



RIVIERA UTILITIES

413 E. LAUREL AVE. • P.O. DRAWER 2050 • FOLEY, AL 36536
PHONE (251) 943-5001 • FAX (251) 943-5275

June 30, 2015

Ms. Judy Sullivan, Manager
Orange Beach Water, Sewer and Fire Protection Authority
25097 Canal Road
Orange Beach, AL 36561

Re: Well Site Exchange Letter of Intent

Dear Ms. Sullivan:

Attached, please find three original copies of a letter of intent that allows for the due diligence of evaluating three suitable well sites within the Graham Creek Preserve property, owned by the City of Foley, to determine the availability of ground water resources that, if sufficient to Orange Beach Water, Sewer and Fire Protection Authority, will be exchanged for the property owned by Orange Beach Water, Sewer and Fire Protection Authority known as the Orth property. The exchange will allow for the City of Foley to assign easements rights for the three referenced well sites with appropriate access and utility corridors to Orange Beach Water, and Orange Beach Water deeding the referenced Orth Property to Riviera Utilities.

Please review the Letter of Intent at your convenience. If agreeable, please execute the Orange Beach Water portion of the agreement and return two copies to me for our records. Retain one copy for your records. Once the agreement is fully executed, Riviera Utilities will proceed with evaluating three sites for potential wells with an exploratory boring to a depth of 500', an electric log of the boring and a 4" screened well for testing purposes. Orange Beach Water will evaluate the potential water quantity and water quality of each site for potable water supply.

The Letter of Intent will be the basis for the exchange of properties once the evaluation is complete and parties are satisfied with the results of the evaluation. On behalf of Riviera Utilities and the City of Foley, I want to thank you for your time and effort in working on this opportunity to locate future water resources for both utilities. I have attached the locations for the well sites involved in this evaluation for your use.

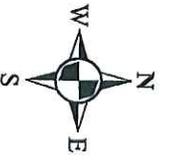
If you have any questions or comments, please be in touch.

