



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 6/12/2025

File ID: TMP-5602

Department: Legal

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to execute a Ground Lessor's Estoppel Certificate between Hammons of Huntsville, LLC, and the City of Huntsville.

Resolution No.

Finance Information:

Account Number: TBD

City Cost Amount: NA

Total Cost: NA

Special Circumstances:

Grant Funded: NA

Grant Title - CFDA or granting Agency: NA

Resolution #: NA

Location: (list below)

Address: Embassy Suites Hotel

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

RESOLUTION NO. 25 - _____

BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to execute a Ground Lessor's Estoppel Certificate, by and between the City of Huntsville, an Alabama municipal corporation, and Hammons of Huntsville, LLC, a Missouri limited liability company, addressed to Goldman Sachs Bank USA and Wells Fargo Bank, which said document is substantially in words and figures as that certain document attached hereto and identified as "Ground Lessor's Estoppel Certificate by the City of Huntsville and Hammons of Huntsville, LLC," consisting of twelve (12) pages including Exhibit "A" and Exhibit "B" and the date of June 12, 2025, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville, Alabama.

ADOPTED this the 12th day of June, 2025.

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

APPROVED this the 12th day of June, 2025.

Mayor of the City of Huntsville, Alabama

**THIS INSTRUMENT
PREPARED BY AND WHEN
RECORDED, RETURN TO:**

Simpson Thacher & Bartlett LLP
425 Lexington Ave.
New York, NY 10017
Attention: Aron M. Zuckerman, Esq.

GROUND LESSOR'S ESTOPPEL CERTIFICATE

Goldman Sachs Bank USA
2001 Ross Avenue, 30th Floor
Dallas, Texas 75201
Attention: Structured Finance Legal (REFG)

and

Wells Fargo Bank, National Association
c/o Wells Fargo Commercial Mortgage Servicing
401 S. Tryon Street, 8th Floor
Charlotte, North Carolina 28202

RE: Ground Lease (the "Lease"), more particularly described in Exhibit B, currently by and between **HAMMONS OF HUNTSVILLE, LLC**, a Missouri limited liability company, as the tenant thereunder ("Tenant"), and **CITY OF HUNTSVILLE**, an Alabama municipal corporation ("Landlord"), and demising real property in Madison County, Alabama

GOLDMAN SACHS BANK USA, a New York state-chartered bank ("GS"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Wells"; together with GS and their respective successors and assigns, including any subsequent holders of the Loan, collectively, "Lender"), has proposed to make a loan ("Loan") to Tenant. The Loan will be secured by, among other things, Tenant's leasehold estate ("Leasehold Estate") in the real property described on Exhibit A hereto (the "Property"). The Loan will be secured by that certain first priority Leasehold Mortgage, Assignment of Rents and Leases, Collateral Assignment of Property Agreements, Security Agreement and Fixture Filing (the "Security Instrument") executed by Tenant, as borrower for the benefit of (i) Lender encumbering the Leasehold Estate and the improvements located on the premises demised under the Lease, and (ii) **FIRST AMERICAN TITLE INSURANCE COMPANY**, having an address at 200 West Madison Street, Suite 800, Chicago, Illinois 60606 ("Title Company"). For the purpose of providing information to Title Company and Lender and its successors and assigns, with the understanding that they will rely upon the information provided herein, effective as of [____], 2025, the undersigned Landlord certifies and confirms to Lender and Title Company as follows:

1. Landlord is the fee owner of the Property and is the Landlord under the Lease, and there is no mortgage or other liens or encumbrances encumbering Landlord's fee simple title to the Property.

2. A true and complete copy of the Lease and of all amendments and assignments thereto are attached hereto collectively as Exhibit B, and, except as reflected in Exhibit B, the Lease has not been modified or amended in any other respect.

3. The Lease is valid and in full force and effect, and, to Landlord's actual knowledge, there is no existing default by Tenant under the Lease, and Landlord knows of no event which, with notice or the passage of time or both, would constitute a default by Tenant under the Lease.

4. There is no defense, offset, claim or counterclaim by or in favor of Landlord against Tenant under the Lease.

5. There is no suit, action, proceeding or audit pending or, to the actual knowledge of Landlord, threatened against or affecting Landlord or the Property under the Lease at law or in equity or before or by any court, administrative agency, or other governmental authority which brings into question that the validity of the Lease or which, if determined adversely against Landlord, might result in any adverse change to the Leasehold Estate.

6. The only real property presently demised under the Lease is the Property, and, to Landlord's actual knowledge, the only person or entity presently having an interest in the Leasehold Estate as tenant under the Lease is Tenant.

