

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (this "Agreement") is between the City of Boaz, an Alabama municipal corporation (the "City"), and B101 Boaz, LLC (the "Developer" and, together with the City, the "Parties").

WHEREAS, the City supports and encourages business development in order to grow tax revenues and increase the quality of life of its citizens;

WHEREAS, Amendments No. 772 to the Constitution of Alabama (1901) as amended the "Constitutional Amendment") authorize the City to lend its credit to or grant public funds and things of value in aid of or to any corporation or other business entity for the purpose of promoting the economic development of the City;

WHEREAS, Developer leased property located at 1117 US-431, Boaz, AL 35957. Said property is in the corporate limits of the City of Boaz, in Marshall County, Alabama (the "Development Property");

WHEREAS, Developer will locate a Burger 101 restaurant, with projected annual sales of approximately \$1,300,000;

WHEREAS, in order to perform its agreement to lease and develop the Development Property, Developer estimates that it will spend \$1,250,000, inclusive of rent, building and improvements, equipment and other costs related to development and operation of the Development Property (the "Project"). The Project is anticipated to produce increased sales and use tax revenues to the City and will provide the opportunity for 15-20 or more new, full, and part-time jobs.

WHEREAS, the total cost of real property lease and improvements at the Development Property relating to the Burger 101 is anticipated to be approximately \$1,250,000, inclusive of the Project costs.

WHEREAS, Developer has requested assistance and cooperation from the City in the economic development of the Development Property, and the City has agreed to provide certain funding in the form of tax revenue sharing to assist with the costs of development of the Project in order to induce the Developer to undertake and complete the Project.

WHEREAS, the Parties desire to set forth these inducements in a valid, binding, and enforceable agreement to set forth the framework for the relationship between the City and Developer with regard to the Project.

WHEREAS, the City has determined that the economic base of the City, as well as the prosperity and welfare of its citizens and the citizens of Marshall and Etowah County, will be advanced by the Project. The City finds that providing financial assistance for the Project is consistent with the Constitutional Amendments and in furtherance of the City's economic development objectives.

WHEREAS, the City endorses and believes it is in the best public interest to enter into an agreement with Developer pursuant to which Developer will undertake construction and operation of the Project and that the City's inducements will promote the economic development of the City and, accordingly, are for a public purpose and are authorized by and consistent with the Constitutional Amendment.

WHEREAS, the primary terms of this agreement were duly advertised by the City in accordance with the requirements of the Constitutional Amendment, and a public meeting was conducted by the City Council of the City on **December 15, 2025**, and in accordance with the Constitutional Amendment.

WHEREAS, upon the execution of this agreement by both parties, the commitments contained in this agreement shall become legally binding obligations of the City and Developer.

NOW, THEREFORE, it is agreed by the Parties in consideration of the mutual covenants and provisions and subject to the terms and conditions hereinafter set forth, as follows:

Section 1. Development. Developer agrees to expend a minimum of \$1,250,000 on the Project in connection with a equipment, improvements and to lease the Development Property. To the extent economically feasible, Developer shall use reasonable efforts to provide opportunities for individuals and entities based in Boaz or Etowah and Marshall Counties to participate in the construction of the Project on the Development Property.

Section 2. Employment. Once constructed and approved for opening, Burger 101 typically employs 15-20 employees with a projected aggregate annual salary of \$350,000 on the Development Property.

Section 3. Infrastructure and/or interior capital improvement. Developer plans to make certain improvements, add certain infrastructure and/or interior capital improvements and incur certain development costs within and in connection with the Development Property.

Section 4. Public Purpose of the Project. The City does hereby ascertain, determine, declare and find that development and implementation of the Project with the assistance of the City described herein is in the best interest of the City and will serve a public purpose and further enhance the public benefit and welfare by, among other things: promoting local economic development and stimulating the local economy; increasing employment opportunities in the City; increasing the City's tax base, which will result in additional tax revenues for the City; and promoting the expansion and retention of business enterprise in the City. The City finds that the above-cited items constitute important public benefits to the City and its citizens. Pursuant to the Constitutional Amendment, the City does hereby ascertain, declare and find that the expenditure of public funds for the purposes described herein is in the best interest of the City and will serve a valid and sufficient public purpose notwithstanding any incidental benefit accruing to Developer or any other private entity or entities.

