MUNICIPAL ORDER 38-2026

A MUNICIPAL ORDER DECLARING THE PROPERTY LOCATED AT 102 AND 118 VETERANS BLVD. W. AS SURPLUS PROPERTY AND AUTHORIZING THE MAYOR TO EXECUTE A REAL ESTATE PURCHASE AGREEMENT AND DEED CONVEYING THE PROPERTY TO OWENSBORO DOWNTOWN PROPERTIES, LLC; AND AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A MEMORANDUM OF AGREEMENT WITH OWENSBORO DOWNTOWN PROPERTIES, LLC PROVIDING THAT THE CITY SHALL PAY OWENSBORO DOWNTOWN PROPERTIES, LLC AN INCENTIVE PER RESIDENTIAL UNIT BUILT ON PROPERTY LOCATED AT 102 AND 118 VETERANS BLVD.

WHEREAS, the City of Owensboro owns property located at 102 and 118 Veterans Blvd. W. (hereafter "the Property") and desires to transfer the Property to Owensboro Downtown Properties, LLC so it will build forty (40) residential units there; and

WHEREAS, the City now desires to declare the Property to be surplus property, so it can be conveyed to Owensboro Downtown Properties, LLC.

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF OWENSBORO, KENTUCKY, AS FOLLOWS:

Section 1. In accordance with KRS 82.083(3), the Board of Commissioners makes the following determination:

(1) The surplus real property owned by the City is located at 102 and 118 Veterans Blvd. W.

(2) The intended use for the property located at 102 and 118 Veterans Blvd. W. at the time of acquisition was for economic development.

(3) It is in the public interest to dispose of the property listed above as the City is in need of additional residential units, particularly in the downtown area, and it should be transferred to an individual or entity willing and able to develop it for residential purposes.

(4) The property located at 102 and 118 Veterans Blvd. W. shall be transferred without monetary consideration for economic development purposes to Owensboro Downtown Properties, LLC.

Section 2. By and through the Board of Commissioners, the property located at 102 and 118 Veterans Blvd. W. is hereby declared surplus property which may be transferred, sold, or otherwise conveyed in accordance with KRS 82.083.

Section 3. That the City of Owensboro, Kentucky, by and through its Board of Commissioners, hereby approves the transfer of 102 and 118 Veterans Blvd. W.

Section 4. That the Mayor, City Manager and appropriate staff members are hereby authorized to sign any and all real estate purchase agreements, deeds and all other documents deemed necessary to the furtherance of the authority outlined herein.

Section 5. That the Mayor be, and he hereby is authorized and directed to execute a Memorandum of Agreement with Owensboro Downtown Properties, LLC providing that the City will pay Owensboro Downtown Properties, LLC an incentive per residential unit built on the Property. A copy of said Memorandum of Agreement is attached hereto and incorporated by reference herein.

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the 17th day of November, 2026.

_____
Thomas H. Watson, Mayor

ATTEST:

_____
Beth Davis, City Clerk

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT made and entered into this _____ day of November, 2026, by and between CITY OF OWENSBORO, KENTUCKY, a municipality of the home rule class, 101 East Fourth Street, P. O. Box 10003, Owensboro, Kentucky 42302-9003, (hereafter referred to as "City"), and OWENSBORO DOWNTOWN PROPERTIES, LLC, 608 Frederica Street, Ste. 200, Owensboro, Kentucky 42301, (hereafter referred to as "Developer"), and Pat Anthony Yager, John T. Yager, and Aaron Kizer (hereafter referred to as "Guarantors"). City, Developer and Guarantors are each a "Party" and collectively the "Parties".

RECITALS

WHEREAS, Developer intends to develop property located at 102 and 118 Veterans Blvd. W. (hereinafter referred to as "Veterans Property") containing a total of _____acres for residential purposes, as described on Exhibit A, and the City intends to transfer the Veterans Property to Developer for that purpose; and

WHEREAS, the City of Owensboro has a need for additional residential units within the City and desires more downtown units specifically; and

WHEREAS, the City desires to provide an incentive for Developer to develop residential units on the Veterans Property; and

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and conditions contained herein, the Parties agree as follows:

SECTION 1. INCENTIVE:

a) City agrees to transfer to Developer, for economic development and for no monetary consideration, the Veterans Property. Developer agrees to build a development containing at least forty (40) residential units on the Veterans Property, substantially similar to the rendering shown on Exhibit B. City agrees to pay $400,000.00 for the forty (40) units to be built, at time of conveyance to Developer. Construction shall commence within thirty-six (36) months of execution of this Agreement, and construction shall be complete within seventy-two (72) months of execution of this Agreement. Developer agrees that if it has not commenced construction on the Veterans Property within thirty-six (36) months, it must convey the Veterans Property back to the City for no consideration, satisfy any outstanding debt against the Veterans Property, and pay back $400,000.00 to City. The deed conveying the property to the Developer shall contain a covenant reflecting these provisions.

