

**EXCERPTS FROM THE MINUTES OF A SPECIAL MEETING
OF THE CITY COUNCIL OF THE CITY OF FOLEY, ALABAMA**

Special Economic Development Grant Agreement

**by
City of Foley, Alabama
and
COROC/ Riviera L.L.C.**

**regarding
Tanger Outlet Mall – Foley**

The City Council of the City of Foley, Alabama met in special public session at City Hall in the City of Foley, Alabama, at 5:30 p.m. on September 5, 2017.

The meeting was called to order by the Council President, and the roll was called with the following results:

Present: J. Wayne Trawick
 Ralph G. Hellmich
 Charles J. Ebert III
 Rick Blackwell
 Vera J. Quaite

Absent:

The Mayor, Hon. John E. Koniar, was also present.

* * *

The Council President stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

Thereupon, the following resolution was introduced in writing by the Council President and considered by the City Council:

RESOLUTION NO. 17-_____

A RESOLUTION AUTHORIZING A SPECIAL
ECONOMIC DEVELOPMENT GRANT AGREEMENT
BY THE CITY OF FOLEY, ALABAMA
AND
COROC/ RIVIERA L.L.C.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FOLEY, ALABAMA (THE "COUNCIL"), AS GOVERNING BODY OF THE CITY OF FOLEY, ALABAMA (the "City"), as follows:

ARTICLE 1

Definitions and Representations

Section 1.01 Definitions of Capitalized Terms

As used herein the following terms shall have the following meanings:

Agreement shall mean that certain Economic Development Grant Agreement dated the date of delivery, together with all Attachments and Exhibits thereto, by the City and the Beneficiary, as at any time amended, restated or supplemented.

Beneficiary shall mean COROC/ Riviera L.L.C. and its successors and assigns.

Bond Counsel shall mean Maynard, Cooper & Gale, PC.

City shall mean the City of Foley, Alabama.

Enabling Law shall mean Amendment No. 772 of the Constitution of Alabama of 1901, as amended.

Transaction Documents shall have the meaning assigned in Section 2.01.

Warrant shall have the meaning assigned in Section 1.02(c).

Section 1.02 Representations of the City

The Council, upon evidence duly presented to and considered by it, has found and determined, and does hereby find, determine and declare as follows:

(a) The City and COROC/ Riviera L.L.C. (the “Beneficiary”) have prepared that certain Special Economic Development Grant Agreement to be dated the date of delivery (the “Special Economic Development Grant Agreement”), as set forth in Exhibit A hereto, for the purposes referenced therein.

(b) The City has the power and authority under Amendment No. 772 of the Constitution of Alabama of 1901, as amended (“Amendment No. 772”) to authorize, deliver and perform the Special Economic Development Grant Agreement.

(c) Pursuant to, and for the purposes of, Amendment No. 772, it is necessary, desirable, and in the public interest for the City to grant public funds for the economic development of the City and in evidence thereof to issue its Limited Obligation Economic Development Special Fund Warrant (the “Warrant”) pursuant to the terms of the Agreement.

(d) The expenditure of public funds for the purposes specified in the Special Economic Development Grant Agreement will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

(e) (1) On August 23, 2017, the City caused to be published in *The Onlooker*, which newspaper has the largest circulation in the City, the notice required by Amendment No. 772, a true and correct copy of which notice is attached to this Resolution as Exhibit B.

(2) The information set forth in said notice is true and correct.

(3) Publication of said notice is hereby ratified and confirmed.

(f) (1) The assessed valuation of the taxable property in the City for the preceding fiscal year was not less than \$286,656,160.

(2) The total indebtedness of the City chargeable against the limitation upon indebtedness for the City prescribed by Amendment No. 772(a)(4) (which indebtedness does not include the Warrant) is not more than fifty percent (50%) of said assessed valuation.

ARTICLE 2

Authorization of Execution, Delivery and Performance of Transaction Documents

Section 2.01. Authorization of Transaction Documents

(a) The City does hereby approve, adopt, authorize, direct, ratify and confirm the terms and provisions of, the representations and warranties of the City set forth in, the obligations and transactions to be undertaken by the City pursuant to, and the execution and delivery by the City of, the following (collectively, the "Transaction Documents"):

(1) The Agreement, in substantially the form presented;

(2) The Warrant;

(3) All agreements, assignments, documents, instruments and notices which may be desirable or necessary to be executed, delivered and performed to effect the purposes of and transactions under the Transaction Documents.

(b) The Transaction Documents are approved in substantially the form and of substantially the content as presented to and considered by the City, with such changes thereto (by addition or deletion) as the officer of the City executing the same shall approve and as shall not increase the amount or duration of the obligations of the City thereunder, which approval shall be conclusively evidenced by the execution of the Transaction Documents by such officer as provided in this Resolution.

(c) The Transaction Documents presented to, considered and adopted by the City shall be filed in the permanent records of the City.

Section 2.02 Authorization of Execution, Delivery and Performance of Transaction Documents

(a) The Mayor of the City is hereby authorized and directed to execute, deliver and effect the performance of, the Transaction Documents for and on behalf of and in the name of the City.

(b) The City Clerk is hereby authorized and directed to attest and seal the Transaction Documents to the extent required thereby.

ARTICLE 3

Limitation upon General Liability

Nothing contained in this Resolution, the Agreement, the Warrant, or in any other instrument shall be construed with respect to the City as incurring a pecuniary liability or charge upon the general credit of the City or against the taxing power of the City, nor shall the breach of any agreement contained in this Resolution, the Agreement, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the City or any charge upon its general credit or against its taxing power.