7. The Lease provides for a ninety-nine year term, which commenced on February 16, 2005, and will expire on February 15, 2104. The Lease contains no option to renew or extend the term of the Lease.

8. The rent currently payable by Tenant to Landlord pursuant to the Lease is \$1.00 per year. All rent and other charges due and payable by Tenant under the Lease and that certain Garage Parking Purchase and Sale Agreement With Parking Services Agreement dated as of July 8, 2004 have been fully paid by Tenant, and the next rent payment under the Lease is due on February 16, 2026 in the amount of \$1.00.

9. Landlord acknowledges that neither the execution and delivery of the Security Instrument, nor any modification thereof or assignment of the beneficial interests thereunder, will be a default under the Lease. Landlord hereby acknowledges and consents to the execution, delivery and recording of the Security Instrument, and agrees that neither the execution, delivery, or recording of the Security Instrument, nor the mortgaging of the Leasehold Estate, nor the sale or assignment of the Leasehold Estate through foreclosure or deed in lieu of foreclosure, will cause a default or breach of any covenant under the Lease. Landlord hereby agrees and acknowledges that Landlord and Lender shall be bound by the terms and conditions set forth in Article XIII of the Lease so long as the Leasehold Estate and the Property are subject to the Security Instrument and Lender shall be entitled to the benefits set forth in Article XIII of the Lease in relation to leasehold mortgages.

10. Landlord acknowledges that Lender has requested, and hereby agrees to send, copies of all notices hereafter given by the Landlord to Tenant, and Landlord will send such notices to:

Lender: Goldman Sachs Bank USA
2001 Ross Avenue, 30th Floor
Dallas, Texas 75201
Attention: Structured Finance Legal (REFG)
Email: gs-refglegal@gs.com

and

Goldman Sachs Bank USA
2001 Ross Avenue, 30th Floor
Dallas, Texas 75201
Attention: Servicing Liaison (REFG)
Email: gs-refgservicing@gs.com

and

Wells Fargo Bank, National Association
c/o Wells Fargo Commercial Mortgage Servicing
401 S. Tryon Street, 8th Floor
Charlotte, North Carolina 28202

With a copy to: Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Attention: Aron M. Zuckerman
Email: aron.zuckerman@stblaw.com

or to such other address as Lender may hereafter specify by written notice to Landlord.

11. Landlord acknowledges that, if Lender or any other party succeeds to the interest of Tenant under the Lease as a result of foreclosure proceedings, the granting of a deed in lieu of foreclosure, or through any other means, Lender or any such other party (the "Successor Tenant"), and any transferee of Lender or such other party, shall become a substituted tenant under the Lease without necessity of any consent of, or approval by Landlord. The Successor Tenant shall have the right to effect a one-time transfer or assignment of the Leasehold Estate or portion thereof, without necessity of any consent of, or approval by Landlord.

12. As long as Lender holds any mortgages or deeds of trust on the Leasehold Estate:

(a) Lender shall be entitled to those provisions contained in Section 13.02.

(b) In addition to the rights of lenders set forth in the Lease, if the Lease is terminated by reason of any default by Tenant as provided for in the Lease prior to the expiration of the term thereof, as the same may be renewed or extended, or to the extent the Lease is rejected in bankruptcy by Tenant, Landlord will enter into a new lease ("New Lease") with Lender or its nominee for the remainder of the term which was theretofore terminated or rejected at the same rent and having the same term and other provisions as the Lease (as amended hereby). Such right may be exercised by written notice from Lender to Landlord on or before the expiration of thirty (30) days after the receipt by Lender of written notice from Landlord of such termination or rejection of the Lease, the Lender or its nominee pays to Lessor at the time of the execution and delivery of the New Lease any and all sums due pursuant to the Lease, such Lender or its nominee performs and observes all covenants Lender or its nominee contained on Tenant's part to be performed under the Lease, and executes a New Lease Agreement on the terms and conditions provided in Section 13.02, subsection 5 of the Lease.

After any termination or rejection of the Lease after which Lender has the right to obtain a new lease as provided in this Section, during such thirty (30) day period referenced above, Landlord shall not terminate any subleases or franchise agreements or the rights of any sublessee or franchisor except in the case of a default under any such sublease and in any event subject to the rights under any franchise agreement. During such period Landlord shall receive all rent and other payments due from all sublessees or hotel patrons as agent of the Lender, and shall deposit such amounts in a segregated account in trust for the Lender, and upon execution of a New Lease, shall account to the sublessees and hotel patrons thereunder for such amounts. The collection of such amounts by Landlord under this Section shall not be deemed an acceptance by Landlord for its own account of the attornment of any sublessee unless Landlord shall have agreed in writing with such sublessee that its tenancy shall be continued in the event that a new lease is not entered into pursuant to this Section. In the event a New Lease is so entered into, all sublessees under such subleases shall attorn to the new tenant thereunder.