Section 5. Reimbursement Payments. In consideration of the development of the Project by Developer as described in Sections 1 and 3 above and subject to the cap in Section 6 below, the City agrees to pay to Developer a sum equal to the following percentage of the City's 4% sales tax proceeds from sales at Burger 101:

Partial Year 1 (est.April-Dec 2026)	3% of the City's 4% (75% rebate)
Year 2 (Jan - Dec 2027)	3% of the City's 4% (75% rebate)
Year 3 (Jan-Dec 2028)	2% of the City's 4% (50% rebate)
Years 4-8 (Jan 2029- Dec 2033)	1.6% of the City's 4% (40% rebate)

(the "Abatement Amount").

The Abatement Amount will be paid to Developer through a refund of sales tax revenues generated from Burger 101 to be located on the Development Property. The City will make quarterly payments to Developer, of the Abatement Amount accrued through the immediately preceding quarter.

Section 6. Reimbursement Period. Payments will be made to Developer commencing after the opening date of Burger 101 associated with the Project. Construction must commence within 6 months of the executed agreement. The Boaz City Council must approve any construction extension requested. For the purposes of this agreement, the opening date shall be the earlier of (1) the date when Developer notifies the City that Burger 101 is open to the public for business and operating the business, or (2) 12 months after the final execution of this agreement, whichever occurs first.

The payment of the Abatement Amount to Developer shall continue until the earliest to occur of (i) the eighth anniversary of the opening date (as defined in this Section 6); or (ii) the total Abatement Amount paid by the City to Developer equals \$500,000.00. The obligation for payment under this agreement shall apply to all sales by Burger 101 from the Project on and after the opening date.

Section 7. Tax Abatement. Developer agrees not to apply for any abatement from municipal or county ad valorem taxation on the Development Property during the term of this agreement; provided that Developer may exercise its rights as a property tenant to contest and challenge any assessment of taxes.

Section 8. Assignment. Developer's rights under this agreement may not be assigned in any manner to any party without the express written consent of the City authorized by a resolution adopted by the City Council. In no event shall the rights of Developer pursuant to this agreement be deemed to run with title to the Development Property and the Abatement Amount shall continue to be paid to Developer under all circumstances.

Section 9. Mortgagee. Notwithstanding any of the provisions of this agreement, neither the holder of any mortgage (including any holder who obtains title to the Development Property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof) nor purchaser of the property at any mortgage foreclosure sale is obligated to construct or complete the construction of the Project as provided herein, or to guarantee such construction or completion, nor will any covenant or other provision be construed to obligate such holder or purchaser.

Section 10. Delay or Force Majeure. No party will be deemed in breach or default of its obligations on the development and construction of the improvements on the Development Property if the delay is due to cause beyond the control and without the fault or negligence of the party who has the obligation. Upon receiving a written request from Developer, the time for performance may be extended upon approval of the City of such time as it determines would be appropriate under the circumstances. The City agrees not to unreasonably deny, withhold, condition, or delay its consent to extend the time.

Section 11. Notice and Cure. Except as otherwise provided in this agreement, in the event of any default in or breach of this agreement, or any of its terms and conditions, by any party, or any successor of such party, the party (or successor) will, upon written notice from the other party, promptly proceed to cure or remedy the default or breach, and, in any event, within 60 days after receipt of such notice, or such additional time if reasonable under the circumstances. If such action is not taken or not diligently pursued within a reasonable time, the aggrieved party may institute such proceedings as are available at law and as may be necessary or desirable in its opinion to cure and remedy the default or breach.

Section 12. No Waiver. Except as otherwise set forth in this agreement, any delay by a party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights hereunder will not, as long as the breach or default of another party continues, operate as a waiver of such rights or deprive it or limit such rights in any way. No actual waiver made by a party with respect to any specific default will be considered or treated as a waiver of any additional rights of that party except to the extent specifically waived in writing.

Section 13. Breach. If Developer fails to comply with all the aforementioned provisions, it will constitute breach of the agreement and the City may terminate the incentive payments and/or this agreement.