ARTICLE 4

General Authorization and Ratification

Section 4.01 General Authorization

The Mayor and the City Clerk are hereby authorized and directed (i) to take all such actions, and execute, deliver, file and perform all such documents, agreements, instruments and notices, as may be necessary or desirable to carry out the purposes of this Resolution and effect the purposes of, and transactions to be undertaken pursuant to, the Transaction Documents, and (ii) to execute and deliver to the Beneficiary, counsel therefor, and Bond Counsel, such certified proceedings of the City and such closing papers, proofs and statements containing such representations of fact and law as may be necessary or desirable to demonstrate the validity of the Transaction Documents, and the absence of litigation (pending or threatened) with respect to any matter referred to herein.

Section 4.02 Ratification

Any prior action taken by or on behalf of the City or by any officer of the City, or any agreements, documents, petitions or proceedings executed by or on behalf of the City, in connection with the agreements, documents and transactions herein authorized, are hereby ratified and confirmed.

ARTICLE 5

Validation

(a) The City desires, before the issuance of the Warrant and the Agreement, to validate the legality of all proceedings had or taken in connection therewith, the validity of the Project User Fees as the means provided for the payment of the contingent and limited obligations of the City under the Agreement and the Warrant, and the validity of all covenants and provisions contained in this Resolution and the Agreement and the Warrant, by filing a petition against the taxpayers and citizens of the City in the Circuit Court of Baldwin County, Alabama. A complaint to validate the Agreement, Warrant, proceedings, and covenants shall be filed and validation proceedings shall be instituted in the name of the City and the members of the governing body of the City. Maynard, Cooper & Gale, P.C., Birmingham, Alabama, is hereby designated and appointed as the attorneys of the City to file such complaint, institute such proceedings, and to take all steps necessary to complete such validation proceedings in accordance with the provisions of Article 17 of Chapter 6 of Title 6 of the Code of Alabama 1975.

(b) Any actions heretofore taken by such attorneys in connection with the filing of such petition or such validation proceedings are hereby ratified and confirmed.

ARTICLE 6

Provisions of General Application

Section 5.01 Other Proceedings

Any resolution, order, ordinance, or part thereof, in conflict or inconsistent with the provisions of this Resolution is hereby, to the extent of such conflict or inconsistency, repealed.

Section 5.02. Effect of this Resolution

This Resolution shall take effect immediately.

Exhibit A

Special Economic Development Grant Agreement

SPECIAL ECONOMIC DEVELOPMENT GRANT AGREEMENT

Effective Date _____, 2017

by

CITY OF FOLEY, ALABAMA

and

COROC/ RIVIERA L.L.C.

Re: Tanger Outlet Mall – Foley

This Special Economic Development Grant Agreement was prepared by Heyward C. Hosch of Maynard, Cooper & Gale, P.C., 1901 Sixth Avenue North, 2400 Regions/Harbert Plaza, Birmingham, Alabama 35203.

SPECIAL ECONOMIC DEVELOPMENT GRANT AGREEMENT

_____, 2017

The Special Economic Development Grant Agreement is made and entered as of the above date by the following persons pursuant to Amendment No. 772 to the Constitution of Alabama of 1901, as amended, and the laws of the State of Alabama, for the purposes referenced herein:

City: City of Foley, Alabama, a political subdivision of the State of Alabama;

Beneficiary: COROC/ Riviera L.L.C., a Delaware limited liability company, and its successors and assigns.

Recitals

The Beneficiary is the owner and operator of Tanger Outlet Mall – Foley within the City. The operation of Tanger Outlet Mall – Foley contributes significantly to the tax and revenue base of the City and employment opportunities in the City. The economic vitality of Tanger Outlet Mall – Foley is of direct financial benefit to the taxpayers and citizens of the City.

At the request of the Beneficiary, the City has agreed to provide the Beneficiary, as provided herein, the within referenced City Economic Development Funds in consideration, and for the purpose, of the recruitment of tenants for, and the general advertisement of, Tanger Outlet Mall – Foley.

Pursuant to the applicable laws of the State of Alabama referenced herein, for the purposes referenced herein, the City and the Beneficiary have delivered this Agreement.

Agreement

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants and agreements herein contained, the City and the Beneficiary hereby covenant and agree as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement the following terms shall have the following meanings:

Advertising Expenses shall mean amounts to be spent by the Beneficiary for attracting customers of Tanger Outlet Mall – Foley, by advertising in any and all forms of media, including without limitation television, radio, newspaper, print media, direct mail, billboards, and internet advertisements.

Approved Expenses shall mean amounts which shall have been proposed by the Beneficiary to be spent for Qualified Expenses pursuant to Section 4.01 and which shall have been approved in advance thereof by the City pursuant to Section 5.02(a).

Authorizing Resolution shall mean the resolution of the City adopted on September 5, 2017 authorizing this Agreement and the Warrant.

Beneficiary shall mean COROC/ Riviera L.L.C., and the successors and assigns thereof.

Calendar Quarter shall mean each period of three consecutive calendar months ending on March 31, June 30, September 30, and December 31 in each year, respectively.

City Agreement Advances shall mean all costs and expenses (including without limitation legal fees) incurred by the City in connection with the authorization and delivery, and administration and enforcement, of this Agreement.