Yours Very Truly,

Thomas L. DeBell
General Manager

cc: Michael Thompson, Administrator – City of Foley

Habitats of GCNP



Legend

 Park Property

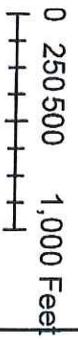
 Open Turfgrass

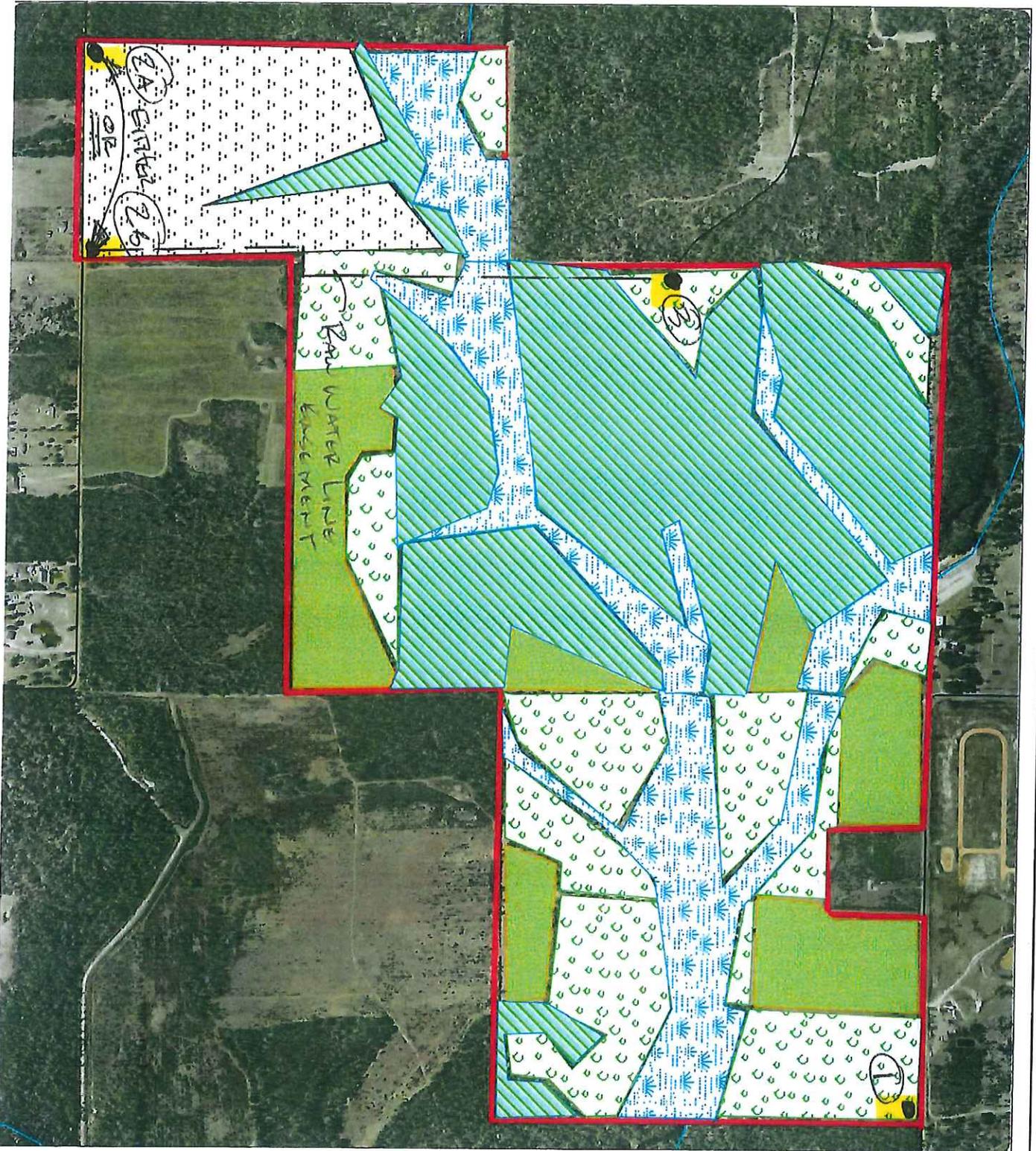
 Mixed Forest

 Bottomland Forest

 Pine Savanna

 Old Field Succession

0 250 500 1,000 Feet




June 30, 2015

Orange Beach Water, Sewer and Fire Protection Authority
Attn.: Ms. Judy Sullivan
25097 Canal Road
Orange Beach, AL 36561

Re: Exchanges of Property Interests for Water Well Sites

Dear Ms. Sullivan:

This letter contains some of the proposed basic terms for a possible future property swap involving Riviera Utilities, the City of Foley, and Orange Beach Water & Sewer. The mutual desire of all three parties at this time is to first evaluate and make an informed decision about the proposed transaction based on a shared common understanding.

Orange Beach Water & Sewer and Riviera Utilities are both, *inter alia*, water utility companies. Orange Beach Water & Sewer owns a parcel of land in the City of Foley described on Exhibit A that is a suitable site for a water well, but this land is not near its current water transmission infrastructure but rather is closer to Riviera Utilities' water transmission infrastructure. The Orange Beach Water & Sewer water transmission infrastructure is closer to the Graham Creek Preserve owned by the City of Foley. If three (3) adequate well sites can be identified in the Graham Creek Preserve that would be suitable for Orange Beach Water & Sewer's use and acceptable to the City of Foley, then the parties are contemplating a swap of property interests. This swap would avoid unnecessary duplication of water transmission infrastructure and benefit the City of Foley, Riviera Utilities, and Orange Beach Water & Sewer and their residents and customers. To work towards this end, the parties will work together to identify locations on the Graham Creek Preserve that are suitable to Orange Beach Water & Sewer and to the City of Foley for water well sites and water transmission routes to connect the well sites to Orange Beach Water & Sewer's existing infrastructure. Riviera Utilities will provide the test holes and e-logs at each proposed site to a depth of five hundred feet (500'). Orange Beach Water & Sewer will arrange for a pump test and any water quality analysis and other due diligence it desires. If, following these steps, the parties are amenable to going forward with the proposed transaction, then the following will occur:

1. Property to be Conveyed by Orange Beach Water & Sewer. Orange Beach Water & Sewer will convey to Riviera Utilities, by general warranty deed, clear and marketable title to the property described on Exhibit "A" free and clear of all encumbrances, liens, leases, licenses, or security interests.

2. Property Rights to be Conveyed by City of Foley. The City of Foley will convey to Orange Beach Water & Sewer, by easement, license, and/or *profit a prendre*, sufficient property rights to construct, operate and maintain three (3) water well sites in the Graham Creek Preserve at mutually agreeable locations, together with sufficient rights to construct, operate, and

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maintain raw water transmission facilities to connect said well sites to Orange Beach Water & Sewer's existing water transmission infrastructure. All such well sites will be subject to the City of Foley's site plan review and approval of the well facilities, fencing, lighting, noise, landscaping, and aesthetics.

3. Purchase Price. The purchase price will be TEN DOLLARS (\$10.00) that Riviera Utilities will pay Orange Beach Water and Sewer.

