

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

THIS DEVELOPMENT AND REIMBURSEMENT AGREEMENT (as the same may be amended or supplemented as provided herein, the “Agreement”), is made as of June 21, 2023 (“Effective Date”) by and between **THE CITY OF MT. JULIET, TENNESSEE**, a municipal corporation organized and existing under the laws of the State of Tennessee (the “City”), and **COSTCO WHOLESALE CORPORATION**, a Washington corporation (the “Company”). The City and the Company are sometimes referred to herein individually as a “Party”, and collectively as the “Parties”.

WHEREAS, the Company is currently under contract for the prospective purchase of a tract of land located in the City of Mt. Juliet, Wilson County, Tennessee (the “Property”), and pursuant to that certain Ordinance No. 2023-21 issued by the City on May 8, 2023 (“Ordinance”), the City has approved the rezoning of the Property in order to construct and operate a Costco Wholesale, fueling facility, and related facilities on the Property (the “Facility”);

WHEREAS, in connection with the City’s review and rezoning approval, the City has determined that certain roadway infrastructure located along Rutland Drive from Legacy Pointe Boulevard to Volunteer Boulevard, as more particularly described below, needs to be improved in order to support future development;

WHEREAS, as set forth in the Ordinance, the City has required the Company to construct, or cause the construction of, such roadway improvements and to make the up-front, third party payments for the costs and expenditures associated with such improvements;

WHEREAS, to offset the cost of a portion of such improvements, the City has agreed to reimburse the Company fifty percent (50%) of the Final Costs (described below), subject to the cap below, for the roadway improvements located between the Facility’s westernmost access point (i.e., westernmost driveway) and Volunteer Boulevard on both sides of Rutland Drive (such improvements are referred to herein as the “Northern Roadway Improvements”), pursuant to the terms of this Agreement; and

WHEREAS, the Company and the City are currently in discussions to revise the Ordinance in order to acknowledge (i) certain timing issues related to the construction of the Northern Roadway Improvements, (ii) the separation of the Northern Roadway Improvements from the construction of the Facility and other related roadway improvements, and (iii) certain additional terms related to the Northern Roadway Improvements.

NOW, THEREFORE, in consideration of the mutual covenants and assurances set forth herein, the Company and City do hereby agree as follows:

1. Recitals

The foregoing Recitals are incorporated into this Agreement and are made a part hereof.

2. Scope of Work and Conditions

The scope of work required for the Northern Roadway Improvements is more particularly described in the Ordinance and set forth on Exhibit A attached hereto. The City and the Company acknowledge and agree that the Northern Roadway Improvements cannot be completed without obtaining certain temporary construction easements from the adjacent landowners listed on Exhibit B, which shall be in a form acceptable to the Company (collectively, the “Temporary Construction Easements”) and that the City is also expected to need to obtain certain Permanent Instruments (as defined below). To facilitate the Northern Roadway Improvements, the Company agrees to pursue, at its sole cost and expense, the Temporary Construction Easements and Permanent Instruments. The City shall assist the Company in the pursuit of the Temporary Construction Easements and Permanent Instruments. The Company, at its sole cost and expense, shall obtain any and all permanent easements, rights-of-ways, right-of-way expansions, deeds, deed dedications, and any other documents and instruments as may be necessary for (i) the Company to perform the Northern Roadway Improvements and (ii) the City to own, maintain, and repair the Northern Roadway Improvements in accordance with all applicable laws following the construction and installation of same (collectively, the “Permanent Instruments”). The Temporary Construction Easements and Permanent Instruments shall be in a form approved in advance by the Company in writing and shall be obtained prior to the commencement of construction of the Northern Roadway Improvements. If all Temporary Construction Easements and Permanent Instruments are not executed and recorded (or placed in escrow) within two (2) months from the Effective Date or the Company is unable to obtain the Temporary Construction Easements or Permanent Instruments for less than the aggregate fair market value described below, then the City shall promptly commence and exercise its condemnation rights in order to obtain the Temporary Construction Easements and Permanent Instruments, as applicable, with all costs to be reimbursed to the City by the Company. For purposes hereof, the fair market value of the area required for the Temporary Construction Easements and Permanent Instruments shall not exceed in the aggregate Twenty-Four Thousand Dollars (\$24,000). The Company shall have no obligation to commence the construction of the Northern Roadway Improvements unless and until (i) all Temporary Construction Easements and all Permanent Instruments have been obtained and recorded, and (ii) all permits for the Northern Roadway Improvements have been issued. Receipt of all Temporary Construction Easements and Permanent Instruments are conditions precedent to the Company’s obligations hereunder. The Company shall have no obligation to own or to perform any maintenance or repairs associated with the Northern Roadway Improvements.

