

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

[Approval of Project User Fee Agreement]

[Ganesh Hospitality Group, Inc.]

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 May 7, 2018.

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
 Rick Blackwell
 Charles J. Ebert III
 Vera J. Quaites

Absent: None

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

A RESOLUTION AUTHORIZING A PROJECT USER FEE AGREEMENT BY THE CITY OF FOLEY, ALABAMA AND THE CITY OF FOLEY PUBLIC FACILITIES COOPERATIVE DISTRICT

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:

Section 1. The City and The City of Foley Public Facilities Cooperative District (the "District") have prepared that certain Project User Fee (Hilton Home 2) Agreement to be dated the date of delivery (the "Project User Fee Agreement"), as set forth in Exhibit A hereto, for the purposes referenced therein.

Section 2. The Council does hereby approve, adopt, authorize, direct, ratify and confirm:

(a) the agreements, covenants, and undertakings of the City set forth in the Project User Fee Agreement, and

(b) the terms and provisions of the Project User Fee Agreement, in substantially the form and of substantially the content as set forth in Exhibit A hereto, with such changes thereto (by addition or deletion) as the Mayor shall approve and as shall not increase the amount or the term of the obligations of the City thereunder, which approval shall be conclusively evidenced by execution and delivery of the Project User Fee Agreement as hereinafter provided.

Section 3.

(a) The Mayor is hereby authorized and directed to execute and deliver the Project User Fee Agreement for and on behalf of and in the name of the City. The City Clerk is hereby authorized and directed to affix the official seal of the City to the Project User Fee Agreement and to attest the same.

(b) The Mayor and the officers of the City are each hereby authorized and directed to take all such actions, and execute, deliver and perform all such agreements, documents, instruments, notices, and petitions and proceedings, with respect to the Project User Fee Agreement, as the Mayor and such officers shall determine to be necessary or desirable to carry out the provisions of this resolution or the Project User Fee Agreement or duly and punctually observe and perform all agreements and obligations of the City under the Project User Fee Agreement.

Section 4. All prior actions taken, and agreements, documents or notices executed and delivered, by the Mayor or any officer or member of the Council or other representative of the City, in connection with the agreements, covenants, and undertakings of the City hereby approved, or in connection with the preparation of the Project User Fee Agreement and the terms and provisions thereof, are hereby approved, ratified and confirmed.

Section 5. All ordinances, resolutions, orders, or parts of any thereof, of the Council in conflict, or inconsistent, with any provision of this resolution hereby are, to the extent of such conflict or inconsistency, repealed.

Section 6. This resolution shall take effect immediately.

Exhibit A

Project User Fee Agreement

PROJECT USER FEE (HILTON HOME 2) AGREEMENT

Dated _____, 2018

between

THE CITY OF FOLEY PUBLIC FACILITIES COOPERATIVE DISTRICT

and

CITY OF FOLEY, ALABAMA

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

STATE OF ALABAMA
BALDWIN COUNTY

PROJECT USER FEE (HILTON HOME 2) AGREEMENT

THIS AGREEMENT dated _____, 2018, between **THE CITY OF FOLEY PUBLIC FACILITIES COOPERATIVE DISTRICT**, a public corporation under the laws of the State of Alabama and its successors and assigns (the “District”), and **CITY OF FOLEY, ALABAMA**, a public corporation under the laws of the State of Alabama and its successors and assigns (the “City”).

Recitals

Pursuant to and for the purposes expressed in Chapter 99B of Title 11 of Code of Alabama (1975) (the “Enabling Law”), the District and the City have executed and delivered this Agreement to provide for the use of the Project User Fees (the “Project User Fees”) levied by the District pursuant to the Enabling Law and the Resolution thereof adopted on May 7, 2018 (the “Project User Fee Resolution”).

Agreement

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

ARTICLE 1

Definitions

For all purposes of this Agreement capitalized terms used herein without definition shall have the respective meanings assigned thereto in the Recitals hereto or in the Project User Fee Resolution defined in the Recitals hereto.

ARTICLE 2

Representations; Continuation of Agreements; Consideration

The City and the District hereby represent, warrant and certify as follows:

(a) The City has heretofore expended funds on behalf of the District, with such funds constituting a loan from the City to the District, to pay for the capital improvements which constitute the Project;

(b) (1) The District has heretofore issued the Series 2009 Revenue Bonds and applied the proceeds thereof to reimburse the City for the costs of the Project.

(2) The District has heretofore issued the Series 2016 Revenue Bonds to refund a portion of the Series 2009 Bonds.

(c) Pursuant to the Lease Agreement, as ratified and confirmed by the Special Agreement dated April 28, 2016 by the District, the City and the Trustee:

(1) The District has leased portions of the Project to the City for payments of rent at times and in amounts sufficient to pay the principal of and interest on the Series 2009 Revenue Bonds and Series 2016 Revenue Bonds when due and payable;

(2) The District has contractually agreed, under Section 8.04 thereof, to pay to the City, when and as received, the Project User Fees levied by the District pursuant to resolution of the District adopted July 6, 2009, for use in respect of the obligations of the City under the Lease Agreement as long as the Lease Agreement is in effect.

