

**Douglas W. Vanderhook**  
Senior Director  
Dispute Analysis & Litigation Support



September 27, 2024

John Stith  
Chief Operations Officer  
**HARDIN COUNTY SCHOOLS**  
65 W. A. Jenkins Road  
Elizabethtown, KY 42701

Re: **BlueOval SK Battery Park**  
**1 Blue Oval**  
**Glendale, Hardin County, KY 42740**  
**(Multiple Tax Parcels)**

Dear Mr. Stith:

Thank you for requesting our proposal for appraisal services. This proposal letter will become, upon your acceptance, our letter of engagement to provide the valuation services outlined herein.

## TERMS OF ENGAGEMENT

### I. PROBLEM IDENTIFICATION

<b>The Parties to This Agreement:</b>	Cushman & Wakefield Regional, Inc. ("C&W") affiliated company and Hardin County Schools (the "Client").
<b>Intended Users:</b>	Hardin County Schools is the only identified Intended User of the appraisal. The appraisal may not be distributed to or relied upon by other persons or entities without the permission of the Client.
<b>Intended Use:</b>	The appraisal will be utilized as the basis of establishing Market Value for ad valorem tax litigation purposes.
<b>Type of Opinion and Rights Appraised:</b>	Market Value of the Fee Simple interest in the real property, unencumbered by any leased fee or leasehold interests.
<b>Dates of Value:</b>	January 1, 2024 – Retrospective Value As-Is – Plant 1 January 1, 2025 – Prospective Value Upon Completion – Plant 1 January 1, 2027 – Prospective Value Upon Completion – Plant 2
<b>Subject of the Assignment and Relevant Characteristics:</b>	The property to be appraised is briefly described as follows:  BlueOval SK Battery Park, an electric battery manufacturing facility, which is being constructed in two (2) phases. Plant 1, which contains approximately 3.9 million square feet, is anticipated to be completed by December 31, 2024. Plant 2, which also contains 3.9 million square feet, is anticipated to be completed by December 31, 2027. The site contains a total land area of approximately 1,551 acres.



## II. ANTICIPATED SCOPE OF WORK

### USPAP Compliance:

C&W will develop appraisals in accordance with USPAP and the Code of Ethics and Certification Standards of the Appraisal Institute.

### General Scope of Work:

- Property inspection to the extent necessary to adequately identify the real estate.
- Research relevant market data in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results.
- Consider and develop those approaches relevant and applicable to the appraisal problem. Based upon our knowledge and valuation experience of the property type, we anticipate developing the following valuation approach(s):

- Cost Approach
- Sales Comparison Approach

The plants include a significant amount of specialized personal property, which is utilized in the battery manufacturing operations. Our valuation and analysis will exclude the personal property and will include the real property only.

## III. REPORTING AND DISCLOSURE

### Scope of Work Disclosure:

The valuation and analysis will be based upon a phased assignment.

- **Phase I** of the assignment will include a review of the property-specific information provided by the Client, a formal site inspection, and developing estimates of value for each of the three dates of valuation. The results of our valuation and analysis will be communicated in a Restricted Appraisal Report, which will summarize our value conclusions.
- A site inspection will be performed within four (4) weeks of our signed authorization to proceed, the receipt of requested property-specific information, and the applicable retainer, if necessary. Completion of Phase I would be approximately twelve (12) weeks from our signed authorization to proceed.
- **Phase II** of the assignment will commence upon approval from the Client, subsequent to the conclusions developed within Phase I. Phase II will include the preparation of a fully documented Appraisal Report in accordance with USPAP guidelines and Kentucky law, which will be utilized to support further ad valorem tax litigation services. This includes expert witness testimony, as necessary. Completion of Phase II will be approximately eight (8) weeks from our authorization to proceed.
- A list of initial information needed to complete the assignment has been included at the end of this agreement. Additional items may be requested as the assignment progresses.

- The actual Scope of Work will be reported within the Report.

#### **IV. FEE, EXPENSES AND OTHER TERMS OF ENGAGEMENT**

**Fee:** **The fee for Phase I of this assignment is \$45,000, plus applicable travel expenses.**

**The fee for Phase II of the assignment will be based upon an hourly rate.**

For Phase I, C&W will invoice the Client in separate payment tranches as follows: 40% of fee for work completed with the first 30 days, 50% of fee for work completed with the first 60 days, and 10% of fee upon final completion of the assignment. Expenses incurred during those billing cycles will be included as well.

