

GRANT AGREEMENT

THIS GRANT AGREEMENT (the "Agreement") is made and entered into as of this ____ day of _____, 2022, by and between the CITY OF HOPKINSVILLE, KENTUCKY (the "City"); and AJM, Hopkinsville KY LLC, a Foreign Limited Liability Company, R.K. ADMINISTRATIVE SERVICES, LLC, a Foreign Limited Liability Company, and RURAL KING HOLDINGS, LLP, a Foreign RUPA Limited Liability Partnership, a/k/a RK HOLDINGS, LLP, an Illinois limited liability partnership (the "Grantees"), all of which are authorized to do business in Hopkinsville, Christian County, Kentucky.

Recitals:

WHEREAS, Grantees have proposed to purchase and redevelop the property currently known as the Bradford Square Mall, located at 4000 Ft. Campbell Blvd., Hopkinsville, Christian County, Kentucky, more particularly identified and described on the plat attached hereto as Exhibit A (the "Property"); and

WHEREAS, Grantee estimates investing at least \$7,400,000.00 in the purchase and redevelopment of said building, will establish a Rural King anchor store, will lease the remainder of the redeveloped spaces to additional retailers and/or restaurants, all of which will result in the creation of 170 full time equivalent new jobs, wherein a full time equivalent job shall mean one or more jobs, whose combined weekly sum of hourly employment equals 32 hours; and

WHEREAS, said development will provide much needed retail space in Hopkinsville, Kentucky and will provide additional revenue to the City through the collection of occupational license fees and ad valorem tax revenue; and

WHEREAS, it is the public policy of the City to encourage, promote, and support economic development, new job formation, and the development and growth of industry and commerce, and to preserve existing jobs in Kentucky for the public purposes of providing employment opportunities for its citizens and residents, alleviating conditions of unemployment, stabilizing and promoting the economy of Kentucky, and creating new tax bases and sources of revenue for the City; and

WHEREAS, the City has determined that the expenditure of such funds is beneficial to the City and serves a public purpose by increasing the likelihood of raising incremental tax revenues in an amount equal to or greater than the amount of the Grant Funds (as defined below) over an extended period of time, while providing relief of unemployment for the citizens of the City; and

WHEREAS, the City and the Grantees are executing this Agreement for the purpose of setting forth the terms and conditions of a granting and disbursing of \$1,500,000.00 (the "Grant Funds") to the Grantees with respect to the project.

NOW THEREFORE, in order to induce the Grantees to make the Investment, the City agrees to make a grant to the Grantees in the sum of \$1,500,000.00, and in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt, mutuality, and sufficiency of all of which is hereby acknowledged by the parties hereto, the City and the Grantees hereby agree as follows:

1. Grant of the Grant Funds. Subject to the terms and conditions of this Agreement, the City hereby agrees to provide to the Grantees the Grant Funds, payable in two equal installments of \$750,000.00. The first installment shall be paid within five (5) business days of the commencement of construction or renovations to the space in which Rural King will operate its store on the Property. The second and final

installment shall be paid within five (5) business days of the City receiving notice of the issuance of the Certificate of Occupancy and the opening of the Rural King anchor store at the Property.

2. Permitted Use of the Grant Funds. Grantees shall ensure that all the Grant Funds are used solely for the public purpose of purchase and redevelopment of the real estate identified and described on Exhibit A, currently known as the Bradford Square Mall, located at 4000 Ft. Campbell Blvd., Hopkinsville, Christian County, Kentucky.

3. Disbursement. The Grant Funds shall be disbursed by the City, for the permitted use set forth above, including but not limited to the acquisition and development of the Property. If the City reasonably determines that the Grant Funds have been improperly disbursed by Grantees and not used for the acquisition and development of the Property (collectively, "Improper Use"), then following sixty (60) days written notice from the City to Grantees identifying with specificity the Improper Use of Grant Funds and the amounts thereof, if Grantees have not cured the Improper Use, then Grantees shall ensure that funds, in an amount equal to the Improper Use of Grant Funds is promptly returned to the City.

