



February 12, 2014

Honorable Mayor John E. Koniar
City of Foley
407 East Laurel Avenue
PO Box 1750
Foley, Alabama 36536

Re: McKenzie Village LLC Project Financing

Mayor Koniar:

Based on the audited financial statements and other information submitted by the City of Foley (Foley), Centennial Bank (Bank) has approved and is pleased to extend to you the following commitment (Commitment) under the terms and conditions listed below:

A. GENERAL TERMS:

1. Borrower: The City of Foley.
2. Loan: A \$1,200,000 non-revolving line of credit/term loan.
3. Purpose: Payment to Burton Property Group LLC (Burton) for a portion of the costs related to the McKenzie Village Public Infrastructure.
4. Interest Rate: A 3.60% fixed rate for 84 months.
5. Origination Fee: A \$600 fee earned at acceptance of Commitment.
6. Maturity: Non revolving line of credit maturing 84 months from date of closing.
7. Repayment: Payments of interest only for twelve (12) months on the disbursed outstanding balance and thereafter, seventy one (71) monthly payments of principal and interest with one (1) final payment at maturity of all remaining principal, interest and other charges then due. Payments shall begin one month following closing and continue on the like day of each month thereafter. The principal and interest payments shall be fixed based on an amount necessary to amortize the outstanding principal balance over a period of 120 months. At maturity, a final installment of all unpaid principal plus accrued unpaid interest shall be due and payable.

- B. SECURITY:** The Loan will be unsecured.
- C. DOCUMENTATION:** The documentation to be executed in connection with the loan shall be prepared or approved by the Bank and/or counsel, shall contain such terms and conditions as the Bank deems necessary or desirable, and shall include, without limitation, a Promissory Note, a Loan Agreement and any other documents deemed appropriate by the Bank or counsel. The cost of the preparation of all documents shall be paid by the Borrower whether or not the Loan closes.
- D. FINANCIAL INFORMATION:** Bank shall annually be provided with Audited Tax Returns and Bond Ratings for the City of Foley. Borrower agrees to maintain a bond rating of "BBB" by Standard & Poor's or "BAA" by Moody's bond rating services. A bond rating below these minimums would constitute an Event of Default.
- E. MISCELLANEOUS:** City of Foley understand that the Bank's issuance of this Commitment is based on the accuracy of representations, statements, and all exhibits or other matter submitted to the Bank, and that the Bank shall have the option to terminate its Commitment by written notice if there has been any misrepresentation or misstatement or any error in the factual data, or if, prior to disbursement of Bank funds (i) there has been a material adverse change in the state of facts indicated therein, or (ii) the Borrower has become insolvent or bankrupt.

Centennial Bank wishes to thank the City of Foley for the opportunity to issue this Commitment. If the aforementioned conditions are acceptable, please sign and date in the appropriate space below and return to the undersigned. Unless accepted within 15 days, this Commitment will be null and void. If this Commitment is accepted, it will remain open for 60 days after the acceptance date, at which time it will be null and void if the Loan is not closed.

Sincerely,



Lyndsay Job
SVP & Commercial Banking Manager

Agreed and accepted this _____ day of _____, 20____.

City of Foley.

By: _____
Honorable John E. Koniar
Mayor