City Project Fees shall mean an amount equal to twenty-five percent (25%) of the Net Project User Fees.

District shall mean The City of Foley Public Facilities Cooperative District and its successors and assigns.

Effective Date shall mean the date of delivery hereof as set forth on the cover page hereof.

Enabling Law shall mean Amendment No. 772 of the Constitution of Alabama of 1901, as amended.

Lease Agreement shall mean that certain Lease Agreement dated September 1, 2009, by the District and the City with respect to the Project and other public facilities referenced therein, recorded as Instrument Number 1201725 in the Office of the Judge of Probate of Baldwin County, Alabama.

Maximum Tanger Project Fees shall mean an aggregate amount of Tanger Project Fees payable to the Beneficiary under this Agreement of \$61,250,000.

Net Project User Fees shall mean that amount of Project User Fees which shall have been received by the City and deposited in the Tanger Project User Fee Account after payment therefrom of all City Agreement Advances and all costs of collection thereof (which costs are one percent (1.00%) of the gross amount of Project User Fees collected for each calendar month), plus investment income on such Net Project User Fees.

Project shall have the meaning assigned in the Project User Fee Resolution

Project Area shall mean the area described on Exhibit A hereto.

Project User Fee Resolution shall mean the resolution adopted by the District on September 5, 2017 providing for the levy and collection of the Project User Fees.

Project User Fees shall mean the Project User Fees levied and collected in the Project Area by the District pursuant to the Project User Fee Resolution.

Qualified Expenses shall mean and include collectively Tenant Recruitment Expenses and Advertising Expenses.

Quarterly Accounting Date shall mean the tenth (10) day of the second month of a Calendar Quarter.

Tanger Project Fees shall mean an amount equal to seventy-five percent (75%) of the Net Project User Fees.

Tanger Project User Fee Account shall mean an account or fund established by the City, on behalf of the District, for the sole purpose of holding the Net Project User Fees.

Tenant Recruitment Expenses shall mean amounts to be spent by the Beneficiary for the recruitment of retail tenants to Tanger Outlet Mall – Foley which are of a caliber, character and quality consistent with the public mission of the Beneficiary as a real estate investment trust, and which amounts may include (but shall not be limited to) costs incurred with respect to incentives for tenants and retaining or relocating tenants.

Termination Date shall mean the first to occur of (i) the date on which this Agreement shall be terminated by either party hereto pursuant to Section 6.02(a), or (ii) that date on which the City shall have transferred to the Beneficiary an amount equal to the Maximum Tanger Project Fees, or (iii) the Quarterly Accounting Date which succeeds the Calendar Quarter ending September 30, 2030, subject to amendment pursuant to Section 7.07.

Validation Date shall mean _____, 2017, being that date on which the Validation Order shall have become forever conclusive in accordance with, and as provided in, Section 6-6-755 of the Code of Alabama 1975.

Validation Order shall mean the Findings of Fact, Conclusions of Law and Final Judgment dated _____, 2017, entered by the Circuit Court of Baldwin County, Alabama, with respect to this Agreement and the Warrant in CV _____.

Warrant shall have the meaning set forth in Section 5.04.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

SECTION 2.01 The City

The City hereby represents as follows:

(a) The City has corporate power and authority to enter into this Agreement, pursuant to the Enabling Law, and to carry out its obligations hereunder and by proper corporate action the City has duly authorized the execution, delivery and performance of this Agreement.

(b) The delivery and performance of this Agreement and the Warrant by the City (i) will result in direct financial benefits to the City, and (ii) will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

(c) The compliance by the City with the Enabling Law is set forth in Section 1.02 of the Authorizing Resolution.

SECTION 2.02 The Beneficiary

The Beneficiary hereby represents as follows:

(a) The Beneficiary is duly organized and validly existing as a limited liability company under the laws of the State of Delaware and is duly qualified to do business in the State of Alabama.

(b) The Beneficiary has corporate power and authority to enter into this Agreement and to carry out its obligations hereunder and by proper corporate action the Beneficiary has duly authorized the execution, delivery and performance of this Agreement.

(c) The delivery of this Agreement will result in direct financial benefits to the Beneficiary.

(d) No consent or approval by, or filing with, any governmental authority in the State of Alabama is required for the execution or delivery of this Agreement by the Beneficiary or for the full effectiveness or enforceability thereof under the laws of the State of Alabama.

(e) There is no action, suit, proceeding, inquiry or investigation pending before any court or governmental authority, or threatened in writing against or affecting the Beneficiary, which involves the consummation of the transactions contemplated by, or the validity of, this Agreement.

ARTICLE 3

DURATION OF AGREEMENT

This Agreement and the obligations of the City and the Beneficiary herein shall become effective on the Validation Date and shall remain in effect until the Termination Date, except with respect to any provision or term herein which expressly survives termination of this Agreement and remains in effect from and after the Termination Date.

ARTICLE 4

AGREEMENTS AND OBLIGATIONS OF THE BENEFICIARY

SECTION 4.01 Quarterly Reports and Reimbursement Requests

The Beneficiary hereby covenants and agrees:

(a) Quarterly Reports. The Beneficiary shall provide to the City, on or before each Quarterly Accounting Date, in form and of content satisfactory to the City, an accounting, budget, or report setting forth:

(1) for the then immediately preceding Calendar Quarter, (i) the amounts spent by the Beneficiary from the funds thereof for Qualified Expenses, and (ii) the amounts, if any, spent by the Beneficiary from City Economic Development Funds for Qualified Expenses; and

(2) for the then next succeeding Calendar Quarter, the amounts to be spent by the Beneficiary from funds thereof for Qualified Expenses, which amounts shall include any Approved Expenses.

