RESOLUTION

WHEREAS, contingent upon the approval of the Attorney of the City of Foley, Alabama and subject to all applicable laws of the State of Alabama, the City Council has approved an Energy Services Contract dated as of October 15th, 2012, by and between the City of Foley, Alabama and Schneider Electric Buildings Americas, Inc., for the purpose of implementing comprehensive energy conservation improvements in City facilities through an Energy Performance Contract;

WHEREAS, the City of Foley, Alabama desires to find the best possible financing solution to fund these energy conservation improvements;

WHEREAS, the City of Foley, Alabama has made aware of the availability and desires to utilize the Qualified Energy Conservation Bonds to fund the conservation improvements;

WHEREAS, the QECB application process set forth by the State of Alabama requires that the City of Foley, Alabama authorize the appropriate officer to file a Request for Allocation of QECBs.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF FOLEY, ALABAMA:

That the City Council authorizes Mr. John Konair, Mayor, to file a Request for Allocation for Qualified Energy Conservation Bonds to the Energy Bond Allocation Committee of the State of Alabama and hereby ratifies, confirms and approves any action heretofore taken by said Mayor with respect to filing, prior to the date hereof, of such a Request with such Committee.

PASSED AND APPROVED by the City of Foley, Alabama in a meeting held on October 15th, 2012.

Signature: ______________________________

Mr. John Koniar, Mayor, City of Foley

QUALIFIED ENERGY CONSERVATION BOND (QECB) REQUEST FOR ALLOCATION

Attn: Energy Bond Allocation Committee
c/o Kathy Hornsby
Energy Division
Alabama Department of Economic & Community Affairs
334-242-5284
kathy.hornsby@adeca.alabama.gov

Hand/Overnight Delivery
401 Adams Avenue
Suite 560
Montgomery, Alabama 36104

US Mail
Post Office Box 5690
Montgomery, Alabama 36103-5690

1. Name of governmental entity requesting allocation: City of Foley, Alabama(the "Unit")
2. This project is:
   a. ☒A government project
   b. ☐A private activity
   c. Amount of QECB allocation requested: $3,100,000 total

3. Detailed Description of the project to be financed with Qualified Energy Conservation Bonds, as applicable (the "Project"): The project to be financed will include extensive capital facility upgrades that will be implemented through the Energy Savings Performance Contracting method. A comprehensive interior and exterior lighting retrofit will be implemented, bringing all lighting up to date and eliminating lighting equipment that will become obsolete soon. We will be moving to many areas of LED lighting including decorative street, parking lot and park lighting as well as Foley Municipal Airport security LED lighting. Significant energy savings will be achieved through the lighting improvements as well. Vendmisers will be installed on the vending machines around the City of Foley. Most lighting will be controlled through occupancy sensors, day lighting control, or timers with photocells attached. A fully integrated building automation system (BAS) will be installed in all city buildings to provide centralized control over HVAC and energy mangaement. The BAS will increase building comfort, generate substantial energy savings, and drastically reduce long-term maintenance costs. Programmable thermostats will be installed at the maintenance shop, to provide energy savings in a cost effective manner. The existing, outdated and conglomeration of HVAC systems at City Hall will be removed and replaced with a multizone variable HVAC system with a separate DOAS system that will pretreat the hot humid air in South Alabama. The Justice center will receive proper ventalation in the food service in addition to a minisplit to supplement the exhaust air lost in that area. The existing, outdated units at the Chamber Building will be replaced with high SEER packaged units and properly sized ventalation fans for that building. The Community Development Building will receive a major reducting and code compliance retrofit of the HVAC distribution system. Plumbing fixtures will be replaced citywide to reduce the amount of water

consumed from sinks, faucets, water closets and urinals. A smart irragation system will be implemented across the City to automate and control water usage and work orders from irrigation, This system will be tied into a weather GPS system that will reduce unnessasary watering and landscape loss. An irrigation well will be dug at the Soccer field comlex to eliminate City water usage and Max Griffin Pool will have an onsite chemical generation installed to avoid the transportation, cost, and use of hazardous pool chemicals at that facility. The Chamber Building will be receiving a rainwater collection system to supplement the City flowerbeds at the corner of HWY 59 in front of the building. The City will be expanding their existing VoIP communication network through this project when tying buildings together through fiber and building automation. A solar system will be installed on the City Hall roof tying in 40 panels to City kiosks at the Library and the Chamber Building. Solar panels, installed on a roof will be connected to a real-time dashboard that can be viewed by citizens on the City kiosks in addition to project information and performance. Schneider Electric has designed and wil install these upgrades and also be providing a energy savings guarantee to the Unit so that all costs incurred by the implementation of this project will be covered by savings. The ESCO estimates a 26% energy unit reduction across the facilities that are included in this Project and an overall 32% cost reduction to the City. If you would like further information on this Project, we will be happy to provide a copy of the report that was provided by the ESCO to the Unit.

