



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 11/6/2025

File ID: TMP-6180

Department: Community Development

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to enter into a predevelopment loan agreement by and between the City of Huntsville and Mill Creek Phase 2, LP, a limited partnership formed in the State of Alabama.

Resolution No.

Finance Information:

Account Number: TBD

City Cost Amount: \$1,987,740

Total Cost: \$1,987,740

Special Circumstances:

Grant Funded: N/A

Grant Title - CFDA or granting Agency: N/A

Resolution #: 24-947

Location: (list below)

Address: N/A

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

Additional Comments:

This is a Loan Agreement for the financing and development of phase 2 for the Mill Creek project.

RESOLUTION NO. 25-_____

BE IT RESOLVED by the City Council of Huntsville, Alabama, that the Mayor be, and is hereby authorized to enter into a Predevelopment Agreement between Mill Creek Phase 2, LP, a limited partnership formed in the State of Alabama and the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words similar to that certain document attached hereto and identified as "Predevelopment Loan Agreement Mill Creek Phase 2," consisting of nineteen (19) pages, and the date of November 6, 2025, appearing on the first page, together with the signature of the President or President Pro Tern 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 6th day of November, 2025.

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

APPROVED this 6th day of November, 2025.

Mayor
of the City of Huntsville, Alabama

PREDEVELOPMENT LOAN AGREEMENT

Mill Creek Phase 2

This Predevelopment Loan Agreement (the "**Agreement**") is effective as of November 6, 2025 ("**Effective Date**"), by and between Mill Creek Phase 2, LP, a limited partnership formed in the State of Alabama ("**Borrower**"), and the City of Huntsville, Alabama, an Alabama public corporation ("**Lender**").

PREAMBLE

A. Lender and McCormack Baron Salazar, Inc. ("**Developer**") are parties to that certain Master Development Agreement effective as of December 5, 2024 (the "**MDA**"). Capitalized terms in this Agreement not otherwise defined in this Agreement shall have the meaning given to them in the MDA.

B. Developer created the Borrower to serve as the Owner Entity for the second Phase of the Project (the "**Second Phase**").

C. Pursuant to Section 4.3.1 of the MDA, Lender has agreed to make funds available in the form of a non-recourse Predevelopment Loan for the cost of approved third-party predevelopment expenses (the "**Third-Party Expenses**").

D. Pursuant to Section 4.3.4 of the MDA, Lender has agreed to make funds available in the form of a non-recourse Predevelopment Loan for an amount equal to fifteen percent (15%) of the expected Base MBS Fee for each phase (the "**Overhead**").

AGREEMENT

In consideration of the promises and their mutual covenants herein contained, the parties intending to be legally bound agree as follows:

1. **Loan.**

- a. Attached hereto as **Exhibit A** is the Predevelopment budget (the "**Predevelopment Budget**") approved by the Lender and the Borrower for the Second Phase. The Lender agrees to make a loan to the Borrower in a principal amount not to exceed \$1,987,740 (the "**Predevelopment Loan**"), representing both Third-Party Expenses of \$1,477,740 and Overhead of \$510,000, as further specified in the Predevelopment Budget.
- b. Borrower shall make commercially reasonable efforts to perform all of the required predevelopment activities for the Second Phase for an aggregate cost that does not exceed the Third-Party Expenses as identified in the Predevelopment Budget. If, despite such efforts, final pricing and/or scope of Third-Party Expenses required to achieve Closing exceeds the Predevelopment Budget, Borrower may submit a revised Predevelopment Budget together with a written justification for the budget revision to the Lender and Lender shall in its sole discretion determine whether to approve such

revised Predevelopment Budget, and if approved, it shall increase the Predevelopment Loan by the amount of an approved increase to the Predevelopment Budget.

2. **Interest and Maturity Date.**

- a. The Predevelopment Loan shall not bear interest.
- b. The term of this Agreement shall be from the Effective Date until the earlier of (i) Closing of the Second Phase, or (ii) December 31, 2027 (the “**Maturity Date**”).