4. Conditions to be Satisfied Prior to the Disbursement of Grant Funds. No funds shall be disbursed to the Grantees until Grantees begin construction or renovations on the project. Provided that Grantees' conditions for receipt of the disbursement of the Grant Funds set forth herein have been satisfied, the City shall disburse the Grant Funds to the Grantees. The City may withhold funds if it properly determines that the conditions required by this Agreement for making the Grant have not been satisfied.

5. Conditions to be Satisfied Subsequent to the Disbursement of the Grant Funds.

(A) Compliance with City Ordinances. Grantees agree to maintain a City of Hopkinsville Business License, and pay any and all applicable occupational license fees and other taxes and fees which may become due. Grantees further agree to require all contractors and subcontractors performing any work within or upon the Property to register with the City and to pay any and all applicable occupational license fees and other taxes and fees which may be required. Grantees agree to provide to the City a list of all contractors and subcontractors, along with relevant addresses, points of contact, email addresses and phone numbers for each such contractor or subcontractor.

(B) Guarantee of Occupational Tax Revenue.

(i) Grantees hereby guarantee to generate occupational tax revenue to the City of Hopkinsville equal to or exceeding the sum of \$500,000.00 during the first five (5) years after the occupancy and opening of the Rural King anchor store, and equal to or exceeding the sum of \$500,000.00 during the next five (5) years (years 5 through 10 after occupancy and opening of the Rural King anchor store).

(ii) For the purpose of this Agreement, "occupational tax revenue" shall be defined as all revenue paid to the City of Hopkinsville pursuant to Hopkinsville Code of Ordinances, Section 110.04, from employees employed by a new business located within the Property identified on Exhibit A. Specifically excluded from the definition of "occupational tax revenue" is all occupational tax paid on behalf of contractors, subcontractors or employees of said contractors and/or subcontractors during the construction and redevelopment of the Property. Also specifically excluded from said definition is all occupational tax paid on behalf of employees of existing businesses located in City limits of the City of Hopkinsville, Kentucky that relocate to the Property identified on Exhibit A. It is the specific agreement and understanding of the parties that tax paid on behalf of any existing business located within the City limits of the City of Hopkinsville that relocates to the Property identified on Exhibit A will not be considered in calculating the occupational tax revenue pursuant to this Agreement.

(iii) The timeline for calculation of occupational tax revenue received shall begin upon the first calendar year following the occupancy and opening of the Rural King anchor store, and the total amount of occupational tax revenue generated during each of the two (2) aforesaid five (5) year periods shall be calculated at the conclusion of each said five (5) year period. Said occupational tax revenue only includes occupational tax paid on behalf of new employees of new businesses, and will not include occupational tax revenue from employees of businesses located within the City limits of the City of Hopkinsville that relocate to the Property identified on Exhibit A.

(iv) In the event there has not been a total of at least ninety percent (90%) of the targeted \$500,000.00 in occupational tax revenue generated from the Property during either five (5) year period, the Grantees agree to indemnify and repay to the City an amount equal to the deficiency, which shall be calculated as the difference between \$500,000.00 and the total occupational tax revenue generated from the Property. (For example, in the event only \$350,000.00 is generated in occupational tax revenue during either five (5) year period from the Property, the Grantees will refund and repay to the City the sum of \$150,000.00 in Grant Funds.) Said repayment shall be made within thirty (30) days of notification by the City of said deficiency.

(v) In the event the occupational tax revenue from the Property during either five (5) year period exceeds the sum of \$500,000.00, the Grantees shall receive a credit for said excess amount, and said amount shall be used to supplement the occupational tax revenue required to be generated from the other five (5) year period.