To provide assurances regarding the Company’s commitment to perform the Northern Roadway Improvements, the Company will post a letter of credit in accordance with applicable law (and in no event less than the Company’s estimated cost to complete the Northern Roadway Improvements, plus twenty percent (20%)), promptly following issuance of the building permit for the Facility. Subject to delays outside of the Company’s reasonable control, the Company agrees to complete the Northern Roadway Improvements within six (6) months following the later of the date (i) on which the Company obtains all necessary permits and approvals to perform the Northern Roadway Improvements, including, without limitation, the TDEC permit, and (ii) all Temporary Construction Easements and all Permanent Instruments have been recorded in the land records of Wilson County, Tennessee. If the Company fails to complete the Northern Roadway Improvements within the aforementioned six (6) month period (subject to delays outside of the Company’s reasonable control), then, pursuant to Article 14-103.8 of the Development Code, the

City shall have the right to complete the Northern Roadway Improvements following written notice thereof to the Company; if the City exercises such right, the City shall have the right to request payment under the letter of credit, and the Company shall have no further obligation or liability in connection with the performance of completion thereof.

3. Estimated Cost

(a) As of the Effective Date, the third-party costs and expenses for the Northern Roadway Improvements are estimated to be \$1,500,000 (the “Estimated Costs”), as such amount may be adjusted from time to time. The Estimated Costs are an estimate only. The Estimated Costs may include costs and expenses that predate this Agreement, but which are reasonably necessary and incurred in connection with the Northern Roadway Improvements.

(b) Upon completion of the Northern Roadway Improvements, the Company shall provide the City a final statement detailing the Company’s actual costs and expenses, including, without limitation, hard and soft costs and wetlands and stream impact credits incurred and related to the Northern Roadway Improvements, along with requested back up invoices (collectively, the “Final Costs”).

4. Reimbursement Obligation and Escrow

(a) In consideration of the Company’s performance of the Northern Roadway Improvements, the City shall reimburse the Company fifty percent (50%) of the Final Costs, up to a maximum reimbursement obligation of \$750,000.00 (“Reimbursable Costs”). For example, if the total costs and expenses associated with the Northern Roadway Improvements are \$1,600,000.00, then the City’s reimbursement obligation will be \$750,000.00. Notwithstanding the foregoing or anything to the contrary herein, the costs and expenses to obtain the Temporary Construction Easements and Permanent Instruments shall not be included in the Final Costs or attributable to the Reimbursable Costs.

(b) Within ten (10) days of the City’s receipt of a notice from the Company that the Company has closed on its acquisition of the Property, the City shall deposit \$750,000.00 (the “Escrow Amount”) in escrow with First American Title Insurance Company, National Commercial Services, Attention: Maggie M. Lykens (the “Escrow Agent”). The Escrow Agent shall disburse from the Escrow Amount the Reimbursable Costs to the Company in the form of cash on or before the earlier of any of the following:

(i) The date that is five (5) years from the date the Facility is permitted to open to the public for business, as evidenced by the Escrow Agent’s receipt by either the Company or the City of a Certificate of Occupancy (or a copy thereof) for the Facility; or

(ii) Within thirty (30) days of the City’s issuance of any Certificate of Occupancy for any improvement (an “Adjacent Improvement”) constructed upon any portion of the property that is north of Rutland Drive and that is in red on Exhibit C (“Adjacent Property”) attached hereto, as evidenced by the Escrow Agent’s receipt from either the City or the Company of a copy of any Certificate of Occupancy for the Adjacent Improvement (and the City shall

promptly provide written notice of the issuance of a Certificate of Occupancy for an Adjacent Improvement to each of the Company and the Escrow Agent).