Section 14. Compliance with Laws. Plans and specifications for the construction of any buildings will comply with all applicable federal, state and local laws and regulations, including applicable zoning laws and guidelines, to the extent applicable.

Section 15. Financial Commitment. Developer represents that it has made arrangements for sufficient equity capital and commitment for financial assistance, which may be necessary to accomplish its obligations hereunder.

Section 16. Enforceability. It is intended and agreed that these agreements and covenants will be binding for the benefit of the community and the City and enforceable by either the City or Developer against the other party and their successors and assigns.

Section 17. Non-Discrimination. Developer agrees that while it or its successors and assigns have an interest in the Development Property, solely with regard to work being performed by Developer or its contractors for the Project, it will not discriminate upon the basis of race, creed, color, religion, sex, sexual orientation, national origin, age or disability in the use or occupancy of the Development Property, or any improvement located or erected thereon and further that;

(A) It will not discriminate against any employee or applicant for employment because of race, creed, color, religion, sex, sexual orientation, national origin, age, or disability. Developer

will post in conspicuous places, available to employees and applicants for employment with regard to the work to be performed by Developer, notices, to the extent required by federal or state law, setting forth this nondiscrimination policy.

(B) It will, in all solicitations or advertisements for employment placed by it or on its behalf, as it relates exclusively to Developer's work upon the Development Property, state that all qualified applicants will receive consideration for employment without regard to such criteria.

(C) It will not discriminate against any contractor or subcontractor because of race, creed, color, religion, sex, sexual orientation, national origin, age or disability and will use reasonable efforts to direct its General Contractor not to discriminate against any subcontractor because of race, creed, color, religion, sex, national origin, age or disability.

(D) The term "discrimination" as used herein will be interpreted in accordance with federal law.

Section 18. Official/Employee Interest. No official or employee of the City may have any personal interest, direct or indirect, in this agreement; nor may they participate in any decision relating to this agreement, which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No official or employee of the City will be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer or its successors or on any obligation under the terms of this agreement.

Section 19. Binding Effect. This agreement and all terms, provisions and obligations set forth herein shall be binding upon and shall inure to the benefit of Developer and its permitted successors and assigns as provided herein, and shall be binding upon and shall inure to the benefit of the City and its successors and assigns.

Section 20. Time of the Essence. Time is of the essence of this agreement.

Section 21. Notice. All notices, demands, requests, consents, approvals and other communications required or permitted to be given under this agreement will be in writing and sent by certified mail, postage prepaid, return receipt requested, addressed to the parties to be notified as follows:

City: Mayor
112 N Broad St.
Boaz, Al 35957

Developer:

Section 22. Broker. The parties represent and warrant that they have not dealt with any broker or finder in connection with the transactions contemplated in this agreement.

Section 23. Severability. If any phrase, provision, or section of this agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision is rendered invalid or unenforceable according to the terms of any state statute which became effective after the effective date of the resolution authorizing this agreement, the agreement shall not as a whole be invalidated thereby. Rather, all such parts of the agreement as are not held or rendered invalid or unenforceable shall remain in full force and effect as if such invalid or unenforceable phrases, provisions or sections had not been included herein.

Section 24. Decision Not to Proceed. Notwithstanding any language to the contrary contained in this agreement, it is acknowledged and agreed that Developer shall not be liable for breach hereof if Developer does not proceed with development on the basis of a determination made by it, in its sole discretion, that proceeding with the contemplated development would not be economically viable. Furthermore, notwithstanding anything to the contrary herein, Developer shall have no liability to the City for any action or failure of Burger 101, including, without limitation, Burger 101 decision not to proceed with the Project.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the City has caused this agreement to be executed in its name and on its behalf by the Mayor and to be attested to by the City Clerk, and Developer has caused this agreement to be executed by its authorized officer, on this _____ day of _____, 2025.

City of Boaz, an Alabama municipal corporation

By: _____
Tim Walker, Mayor

Attest:

By: _____
Beth Stephens, City Clerk

B101 Boaz, LLC

By: _____
Name: ZA Hughes
Authorized Signatory