4. Under which "qualified conservation purpose" described in 26 USCS § 54D and IRS Notice 2009-29 does the Project qualify? (NOTE: Pursuant to 26 USCS § 54D (f) (2), only capital expenditures are eligible qualified conservation purposes for private activity bonds.) Capital expenditures incurred for the purposes of reducing energy consumption of publicly-owned buildings by at least 20% utilitizing green building technology.

5. Location of Project (City or Town and County): Foley, Alabama, located in Baldwin County, Alabama.

6. Name, address, phone number, and tax ID number of the proposed issuer and, if for the purpose of private activity, private borrower or developer, as applicable. City of Foley, Alabama Address: 407 East Laurel Avenue, Foley, AL 36536 Phone: (251) 943-1545 Tax ID: 63-6001263

7. Name, address, phone number and email address of the bond counsel who is representing the borrower. Heyward Hosch at Maynard , Cooper, & Gail address : Birmingham 1906 Sixth Avenue North 2400 Regions Harbert Plaza Birmingham, Al. 35203-2614 205-254-1855 hhosch@maynardcooper.com

8. What public benefit or purpose would be accomplished by this project?
This Project will serve the public by generating a dramatic reduction in city expenditures through energy

efficiency, water savings, and operation/maintanence savings. The citizens will experience a greater quality of life and increased property values do to the new improvements made across the City of Foley. Furthermore, the Unit will be able to make extensive and much-needed capital upgrades to the Unit's facilities. As a result of this Project, the Unit will have more comfortable, more energy efficient, and safer City with no additional tax burden on the people served by the Unit.

9. What are the energy conservation benefits of the project to the particular community, the county or the state?

   The energy conservation benefits of this Project are extensive. The Unit stands to save approximately 26% in energy reductions and 32% cost reductions from this Project and use those funds in a much more effective manner. The Unit will also be extending the useful life of its lighting and HVAC mechanical equipment by running the equipment more effectively and efficiently, generating operational and maintenance cost reductions well into the future. The entire area will benefit from reuced water consumption through smart irragation and the irragation well at the CIty Soccer fields. The automation and communication systems will make the city operations much more efficient reducing the amount of fossil fuels consumed by city employees and citizens. Also, two renewable energy items will be installed, a 40 solar panel system at City Hall and a Rainwater Harvesting System at the Chamber Building.

10. Describe the extent to which this project will result in energy savings and the criteria you used to estimate the savings.

    This project is guaranteed to save the Unit over $4.3 Million over 20 years. To generate this savings number, the Unit enlisted the ESCO to gather utility information on the Unit's facilities for the past two years. Therefore, energy savings were generated using the actual data from the Unit's utility bills to ensure accuracy. After the energy conservation measures were determined, the ESCO modeled the energy usage of the Unit's facilities using proprietary models and models provided by the US Department of Energy. The energy savings were then presented to the Unit in the form of a guarantee over 20 years (or greater, if necessary).

11. What is the project's expected life?

    The project's expected life is at least 20 years, with all of the equipment installed falling within this time period, at a minimum. Heavier equipment (HVAC, water fixtures, wells, automation and communication backbone, LED lighting systems) to be installed in this Project have an expected life of at least 20-25 years with proper maintenance.

12. What is the project's budget? How much has been spent to date?

    The budget for the project is $3,100,000. No money within the project budget has been spent to date by the City.

13. If the Unit does not receive a QECB allocation, what is the likelihood of this project being done?

If the Unit does not receive a QECB allocation, the Unit may need to reduce needed parts of the scope within the Project in order to meet the Unit's financing goals.