(c) Landlord acknowledges that, in the event of damage to the improvements on the Property due to casualty, the casualty insurance proceeds may be required by Lender to be applied to reduce the then balance of the Loan or may be required by Lender to be used for, and used by the Tenant for, restoration of the improvements on the Property in accordance with Article X of the Lease. In the event of any conflict between the provisions of the Lease and the provisions of the Security Instrument with respect to application of casualty and condemnation proceeds, the provisions of the Lease shall control.

(d) In the event of a taking by condemnation, or transfer in lieu thereof, of all or any portion of the Property, or any interest therein, as between Landlord and Lender, on a total or partial taking, Landlord shall be entitled to that portion of the award made for or on account of the taking of or injury to the Property; provided, however, that Landlord's share of any condemnation award shall be limited to the value of the land taking into account the fact that the Property is subject to this Lease, exclusive of improvements constructed or caused to be constructed thereon by the Tenant or sublessees, and the balance of any award shall be distributed to Lender, with any remainder for the benefit of the Tenant.

(e) Notwithstanding any provisions of the Lease to the contrary, no default or event of default under the Security Instrument or any other document or instrument evidencing or securing the Loan will, in and of itself, constitute a default or event of default under the Lease.

13. Landlord hereby agrees and acknowledges that its right of first refusal under Section 4.01 of the Lease shall not be exercisable in the event of or in connection with any of the following: (i) a foreclosure and sale or other suit, sale or proceeding under the Security Instrument, (ii) any deed in lieu of foreclosure that may be given to Lender or its designee, (iii) any other taking of title to the Property by Lender or its designee as a result of its exercise of remedies under the Security Instrument and the other related loan documents that evidence or secure the Loan or (iv) to the extent Lender or its designee obtains title to the Property, the immediately succeeding transfer of the Property.

14. There shall be no merger of the Lease or the Leasehold Estate thereunder with the fee estate in the Property by reason of the fact that the Lease or the Leasehold Estate thereunder may be held, directly or indirectly, by or for the account of any entities who hold the fee estate. No such merger shall occur unless all entities having an interest in the fee estate and all entities (including Lender) having an interest in the Lease or the Leasehold Estate thereunder join in a written statement effecting such merger and duly record the same.

15. All improvements required to be constructed under the provisions of the Lease have been completed in accordance with the provisions of the Lease, and within the time periods required under the Lease.

16. This Ground Lessor's Estoppel Certificate ("Agreement") may amended or modified except in a writing signed by both parties.

17. This certification shall inure to the benefit of Lender and Title Company, and their respective successors and assigns, and all parties claiming by, through or under them, including any successor holder of the Loan now or hereafter held by Lender encumbering the Leasehold Estate, and a copy of this Agreement may be delivered to any such party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Dated to be effective as of the date set forth in the first paragraph hereof.

“LANDLORD”:

CITY OF HUNTSVILLE,
an Alabama municipal corporation

By: _____
Tommy Battle, Mayor

Attested to:

By: _____
Shaundrika Edwards, City Clerk

STATE OF ALABAMA

COUNTY OF MADISON

I, the undersigned Notary Public of the aforesaid County and State, certify that Tommy Battle and Shaundrika Edwards, whose names as Mayor and City Clerk, respectively, of CITY OF HUNTSVILLE, an Alabama municipal corporation, are signed to the foregoing certificate, and who are known to me, acknowledged before me on this day, that, being informed of the contents hereof, they, as such officers and with fully authority, executed the foregoing on behalf of the aforementioned municipal corporation as of the day the same bears date.

Witness my hand and official seal on [____], 2025.

