

RESOLUTION
R 198 - 06 / 07

HISTORICAL SAINT JAMES HOTEL

**TERMINATION OF LEASE AGREEMENT BETWEEN THE
CITY OF SELMA, ALABAMA AND ST. JAMES INVESTORS GROUP, LLC**

WHEREAS, the St. James Investors Group, LLC and the City of Selma, Alabama entered into a ninety-nine (99) year lease agreement for the purpose of leasing, the rehabilitated and renovated St. James Hotel located at 1200 Water Avenue, Selma, Alabama; *and*

WHEREAS, the City of Selma expended a total of \$4,650,000.00 in renovation costs towards the rehabilitation of the historical St. James Hotel and St. James Investors Group, LLC expended approximately \$1,050,000.00 towards the same; *and*

WHEREAS, St. James Investors Group, LLC's managing member Larry D. Striplin presented the City Council of the City of Selma, Alabama a proposal to terminate the aforementioned leasehold via a letter dated May 24, 2007; *and*

WHEREAS St. James Investors Group, LLC, in an effort to terminate the aforementioned lease agreement proposed a mutually acceptable "No Cause/No Fault Termination Agreement". Without causing the City of Selma to absorb any unwarranted pre-termination liability, it proposes the termination of said lease agreement upon both parties mutually accepting the following terms, to wit:

- (a) St. James Investors Group, LLC shall transfer to the City of Selma, any and all personal property and items owned by the St. James Investors Group, LLC for a value that is agreed upon by both parties and taking into account the depreciation of such property and items;
- (b) St. James Investors Group, LLC shall guarantee satisfaction of any and all outstanding leasehold payments, utility bills and/or taxes;
- (c) St. James Investors Group, LLC shall provide any and all accounting and financial records relevant to the hotel including but not limited to disclosure of any and all assets, liabilities and debts;
- (d) St. James Investors Group, LLC shall pledge that there aren't any liens against the hotel; *and*
- (e) St. James Investors Group, LLC shall provide to the City of Selma prepayment receipts and deposits for any and all pending reservations for the St. James Hotel.

WHEREAS, St. James Investors Group, LLC, agrees that upon entering into an agreement to terminate the lease agreement as set forth herein, it shall indemnify and hold harmless the City of Selma, its officers, employees, agents and successors from any and all claims, demands, causes of actions, costs and expenses of any kind whatsoever, resulting from, arising out of or in connection with the lessee, the St. James Investors Group, LLC leasehold interest of the hotel and/or any use, service, employment or occupancy of the hotel, its officers, employees, agents, invites, licensees or guests prior to the termination date of the lease agreement; *and*

WHEREAS, in exchange for the transfer of St. James Investors Group, LLC leasehold interest and all equipment, machinery, supplies and personal items, the City of Selma shall indemnify and hold harmless St. James Investors Group, LLC from any and all claims, demands, causes of actions, costs and expenses of any kind whatsoever, resulting from, arising out of or in connection to the termination of the aforementioned lease and transfer of the leasehold interest and operation of the hotel (and related activities with respect to the hotel) from and after the effective date of the lease termination.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SELMA, ALABAMA THAT:

1. The City Council of the City of Selma, Alabama hereby accepts the proposal by St. James Investors Group, LLC to terminate the lease agreement between the City of Selma and St. James Investors Group, LLC as submitted via a letter dated May 24, 2007 from Larry D. Striplin, managing member of St. James Investors Group, LLC and further agrees to the terms and conditions therein, including entering into a "No Cause/No Fault Termination Agreement"; *and*
2. The City Attorney is hereby directed to compose a "No Cause/No Fault Termination Agreement" which shall include all of the terms and conditions set forth within the preamble of this resolution and taking into consideration the proposal submitted by Larry Striplin dated May 24, 2007.

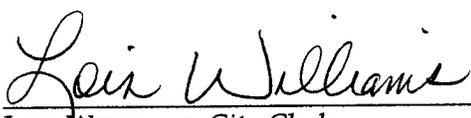
BE IT FURTHER RESOLVED that once the "No Cause/No Fault Termination Agreement" is satisfactory to both parties and mutually agreed upon, Mayor James Perkins, Jr. and the City Clerk Lois Williams are hereby directed to execute and attest any and all documents required and necessary to perfect the termination of the lease agreement. Furthermore, the "No Cause/No Fault Termination Agreement" shall be executed in duplicate, and an original thereof shall be filed in the Office of the City Clerk of the City of Selma, Alabama.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SELMA, ALABAMA,
on this the 11th day of June, 2007.



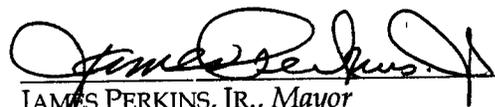
GEORGE P. EVANS, *President*

ATTEST:



LOIS WILLIAMS, *City Clerk*

APPROVED:



JAMES PERKINS, JR., *Mayor*