b) The development on the Veterans Property must contain at least forty (40) residential units in order to qualify for the incentive of $400,000.00.

c) If Developer fails to complete construction prior to the applicable deadline set forth in a) above, then it must repay the incentive of $400,000.00. Construction will be deemed complete upon receipt of a certificate of occupancy.

d) To be entitled to incentive payments, Developer must obtain and maintain an active City business license, timely pay all taxes and other fees, as well as comply with all contractual and financial obligations to the City under this Agreement.

e) It is understood that all payments provided for in this Agreement shall be made solely to the present Developer and not to any subsequent developer, purchasers, tenants, or other interests present or future.

SECTION 2. TERM: This Agreement shall commence upon its execution by both Parties and in the absence of a default by either Party, shall remain in full force and effect for seventy-two (72) months. The obligation to repay any excess incentive will survive the term and remain until satisfied. As set forth in Section 4, Guarantors' obligations shall terminate on December 31, 2035.

SECTION 3. DEFAULT; REMEDIES: This Agreement may be terminated by the City, by written notice, in the event Developer breaches any one or more of the terms and conditions set forth herein, including failure to timely commence construction in accordance with Section 1. This Agreement may be terminated by Developer in the event the City fails to pay Developer the incentive on the terms and conditions set forth herein and fails to cure said breach within a reasonable time after written notice thereof by Developer.

Upon a material breach of this Agreement by either Party, the non-breaching Party shall be entitled to all remedies at law or equity, including but not limited to, specific performance or mandatory injunctive relief, rescission, or

compensatory and consequential damages arising therefrom; provided, however, the City's total liability shall not exceed $400,000.00.

SECTION 4. GUARANTY: Guarantors personally guarantee Developer's obligation to repay incentives set forth in Section 1 above, in the percentages set forth below:

Pat Anthony Yager	33.3%
John T. Yager	33.3%
Aaron Kizer	33.3%

The maximum aggregate liability of the Guarantors is $400,000.00, plus any costs of collection and reasonable attorney's fees incurred by City in enforcing the guaranties. The guaranties shall terminate on December 31, 2035.

SECTION 5. NOTICES: Any written notices or requests required under the terms of this Agreement shall be given to the following:

CITY:
City of Owensboro
Attention: City Manager
P. O. Box 10003
101 East 4th Street
Owensboro, Kentucky 42302-9003

DEVELOPER:
Owensboro Downtown Properties, LLC
Attention: Aaron Kizer
608 Frederica Street, Suite 200
Owensboro, KY 42301

GUARANTORS:
Pat Anthony Yager
3673 Limestone Drive
Owensboro, KY 42303

John T. Yager
3659 Limestone Drive
Owensboro, KY 42303

Aaron Kizer
4460 Greenacre Drive
Owensboro, KY 42303

SECTION 6. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement and understanding between the Parties and supersedes all prior agreements, promises, communications, representations, whether oral or written, by any employee, officer, or representative of either Party hereto. There are no promises, representations, covenants, undertakings, restrictions, or conditions, other than those expressly set forth herein. Any subsequent amendment hereto shall be in writing and executed by authorized representatives of the Parties. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and assigns, provided, however, that this Agreement shall not be transferred or assigned at any time by Developer or Guarantors without the express written consent of the City.

SECTION 7. APPLICABLE LAW: This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. The Parties hereby agree that the state courts of Daviess County and the Commonwealth of Kentucky shall have exclusive jurisdiction to hear and determine any claims or disputes.

SECTION 8. SEVERABILITY: The provisions of this Agreement are independent of and severable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason, other provisions herein may be invalid or unenforceable, in whole or in part. If a

court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable as written, a court may interpret, construe, rewrite or revise such provision, to the fullest extent allowed by law, so as to make it valid and enforceable consistent with the intent of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Agreement as of the day and year first hereinabove written.

CITY OF OWENSBORO:

By: _____
Thomas H. Watson, Mayor

ATTEST:

_____
Beth Davis, City Clerk

DEVELOPER:

Owensboro Downtown Properties, LLC

By: _____
Aaron Kizer, Managing Member

GUARANTORS:

_____
Pat Anthony Yager

_____
John T. Yager

_____
Aaron Kizer

EXHIBIT A