Upon receipt of evidence of the completion of either Section 4(b)(i) or 4(b)(ii) above, the Escrow Agent is authorized to disburse the Reimbursable Costs to the Company. To the extent the Reimbursable Costs are less than the Escrow Amount, the Escrow Agent is authorized, with the prior written consent of the Company, to disburse the remaining amount to the City. Notwithstanding the foregoing or anything to the contrary herein, if the Escrow Agent has not received evidence that Section 4(b)(i) above has been met by the date that is five (5) years from the date the Facility is open to the public for business, the Escrow Agent shall, upon the Company's written request which shall include a copy of the Certificate of Occupancy for the Facility, disburse the Reimbursable Costs to the Company.

(c) The Parties have requested the Escrow Agent to receive the funds as set forth in this Agreement to be held in escrow by the Escrow Agent in accordance with the terms set forth in this Agreement. Escrow Agent, by executing this Agreement, accepts such appointment and upon receipt of the Escrow Amount, shall hold and apply the Escrow Amount and accrued interest as provided in this Agreement; provided, however, that this Agreement (and any written amendment or modification of this Agreement otherwise signed by the Parties shall be binding upon the Parties if Escrow Agent fails to so execute this Agreement (or such written amendment or modification otherwise signed by the Parties)). Escrow Agent shall deposit the Escrow Amount in an interest-bearing account designated by the City or shall invest the Escrow Amount as otherwise directed by the City. The City shall deliver a W-9 Form to the Escrow Agent prior to or simultaneously with disbursement of any interest or earnings hereunder by Escrow Agent. Subject to the terms and conditions hereof, the Parties shall each pay one-half of any fees and expenses charged or incurred by Escrow Agent in its capacity as escrow agent hereunder. It is understood and agreed that Escrow Agent is an escrow holder only, is merely responsible for the safekeeping of the funds and documents, shall not be required to determine questions of fact or law, and shall have no liability to any Party for its action or inaction, except for such action or inaction as shall constitute its gross negligence or willful misconduct. In the event of a dispute, Escrow Agent is authorized to pay the funds and/or deposit documents into a court of competent jurisdiction. Escrow Agent shall not disburse or otherwise take any action with respect to the Escrow Amount or the accrued interest except as set forth herein. The Parties shall execute Escrow Agent's standard form of escrow agreement if required by the Company or Escrow Agent with terms acceptable to the Company; provided, however, if there are any conflicts or inconsistencies between Escrow Agent's standard form escrow agreement and this Agreement, the terms and conditions of this Agreement shall govern and control the rights and obligations of the Parties.

5. Payment

Payment of the Reimbursable Costs shall be disbursed by the Escrow Agent to the Company by wire transfer in accordance with the wire transfer instructions on Exhibit D attached hereto or such other wire transfer instructions provided by the Company.

6. Termination

If the Company does not proceed with the construction and operation of the Facility due to the failure to obtain any required approvals, permits, easements, rights-of-ways, licenses, or other such documents or instruments necessary for the Company to construct or operate the Facility, or because the Company does not acquire the tract of land on which the Facility is desired to be constructed, then this Agreement, including all of its conditions, shall be terminated retroactive to the date of signature of this Agreement, no reimbursement or other benefits will be offered to the Company under this Agreement, and the Company shall have no obligations hereunder.

7. Revised Ordinance; Separation of Approvals for Northern Roadway Improvements and Facility. The City and the Company acknowledge and agree that the Ordinance failed to, among other things, properly separate the approvals, permits, Temporary Construction Easements, and Permanent Instruments required for the Northern Roadway Improvements from the approvals, permits, and Certificate of Occupancy for the Facility so as not to hold up the approval, permitting, and Certificate of Occupancy process for the Facility. To that end, the City is in the process of amending the Ordinance to confirm that the permits, inspections, and the Certificate of Occupancy for the Facility shall be processed and completed without regard for the status and completion of the Northern Roadway Improvements and to memorialize the need for the Temporary Construction Easements and Permanent Instruments. **The City shall not withhold, delay, or otherwise adversely affect any permitting, inspections, or issuance of the Certificate of Occupancy or other City approval for the Facility based on the progress or status of the Northern Roadway Improvements. The approvals, permits, Temporary Construction Easements, and Permanent Instruments required for the Northern Roadway Improvements shall be obtained separately from the approvals, permits, and Certificate of Occupancy for the Facility so as not to hold up the approval, permitting, and Certificate of Occupancy process for the Facility. The City shall issue the Certificate of Occupancy for the Facility even if the Northern Roadway Improvements have not been completed at such time.**