(d) Since the issuance of the Series 2009 Revenue Bonds and the delivery of the Lease Agreement, the City has advanced funds for the benefit of the District to effect capital improvements to the Project, including without limitation additions to the Project and maintenance and repair of portions of the original Project, as provided in Section 4.03 of the Lease Agreement.

(e) In consideration of the additional financial contributions of the City with respect to the Project and the continuation of the Lease Agreement in effect by the City for the benefit of the District, and to provide certain additional revenues from facilities benefited by the Project for the benefit of the City and the District with respect to the payment of the Series 2009 Revenue Bonds and other amounts advanced by the City, the District and the City have agreed and determined:

(1) to continue in effect:

(i) the levy of the Project User Fees until the Note Maturity Date, and

(ii) the agreements and obligations of the City and the District originally set forth in Section 8.04 of the Lease Agreement, with respect to the use of the Project User Fees, as provided in this Agreement; and

(2) the contractual agreement of the District pursuant to this Agreement to pay the Pledged Project User Fees to the City shall be evidenced by the Note.

(f) The Project constitutes a “project” under, and for purposes of, the Enabling Act.

ARTICLE 3

The Project User Fees

Section 3.01 Pledge of Project User Fees

(a) The District does hereby grant, bargain, sell, convey, assign and transfer to the City, without warranty or recourse, all right, title and interest of the District in and to the Pledged Project User Fees;

(b) The District shall cause all of the proceeds of the Pledged Project User Fees to be delivered and transferred to the City when and as received by the District, for use thereby in respect of reimbursement to the City for the costs of the Project paid thereby and of the obligations of the City under the Lease Agreement as long as the same is in effect;

(c) The District shall not, without the prior written consent of the City, sell, transfer or convey the Pledged Project User Fees or any portion thereof or create or incur, or permit or suffer to be created or incurred, any mortgage, lien, or encumbrance upon the Pledged Project User Fees or the Project User Fee Fund or any part thereof.

(d) The District makes no warranty or representation, and gives no assurance, that the Pledged Project User Fees shall be collected in any amount or that the amounts thereof collected shall be sufficient for any purpose or use of the City with respect thereto.

Section 3.02 Collection of Project User Fees

(a) Pursuant to Section 5(c) of the Project User Fee Resolution, the District hereby appoints and engages the City to collect the Project User Fees for and on behalf of the District and agrees the City may charge a collection fee in the amount of one percent (1.00%) of the gross amount of Project User Fees collected for each calendar month, which collection fee shall be payable solely from the Project User Fees.

(b) The City hereby agrees to collect, hold, invest and apply the Pledged Project User Fees for the benefit of the District as provided in the Project User Fee Resolution and herein.

(c) The City hereby agrees to hold the Project User Fee Fund for the District as provided in the Project User Fee Resolution.

Section 3.03 Use of Project User Fees

The District shall apply all amounts in the Project User Fee Fund solely to the payment of the principal of the Note when and as the same becomes due and payable.

Section 3.04 Contractual Agreement of District under Enabling Law

The District covenants and agrees the conveyance by the District of the Pledged Project User Fees to the City, as provided herein and in the Project User Fee Resolution, and as evidenced by the Note, shall constitute a contractual agreement of the District for purposes of Section 11-99B-11(4) of the Code of Alabama 1975.

ARTICLE 4

Termination

To provide for the continued collection of Project User Fees by the City under Section 3.02, this Agreement shall continue in force and effect until, and shall terminate on, the Note Maturity Date.

ARTICLE 5

Provisions of General Application

Section 5.01 Execution Counterparts

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.02 Binding Effect; Governing Law

(a) This Agreement shall inure to the benefit of, and shall be binding upon, the District, the City and their respective successors and assigns.

(b) This Agreement shall be governed exclusively by the applicable laws of the State of Alabama without regard to conflict of law principles.

Section 5.03 Enforceability

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

IN WITNESS WHEREOF, the District and the City have each caused this Agreement to be executed, sealed and attested in its name by officers thereof duly authorized thereunto and to be dated the date and year first above written.

**THE CITY OF FOLEY PUBLIC FACILITIES
COOPERATIVE DISTRICT**

By _____
Its Chair

S E A L

Attest: _____
Its Secretary

CITY OF FOLEY, ALABAMA

By _____
Its Mayor

S E A L

Attest: _____
Its: Administrator/City Clerk

Duly passed and adopted this 7th day of May, 2018.

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

SEAL

Attest: _____
City Clerk

Transmitted to and approved by the Mayor this 7th day of May, 2018.

Mayor of the City of Foley, Alabama

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
 Ralph G. Hellmich
 Rick Blackwell
 Charles J. Ebert III
 Vera J. Quaites

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.

President 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 May 7, 2018, 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 _____, 2018.

Clerk of the City of Foley, Alabama

S E A L