4. Closing. The parties hope to hold a simultaneous closing of this proposed transaction within thirty (30) days after expiration of the due diligence period and formal approval by each party.

5. Fees and Expenses. Whether or not the transaction contemplated by this Letter of Intent is consummated, and except as expressly provided otherwise in this Letter of Intent, each of the parties shall pay all fees and expenses incurred by it, including the fees of its respective counsel, attorneys, accountants, bankers and other professionals and experts instant to the negotiation and preparation of this Letter of Intent, the Purchase Agreement, and any ancillary agreements, in the consummation of the transaction contemplated by this Letter of Intent.

6. Letter of Intent. This Letter of Intent will serve as a basis to proceed with the due diligence of the parties regarding the matters addressed herein. This Letter of Intent does not create any legal rights or obligations between the parties, the parties intending that all legal and other rights and obligations between them will come into existence only if a Purchase Agreement evidencing a formal agreement is signed and delivered. Any party may terminate this Letter of Intent at any time. This Letter of Intent does not state all essential terms and conditions of the proposed transaction.

7. Counterparts. This Letter of Intent may be executed in three (3) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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If you are in agreement with the foregoing terms, please sign the acknowledgment below and return a copy to the undersigned.

We look forward to hearing from you at your earliest convenience.

Yours very truly,

Riviera Utilities



By: THOMAS L. DEBELL

Its: GENERAL MANAGER & CEO

City of Foley

By: _____

Its: _____

ACKNOWLEDGMENT:

Agreed to and accepted this 16th
day of July, 2015.

Orange Beach Water & Sewer



By: L.P. Williamson

Its: Chairman

EXHIBIT

A

STATE OF ALABAMA)
 :
COUNTY OF BALDWIN)

BALDWIN COUNTY, ALABAMA
JUDGE ADRIAN T. JOHNS
Filed/cert. 6/24/2009 12:41 PM
TOTAL \$ 28.00
6 Pages

1184479



THIS INSTRUMENT PREPARED BY:	PROPERTY OWNER AND MAIL BILLS TO:
William C. Byrd, II, Esq. Bradley Arant Boult LLP 1819 Fifth Avenue North Birmingham, Alabama 35203	The Orange Beach Water, Sewer and Fire Protection Authority P. O. Box 247 Orange Beach, Alabama 36561

CORRECTIVE SPECIAL WARRANTY DEED

THIS CORRECTIVE SPECIAL WARRANTY DEED is made effective as of the 29th day of April, 2006 by **Roger Orth and Ruth Orth** (referred to herein collectively as the "Grantor"), in favor of **The Orange Beach Water, Sewer and Fire Protection Authority**, at P.O. Box 247, Orange Beach, Alabama 36561 (referred to herein as the "Grantee"). THIS CORRECTIVE SPECIAL WARRANTY DEED corrects the Special Warranty Deed dated December 29, 2005 and recorded at Instrument Number 1164644 in the Baldwin County, Judge of Probate Office on February 26, 2009, which was recorded without Exhibit A legal description attached.

WITNESSETH:

THAT, in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash in hand paid, the receipt and legal sufficiency of which are hereby irrevocably acknowledged, Grantor hereby conveys, transfers, and specially warrants as a gift unto Grantee and Grantee's successors and assigns, the real property located in Baldwin County, Alabama more particularly described on Exhibit A attached hereto and incorporated by reference (the "Real Property").

The Real Property is conveyed subject to, and there is excepted from the warranty of this conveyance, taxes for 2006 and for subsequent years, those certain liens, encumbrances, easements, restrictions, exceptions, and all other matters of record (the "Permitted Exceptions").

Grantor represents that the Real Property is not the homestead of Grantor.

TOGETHER WITH any and all rights, privileges, easements, improvements and appurtenances to the same belonging.

TO HAVE AND TO HOLD the Real Property, along with all of the hereditaments, appurtenances, buildings (if any) and other improvements (if any) on the Real Property and in and to all other estates, easements and interests that appertain to or run with the Real Property over to Grantees, their successors and assigns.

Grantor warrants and covenants with the Grantee that Grantor has full power and authority to make this conveyance pursuant to this Special Warranty Deed and that Grantor shall forever

warrant and defend title to the Property against the lawful claims of all persons claiming by, through or under the Grantor, but not otherwise.

IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed on the 11th day of June, 2009, but is effective as of the first day written above.

GRANTOR:

Roger Orth
Roger Orth

Ruth Orth
Ruth Orth

STATE OF FLORIDA)
Escambia COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Roger Orth, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 11th day of June, 2009.



