, Alabama.

11. Method of Payments. Payment on this Warrant due on each payment date shall be made by check or draft mailed by the City (or the paying agent) to the person entitled thereto at its address appearing in the warrant register maintained with respect to this Warrant; provided, however, that upon request of the Holder, the City (or paying agent) will make payments under this Warrant by wire transfer to an account specified in writing by the Holder to the City or by any other method providing for payment in same-day funds that is acceptable to the City (any wire transfer or similar fees to be borne by the Holder). Such payments shall be deemed timely made if so mailed on the payment date or, if such payment date is not a Business Day, on the next Business Day following such payment date. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

12. Negotiability. This Warrant is transferable only by an instrument of transfer duly executed by the person in whose name this Warrant is registered on the registry books of the Treasurer of the City and in accordance with the provisions of Article 6 of the Development Agreement. Each Holder hereof, by receiving or accepting this Warrant, shall take subject to all terms, conditions and offsets hereof, and all payments made in respect hereof, whether or not in accordance with the express terms hereof, and shall consent and agree and shall be estopped to deny that this Warrant may be transferred only in accordance with the provisions of Article 6 of the Development Agreement and all applicable state and federal securities laws.

13. Certifications. It is hereby certified and recited that the indebtedness evidenced and ordered paid by this Warrant is lawfully due without condition, abatement or offset of any description except as specifically set forth herein or in the Development Agreement; that this Warrant has been registered in the manner provided by law; that all conditions, actions, and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to the issuance of this Warrant exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this Warrant, together with all other indebtedness incurred by the City, was at the time the same was created and is now within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City has caused this Limited Obligation Warrant Series 2012 to be executed in its behalf by its Mayor and by the City Clerk/Treasurer and has caused the seal of the City to be impressed hereon, and has caused this Warrant to be dated effective as of the ___ day of _____, 2012.

CITY OF DECATUR, ALABAMA

(SEAL)

Attest: By: _____
Don Stanford, Mayor

_____
City Clerk/Treasurer

REGISTRATION CERTIFICATE

I hereby certify that this Warrant has been duly registered by me as a limited claim against City of Decatur, in the State of Alabama, and the Warrant Fund referred to herein, and I have registered such Warrant in the records of the City.

_____
City Clerk/Treasurer of the City
of Decatur, Alabama

VALIDATION CERTIFICATE

Validated and confirmed by judgment of the Circuit Court of Morgan County, State of Alabama, entered on the ___ day of _____, 2012.

_____
Clerk of Circuit Court of Morgan County,
Alabama

NOTICE OF PUBLIC MEETING

Where:	**Council Chambers in Decatur City Hall**
When:	**August 6, 2012 at 6:00 P.M.**
Re:	**The Decatur Mall**

Pursuant to Amendment No. 772 to the Constitution of Alabama (1901), as amended ("Amendment No. 772"), the City of Decatur, Alabama (the "City") gives notice that its City Council, as the governing body of the City, will consider the following matters at its regularly scheduled meeting to be held on August 6, 2012 at 6:00 p.m. in the City Council chambers located at the Decatur City Hall, 402 Lee St. NE, Decatur, Alabama 35601:

BACKGROUND

WHEREAS, Garrison Decatur Owner LLC, a Delaware limited liability company ("Developer") owns that certain retail shopping mall in the City, known as the Decatur Mall, located at 1801 Beltline Road, Decatur Alabama (the "Shopping Center"); and

WHEREAS, the Shopping Center is approximately 34 years old, was last renovated in 1989, and is in need of renovation in order to attract new tenants to fill vacant space in the Shopping Center; and

WHEREAS, Developer has indicated that it is prepared to renovate and make capital improvements to certain portions of the Shopping Center, namely, with respect to (i) the interior mall space, (ii) the vacant anchor box spaces (which may include possible demolition and new construction), (iii) façade improvements and (iv) common area improvements (collectively, the "Renovation Work"), which work would be undertaken in stages based on obtaining new tenant commitments; and

WHEREAS, under the authority of Amendment No. 772, the City desires to consider providing certain funding, in the form of tax revenue sharing, to assist with the costs of the Renovation Work and to induce Developer to undertake the Renovation Work; and

WHEREAS, to evidence the City's proposed commitment to share certain sales and use tax revenues with the Developer, the City proposes to issue to Developer the City's Limited Obligation Warrant, Series 2012 (the "Warrant"), in an aggregate principal amount of up to $6,800,000; and

WHEREAS, to memorialize the terms and conditions of the covenants between the City and Developer relating to the Shopping Center, the City and Developer would enter into a written Shopping Center Development Agreement (the "Development Agreement").

SUMMARY OF TRANSACTIONS

1. Pursuant to the Development Agreement, the City would issue the Warrant to the Developer in the maximum principal amount of $6,800,000. The Warrant would not bear interest.

2. The City would establish a bank account into which the City would deposit on a monthly basis certain sales and use tax revenues received from certain tenants of the Shopping Center for up to a 10 year period, namely as follows:

(i) one and one-half cents of its general sales and use tax revenues generated from new businesses who locate in the Shopping Center and who are new to the Decatur market when they first open a place of business in the Shopping Center;

(ii) one and one-half cents of its general sales tax revenues attributable to sales by Belk within the Shopping Center over a certain annual threshold amount;

(iii) three-quarters of one cent of its general sales tax revenues attributable to existing tenants of the Shopping Center who physically expand their space, based on the proportion of such increased space in relation to the total space; and

(iv) three-quarters of one cent of its general sales and use tax revenues generated from new businesses who locate in the Shopping Center but who already have one or more existing places of business in the Decatur market and who continue to maintain at least the same number of places of business in the Decatur market.

3. The Warrant would be a limited obligation of the City payable solely out of the sales and use tax revenues deposited by the City in the bank account described above. The Warrant would be payable in annual installments for the first five years and would be payable in monthly installments thereafter.

4. The amounts payable under the Warrant would be limited such that in order to maximize its eligibility for the full Warrant amount, the Developer would be required to (i) expend certain stated amounts of money for Renovation Work in different designated areas of the Shopping Center, (ii) achieve certain leasing requirements with respect to certain of the anchor spaces and (iii) expend a certain stated aggregate amount towards Renovation Work.

5. If the Warrant is not paid in full by December 2022, it would be deemed paid, satisfied and discharged.

CONCLUSION

A working draft of the Development Agreement and Warrant may be inspected at the office of the City Clerk during regular business hours prior to the scheduled public meeting. This Notice of Public Meeting is only intended as a summary of the proposed transactions described herein. Reference should be made to the Development Agreement and the Warrant for a full description of the proposed terms and conditions of the agreements between the Developer and the City with respect to the Shopping Center. This Notice of Public Meeting shall not be

deemed to affect, modify or alter any terms and conditions of the Development Agreement or the Warrant or the interpretation thereof.

The City intends to validate its constitutional and statutory authority to issue the Warrant in the Circuit Court of Morgan County, Alabama.

The City Council expects to determine at its public meeting that the granting of public funds and things of value to the Developer in connection with the transactions described above will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to the Developer or any other private entity or entities.

The public benefits sought to be achieved by the adoption of the Development Agreement and the issuance of the Warrant are: (i) promoting local economic development and stimulating the local economy, (ii) increasing employment opportunities in the City, (iii) increasing the City's tax base, which will result in additional tax revenues for the City, (iv) promoting the expansion and retention of business enterprise in the City and (v) promoting the development of infrastructure at appropriate locations in and around the Shopping Center.

All members of the public are invited to attend such meeting. Those unable to attend are encouraged to submit their written opinions to the City Council prior to the meeting.