14. In addition, the Unit is invited to provide additional information for consideration by the Energy Bond Allocation Committee (the "Committee") pursuant to any applicable guidelines or rules as it deems appropriate in order to support a finding by the Committee that the proposed project meets some or all of the factors to be considered by the Committee in reallocating Qualified Energy Conservation Bond allocation. The factors the Committee may currently consider include some or all of the following:
    (a) The ability of the State to ensure that at least 70 percent of the State's allocation is used for government projects, and no more than 30 percent for projects considered QECB private activity bonds under IRS rules, regulations and guidelines;
    (b) The extent to which the project constitutes an eligible conservation purpose under 26 U.S.C.S. § 54D and all relevant implementing notices provided by the IRS (including IRS Notice 2009-29), as may be modified, amended or supplemented;
    (c) The extent to which the project demonstrates the potential to directly conserve energy;
    (d) The extent to which the project supports the development or implementation of innovative energy conservation technology;
    (e) The extent to which the project uses renewable resources to produce energy;
    (f) The number of citizens benefiting from the project;
    (g) The estimated number of jobs to be produced by the projects (for private activity allocations) and the amount of QECB authority per job produced;
    (h) The readiness of the project to proceed;
    (i) The certainty of the issuer using the allocation within the estimated timelines;
    (j) The amount of other public and private funding leveraged by the QECB allocation;
    (k) The amount of local community support for the project;
    (l) The best interests of the State of Alabama with regard to economic development, energy conservation, green initiatives and the general prosperity of the State;
    (m) Whether the unit of local government is in competition with another state for project benefits such as jobs and tax base;
    (n) Whether the availability of the allocation is a crucial part of attracting a new company or keeping an existing company in place;
    (o) Whether the requested allocation will benefit a project for which an eligible issuer is already issuing QECBs;
    (p) The ability of the unit of local government or company benefiting from the QECB to obtain financing and close the issue in a timely manner, including demonstration of a commitment from a bank or other financial institution to purchase or underwrite the QECBs;
    (q) The total amount of capacity available to the Committee for allocation.

    The entire allocation will be used for a government project that will exceed the minimum energy savings requirement of 20% by over 6%. Through the implementation of innovative, green technologies, this project will achieve tremendous energy savings and offer unique solutions to serve as an example on a major tourism route in Alabama, specifically with renewable energy features. This project will be ready for construction immediately and the savings will begin immediately. A comprehensive communication strategy will be deployed once the project begins construction, to help communicate these environmental acheivements to the citizens, staff and local community. This project is in all the best interests of the State of Alabama regarding economic development, energy conservation, green initiatives and general prosperity of the State.

14. In addition, the Unit is invited to provide additional information for consideration by the Energy Bond Allocation Committee (the "Committee") pursuant to any applicable guidelines or rules as it deems appropriate in order to support a finding by the Committee that the proposed project meets some or all of the factors to be considered by the Committee in reallocating Qualified Energy Conservation Bond allocation. The factors the Committee may currently consider include some or all of the following:

(a) The ability of the State to ensure that at least 70 percent of the State's allocation is used for government projects, and no more than 30 percent for projects considered QECB private activity bonds under IRS rules, regulations and guidelines; - See Bond Council Letter certifying Government Project

(b) The extent to which the project constitutes an eligible conservation purpose under 26 U.S.C.S. § 54D and all relevant implementing notices provided by the IRS (including IRS Notice 2009-29), as may be modified, amended or supplemented;- See Bond Counsel Letter Certifying Qualification

(c) The extent to which the project demonstrates the potential to directly conserve energy;- The energy conservation benefits of this Project are extensive. The Unit stands to save approximately 26% in energy reductions and 32% cost reductions from this Project and use those funds in a much more effective manner.

(d) The extent to which the project supports the development or implementation of innovative energy conservation technology; - This project serves as the most innovative QECB project to date in the State of Alabama with 2 Sources of Renewable Energy, LED lighting, Smart Irrigation and Total Building Automation and Communication System upgrades.

(e) The extent to which the project uses renewable resources to produce energy; - Solar project at City Hall and Rainwater Harvesting at the Chamber Building.

(f) The number of citizens benefiting from the project; - The City of Foley serves almost 15,000 citizens in addition to million of tourists that benefit from these upgrades within the City of Foley.

(g) The estimated number of jobs to be produced by the projects (for private activity allocations) and the amount of QECB authority per job produced; -The Department of Energy estimates that for every $92,000 of project value, one job is created. For a $3,100,000 allocation the EBAC committee can expect 33 jobs to be created by this project.