8. Further Assurances

The Parties each hereby agree to execute and deliver all of the agreements and documents required to be executed and delivered by them in this Agreement and the instruments attached hereto, and to execute and deliver such additional instruments and documents and to take such additional actions as may be reasonably required from time to time in order to effectuate the transactions contemplated by this Agreement, including without limitation the execution and recording of a short form of this agreement.

9. Notices and Communication

All notices and other communications provided for hereunder (except for routine informational communications) shall be in writing and shall be mailed, certified mail, return receipt requested, sent by recognized national overnight courier service, or hand delivered (either party may, by notice to the other, change its notice information set forth below):

If to the City: The City of Mt. Juliet, Tennessee
2425 North Mt. Juliet Road
Mt. Juliet, TN 37122
Attention: Mayor

with a copy to: Taylor, Pigue, Marchetti & Blair, PLLC
2908 Poston Avenue
Nashville, TN 37203
Attention: Gino Marchetti

If to the Company: Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027
Attn: Legal Dept / Property Management
Re: Location #: TBD, Mt. Juliet, Tennessee

with a copy to: Arnall Golden Gregory LLP
171 17th Street NW, Suite 2100
Atlanta, Georgia 30363
Attention: Andrew J. Schutt

All such notices and other communications shall be effective (a) if mailed, when received or three (3) business days after mailing, whichever is earlier; or (b) if sent by overnight courier service, on the first (1st) business day after sending, or (c) if hand-delivered, upon delivery.

10. Non-Waiver

None of the terms, covenants or conditions of this Agreement shall be deemed waived by any act of either Party unless same is specified in writing executed by all Parties hereto.

11. No Fiduciary Relationship.

The Parties expressly disclaim any partnership, joint venture, fiduciary relationship, or similar relationships or responsibilities, of any kind between or among the Parties with respect to this Agreement. Neither this Agreement nor any discussions, conduct or interactions between or among the Parties shall be interpreted as creating such a relationship.

12. Governing Law

This Agreement shall be deemed to be a contract made under the laws of the State of Tennessee and for all purposes shall be governed by and construed in accordance with the laws of the State of Tennessee, except to the extent that State of Tennessee conflict of law rules would require the substantive rules of law of any other jurisdiction to apply.

13. Venue and Jurisdiction

Exclusive venue and jurisdiction for any litigation brought pursuant to or with regard to this Agreement shall be in the Circuit Court for Wilson County, Tennessee.

14. Waiver of Jury Trial

TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER OR RELATED TO THIS AGREEMENT.

15. Severance

Should any provision of this Agreement be declared invalid, illegal or unenforceable by a court of competent jurisdiction, the invalidity, illegality or unenforceability shall not affect other provisions of this Agreement, which shall remain in full force and effect.

16. Captions

Captions of the sections of this Agreement are for convenience and reference only and shall in no way be held to explain, modify, amplify or aid in the interpretations, construction, or meaning of the provisions of this Agreement.

17. Amendment

Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified, altered or terminated without the written consent of the City and the Company.

18. Assignment

This Agreement may be assigned by the Company to a third party without prior written consent of the City.

19. Binding Effect

This Agreement shall inure to the benefit of and shall be binding upon the City and the Company and their respective heirs, legal representatives, successors and assigns.

20. Entire Agreement

This writing constitutes the entire agreement between the Parties and supersedes all previous agreements, if any. No Party to this Agreement makes any representation or warranty to the other Party, except as expressly set forth in this Agreement.

21. Execution in Counterparts

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Agreement and any other document contemplated hereby may be executed via DocuSign or similar electronic signature service.