(C) Ownership of Real Estate. In the event the real estate identified and described in Exhibit A is voluntarily transferred, in whole or in part, following which the Guarantee of Occupational Tax Revenue shall not be met, subject to Force Majeure, Grantees shall remain liable for and pay the deficiency of Guaranteed Occupational Tax Revenue as calculated under Section 5(B)(iv) of this Agreement upon demand of the City. Grantees shall provide notice to the City within thirty (30) days of any transfer of the subject real estate, in whole or in part, by providing the name of the purchaser and purchase price to the City of Hopkinsville Chief Financial Officer.

6. Grantee Commitments. Each Grantee shall make the following commitments to the City:

(A) Existence. Each Company is duly organized and validly existing and is qualified to do business in Kentucky and in all other states in which it is required to be so qualified.

(B) Authority to Act. Each Grantee has the requisite power, capacity, and authority to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement and to observe and to perform this Agreement in accordance with their respective terms and conditions. The persons executing and delivering this Agreement on behalf of the Grantees have been and are duly authorized to enter into this Agreement on behalf of the Grantees.

(C) Compliance with Law. To the best of their knowledge, the execution and delivery of this Agreement and the performance or observance by the Grantees of the terms and conditions thereof, does not and will not violate any existing provisions of the Companies' Articles of Organization, operating agreements, or other agreements of organization, or any Laws applicable to the Companies.

(D) No Violations or Obligations. To the best of its knowledge, each Grantee (i) has caused no violations of any agreements, covenants, or conditions under this Agreement and no such violations have occurred or are continuing.

(E) Litigation. No litigation or proceeding involving the Grantees is pending or, to the best of the knowledge of the Grantees, is threatened in any court or administrative agency that, if determined adversely to the Grantees, could have a materially adverse impact on the ability of the Grantees to perform their obligations under this Agreement.

(F) Evidence of Investment. Within fifteen (15) working days after written request from the City, Grantees shall provide evidence of the Grantees' expenditures on the Project; provided that the City provides assurance to each Grantee that such information can at all times be kept strictly confidential and not subject to disclosure under the Kentucky Open Records Act.

(G) Permits and Licenses. Within fifteen (15) working days after written request from the City, the Grantees shall provide evidence of the permits, licenses, certifications, authorizations, and zoning requirements obtained from the proper governmental authorities, including state and local authorities, for the completion of the Project.

7. General Covenants.

(A) Further Assurances. Grantees shall, at any time upon request of the Grantor, make, execute, and deliver or cause to be made, executed and delivered to the Grantor, any and all other instruments, certificates, and other documents as may in the reasonable opinion of the City, be necessary or desirable in order to effect, complete, or otherwise to continue and preserve the obligations of the Grantees under this Agreement.

(B) Right to Inspect. Grantor shall at any time, upon reasonable notice, have the right to inspect any and all records of the Grantees relating to the construction of the project at the Hopkinsville, Christian County location in order to determine compliance with the terms of this Agreement and the progress of said construction.

8. Defaults and Remedies. In the event any Grantee fails to perform any of its obligations hereunder, the Grantees shall be liable for and pay the deficiency of Guaranteed Occupational Tax Revenue as calculated under Section 5(B)(iv) of this Agreement upon demand of the City. In addition, the Grantees shall forfeit any remaining incentives that may be approved by the City, or as may be amended hereafter. Should any Grantee fail to perform any of its obligations hereunder, after reasonable notice and time to perform, the Grantor may pursue any other remedies provided by law. In the event of default, the Grantees shall be jointly and severally responsible for Grantor's expenses incurred in enforcing the terms of this Agreement, including a reasonable attorney's fee. In the event that Grantees shall be delayed, hindered in or prevented from the occurrence of any requirement or the performing any act required hereunder by reason of acts of God, fire, windstorm, flood, explosion, collapse of structures, riot, war, labor disputes, strikes, lock-outs, delays or restrictions by governmental bodies, inability to produce or procure materials, supply chain disruptions, pandemic, quarantine, or other prolific outbreak of disease within the region surrounding the Property affecting freedom of movement and business operations; unavailability of materials of services or other delays due to shelter in place or similar governmental orders affecting freedom of movement and business operations within the region surrounding the Property or any other reason of a like nature not the fault of the Grantees, then the occurrence of such requirements and the performance of such acts shall be excused for the period of the delay, and the period for the occurrence of any such requirement and performance of any such act shall be extended for a period equivalent to the period of such delay. ("Force Majeure")