The Client shall be solely responsible for C&W's fees and expenses hereunder. Acknowledgement of this obligation is made by the countersignature to this agreement by an authorized representative of the Client.

Subsequent to the completion of the final Appraisal Report, all consulting services, deposition, court testimony, meetings, correspondence, and analysis or similar type services will be billed on an hourly basis.

Hourly fees shall be billed in 6-minute increments. Actual fees are contingent on who renders a specific service. Invoices will be submitted periodically, usually monthly. Such invoices shall provide a description of the services rendered by each C&W professional as well as the time actually expended in providing each service (rounded in increments to the nearest tenth of an hour).

- Douglas W. Vanderhook - \$650 per hour
- Jeffrey A. Smith, MAI - \$650 per hour
- Sean Sargeant, MAI, SRA - \$650 per hour
- Andrew Thompson - \$475 per hour
- Other C&W personnel - \$350 to \$650 per hour

Any travel or material processing expenses will be billed accordingly.

The aforementioned hourly fees shall remain in effect through CY 2025. Fees for services rendered thereafter will be at C&W's standard hourly rates. C&W's fees are not contingent on the final results nor does C&W warrant or predict final developments in this matter.

**Additional Expenses:**

The fee quoted excludes all reasonable travel and administrative costs related to the preparation of the final Appraisal Report. A travel budget of \$5,000 is estimated for Phase I of this project. Administrative fees will be capped at 3.0% of the fee for services.

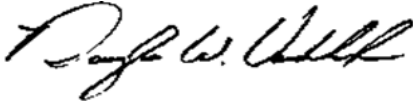
- Retainer:** A retainer is not required for this assignment in order to commence work for Phase I.
- Report Copies:** The final Appraisal Report will be delivered in electronic format.
- Start Date:** The appraisal process will initiate upon receipt of the signed agreement and the receipt of the property-specific data.
- Acceptance Date:** This proposal is subject to withdrawal if the engagement letter is not executed by the Client within seven (7) business days.
- Changes to Agreement:** The identity of the Client, Intended Users identified herein, or Intended Use identified herein; the date of value; type of value or interest appraised; or properties appraised cannot be changed without a new agreement.
- Prior Services Disclosure:** USPAP requires disclosure of prior services performed by the individual appraiser within the three (3) years prior to this assignment. None of the aforementioned appraisers have provided any prior services on the subject within the designated time frame.
- Cancellation of Engagement:** Client may cancel this agreement at any time prior to C&W's delivery of the Appraisal Report upon written notification to C&W. Client shall pay C&W for work completed on the assignment prior to C&W's receipt of written cancellation notice, unless otherwise agreed upon by C&W and Client in writing.
- Withdrawal of Appraiser Prior to Completion of Assignment:** C&W may withdraw without penalty or liability from the assignment contemplated under this agreement before completion or reporting of the appraisal in the event that C&W determines, at C&W's sole discretion, that insufficient information was provided to C&W prior to the engagement, that Client or other parties have not or cannot provide C&W with documentation or information necessary to C&W's analysis or reporting, that conditions of the subject property render the original scope of work inappropriate, or that the Client has not complied with its payment obligations under this agreement. C&W shall notify the Client of such withdrawal in writing. If C&W withdraws from the assignment due to unresolved issues with the Client, the Client shall pay C&W for work completed on the assignment. The balance of the retainer, if any, will be returned to the Client.
- Further Conditions of Engagement:** The Conditions of Engagement attached hereto are incorporated herein and are part of this letter of engagement.

John Stith  
Chief Operations Officer  
**HARDIN COUNTY SCHOOLS**  
September 27, 2024  
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Thank you for calling on us to render these services and we look forward to working with you.

Sincerely,

**CUSHMAN & WAKEFIELD REGIONAL, INC.**



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Douglas W. Vanderhook  
Senior Director  
Dispute Analysis & Litigation Support

cc:

**AGREED:**  
**CLIENT: HARDIN COUNTY SCHOOLS**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
John Stith

Title: \_\_\_\_\_  
Chief Operations Officer

E-mail Address: [john.stith@hardin.kyschools.us](mailto:john.stith@hardin.kyschools.us)

Phone Number: (270) 769-8814

## Information Needed to Complete the Assignment

We understand that you will provide the following information for our review on this project, if available.