(b) Reimbursement Requests. The Beneficiary may provide to the City, on or before each Quarterly Accounting Date, a written request, in form and of content satisfactory thereto, for reimbursement of certain amounts set forth in Section 4.01(a)(1)(i), subject to each of the provisions of Section 4.03 with respect thereto.

SECTION 4.02 Application of Beneficiary Funds

The Beneficiary covenants and agrees that all Net Project User Fees received by the Beneficiary hereunder shall be applied solely to the payment of Qualified Expenses and shall be so identified to the City pursuant to Section 4.01(a)(1).

SECTION 4.03 Agreements of the Beneficiary Regarding Net Project User Fees

The Beneficiary covenants and agrees with the City:

(a) The City shall have no obligation to transfer or make available any amount of Tanger Project Fees to the Beneficiary under this Agreement from and after the Termination Date, regardless of whether the Maximum Tanger Project Fees shall have been provided to the Beneficiary on or before such date.

(b) The City shall apply all Project User Fees to the payment of all City Agreement Advances prior to the transfer of any Tanger Project Fees to the Beneficiary pursuant to Section 5.02.

(c) (1) The Beneficiary shall have no recourse, either directly or indirectly, against the City, whether by virtue of any constitutional or statutory provision, any rule of law, or any contract, for the payment of any amounts under this Agreement or the Warrant other than payment of the Tanger Project Fees on deposit in the Tanger Project User Fee Account as provided in this Agreement.

(2) The Beneficiary agrees that no covenant or agreement contained in the Warrant or in this Agreement shall be deemed to be a covenant or agreement of any officer, agent, employee, or member of the governing body of the City in its individual capacity and none of such parties or persons nor any officer executing this Agreement or the Warrant shall be liable personally on this Agreement or the Warrant or be subject to any personal liability or accountability by reason of the issuance of this Agreement or the Warrant.

(d) The obligation of the City for the transfer of any amount of Tanger Project Fees to the Beneficiary under this Agreement:

(1) shall be contingent, and shall only become effective, upon the deposit of Net Project User Fees in the Tanger Project User Fee Account;

(2) is a limited obligation payable solely from, and limited to an amount not more than, that amount of Net Project User Fees which constitute Tanger Project Fees and which are held in the Tanger Project User Fee Account on each Quarterly Accounting Date during the term hereof;

(3) shall never constitute, directly or indirectly, a personal or pecuniary liability, or a general obligation, or a charge against the general assets, credit, funds, revenues or taxing power, of the City within the meaning of any constitutional or statutory or contractual provision, or rule of law, whatsoever;

(4) shall commence after the Validation Date.

(e) The maximum aggregate amount of Net Project User Fees the City shall provide under this Agreement shall be limited to and shall not exceed the Maximum Tanger Project Fees. All proceeds of the Project User Fees arising after the Termination Date shall be and remain the sole property of the City and the Beneficiary shall have no right, title or interest therein.

SECTION 4.04 Payments by City

The payment by the City of any amount under this Agreement:

(1) is subject to the prior written approval of the Mayor and the Treasurer of the City, in the exercise of the sole reasonable discretion thereof;

(2) may be made by the City at any time within 30 days after delivery by the Beneficiary of the information, and request for payment of Net Project User Fees, required by Article 4 hereof; and

(3) is limited to one payment or transfer of Net Project User Fees to the Beneficiary in each Calendar Quarter.

SECTION 4.05 Cooperation and Consultation with the City

The Beneficiary covenants and agrees to fully cooperate and consult with the economic development office of the City with respect to the determination of Qualified Expenses and the recruitment of tenants, and the advertising program, for Tanger Outlet Mall – Foley.

SECTION 4.06 Identification of Project User Fees

The Beneficiary covenants and agrees:

(a) The Beneficiary shall deliver to each Project User Fee Payer at least once each year written instructions with respect to the collection and purpose of the Project User Fees;

(b) The Beneficiary shall require each Project User Fee Payer, to the extent permitted by the point of sale system thereof, to distinguish the Project User Fees from a sales or other tax, and to separately identify, on each sales tax receipt, the Project User Fee either as a “Temp. User Fee” or by other legend or description approved by the Beneficiary.

SECTION 4.07 Special Agreements of Beneficiary

The Beneficiary covenants and agrees to defend, protect, indemnify, and hold harmless the City, its agents, employees, and members of its governing body, from and against all claims or demands, including actions or proceedings brought thereon, and all costs, expenses, and liabilities of any kind relating thereto, including reasonable attorneys fees and cost of suit, arising out of or resulting from any of the following, provided, however, that the foregoing indemnity will not extend to the negligent misconduct of the City, its agents, employees, and members of its governing body: (i) any construction activity performed by Beneficiary, or anyone claiming by through, or under Beneficiary; and (ii) any loss of life, personal injury, or damage to property arising from or in relation to the entry upon, construction, use, operation or occupancy of the Foley Holdings Project, including, without limitation, tenants, customers and invitees of the Foley Holdings Project and/or Beneficiary. The agreements and covenants in this Section shall survive the termination of this Agreement with respect to events or occurrences happening prior to or upon the termination of this Agreement and shall remain in full force and effect until commencement of an action with respect to any thereof shall be prohibited by law.