Notary Public

My Commission Expires:

[NOTARY SEAL]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –
TENANT'S SIGNATURE ON FOLLOWING PAGE]

“TENANT”:

(for purposes of agreeing and consenting to any amendments to the Ground Lease only)

HAMMONS OF HUNTSVILLE, LLC,
a Missouri limited liability company

By: _____

Name: Won Z. Huang

Title: President

STATE OF ARIZONA)
 : ss.:
COUNTY OF MARICOPA)

On the _____ day of [_____] in the year 2025, before me, the undersigned, personally appeared Won Z. Huang, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Signature and Office of individual taking
acknowledgment

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY COVERED BY LEASE

All that part of Section 1, Township 4 South, Range 1 West of the Huntsville Meridian, Madison County, Alabama and more particularly described as beginning at a point that is located due East 13.55 feet and due North 71.07 feet from the Southwest corner of Block 22, of the Urban Renewal Project as recorded in the Office of the Judge of Probate of Madison County, Alabama in Plat Book 8, Page 22, said point is further described as being on the West margin of the proposed Monroe Street right-of-way;

Thence from the Point of Beginning and along the West margin of said Monroe Street as follows:

Around a curve to the left with a Radius of 264.00 feet, a Chord Bearing and Distance of South 04 degrees 49 minutes 45 seconds West 59.17 feet to a Point of Tangency;

thence South 01 degrees 36 minutes 18 seconds East 49.28 feet to a Point of Curvature;

thence around a curve to the right with a Radius of 208.00 feet, a Chord Bearing and Distance of South 09 degrees 53 minutes 45 seconds West 82.94 feet to a Point of Tangency;

thence South 21 degrees 23 minutes 49 seconds West 255.77 feet to a Point of Curvature;

thence around a curve to the right with a Radius of 478.00 feet, a Chord Bearing and Distance of South 29 degrees 20 minutes 17 seconds West 132.08 feet to a Point of Tangency;

thence South 37 degrees 16 minutes 45 seconds West 56.95 feet to a point;

thence leaving said West margin of Monroe Street South 73 degrees 12 minutes 21 seconds West 91.08 feet to a point;

thence North 77 degrees 58 minutes 18 seconds West 117.14 feet to a point;

thence North 23 degrees 10 minutes 57 seconds West 296.83 feet to a point;

thence North 38 degrees 43 minutes 39 seconds East 45.87 feet to a point;

thence North 52 degrees 53 minutes 37 seconds East 206.54 feet to a point;

thence North 36 degrees 45 minutes 38 seconds West 9.44 feet to a point;

thence North 53 degrees 29 minutes 33 seconds East 126.21 feet to a point;

thence North 37 degrees 40 minutes 41 seconds West 4.36 feet to a point;

thence North 52 degrees 40 minutes 10 seconds East 32.44 feet to a point;
thence South 36 degrees 04 minutes 31 seconds East 12.66 feet to a point; thence
North 53 degrees 55 minutes 39 seconds East 49.78 feet to a point; thence North
56 degrees 34 minutes 55 seconds West 5.20 feet to a point; thence North 32
degrees 31 minutes 36 seconds East 10.53 feet to a point; thence South 57
degrees 05 minutes 19 seconds East 5.41 feet to a point; thence North 32 degrees
54 minutes 41 seconds East 45.98 feet to a point; thence North 77 degrees 25
minutes 36 seconds East 30.15 feet to a point;

thence South 78 degrees 44 minutes 11 seconds East 110.83 feet to the Point of Beginning and
containing 4.58 acres, more or less.

The above described property is subject to easements and rights of way recorded and unrecorded.

EXHIBIT B

DESCRIPTION AND COPIES OF LEASE, AMENDMENTS, AND ASSIGNMENTS

-Ground Lease dated July 8, 2004, between the City of Huntsville and John Q. Hammons Revocable Trust dated December 28, 1989 and John Q. Hammons, individually (collectively, the "Original Tenant"), as ground lessee, recorded at Document Number 20050625000338140 in the office of the Judge of Probate of Madison County, Alabama

-Operating Agreement dated as of July 8, 2004, between the City of Huntsville and John Q. Hammons Revocable Trust dated December 28, 1989 and John Q. Hammons Hotels, L.P., a Delaware limited partnership.

-Assignment of Lease dated June 20, 2005, between Original Tenant and Tenant and approved and agreed by the City of Huntsville, recorded at Document Number 20050705000434110 in the office of the Judge of Probate of Madison County, Alabama

-Amendment to Ground Lease dated September 25, 2008, between the City of Huntsville and Tenant, recorded at Document Number 20081222000774120 in the office of the Judge of Probate of Madison County, Alabama

-Garage Parking Purchase and Sale Agreement with Parking Services Agreement between the City of Huntsville and Original Tenant as modified by Modification No. 1 dated April 14, 2005 between City of Huntsville and Original Tenant and assigned to Tenant

-Ratification and Amendment of Parking Lease dated _____, 2025 between Tenant and the City of Huntsville