(h) The readiness of the project to proceed; -This project is ready to proceed immediately upon financing.

(i) The certainty of the issuer using the allocation within the estimated timelines; - The allocation will be used immediately.

(j) The amount of other public and private funding leveraged by the QECB allocation;- The City is hoping to utilize the Local Governmental Energy Loan Program for $350,000 and the City will then be able to use current and future capital improvement dollars on other items outside of this scope of work.

(k) The amount of local community support for the project;- The City has been looking into this project for over 1 year and has had numerous presentations and discussions about this project at public meetings. The citizens are in full support of doing the very most with taxpayer dollars that the City can.

(l) The best interests of the State of Alabama with regard to economic development, energy conservation, green initiatives and the general prosperity of the State;

(m) Whether the unit of local government is in competition with another state for project benefits such as jobs and tax base;- The City of Foley is not in competition with another state for the benefits on this project.

(n) Whether the availability of the allocation is a crucial part of attracting a new company or keeping an existing company in place;- The allocation is not crucial in attracting or retaining a company, but this project will significantly assist Foley in differentiating itself from other entities in the region for new job growth or job retention.

(o) Whether the requested allocation will benefit a project for which an eligible issuer is already issuing QECBs;- The unit has not issued any QECB projects prior to this request.

(p) The ability of the unit of local government or company benefiting from the QECB to obtain financing and close the issue in a timely manner, including demonstration of a commitment from a bank or other financial institution to purchase or underwrite the QECBs;- The City has already approved a resolution approving the financing to begin with Grant Capital Management. Project will be funded as soon as possible after award.

(q) The total amount of capacity available to the Committee for allocation. – N/A

The entire allocation will be used for a government project that will exceed the minimum energy savings requirement of 20% by over 6%. Through the implementation of innovative, green technologies, this project will achieve tremendous energy savings and offer unique solutions to serve as an example on a major tourism route in Alabama, specifically with renewable energy features. This project will be ready for construction immediately and the savings will begin immediately. A comprehensive communication strategy will be deployed once the project begins construction, to help communicate these environmental achievements to the citizens, staff and local community. This project is in all the best interests of the State of Alabama regarding economic development, energy conservation, green initiatives and general prosperity of the State.

15. The following resolutions or other supporting documents must be attached to this Request for Allocation. These actions of the governing body of the appropriate governmental entity or entities may be evidenced by one or more resolutions.
    A. Inducement resolution, reimbursement resolution or other documentation of the preliminary approval of the project by the issuing entity, in conformity with applicable federal and state law.

    B. Resolution of the requesting governmental entity requesting the allocation authorizing the appropriate officer to file a Request for Reallocation.

    C. A written Letter of Credit or Letter of Commitment for a qualified private placement

    D. A written Opinion of Legal Counsel stating that the proposed project meets QECB eligibility requirements under all applicable laws, rules, regulations and requirements. Such opinion must also confirm whether the proposed use is eligible to be considered a public or private use under QECB regulations.

[Signature Page to Follow]

Any award of QECB allocation to Unit shall not be construed as or relied upon as a statement or decision that any particular project in fact complies with applicable laws, rules, regulations and requirements. To the contrary, by executing this form, Unit hereby certifies (i) that the stated project is legally eligible to be funded by QECB's, and (ii) Unit will ensure compliance with all applicable laws, rules, regulations and requirements with respect to any QECB's issued and shall ensure any relevant reports are timely made. Additionally, Unit hereby releases and agrees to hold completely harmless the Energy Bond Allocation Committee, the Alabama Department of Finance, the Alabama State Treasurer, the Alabama Department of Economic & Community Affairs, the State of Alabama, and any employees of any of the foregoing, from any and all matters relating to any QECB capacity awarded or not awarded to Unit or QECB's issued or not issued.

The undersigned, on behalf of the Unit set forth below, hereby certifies that it is authorized by the Unit to make the request and certifications contained herein on behalf of the Unit.

Name of Unit: City of Foley, Alabama

By: ______________________________

Signature of Authorized Official

Name (please print): John Koniar

Title: Mayor

Address: 407 East Laurel Avenue

Foley, Alabama 36536

Phone Number of Authorized Official: 251-943-1545

Date: 10/15/12

NOTE: A SEPARATE APPLICATION FOR ALLOCATION MUST BE FILED FOR EACH PROJECT FOR WHICH ALLOCATION IS REQUESTED