3. **Advances.**

- a. For advances of the Predevelopment Loan relating to Third-Party Expenses, the Borrower shall submit to the Lender, no more often than monthly, a payment request for the advance of Predevelopment Loan funds for expenditures incurred for activities identified in the Predevelopment Budget, or the portion thereof permitted to be funded hereunder. Each payment request shall identify, by line item, (a) the total costs to date incurred by the Borrower, (b) the amounts, if any, of previous advances of Predevelopment Loan funds to the Borrower for such item, and (c) the portion, if any, of such costs for which an advance is requested under the payment request, and shall be accompanied by separate billing statements or invoices from each third-party service provider to which payment has been made or will be made. The Lender shall advance Predevelopment Loan proceeds to the Borrower within thirty (30) days of the Lender's receipt of the payment request, except only to the extent of any portion thereof as to which the Lender shall provide written notice to the Borrower of its reasonable objection thereto within ten (10) days after the date of receipt of the payment request to the Lender. If Lender provides such written notice it shall nonetheless continue to advance proceeds for elements of the requested advance not subject to objection.
- b. For advances of the Predevelopment Loan relating to Overhead, the Borrower shall submit to Lender, no more often than monthly, a payment request for the advance of Overhead funds. Within thirty (30) days of the Lender's receipt of the payment request, the Lender shall advance the Overhead portion of the Predevelopment in ten (10) monthly installments of \$51,000 each to Borrower beginning in October, 2025 with the final installment to Borrower in July, 2026. Borrower shall pay each installment of Overhead to the Developer.
- c. Lender will not be obligated to make any advances of the Predevelopment Loan funds if the Developer or Borrower fails to perform or breaches any of the covenants, conditions or agreements contained in this Agreement or the Predevelopment Note which are not cured within thirty (30) days after written notice or if there is an Event of Default under the MDA (not cured within applicable periods).

4. **Repayment.**

- a. With respect to the Predevelopment Loan, the entire principal amount of the Predevelopment Loan shall mature and be due and payable upon the Maturity Date.

- b. If the Maturity Date occurs at Closing of the Phase:
 - (i) the entire amount advanced for Third-Party Expenses will form part of the mortgage loan to be loaned by the Lender at Closing (and, as further provided in the MDA, will be credited as an expenditure of City Housing Funds); and
 - (ii) the entire amount advanced for Overhead will be repaid from the first installment of Developer Fee (or from funds that the Borrower would otherwise use to fund such installment).
- c. If the Maturity Date occurs other than as a result of the Closing of the Phase, the entire Predevelopment Loan amount will be deemed satisfied by the by delivering all associated work product for the Phase to the Lender.
- d. The obligation of the Borrower to repay the Predevelopment Loan shall be evidenced by a Predevelopment Note in the form attached hereto as **Exhibit B** and incorporated herein by this reference.

5. **Representations and Warranties.**

- a. The Borrower is duly organized, validly existing and in good standing as a limited partnership under the laws of the State of Alabama.
- b. The Borrower has full power and authority to enter into the transactions provided for in this Agreement and has been duly authorized to do so by all necessary and appropriate action and when executed and delivered by the Borrower, this Agreement and the Predevelopment Note will constitute the legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms.

6. **Miscellaneous, Preamble and Definitions.** This Agreement is governed by the laws of the State of Alabama. No modification or waiver of any of the terms of this Agreement, nor any consent to any departure by the Borrower therefrom, will be effective unless made in a writing signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. This Agreement and the Predevelopment Note (and any additional agreements incorporated herein) constitute the entire agreement between Lender and the Borrower concerning the Predevelopment Loan, and shall replace all prior understandings, statements, negotiations and written materials relating thereto. The Preamble to this Agreement is incorporated herein by reference.

7. **Relation to MDA.** The provisions of the MDA are incorporated by this reference.

8. **Assignment of Project Documents.** The Assignment of Project Documents means the instrument attached hereto as **Exhibit C** and incorporated herein by reference.

9. **Contracts.** The Borrower shall make available for review by the Lender copies of all

contracts for predevelopment work, or any portion thereof, in accordance with the MDA and this Agreement. The Borrower agrees that all its interest in drawings, tracings, specifications and other documents prepared by the Borrower, its individual members or subcontractors and used in the predevelopment work and construction on the Phase shall be collaterally assigned to the Lender pursuant to the Assignment of Project Documents.

10. **HUD Provisions.** The Lender and Borrower acknowledge that the proposed transfer to Borrower, or to any other participating party, of Choice Neighborhoods Initiative Funds, if any, shall not be deemed to be an assignment of such funds. Nothing contained in any agreement between the Lender and the Borrower, nor any act of HUD or the Lender, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD.

11. **Jurisdiction and Venue.** Borrower hereby agrees that all actions or proceedings initiated by Borrower and arising directly or indirectly out of this Agreement or the Note shall be litigated in Madison County, Alabama. Borrower hereby expressly submits and consents in advance to such jurisdiction in any action or proceeding commenced by Lender in such court.