### Physical Information

- Survey and/or Site Plan
- Legal Description
- Title Report
- Environmental Report – Phase I and II
- Property Condition Assessment Report
- Building Plans, including all expansions (AutoCAD drawings preferred)
- List of all equipment (brand and rating) associated with the electrical service, backup generators, wastewater system, etc.
- Fire protection system
- Utility providers
- Original construction and site acquisition costs, if available
- Current capital expense budget
- Contact name, phone number, and email for property inspection

### Financial Information

- Operating income and expense statements for three (3) previous years plus year-to-date
- Pro forma operating expense budget
- Most recent real estate tax bill(s) and/or statement(s)
- Sales history of the subject property over the past three (3) years at a minimum, if applicable
- Copy of leases and/or lease abstracts associated with the property, if applicable

## CONDITIONS OF ENGAGEMENT

- 1) Each Intended User identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than the Intended User(s) identified herein for the Intended Use described herein.
- 2) Unless identified expressly in this agreement, there are no third-party beneficiaries of agreement pertaining to the appraisal, and no other person or entity shall have any right, benefit, or interest under such agreement. The identification of a party as an intended user of the appraisal does not mean that the party is a third-party beneficiary of the agreement.
- 3) The appraisal report will be subject to our standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand the standard Assumptions and Limiting Conditions as well as any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the appraisal.
- 4) C&W shall have the right to utilize its affiliates in the performance of its services, provided that they comply with the obligations of C&W pursuant to this engagement.
- 5) The appraisal report or our name may not be used in any offering memoranda or other investment material without the prior written consent of C&W, which may be given at the sole discretion of C&W. Any such consent, if given, shall be conditioned upon our receipt of an indemnification agreement from a party satisfactory to us and in a form satisfactory to us. Furthermore, Client agrees to pay the fees of C&W's legal counsel for the review of the material which is the subject of the requested consent. C&W disclaims any and all liability with regard to the appraisal prepared pursuant to the engagement to any party other than the Intended User(s). Under no circumstances will C&W consent to the quote, reference, or inclusion of the appraisal in connection with crowd funding activities. Further, crowd funding investors are specifically excluded from any class of Intended Users.
- 6) In the event the Client provides a copy of the appraisal to, or permits reliance thereon by, any party not identified herein as an Intended User, Client hereby agrees to indemnify and hold C&W, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal by any such party.
- 7) The balance of the fee for the appraisal will be due within 60 days upon delivery of the Draft Report. Payment of the fee is not contingent on the appraised value, a loan closing, or any other prearranged condition. Additional fees will be charged on an hourly basis for any work, which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party, which exceed the time allotted by C&W for an assignment of this nature. If we are requested to stop working on this assignment by the Client, for any reason, prior to our completion of the appraisal, C&W will be entitled to bill the Client for the time expended to date at C&W's hourly rates for the personnel involved.
- 8) If C&W or any of its affiliates or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable efforts to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to these proceedings, Client agrees to compensate C&W or its affiliate for the professional time and reimburse C&W or its affiliate for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 9) By signing this agreement Client expressly agrees that its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential, indirect, special, punitive or liquidated damages be made.
- 10) C&W disclaims any and all liability to any party with regard to the appraisal report other than an Intended User identified herein.
- 11) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) Client agrees to pay all fees and expenses including attorneys' fees incurred by C&W in connection with the collection or attempted collection thereof.
- 12) Unless the time period is shorter under applicable law, any legal action or claim relating to the appraisal or this agreement shall be filed in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration agreement)

within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time period stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time period stated in this section shall apply to all non-criminal claims or causes of action of any type.

offending party shall be entitled to immediately terminate this agreement and take such other actions as are permitted or required to be taken under law or in equity.

- 13) Notwithstanding that C&W may comment on, analyze or assume certain conditions in the appraisal, C&W shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations and other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise.
- 14) Legal claims or causes of action relating to the appraisal or this agreement are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.
- 15) Each party represents and warrants to the other that it, and all persons and entities owning (directly or indirectly) an ownership interest in it: (a) are not, and will not become, a person or entity with whom a party is prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other governmental action; and (b) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in clause (a) above.
- 16) Each party represents and warrants to the other that it (and any party acting on its behalf) has not, in order to enter into this agreement, offered, promised, authorized, or made any payments or transfers of anything of value which have the purpose or effect of public or commercial bribery, kickbacks or other unlawful or improper means of doing business ("Prohibited Activity") and will not engage in Prohibited Activity during the term of this agreement. In the event of any violation of this section, the non-