

RESOLUTION NO. 20-__

WHEREAS, in 2014, Remington Arms Company, LLC, a Delaware limited liability company ("Remington Arms") announced its decision to relocate its headquarters and primary arms manufacturing operations from the State of New York, and undertook to accept proposals from cities and states throughout the nation as the new location for such operations (the "Project"); and

WHEREAS, the City of Huntsville (the "City"), along with The Industrial Development Board of the City of Huntsville (the "IDB"), Madison County (the "County"), and various other local governmental entities, developed a package of local incentives (the "Incentives") that caused Remington Arms to select the City as the site for the Project; and

WHEREAS, part of the Incentives provided by the City and the IDB included the transfer and conveyance of 114.9 acres of real property located at 100 Electronics Boulevard within the City (the "Project Site"), together with an approximately 843,715 square foot facility situated thereon and then-known as the "Old Chrysler Building" (together with the Project Site, the "Facility"); and

WHEREAS, the transfer of the Facility to Remington Arms was memorialized in an agreement entitled "Project Development Agreement" made and entered into on February 27, 2014, as thereafter amended (the said agreement, as amended, the "Project Development Agreement"), by and among Remington Arms (as assignee of Remington Outdoor Company, Inc.), the City, the IDB, and the County, under and pursuant to which Remington Arms agreed to invest not less than \$110,900,000 and create up to 2,000 jobs at the Facility, all as more particularly described and set forth in the Project Development Agreement (the "Remington Arms Covenants"); and

WHEREAS, to foster performance of the Remington Arms Covenants, and to secure and protect public funds and assets of the City and the IDB constituting part of their portion of the Incentives, the City required that Remington Arms sign and deliver (i) a promissory note to the City in the stated principal amount of up to \$12,500,000 (the "Note") requiring payment to the City of certain amounts upon failure of Remington Arms to timely satisfy the Remington Arms Covenants, and (ii) a Mortgage and Security Agreement (the "Mortgage") covering the Facility; and

WHEREAS, on July 28, 2020, Remington Outdoor Company, Inc., a Delaware corporation and affiliate of Remington Arms (together with Remington Arms, "Remington"), filed a petition for Chapter 11 restructuring in the United States Bankruptcy Court for the Northern District of Alabama (the "Bankruptcy Court"), and in such filings attributed insufficient financial liquidity, an inability to satisfy covenants owed to its lenders, and operational challenges arising from the COVID-19 pandemic as reasons for the filing; and

WHEREAS, since July 28, 2020, preliminary hearings, status conferences and other proceedings have ensued before the Bankruptcy Court at which the City, as a secured creditor of Remington, has been actively involved; and

WHEREAS, since commencement of the said bankruptcy proceedings, and as the same proceed, it has been and will continue to be necessary that the City protect and secure its rights under the Note and the Mortgage, and secure and foster continued industrial and manufacturing employment within the City and at the Facility, including, without limitation (i) filing pleadings, notices, objections, and claims, and taking other actions in the Bankruptcy Court, (ii) monitoring Remington's ongoing efforts to sell its assets (including the Facility), and taking any necessary or appropriate actions to protect the City's interests in the Facility, including filing objections that might be necessary or appropriate with respect to any proposed sale of the Facility and /or preparing and submitting a bid pursuant to Section 363(k) of the United States Bankruptcy Code to purchase the Facility for a non-cash credit bid price in a maximum amount not to exceed the amount due under the Note and Mortgage (the "Credit Bid"), including the preparation, submission, and execution of a real estate purchase agreement or similar agreement incident to such Credit Bid (a "Credit Bid Real Estate Agreement"), (iii) executing memorandums of understanding, agreements, or other documents or instruments with one or more prospective bidders to purchase the Facility from Remington through Remington's bankruptcy sale process, and (iv) taking, executing and delivering other actions, instruments and agreements recommended by the City Attorney and outside counsel to the City (collectively, "Protective City Measures and Instruments"); and

WHEREAS, the next scheduled action before the Bankruptcy Court is on September 4, 2020, at which parties then interested in purchasing the Facility from Remington may submit bids; and

WHEREAS, due to the short and rapid nature of the bankruptcy process, it may become necessary that certain Protective City Measures and Instruments be taken or executed prior to the time a meeting of the Council may be timely called and held; and

WHEREAS, to enable the City to best protect its funds and assets, as well as employment and growth, incident to and respecting the Facility, the Council deems it necessary, desirable and in the best interest of the City and the public to authorize the taking, submission, negotiation, execution, and delivery of any and all Protective City Measures and Instruments;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City that the Mayor, the City Clerk and the City Attorney be, and each hereby is, authorized to execute, deliver and attest, by and on behalf of the City, and to cause to be submitted and delivered, any and all Protective City Measures and Instruments; and

FURTHER RESOLVED, by the City Council of the City that the Mayor and City Clerk be, and each hereby is, further authorized and directed to execute and deliver, by and on behalf of the City, any notices, certificates, directions, orders, agreements or other instruments necessary or desirable in furtherance of the actions, matters or transactions contemplated by

Protective City Measures and Instruments. All Protective City Measures and Instruments heretofore taken and submitted by the City are hereby ratified and affirmed.

ADOPTED this the 27th day of August, 2020.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 27th day of August, 2020.

Mayor of the City of
Huntsville, Alabama