12. **Applicable Law.** This Agreement shall be construed in accordance with and governed by the Laws of the State of Alabama and, to the extent applicable, the Laws of the United States of America.

13. **Non-Recourse Provisions.** Except in the case of fraud or intentional misrepresentation, the loans and obligations contemplated under this Agreement are non-recourse and neither the Lender, nor any of their successors or assigns, shall be entitled to take any action against the Borrower, Developer or any member, stockholder, partner, officer, or director of the Borrower, Developer or their respective heirs, successors and assigns.

14. **No Oral Agreements.** THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

[Signatures on Next Page]

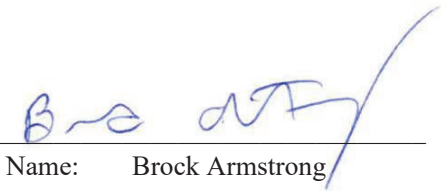
This Loan Agreement is executed to be effective as of the date first above written.

BORROWER:

MILL CREEK PHASE 2, LP

An Alabama limited partnership

By: Mill Creek Phase 2 MBS GP, Inc.,
its General Partner

By: 

Name: Brock Armstrong
Title: Vice President

LENDER:

CITY OF HUNTSVILLE ALABAMA

By: _____

Name:

Its:

EXHIBIT A

PREDEVELOPMENT BUDGET

**McCormack Baron - Huntsville CNI
(Mill Creek) Phase 2 -
Predevelopment Budget**

8/14/2025

SOURCES:		Total Budget	
City of Huntsville		\$ 1,987,740	
		Budget	Description
ARCHITECTURE			
	SUBTOTAL:	\$ 686,400	Architect work through Bidding/Permitting; FFE Designer
ENGINEERING/SURVEY			
	SUBTOTAL:	\$ 91,000	
ENVIRONMENTAL			
	SUBTOTAL:	\$ 91,000	Phase 1 and 2, Geotechnical, etc.
FIN FEES - OTHER FEES			
	SUBTOTAL:	\$ 50,000	Deposit for perm loan
BRIDGE LOAN INTEREST/FEES			
	SUBTOTAL:	\$ 50,000	Deposit for construction loan
PROFESSIONAL FEES/REPORTS			
	SUBTOTAL:	\$ 40,000	Market Study, Appraisal, etc.
TAX CREDIT FEES			
	SUBTOTAL:	\$ 280,000	4% Tax Credit Application, Bond App, Reservation Fee, etc.
DEVELOPER FEE - MBS OVERHEAD ADVANCE			
	MBS Developer Fee Overhead	\$ 510,000	15% of total developer fee
LEGAL		\$ 55,000	Contracts executed prior to housing closing
CONTINGENCY		10% \$ 134,340	
TOTAL- HOUSING PREDEVELOPMENT		\$ 1,987,740	

Estimates are based on our general knowledge of development. MBS has not conducted yet conducted full due diligence on the Mill Creek Site - either in terms of building conditions, site conditions, regulatory, legal and title issues.

EXHIBIT B

PREDEVELOPMENT LOAN NOTE

PREDEVELOPMENT LOAN NOTE

Mill Creek Phase 2

Huntsville, AL
\$1,987,740

Effective as of November 6, 2025

For value received, MILL CREEK PHASE 2, LP, an Alabama limited partnership (the "**Borrower**") promises to pay to the order of the CITY OF HUNTSVILLE, ALABAMA, an Alabama public corporation, (the "**Lender**"), the principal sum of One Million Nine Hundred Eight-Seven Thousand Seven Hundred Forty and NO/100 Dollars (**\$1,987,740.00**) or so much thereof as shall be advanced to or for the account of the Borrower as a Predevelopment Loan pursuant to the terms of a certain Predevelopment Loan Agreement (the "**Loan Agreement**") of even date herewith between the Borrower and the Lender, which Loan Agreement is incorporated herein by reference.

The term of this Note is the same as the term as the Loan Agreement. The Note is due and payable in full the earlier of (i) Closing for the Phase; or (ii) December 31, 2027 (the "**Maturity Date**"). This Note shall not bear interest during its term. No payment shall be due during the term hereof, until the Payment Date, whereupon the outstanding principal balance hereof shall be due and payable.

The Borrower shall have the right to prepay this Note in whole at any time or in part from time to time during its term. Any such prepayment may be made without premium or penalty. All payments hereunder shall be made at the office of Lender: 308 Fountain Circle SW, Huntsville, AL 35801, or elsewhere as shall be directed in writing by any holder hereof.