ARTICLE 5

AGREEMENTS AND OBLIGATIONS OF THE CITY

SECTION 5.01 Agreements of the City

The City covenants and agrees with the Beneficiary:

(a) Establishment of Tanger Project User Fee Account. The City shall establish and maintain the Tanger Project User Fee Account as a separate and distinct account or fund of the City for the sole purpose of the deposit and holding of Net Project User Fees pending application thereof in accordance with this Agreement. The City shall not commingle or combine any other funds or revenues of the City with the Net Project User Fees, whether by deposit of such other funds or revenues of the City in the Tanger Project User Fee Account or by deposit of any amount of the Net Project User Fees in any other fund or account of the City.

(b) Collection, Determination, and Deposit of Project User Fees. The City shall collect the Project User Fees from the District pursuant to agreements by the City and the District with respect thereto and shall deposit in the Tanger Project User Fee Account that amount of Project User Fees determined by the City to be Net Project User Fees when and as the same are received from the District.

(c) Tanger Project User Fee Account. The City shall cause the Net Project User Fees to be held in the Tanger Project User Fee Account, invested in accordance with law, and applied, together with investment earnings thereon, in accordance with this Agreement. The City shall, upon written request by the Beneficiary, notify the Beneficiary of the amount on deposit in, or credited to, the Tanger Project User Fee Account.

(d) Pledge and Restriction of Use of Net Project User Fees Under Enabling Law. The City does hereby pledge the amount of the Net Project User Fees (and investment income thereon) on deposit in the Tanger Project User Fee Account which constitute Tanger Project Fees for the payment of the Warrant and the amounts due to the Beneficiary under this Agreement. The City agrees that, in accordance with the Enabling Law, the amount of the Net Project User Fees on deposit in the Tanger Project User Fee Account which constitute Tanger Project Fees shall not be available, and shall not be used, for any governmental purpose of the City other than the transfer to the Beneficiary, as provided in this Agreement, for the purpose of promoting the economic development of the City pursuant to Section (a)(3) of the Enabling Law.

SECTION 5.02 Application of Tanger Project Fees

The City covenants and agrees:

(a) The City shall, upon request by the Beneficiary and the provision to the City of such information as the City shall reasonably request, approve in advance any proposed Qualified Expenses, which approval shall be delivered in writing by the Mayor and Mayor Pro Tempore of the City.

(b) During the period beginning on the Effective Date and ending on the Termination Date, the City shall review all information provided by the Beneficiary under Section 4.01 and within 30 days of each Quarterly Accounting Date:

(1) request any additional information needed by the City to perform this Agreement, or

(2) transfer to the Beneficiary, solely from amounts on deposit in the Project User Fee Account, subject to and in accordance with the provisions of Section 4.03 with respect thereto, the lesser of:

(i) the amount approved by the City, or

(ii) the amount requested by the Beneficiary, or

(iii) the amount of Tanger Project Fees on deposit in the Project User Fee Account.

(c) During the period beginning on the Termination Date and ending on the first anniversary thereof, the City shall, anything in this Agreement to the contrary notwithstanding, transfer to the Beneficiary, solely from amounts on deposit in the Project User Fee Account, the amount of Tanger Project Fees which are on deposit in the Project User Fee Account on the Termination Date and which the Beneficiary shall properly request and the City shall agree to pay, subject to the provisions of Section 4.03 with respect thereto.

SECTION 5.03 Application of City Project Fees

The City shall cause the City Project Fees to be used for the Project as provided in Section 4.03 of the Lease Agreement, including without limitation construction and maintenance of public roads, streets, bridges, sidewalks, bike paths, drainage, lighting, and landscaping to provide for safe and efficient public travel in the City and around the Tanger Outlet Mall area.

SECTION 5.04 The Warrant

(a) Authorization.

(1) The agreement of the City to transfer the Tanger Project Fees to the Beneficiary hereunder shall be evidenced by a limited obligation special fund warrant, in form and of content as the form of warrant attached to this Agreement as Exhibit C (the "Warrant").

(2) The Warrant shall be delivered by the City simultaneously with the delivery of the Agreement.

(b) Payment and Surrender of Warrant.

(1) The City shall pay the Tanger Project Fees to the Beneficiary as provided in Section 5.02 in the manner and as directed in writing by the Beneficiary.

(2) All payments of amounts due by the City under this Agreement shall be made at par 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, and shall be valid and effectual to satisfy and discharge the obligation of the City to the extent of the amounts so paid.

(3) The Beneficiary shall present and surrender the Warrant to the City on the Termination Date, regardless of whether the Maximum Tanger Project Fees shall have been provided to the Beneficiary on or before such date.

(c) Records of City.

The City shall record each payment and transfer of Tanger Project Fees to the Beneficiary on the internal records of the City, which records shall be rebuttably presumptive evidence of the amount of Tanger Project Fees that shall have been paid and transferred to the Beneficiary and of the Maximum Tanger Project Fees and the Warrant at any time outstanding.

(d) Registration and Transfer of Warrant.