9. Official Capacity. All representations, warranties, covenants, agreements and obligations of the Grantees under this Agreement shall be effective to the extent authorized and permitted by applicable law. None of those representations, warranties, covenants, agreements or obligations shall be deemed to

be a representation, warranty, covenant, agreement or obligation of any present or future member, officer, agent or employee of any Grantee in other than his or her official capacity. No official executing or approving any Grantee's participation in this Agreement shall be personally liable under this Agreement.

10. General Provisions.

(A) Entire Agreement. This Agreement, together with the other agreements and documents referred to herein, contain the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior discussions, negotiations, representations, or agreements, written or oral, between them respecting the subject matter hereof.

(B) Amendments. No alterations, additions, or other changes to this Agreement shall be made or binding unless made in writing and signed by both parties.

(C) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. All parties consent to the jurisdiction of the Christian Circuit Court, Hopkinsville, Christian County, Kentucky for any dispute which may arise from this Agreement.

(D) Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by and against the parties and their respective successors and permitted assigns.

(E) Captions. The captions of the various sections of this Agreement are not part of the context hereof and are only guides to assist in locating such sections and shall be ignored in construing this Agreement.

(F) Severability. If all or any part of any sentence or any section of this Agreement is held to be void, illegal or unenforceable by a court of law, such sentence, section or part thereof shall be deemed severed from this Agreement, and the balance of this Agreement shall remain in full force and effect.

(G) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterparts.

11. Termination. This Agreement shall automatically terminate at such time as the City properly determines that all eligible Grant Funds have been applied by the Grantees, and upon all Grantees complying with all obligations as provided herein, or notwithstanding the foregoing ten (10) years from December 31 of the year following the occupancy and opening of the Rural King anchor store, as the same may be extended by Force Majeure.

[SIGNATURE PAGES FOLLOW.]

IN TESTIMONY WHEREOF, the parties execute this Agreement, effective as of the date and year first above written.

GRANTOR:

CITY OF HOPKINSVILLE, KENTUCKY

By: _____
Wendell Lynch, Mayor

GRANTEES:

AJM, Hopkinsville KY LLC

By: _____
Alex Melvin, Manager

R.K. ADMINISTRATIVE SERVICES, LLC

By: _____
Alex Melvin, President

RURAL KING HOLDINGS, LLP, a/k/a RK HOLDINGS, LLP,
an Illinois limited liability partnership

By: _____
Alex Melvin, President

COMMONWEALTH OF KENTUCKY)
) SCT.
COUNTY OF CHRISTIAN)

SUBSCRIBED AND SWORN TO before me by Wendell Lynch, Mayor, as Grantor, for the City of Hopkinsville, on this ____ day of _____, 2022.

(SEAL) My Commission Expires: _____.

NOTARY PUBLIC

STATE OF _____)
) SCT.
COUNTY OF _____)

SUBSCRIBED AND SWORN TO before me by Alex Melvin, Manager, as Grantee, for AJM, Hopkinsville KY LLC, on this ____ day of _____, 2022.

(SEAL) My Commission Expires:_____.

NOTARY PUBLIC

STATE OF _____)
) SCT.
COUNTY OF _____)

SUBSCRIBED AND SWORN TO before me by Alex Melvin, President, as Grantee, for R.K. Administrative Services, LLC, on this ____ day of _____, 2022.

(SEAL) My Commission Expires:_____.

NOTARY PUBLIC

STATE OF _____)
) SCT.
COUNTY OF _____)

SUBSCRIBED AND SWORN TO before me by Alex Melvin, President, as Grantee, for RK Holdings, LLP, on this ____ day of _____, 2022.

(SEAL) My Commission Expires:_____.

NOTARY PUBLIC