In the event that Borrower fails to make any payment required to be paid hereunder within fifteen (15) days after the same is due or fails to perform or breaches any of the other covenants, conditions or agreements contained in this Note which is not cured within thirty (30) days after written notice or in the Loan Agreement, which failure continues beyond the expiration of any applicable notice and cure period set forth therein (each an "**Event of Default**"), the entire unpaid balance of the principal debt, together with any other charges, shall at the election of the Lender and without further notice become immediately due and payable and no failure on the part of the Lender to exercise any of its rights hereunder shall be deemed a waiver of any such rights or any default hereunder.

If this Note is not paid when due and is placed with an attorney for collection, and whether or not suit is entered hereon, the Borrower further agrees to pay the Lender, in addition to the principal and interest then due, the costs of suit and reasonable attorneys' fees.

Presentment, protest and notice of dishonor are hereby waived to the extent such may legally be waived.

This Note shall be non-recourse, except in the event of fraud or misrepresentation or as provided in Section 13 of the Loan Agreement.

This Note shall be governed by and construed in accordance with the laws of the State of Alabama, without application of any statute relating to conflicts of law.

[Signatures on Next Page]

IN WITNESS WHEREOF, the Borrower has caused this instrument to be executed on the day and year first above written.

BORROWER:

MILL CREEK PHASE 2, LP
An Alabama limited partnership

By: Mill Creek Phase 2 MBS GP, Inc.,
its General Partner

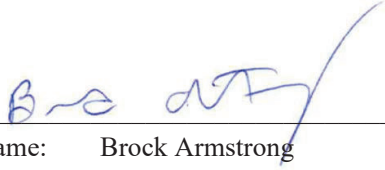
By: 
Name: Brock Armstrong
Title: Vice President

EXHIBIT C

ASSIGNMENT OF PROJECT DOCUMENTS

ASSIGNMENT OF PROJECT DOCUMENTS

Mill Creek Phase 2

THIS ASSIGNMENT OF PROJECT DOCUMENTS (the "Assignment") is made as of November 6, 2025, by and between Mill Creek Phase 2, LP, a limited partnership formed in the State of Alabama ("**Borrower**"), and the City of Huntsville, Alabama, an Alabama public corporation ("**Lender**").

WHEREAS, pursuant to terms more specifically described in a loan agreement between the Lender and Borrower of even date herewith (the "**Loan Agreement**"), the Lender intends to lend to Borrower up to **\$1,987,740** (the "**Loan**") to help fund Borrower's third-party costs and for other purposes.

WHEREAS, the execution and delivery of this Assignment (among others) is a condition precedent to the performance by the Lender of its obligations under the Loan Agreement;

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Unless expressly defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Loan Agreement or in the MDA, as incorporated into the Loan Agreement by reference.

2. Borrower hereby grants, transfers and assigns to the Lender all the right, title and interest of Borrower, to the extent assignable, in and to the following documents now or hereafter executed by Borrower:

(a) all contracts and subcontracts, together with any and all extensions, modifications, amendments and renewals thereof, which are entered into by Borrower in connection with the performance of the predevelopment work described in the Loan Agreement, and written consent to such assignment, a form of which consent is attached at Exhibit 1 hereto;

(b) all building permits, governmental permits, licenses and authorizations now or hereafter issued in connection with the construction, development or operation of the Phase;

(c) any agreement relating to the design and monitoring of construction of the Project between the Borrower and the architect or architects selected or to be selected by the Borrower ("**Architect**"), together with any and all extensions, modifications, amendments and renewals thereof (collectively, the "**Architect's Agreement**") and the Architect's written consent thereto, a form of which consent is attached at Exhibit 1 hereto; and

(d) all plans, specifications, bid documents, schedules, drawings, models and other information and materials related to the design or construction of the Project collected, produced, prepared or acquired by or for the Borrower.

The items referred to in this Section 2 are hereinafter collectively referred to as the “**Project Documents.**”

3. This Assignment is given for the purpose of securing the payment of all sums, now or at any time due the Lender under the Loan Agreement and any extensions, modifications, amendments and renewals thereof, and the performance and discharge of the obligations, covenants, conditions and agreements of Borrower contained in any of the documents evidencing or securing the Loan (the “**Loan Documents**”).