The Warrant may be transferred only upon (i) written direction of the registered owner or its legal representative, addressed to the City, (ii) presentation of the Warrant to the City accompanied by a written instrument of transfer, satisfactory to the City, duly executed by the registered owner or its attorney duly authorized in writing, and (iii) compliance with Section 7.06 of this Agreement. Upon presentation of the Warrant to the City for transfer, and upon satisfaction of the conditions of Section 7.06 of this Agreement precedent to such transfer, the City shall record such transfer on the said records and execute and deliver, in exchange for the Warrant, a new warrant or warrants of like tenor thereof, registered in the name of the transferee in an amount equal to the unpaid or unredeemed portion of the Warrant. No charge shall be made for the privilege of transfer, but the registered owner of the Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

ARTICLE 6

EVENTS OF DEFAULT AND REMEDIES

SECTION 6.01 Events of Default

Any one or more of the following shall constitute an event of default (an “Event of Default”) under this Agreement:

(a) default in the performance, or breach, by the City of any covenant or warranty of the City in this Agreement, and the continuance of such default or breach for a period of ninety (90) days after there has been given, by registered or certified mail, to the City by the Beneficiary a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “notice of default” hereunder, provided that if such default is of a kind which cannot reasonably be cured within such ninety-day period, the City shall have a reasonable period of time within which to cure such default, provided that it begins to cure the default promptly after its receipt of such written notice and proceeds in good faith, and with due diligence, to cure such default; or

(b) default in the performance, or breach, by the Beneficiary of any covenant or warranty of the Beneficiary in this Agreement, and the continuance of such default or breach for a period of thirty (30) days after there has been given, by registered or certified mail, to the Beneficiary by the City a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “notice of default” hereunder, provided that if such default is of a kind which cannot reasonably be cured within such thirty-day period, the Beneficiary shall have a reasonable period of time within which to cure such default, provided that it begins to cure the default promptly after its receipt of such written notice and proceeds in good faith, and with due diligence, to cure such default.

SECTION 6.02 Remedies

Each party may, upon the occurrence of an Event of Default and the expiration of any cure or grace period therefor:

(a) by written notice to the other party, terminate this Agreement and the obligations thereof without recourse except with respect to such rights or obligations as shall have theretofore vested or which shall be set forth in agreements or provisions which by the express terms thereof survive such termination of this Agreement; and

(b) proceed to protect its rights and interests by suit in equity, action at law or other action or proceedings, whether for the specific performance of any covenant or agreement of any other party herein contained or in aid of the exercise of any power or remedy available at law or in equity.

SECTION 6.03 Remedies Subject to Applicable Law

All rights, remedies and powers provided by this Agreement may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that the same will not render this Agreement invalid or unenforceable.

ARTICLE 7

PROVISIONS OF GENERAL APPLICATION

SECTION 7.01 Enforceability

The provisions of this Agreement shall be severable. In the event any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any of the remaining provisions hereof.

SECTION 7.02 Prior Agreements Cancelled

This Agreement shall completely and fully supersede all other prior agreements, both written and oral, by the parties hereto relating to the matters contained herein. None of the parties hereto shall hereafter have any rights under any of such prior agreements but shall look to this Agreement for definition and determination of all of their respective rights, liabilities and responsibilities relating to the matters contained herein.

SECTION 7.03 Counterparts

This Agreement may be executed in counterparts, each of which shall constitute but one and the same agreement.

SECTION 7.04 Binding Effect; Governing Law

(a) This Agreement shall inure to the benefit of, and shall be binding upon, the City and the Beneficiary and their respective successors and assigns except as otherwise provided herein.

(b) This Agreement shall be governed exclusively by the laws of the State of Alabama.

SECTION 7.05 Notices

(a) All notices, demands, consents, certificates or other communications hereunder shall be in writing, shall be sufficiently given and shall be deemed given when delivered personally to the party or to an officer of the party to whom the same is directed, or mailed by registered or certified mail, postage prepaid, or sent by overnight courier, addressed as follows:

- | | | | |
|-----|------------------------|-----|----------------------------------|
| (1) | if to the City: | (2) | if to the Beneficiary: |
| | City Hall | | COROC/ Riviera L.L.C. |
| | 407 East Laurel Avenue | | 3200 Northline Avenue, Suite 360 |
| | Foley, Alabama | | Greensboro, North Carolina 27408 |

(b) Any such notice or other document shall be deemed to be received as of the date delivered, if delivered personally, or as of three (3) days after the date deposited in the mail, if mailed, or the next business day, if sent by overnight courier.

SECTION 7.06 Delegation and Assignment of this Agreement

(a) The Beneficiary shall not have the authority or power to, and shall not, assign, pledge, or transfer any interest or right of the Beneficiary in or to this Agreement or the Warrant, or assign, delegate or transfer any duty or obligation of the Beneficiary to observe or perform any agreement, covenant or obligation of the Beneficiary under this Agreement, to any person or entity except upon the prior written consent of the City as set forth in a resolution of the governing body of the City with respect thereto.

(b) The City shall not have the authority or power to, and shall not, assign, delegate or transfer any duty or obligation of the City to observe or perform any agreement, covenant or obligation of the City under this Agreement except upon the prior written consent of the Beneficiary, or any successor or assign thereof approved by the City under Section 7.06(a).

SECTION 7.07 Amendments

(a) This Agreement may be amended or supplemented only by an instrument in writing duly authorized, executed and delivered by each party hereto.

(b) Anything herein to the contrary notwithstanding, the City and the Beneficiary may amend this Agreement as provided in Section 7.07(a) to (i) increase or decrease the percentage of Net Project User Fees to be provided by the City to the Beneficiary or (ii) provide that the Termination Date shall occur upon such contingency or on such date as the City and the Beneficiary may then determine.