GEORGIA M. SMITH
Notary Public • State of Florida
My Comm. Expires 9/25/2009
DD475334
1-800-277-BOND Old Republic Surety Co.

Georgia M. Smith
Notary Public

[NOTARIAL SEAL]

My commission expires: 9/25/2009

STATE OF FLORIDA)
Escambia COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Ruth Orth, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 11th day of June, 2009.



GEORGIA M. SMITH
Notary Public • State of Florida
My Comm. Expires 9/25/2009
DD475334
1-800-277-BOND Old Republic Surety Co.

Georgia M. Smith
Notary Public

[NOTARIAL SEAL]

My commission expires: 9/25/2009

EXHIBIT A

LEGAL DESCRIPTION

THAT CERTAIN PARCEL of real property situate in the Northeast Quarter of the Northeast Quarter of Section 7, Township 8 South, Range 4 East, St. Stephens Meridian in Baldwin County, Alabama; said parcel more particularly described as follows:

COMMENCING at the Northeast corner of said Section 7 as monumented by a railroad spike found in the center of the intersection of Hickory Lane and County Road 20;

THENCE South 00 Degrees 04 Minutes 09 Seconds West, along the East line of said Section 7 a distance of 1329.00 feet to a point in the center of Hickory Lane;

THENCE North 89 Degrees 55 Minutes 52 Seconds West, along the South line of the Northeast Quarter of the Northeast Quarter of said Section 7, a distance of 1334.53 feet to the Southwest corner of the Northeast Quarter of the Northeast Quarter of said Section 7; said point monumented by a #3 rebar;

THENCE North 00 Degrees 04 Minutes 56 Seconds East, along the West line of the Northeast Quarter of the Northeast Quarter of said Section 7, a distance of 30.00 feet to the **POINT OF BEGINNING**; said point monumented by a capped rebar set by Gregory C. Spies, Surveyor;

THENCE continuing along said West line North 00 Degrees 04 Minutes 56 Seconds East, a distance of 240.00 feet to a point monumented by a capped rebar set by Gregory C. Spies, Surveyor;

THENCE South 89 Degrees 55 Minutes 52 Seconds East, a distance of 240.00 feet to a point monumented by a capped rebar set by Gregory C. Spies, Surveyor;

THENCE South 00 Degrees 04 Minutes 56 Seconds West, a distance of 240.00 feet to a point monumented by a capped rebar set by Gregory C. Spies, Surveyor;

THENCE North 89 Degrees 55 Minutes 52 Seconds West, a distance of 240.00 feet to the **POINT OF BEGINNING**.

SAID PARCEL CONTAINING 1.32 acres, more or less.

TOGETHER WITH a 30 foot wide non-exclusive ingress/egress easement appurtenant to and augmenting the above described parcel of real property; said easement more particularly described as follows:

COMMENCING at the Northeast corner of said Section 7 as monumented by a railroad spike found in the center of the intersection of Hickory Lane and County Road 20;

THENCE South 00 Degrees 04 Minutes 09 Seconds West, along the section line a distance of 1329.00 feet to a point in the center of Hickory Lane;

THENCE North 89 Degrees 55 Minutes 52 Seconds West, along the South line of the Northeast Quarter of the Northeast Quarter of said Section 7, a distance of 30.60 feet, more or less, to the POINT OF BEGINNING; said point located on the West Right of Way line of Hickory Lane; said point monumented by a #5 rebar;

THENCE continuing along the said South line North 89 Degrees 55 Minutes 52 Seconds West a distance of 1303.93 feet to a point monumented by a #3 rebar; said point being the Southwest corner of the Northeast Quarter of the Northeast Quarter of said Section 7;

THENCE North 00 Degrees 04 Minutes 56 Seconds East, along the West line of the Northeast Quarter of the Northeast Quarter of said Section 7 a distance of 30.00 feet to a point monumented by a capped rebar set by Gregory C. Spies, Surveyor;

THENCE South 89 Degrees 55 Minutes 52 Seconds East, a distance of 1303.92 feet, more or less, to a point; said point located on the West Right of Way line of Hickory Lane;

THENCE South 00 Degrees 04 Minutes 09 Seconds West, along said Right of Way line a distance of 30.00 feet to the POINT OF BEGINNING.

SAID EASEMENT CONTAINING 0.90 acres, more or less;

RESERVING to the Grantor any and all rights appurtenant to or attached to the real property encompassed by the above described easement, including but not limited to the right to expand the width

of or to alter the geometry of the said easement and /or any portion of said easement for any purpose(s) deemed necessary by the said Grantor so long as any changes to said easement by said Grantor do not infringe upon or prohibit the right of ingress and egress to the above described parcel.