4. Borrower agrees as follows:

(a) Borrower will faithfully abide by, perform and discharge each and every obligation, covenant, condition and agreement of the Project Documents to be performed by Borrower and in accordance with the exercise of prudent business judgment, to enforce performance by the other parties thereto of each and every obligation, covenant, condition and agreement to be performed by each such other party.

(b) During the continuance of an Event of Default, the Lender shall have the right (but not the obligation), without notice to or demand on Borrower, to perform and discharge each and every obligation, covenant, condition and agreement of Borrower under the Project Documents and, in exercising any such powers, to pay necessary costs and expenses, employ counsel and incur and pay attorneys' fees and expenses. The Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any of the Project Documents or by reason of this Assignment.

(c) During the continuance of an Event of Default, the Lender may, at its option, without notice and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court at any time hereafter, enforce for its own benefit any one or all of the Project Documents. The exercise of any rights under this Assignment shall not be deemed to cure or waive any default under any of the Loan Documents or waive, modify or affect any notice of default under any of the Loan Documents or invalidate any act done by the Lender pursuant to or following such notice.

(d) Each of the parties to any of the Project Documents other than Borrower, upon written notice from the Lender of the continuance of an Event of Default, shall be and hereby is authorized by Borrower to perform their respective agreements for the benefit of the Lender in accordance with the terms and conditions thereof without any obligation to determine whether or not such an Event of Default has in fact occurred and continues.

5. Borrower hereby covenants and represents to the Lender that: (a) Borrower has not previously assigned, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered the Project Documents or any of them or its right, title and interest therein; (b) Borrower shall not assign, sell, pledge, transfer, mortgage, hypothecate or otherwise encumber its interests in the Project Documents or any of them except that Borrower may do so in connection with the financing of a Project; (c) Borrower has not performed any act that might prevent Borrower from performing its undertakings hereunder or that might prevent the Lender from operating under or

enforcing any of the terms and conditions hereof or that would limit the Lender in such operations or enforcement; (d) Borrower is not in default under any of the Project Documents, and to the best knowledge of Borrower, no other party to the respective Project Documents is in default thereunder; (e) except as provided in the Loan Agreement, no amendments to any material terms of the Project Documents will be made without the prior written consent of the Lender, which consent shall not be unreasonably withheld, delayed or conditioned; and (f) upon execution of any of the Project Documents, Borrower will deliver a copy of such Project Documents (or the original at the Lender's request) to the Lender and will require such of the parties thereto as the Lender may designate to execute and deliver to the Lender a consent to this Assignment.

6. Any provision in the Loan Agreement that pertains to this Assignment shall be deemed to be incorporated herein as if such provision were fully set forth in this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. A provision in this Assignment shall not be deemed to be inconsistent with the Loan Agreement by reason of the fact that no provision in the Loan Agreement covers such provision in this Assignment.

7. This Assignment is made for collateral purposes only (i.e., as concurrent security for the obligations evidenced in the Loan Documents), and the duties and obligations of Borrower under this Assignment shall terminate when all sums due the Lender under the Loan Documents are paid in full and all obligations, covenants, conditions and agreements of Borrower contained in the Loan Documents are performed and discharged. This Assignment shall become effective upon an Event of Default as defined in the Loan Documents.

8. This Assignment shall be governed by the laws of the State of Alabama. To the greatest extent permitted by law, Borrower hereby waives any and all rights to require marshaling of assets by the Lender.

9. It is expressly intended, understood and agreed that this Assignment and the other Loan Documents are made and entered into for the sole protection and benefit of Borrower and the Lender and their respective successors and assigns (but in the case of assigns of Borrower, only to the extent of assignments thereof to affiliates of Borrower which are to undertake the development and financing of the Phase, and otherwise only as permitted hereunder); that no other person or persons shall have any right at any time to action hereon or rights to the proceeds of the loan evidenced and secured by the Loan Documents; that such loan proceeds do not constitute a trust fund for the benefit of any third party; that no third party shall under any circumstances be entitled to any equitable lien on any such undisbursed loan proceeds at any time and that the Lender shall have a lien upon and right to direct application of any such undisbursed loan proceeds as provided in the Loan Documents.

10. The relationship between the Lender and Borrower is solely that of the Lender and Borrower, and nothing contained herein or in any of the Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or any other relationship other than the Lender and Borrower.

11. Borrower and the Lender intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However,

if any provision or provisions or if any portion of any provision or provisions in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Borrower and the Lender that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and interests of Borrower and the Lender under the remainder of this Assignment shall continue in full force and effect.