[Signatures on Following Page]

IN WITNESS WHEREOF, the City and the Company have executed this Agreement all as of the date first above written.

THE CITY OF MT. JULIET, TENNESSEE

By: Bill C. H.
Name: Bill & Trivett
Title: Vice Mayor

Attest:

By: Shirley L. Luchessa
Secretary

COSTCO WHOLESALE CORPORATION

By: Margaret C. McCulla
Name: Margaret C. McCulla
Title: Assistant Secretary

The Escrow Agent joins only for the purpose of binding itself to those terms applying to the Escrow Agent pursuant to the provisions of the Agreement. The date that Escrow Agent signs this Agreement shall not affect the "Effective Date."

ESCROW AGENT:

First American Title Insurance Company

By: Michael P. Roush, Esq.

Name: Michael P. Roush, Esq.

Title: Vice President, Operations Manager and Underwriting Counsel

Notice Address:

First American Title National Commercial
Services

101 South Hanley, Ste 575

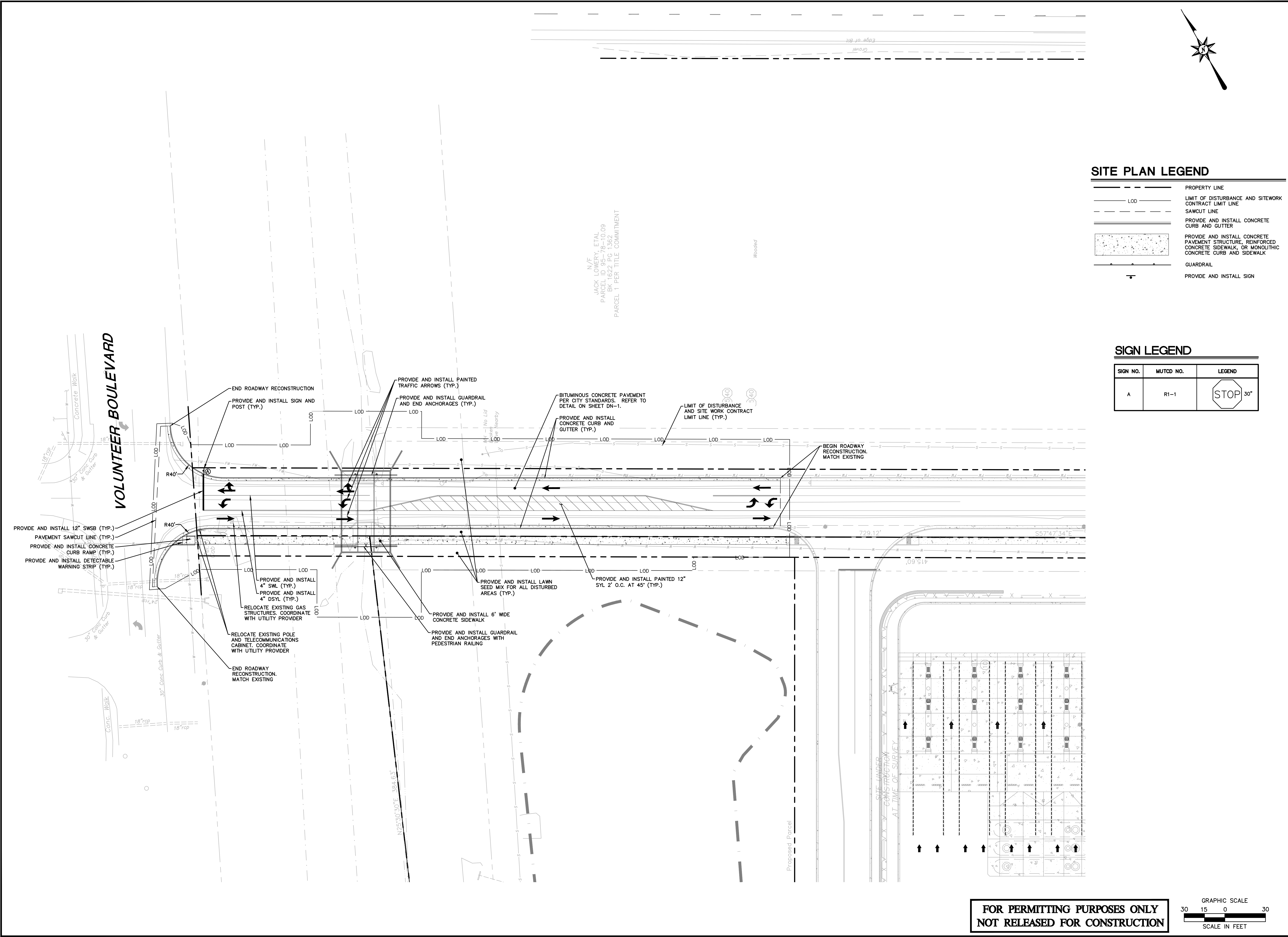
St. Louis, Missouri 63105

Exhibit A

Scope of Work

See attached.

