

**RESOLUTION ENDING THE CITY OF ROCKY MOUNT'S ASSOCIATION
WITH HUNT SERVICES, INC.**

WHEREAS, in 2018 the City of Rocky Mount, North Carolina (the "City") identified the need for a hotel in downtown Rocky Mount to support the Rocky Mount Event Center (the "Event Center") and to promote growth and development of downtown Rocky Mount; and

WHEREAS, in addition to the hotel, the City determined that the construction of a structured parking facility was appropriate to support the Event Center and downtown development; and

WHEREAS, the City identified Hunt Services, Inc. (the "Developer") as experienced in the development of hotels, retail, and residential and parking facilities in urban areas; and

WHEREAS, the City and the Developer negotiated the terms of a Project Development and Cooperation Agreement (the "Development Agreement") which provided for the Developer to develop and own a hotel on land owned by the City which would be ground leased to the Developer and a Parking Facility which would be built by the Developer and leased from the Developer pursuant to a Capital Lease (the "Downtown Development Project"); and

WHEREAS, a resolution approving the form of the Development Agreement, the Ground Lease and the Capital Lease for the downtown development was adopted by the City Council of the City of Rocky Mount at a meeting duly called and held in August 2019 (the "Resolution"); and

WHEREAS, under the Resolution, the Mayor, the City Manager and the City Clerk of the City were authorized, empowered and directed individually and collectively to execute and deliver the Development Agreement, the Ground Lease and the Capital Lease including necessary counterparts with such changes, modifications, additions or deletions as deemed necessary, desirable or appropriate (the "Development Documents"); and

WHEREAS, the Resolution provided that the Development Agreement, Ground Lease and Capital Lease, *subject to their execution*, would constitute conclusive evidence of the approval of any and all changes, modifications, additions or deletions therein including any changes as may be required by the Local Government Commission ("LGC"); and

WHEREAS, the Resolution further provided that from and after the execution and delivery of the Development Documents, the Mayor, the City Manager, the Finance Director and the City Clerk were authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Development Documents as approved and executed; and

WHEREAS, despite the adoption of the Resolution, the Development Documents were never finalized as the necessary modifications, additions or deletions to said documents were never made or agreed upon by the parties; and

WHEREAS, the Downtown Development Project never received the approval of the LGC and indeed around September 2020, the LGC requested the City to withdraw its application for financing of the Downtown Development Project; and

WHEREAS, not only were the Development Documents never executed, but, many areas in the documents were incomplete and lacking finality; and

WHEREAS, while negotiations were ongoing between the parties, David B. Hunt, the principal of Hunt Services, Inc. and Hunt Services, Inc., were named in a Bill of Indictment in the Southern District of Mississippi alleging that David Hunt and Hunt Services, Inc. had engaged in a bid rigging scheme colluding to predetermine the winner of a bidding process; and

WHEREAS, the Bill of Indictment led to the arrest of Mr. Hunt on August 26, 2020; and

WHEREAS, the initial trial date was set for November 2, 2020 but was continued until January 4, 2021 and has subsequently been continued to this date without resolution of the underlying charges; and

WHEREAS, the Downtown Development Project has been stalled by the actions of Mr. Hunt and Hunt Services, Inc.

NOW, THEREFORE, be it resolved by the City Council of the City of Rocky Mount as follows:

1. The Development Documents have not been finalized, approved nor executed by the relevant parties and the City hereby withdraws any authorization for their execution by the City, effective immediately.
2. The City hereby ends its association with David Hunt and Hunt Services, Inc., effective immediately.

WITNESS, my hand and corporate seal of the City of Rocky Mount, North Carolina, this the ____ day of _____, 2021.

Clerk, City of Rocky Mount, North Carolina