12. Borrower hereby irrevocably constitutes and appoints Lender its true and lawful attorney-in-fact in Borrower's name or in Lender's name, or otherwise, to enforce all rights of Borrower under the Project Documents, and such power of attorney, being coupled with an interest, is irrevocable, provided, however, no such rights will be exercised unless an event of default by Borrower shall have occurred and shall be continuing beyond any applicable grace or cure period.

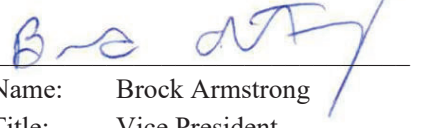
[signature on following page]

IN WITNESS WHEREOF, Borrower has duly executed this Assignment on the day and year first above written.

BORROWER:

MILL CREEK PHASE 2, LP
An Alabama limited partnership

By: Mill Creek Phase 2 MBS GP, Inc.,
its General Partner

By: 
Name: Brock Armstrong
Title: Vice President

LENDER:

CITY OF HUNTSVILLE ALABAMA

By: _____
Name:
Its:

Exhibit 1:

Form of Other Contractors' Consent (including Architect)

CONSENT AND AGREEMENT OF CONTRACTOR

Mill Creek Phase 2

The undersigned Contractor hereby acknowledges and consents to the assignment to the CITY OF HUNTSVILLE, ALABAMA (the "City,") of its contract with McCormack Baron Salazar entitled " _____," dated November 6 2025 (the "Contract") pursuant to that certain Assignment of Project Documents (the "Assignment") that serves as security for a loan from the City to MILL CREEK PHASE 2, LP (the "Borrower"). Contractor agrees to recognize, honor and be bound by the terms, provisions and conditions of the Assignment.

The Contractor agrees: (i) to furnish to the City copies of all written notices of default given by Contractor to Borrower with respect to any failure of Borrower to perform under the Contract, and, anything in the Contract to the contrary notwithstanding, Borrower shall never be treated as being in breach of its obligations under the Contract unless and until notice of the claimed breach has been given to the City and the City has been given a reasonable opportunity to cure any such breach after receipt of said notice from the Contractor; (ii) to accept any such performance by the City as performance by the Borrower; and (iii) so long as the City commences to cure or cause to be cured any such breach, and the cure is carried on with due diligence (or in the case of a breach of Borrower's payment obligations to the Contractor, so long as the City pays or causes to be paid any sums payable from time to time by Borrower to Contractor under the Contract within a reasonable time after the same become due), then Contractor will continue to meet its obligations fully under the Contract and will not terminate the Contract or suspend work thereunder. The Contractor acknowledges and agrees that the City shall have no obligation to commence or continue the cure of any such breach or to pay or perform any obligation of Borrower to the Contractor except to the extent provided in the foregoing Assignment. The Contractor waives all recourse against the City for all claims, whether for amounts due or otherwise, which it may have against Borrower first accruing or arising prior to the City's exercise of its rights under the Assignment with respect to the Contract.

The Contractor hereby expressly waives all provisions in the Contract that would impair, hinder or prevent the making of the Assignment by Borrower or the enforcement thereof by the City.

The Contractor hereby represents and warrants to the City that the Contract is in full force and effect on the date hereof and has not been amended or modified and that there are no uncured breaches thereof by any party thereto.

The Contractor further agrees that:

1. The City shall have an absolute right to use, copy and modify all drawings, plans and/or specifications and other materials prepared by or for the Contractor with respect to the Redevelopment, without charge, cost or expense to the City, for the construction of the Redevelopment, if any Event of Default shall occur under any of the loan documents between Borrower and the City.

2. Upon the City's request, the Contractor will forthwith provide the City a schedule showing all amounts earned by the Contractor under the Contract.

3. Any notice required or permitted to be given hereunder shall be given in the manner and with the effect set forth in the foregoing Assignment.

4. All notices, requests, demands, approvals, or other communications given hereunder or in connection with this Agreement shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

If to Contractor:

[McCormack Baron Salazar]

With copy to:

[]

If to the City:

5. This Consent and Agreement of Contractor shall bind the Contractor and its representatives, successors and assigns, and shall ensure the benefit of the City and the City's successors and assigns, including, without limitation, any subsequent holder of the Note.

6. All capitalized terms used herein shall have the meanings ascribed such terms in the Loan Agreement unless otherwise expressly defined herein.

Executed as an instrument under seal this ____ day of _____, 20__.

CONTRACTOR:

[McCormack Baron Salazar]

By: _____

Name: _____

Title: _____