5/11/2023, 10:41:05 AM, C:\Users\jlowery\OneDrive\Documents\2200346\101.DWG, 30x101, 300C.



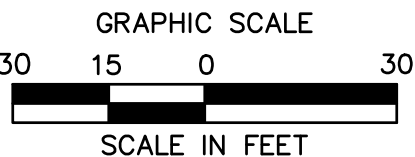
SITE PLAN LEGEND

	PROPERTY LINE
	LIMIT OF DISTURBANCE AND SITEWORK CONTRACT LIMIT LINE
	SAWCUT LINE
	PROVIDE AND INSTALL CONCRETE CURB AND GUTTER
	PROVIDE AND INSTALL CONCRETE PAVEMENT STRUCTURE, REINFORCED CONCRETE SIDEWALK, OR MONOLITHIC CONCRETE CURB AND SIDEWALK
	GUARDRAIL
	PROVIDE AND INSTALL SIGN

SIGN LEGEND

SIGN NO.	MUTCD NO.	LEGEND
A	R1-1	30"

FOR PERMITTING PURPOSES ONLY
NOT RELEASED FOR CONSTRUCTION



Architecture
Engineering
Environmental
Land Surveying

BL Companies

3102 West End Avenue, Suite 400
Nashville, TN 37203
(615) 703-2637
(203) 603-2615 Fax

REGISTERED ENGINEER
No. 1187
COMMERCIAL
STATE OF TENNESSEE

OFFSITE ROADWAY IMPROVEMENTS
RUTLAND DRIVE
MT. JULIET, TENNESSEE

Disc: REVISED RUTLAND CROSSING
REVISED RUTLAND CROSSING

REVISIONS

No.	Date	Designed	K.A.K.
1	05/03/2023	Drawn	K.A.K.
2	05/12/2023	Reviewed	K.A.K.

Scale: 1"=30'
Project No.: 2200346
Date: 04/20/2023
CAD File: SP2200346101

Title:
LAYOUT AND MATERIALS PLAN

Sheet No.