IN WITNESS WHEREOF, the City and the Beneficiary have each caused this Agreement to be executed in its name, under seal, and the same attested, by officers thereof duly authorized thereunto, and the parties have caused this Agreement to be dated the Effective Date.

CITY OF FOLEY, ALABAMA

SEAL

By _____
Mayor

ATTEST: _____
City Clerk

COROC/ RIVIERA L.L.C.

By: _____

Its: _____

EXHIBIT A

Project Area

The commercial facilities and properties of COROC/Riviera L.L.C. located on Highway 59 in the City, which consist of an approximately 550,000 square foot retail shopping center known as “Tanger Outlet Mall – Foley”.

EXHIBIT B

Legal Notice

**LEGAL NOTICE OF PROPOSED ECONOMIC DEVELOPMENT ACTION
AND RELATED PUBLIC EXPENDITURES BY THE CITY OF FOLEY, ALABAMA**

Notice is hereby given that the City Council (the "Council") of the City of Foley, Alabama (the "City") will meet in regular public session at 5:30 p.m. on Tuesday, September 5, 2017 at the City Hall in the City of Foley, Alabama for the purpose of considering the transaction of business that may properly come before the Council such business to include, but not be limited to, the authorization by the Council, pursuant to Amendment No. 772 of the Constitution of Alabama of 1901, as amended, of a resolution approving the execution and delivery of a Special Economic Development Grant Agreement (the "Agreement") by the City and COROC/ Riviera L.L.C. (the "Beneficiary").

Pursuant to said Amendment No. 772 and the Agreement, for the purpose of economic development of the City, the City shall provide to the Beneficiary certain funds of the City (the "Net Project User Fees"), in consideration, and for the purpose, of the development and operation of facilities and properties known as "Tanger Outlet Mall," located within the geographic jurisdiction of the City.

The City shall pay the Net Project User Fees to the Beneficiary in an amount not to exceed \$61,250,000 in quarterly payments solely from the amounts, if any, the City shall have received from Project User Fees which shall be levied and collected within Tanger Outlet Mall and transferred to the City, pursuant to agreements therefor, by The City of Foley Public Facilities Cooperative District (the "District"). Pursuant to Chapter 99B of Title 11 of the Code of Alabama 1975, and a resolution adopted by the District (the "Project Fee Resolution"), the District shall levy on the users of certain public capital infrastructure improvements made and to be made and maintained by the City, on behalf of the District, which benefit Tanger Outlet Mall, certain Project User Fees (generally equivalent to one percent of gross sales within Tanger Outlet Mall) for a period of approximately fifteen (15) years as set forth in said resolution. The proceeds of the Project User Fees shall be delivered by the District, when and as received, to the City in respect of reimbursement to the City for a portion of the costs of public capital infrastructure improvements.

The City seeks to achieve, by undertaking its obligations pursuant to the Agreement, to promote the local economic and industrial development of the City, to increase employment in the City, and to increase the tax and revenue base of the City.

The business entity to whom or for whose benefit the City proposes to lend its credit and grant public funds or thing of value will be COROC/ Riviera L.L.C., a Delaware limited liability company, and the successors and assigns thereof.

All interested persons may examine and review the Agreement and the Project Fee Resolution, and all relevant proceedings pertaining thereto, and make copies thereof at personal expense, at the offices of the City Administrator, referenced below, during normal business hours, before and after the meeting referenced herein.

Further information concerning the information in this notice can be obtained from the City Administrator at the offices thereof at City Hall, 407 East Laurel Avenue, in the City of Foley, Alabama during normal business hours.

EXHIBIT C

Form of Warrant

This Warrant has not been registered under the Securities Act of 1933, as amended, or under any state securities law, in reliance upon applicable exemptions, and this Warrant, or any interest herein, may only be transferred in compliance with federal and state securities laws and as provided in the Special Economic Development Grant Agreement under which this Warrant is issued as referenced herein.

Each transferee of this Warrant takes it subject to all payments of amount due hereunder theretofore made and all rights and defenses of the City at law or in equity.

This Warrant does not bear interest.

UNITED STATES OF AMERICA

STATE OF ALABAMA

CITY OF FOLEY

**LIMITED OBLIGATION ECONOMIC DEVELOPMENT SPECIAL FUND WARRANT
(COROC/ RIVIERA L.L.C.)**

No. R-1

DATED DATE:

_____, 2017

MATURITY DATE:

Termination Date

The CITY OF FOLEY, a municipal corporation organized and existing under and by virtue of the laws of the State of Alabama (the “City”), for value received, hereby acknowledges itself obligated, on the contingent and limited basis set forth in the within referenced Agreement, to

COROC/ RIVIERA L.L.C.

or registered assigns (collectively, the “Beneficiary”) in an amount not exceeding the Maximum Tanger Project Fees as determined by the City pursuant to the within-referenced Agreement, and hereby orders and directs the Treasurer of the City to transfer to the Beneficiary, solely from amounts on deposit in the Tanger Project User Fee Account, the Tanger Project Fees in such amounts and at such times as provided in the within-referenced Agreement until and including the above Termination Date, without interest, for credit against and reduction of the Maximum Tanger Project Fees.

Authority for Issuance; Definition of Capitalized Terms

This Warrant is issued pursuant to the authority of the Constitution and laws of the State of Alabama, including particularly and without limitation Amendment No. 772 of the Constitution of Alabama of 1901, as amended (collectively the "Enabling Law"), and that certain Special Economic Development Grant Agreement dated the above Dated Date (the "Agreement") by the City and COROC/ Riviera L.L.C..