LM-101

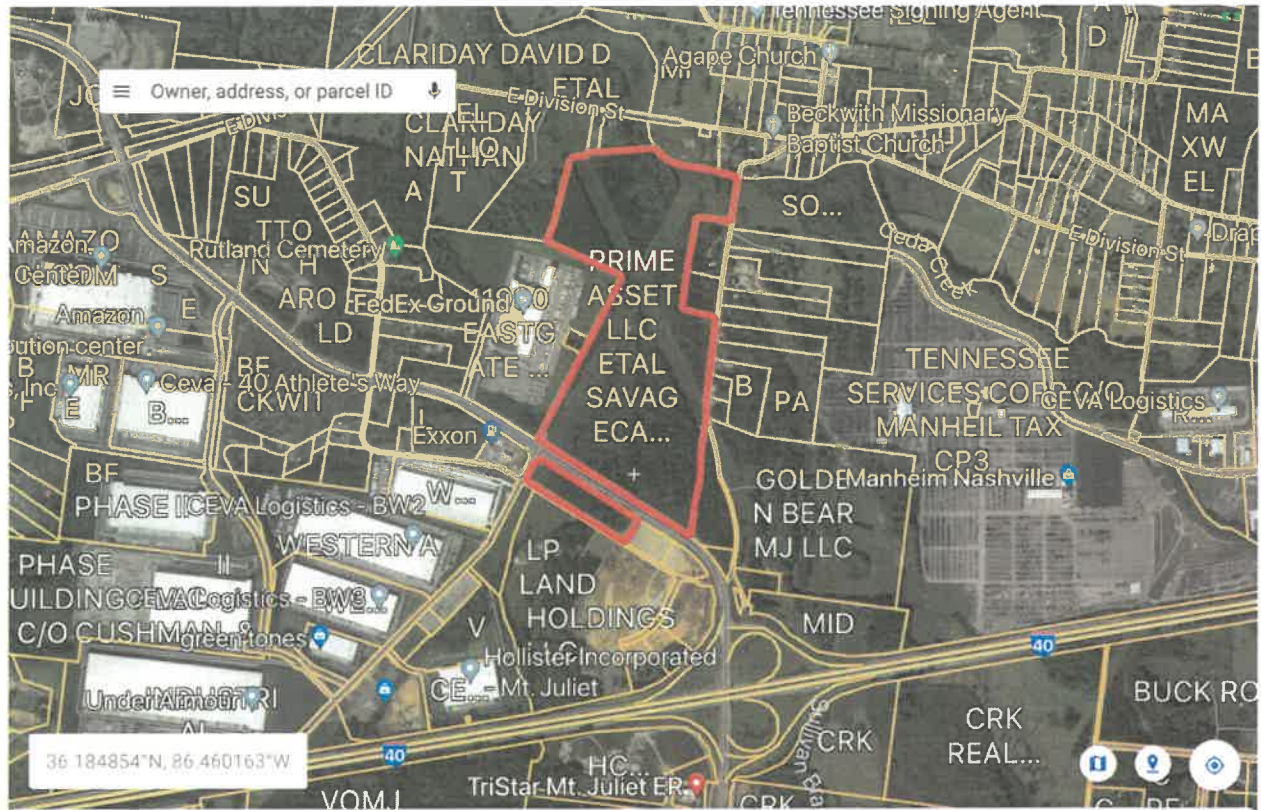
Exhibit B

Adjacent Owners

1. Temporary Construction Easement Agreement by LP Land Holdings, LLC and Costco Wholesale Corporation
2. Temporary Construction Easement Agreement by Beckwith Farms Owners Association, Inc. and Costco Wholesale Corporation
3. Temporary Construction Easement Agreement by Jack Lowery a/k/a B.F. “Jack” Lowery, Prime Asset Management, LLC, and Savage Capital Resources, LLC and Costco Wholesale Corporation

Exhibit C

Adjacent Property



PRIME ASSET LLC ETAL SAVAGE CAPITAL RESOURCES LLC

Owner:

Address:

095078 01009

Parcel ID:

Exhibit D



INCOMING WIRE INSTRUCTIONS

Real Estate Account

WARNING!!

CYBER FRAUD - If you receive an email or any other communication that appears to be generated from a Costco Wholesale Corporation employee that contains new, revised or altered

bank wire instructions, consider it suspect and **call a Costco Treasury contact listed below.**

****Our Wire Instructions Do Not Change ****

Payable to:	Costco Wholesale Corporation 999 Lake Dr, Issaquah, WA 98027
Bank:	Bank of America, N.A. CA4-704-05-41, 2000 Clayton Road Concord, CA 94520
Bank Contact:	Maria Sanchez - (888) 715-1000 x57052
Swift BIC:	BOFAUS3N
Wire Routing Number:	026009593
ACH Routing Number:	121000358
Account Number:	1233335587
OBI Line:	Please include your business name in the OBI line. Also include any other payment-specific information such as the name of your point-of-contact at Costco (if applicable), P.O./claim number, et al.

If you have any questions, please contact the Costco Wholesale Treasury Department at (425) 427-7700. If you would like to discuss with someone specifically, contact the Costco Treasury team at:

Bill Crichton	(425) 313-6452	Steven Van Pay	(425) 313-6279
Lizarina Tullid	(425) 416-8830	Vance Raymond	(425) 427-7652
Michael Sandquist	(425) 313-6467		

999 Lake Drive | Issaquah, WA 98027 | (425) 313-8100 | www.costco.com