Capitalized terms used hereinbefore and hereinafter without definition shall have the respective meanings assigned thereto in the Agreement.

This Warrant is issued pursuant to the Agreement in evidence of certain limited and contingent obligations of the City thereunder and is subject to and governed by the provisions of Section 4.03 and Article 5 thereof, which provisions of said Section 4.03 and Article 5 are hereby incorporated in this Warrant and made a part hereof by this reference thereto as if set out in full herein.

Payment

The City shall pay all amounts becoming due and payable under the Agreement and this Warrant as provided in, and subject to the terms, conditions and limitations of, the Agreement only (i) from the Tanger Project Fees in the Tanger Project User Fee Account and (ii) to the person in whose name this Warrant is registered on the records of the City therefor.

Registration and Transfer

This Warrant shall be transferred only as provided in the Agreement.

General

It is hereby recited, certified and declared that the amounts evidenced and ordered paid by this Warrant are lawfully due without condition, abatement or offset of any description, that this Warrant has been registered in the manner provided by law, that this Warrant represents a valid claim against the Tanger Project User Fee Account to the extent of the Tanger Project Fees at any time on deposit therein, that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the execution, registration and issuance of this Warrant, the adoption of the resolution approving the Agreement, and the execution and delivery of the Agreement, have happened, do exist and have been performed in due time, form and manner as so required by law and that the amount of this Warrant, together with all other indebtedness of the City, are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the City, acting by and through the City Council of the City, as the governing body thereof, has caused this Warrant to be executed in its name and on its behalf by the Mayor of the City, has caused its corporate seal to be affixed hereto and the same attested by the City Clerk of the City, and has caused this Warrant to be dated the above Dated Date.

CITY OF FOLEY, ALABAMA

By _____
Mayor

SEAL

Attest: _____
City Clerk

REGISTRATION CERTIFICATE

The undersigned hereby certifies that this Warrant has been duly registered as a claim against the within-referenced Tanger Project User Fee Account to the extent of the Tanger Project Fees at any time on deposit therein.

Treasurer of the City of Foley, Alabama

VALIDATION CERTIFICATE

Validated and confirmed by judgment of the Circuit Court of Baldwin County, State of Alabama entered on the _____ day of _____, 2017.

/s/ _____

Clerk of Circuit Court of Baldwin County,
State of Alabama

Assignment

For value received, _ hereby sell(s), assign(s) and transfer(s) unto this warrant and hereby irrevocably constitute(s) and appoint(s) _ attorney to transfer this warrant on the books of the within named City with full power of substitution in the premises.

Dated: _____

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

Signature Guaranteed:

(Bank or Trust Beneficiary)

By
(Authorized Officer)

Duly passed and adopted this 5th day of September, 2017.

President of the City Council of the City of
Foley, Alabama

SEAL

Attest: _____
City Clerk

Transmitted to and approved by the Mayor on this 5th day of September, 2017.

Mayor of the City of Foley, Alabama

It was moved by Councilmember _____ that all rules and regulations which, unless suspended, would prevent the immediate consideration and adoption of the said resolution be suspended and that unanimous consent to the immediate consideration and adoption of the said resolution be given. The motion was seconded by Councilmember _____ and on roll call was unanimously adopted, those answering aye being:

Ayes: J. Wayne Trawick
 Charles J. Ebert III
 Rick Blackwell
 Vera J. Quaite
 Ralph G. Hellmich

Abstain:

Nays: None

The Council President declared the motion unanimously carried.

After said resolution had been discussed and considered in full by the Council, it was moved by Councilmember _____ that said resolution be now placed upon its final passage and adopted. The motion was seconded by Councilmember _____. The question being put as to the adoption of said motion and the final passage and adoption of said resolution, the roll was called with the following results:

Ayes: J. Wayne Trawick
 Charles J. Ebert III
 Rick Blackwell
 Vera J. Quaite
 Ralph G. Hellmich

Abstain:

Nays: None

The Council President thereupon declared said motion carried and the resolution passed and adopted as introduced and read.

* * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

Approval of Minutes:

Each of the undersigned does hereby approve, and waive notice of, the date, time, place and purpose of the meeting of the Foley City Council recorded in the above and foregoing minutes thereof and does hereby approve the form and content of the above and foregoing minutes and resolution therein.

Council President

Member of Council

Member of Council

Member of Council

Member of Council

S E A L

Attest: _____
City Clerk

STATE OF ALABAMA

BALDWIN COUNTY

CERTIFICATE OF CITY CLERK

I, the undersigned, do hereby certify that: (1) I am the duly elected, qualified and acting Clerk of the City of Foley, Alabama (the "City"), (2) as City Clerk of the City I have access to all original records of the City and I am duly authorized to make certified copies of its records on its behalf, (3) the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a special meeting of the City Council of the City duly held on September 5, 2017, the original of which is on file and of record in the minute book of the City Council in my custody, (4) the resolution set forth in such excerpts is a complete, verbatim and compared copy of such resolution as introduced and adopted by the City Council on such date, and (5) said resolution is in full force and effect and has not been repealed, amended or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of the City of Foley, Alabama, and have affixed the official seal of the City, this _____ day of _____, 2017.

Clerk of the City of Foley, Alabama

SEAL