

GRANT REIMBURSEMENT AGREEMENT

THIS GRANT REIMBURSEMENT AGREEMENT (herein called the "Agreement") is made and entered into as of the ____ day of _____, 2013 by and between the **City of Jonesboro, Arkansas** (herein called the "City,"), and **Architectural Concepts**, an Arkansas company authorized to do business in the State of Arkansas (herein called the "Company.")

WITNESSETH:

WHEREAS, the Arkansas Economic Development Commission (herein called the "Commission") is authorized to make grant funds available to qualified applicants under the Economic Infrastructure Fund (EIF) program, with funds provided by State of Arkansas;

WHEREAS, the granting of funds from the Commission to the Company will permit the creation of new employment opportunities for citizens of the State of Arkansas; and

WHEREAS, certain sewer line construction activities will be completed that will benefit the Company located in City of Jonesboro, Arkansas;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the parties hereby covenant and agree as follows:

1. **GRANT.** Conditioned upon receipt of the grant funds by the City from the Commission, under a grant agreement dated _____, 2013, with funding awarded from the EIF program (herein called "Grant Agreement"), in the amount of \$125,000, the City agrees to use the sum as set out in the Grant Agreement, and this Agreement. A copy of the Grant Agreement is attached hereto as Exhibit "A" and is made a part hereof as set forth herein word for word. The Company acknowledges that the funds for the Grant are provided in accordance with the conditions of the Grant Agreement and shall submit to the Commission any reports, audits, documentation or other information as required herein according to this Agreement. In the event of any conflict with the terms and conditions of the Grant Agreement and the terms and conditions hereof, the terms and conditions of this Grant Reimbursement Agreement shall control.

2. **Purpose.** The Grant will be utilized only for those purposes specifically identified herein and within the Grant Agreement.

3. **Employment Opportunities.** The ultimate purpose of this Agreement and the Grant Agreement is to create employment opportunities for Arkansas residents. Accordingly, the Company agrees that it or any other Company owned or controlled by George Stem intends to create at least 15 net, new full-time positions averaging \$14.00 an hour (New Position Requirement) within three years of signing the Grant Reimbursement Agreement (New Position Creation Period). Net, net full-time positions will exclude any salary paid to anyone with more than a 25% ownership in any Company which is creating the new positions.

The Company acknowledges that the New Position Requirement is a condition precedent and a condition subsequent to the Company's benefit from the Grant.

4. **Disbursement of the Grant.** The Grant shall be disbursed to the City, with which to reimburse pay eligible expenses.

5. **Grant Reimbursement.** If, by the end of the New Position Creation Period, the Grantee has not met the New Position Requirement, the Company will reimburse the Grantor \$8,333 for each position less than the number of new positions required under the New Position Requirement. In no case will the Company be required to repay more money under this than was advanced by AEDC through the EIF. Any amount owed will be immediately due and payable. Quarterly job creation reports will be required for three years or until the New Position Requirement is met.

6. **Representations and Warranties of the Company.** The Company represents and warrants as follows:

(a) The Company is authorized to do business in the State of Arkansas, and has full power and authority to deliver this Agreement and every other instrument or document required to be delivered herein.

(b) The making and performance of this Agreement and each and every other document required to be delivered hereunder are within the Company's powers, have been duly authorized by all necessary corporate action, have received all necessary approvals, and do not contravene any law, regulation or decree or any contractual restriction (other than those which shall be waived or discharged at the time of making of the Grant) are binding on the Company.

(c) This Agreement and each and every other document required to be delivered hereunder, when duly executed and delivered, will be the legal and binding obligations of the Company enforceable in accordance with their respective terms.

(d) To the best of the Company's knowledge, there are no pending or threatened actions or proceedings before any court or administrative agency which may materially adversely affect the financial condition or operations of the Company.

7. **Conditions Precedent.** The obligation of the Commission to make the Grant is subject to the conditions that the Commission shall have received the following:

(a) This Agreement and all documents or instruments reasonably required in connection with the Grant.

(b) Certificate of Good Standing of the Company from the Arkansas Secretary of State.

(c) Certified copies of any resolutions evidencing authorization for the undertakings contemplated hereby, including the authorization to execute this Agreement and designating the person or persons with authority to execute same.

(d) Certified copies of all documents evidencing necessary action and approvals, if any, with respect to this Agreement and all other documents required in connection herewith (or a certificate that no such documents are required.)

8. **Events of Default.** If any of the following events (herein called "Events of Default") shall

occur and be continuing after the passage of a 30-day notice period ("Cure Period"), then this Agreement shall be in default per number 5. of this Agreement, and at the option of the Commission, the remaining Reimbursement Amount shall be subject to acceleration and enforcement as permitted by law, to wit:

(a) The Company shall default in its compliance with the New Position Creation Requirement and Existing Employment Requirement per number 3. of this agreement; or

(b) Any representation or warranty made in connection with the execution and delivery of this Agreement or any other document executed in connection herewith or in any certificate furnished pursuant hereto or thereto shall prove to be, at any time, incorrect in any material respect; or

(c) The Company shall default in the performance of any other term, covenant or agreement contained in this Agreement; or

(d) The Company shall be or become insolvent or bankrupt or have ceased or cease paying its debts as they mature or makes an assignment of or for the benefit of creditors, or a trustee or receiver or liquidator shall be appointed for the Company or for all or a substantial part of its property, or bankruptcy, reorganization, arrangement, insolvency, or similar proceedings shall be instituted by or against the Company under the law of any jurisdiction (provided, however, that in the event an involuntary bankruptcy action is commenced against the Company, then the Company shall have 90 days to secure the dismissal of such action).

Upon the occurrence of an Event of Default and after the Cure Period, the Remaining Reimbursement Amount shall become immediately due and payable and the Commission shall be entitled to collect from the Company all amounts which remain unpaid or unreimbursed.

9. **Notice.** All communications and notices provided for hereunder shall be in writing and mailed or delivered to the parties hereto at their business addresses set forth below or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties.

If to the Company:

Architectural Concepts
6009 Dalton Farmer Dr.
Jonesboro, AR 72404
Attn: George Stem, CEO

If to the City:

City of Jonesboro
P.O. Box 1845
Jonesboro, AR 72403
Attention: Mayor

In the event this Agreement is assigned to the Commission, notice to the Commission shall be effective if sent to the following address:

Arkansas Economic Development Commission
900 W. Capitol, Ste. 400
Little Rock, AR 72201
Attention: Bryan Scoggins, Director of Business Finance

10. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Company and the Commission, and their respective heirs, personal representatives, successors and assigns, except that the Company may not assign or transfer its rights hereunder without the prior written consent of the Commission.

11. **Governing Law.** This Agreement shall be deemed to contract under the laws of the State of Arkansas and for all purposes shall be governed by and construed in accordance with the laws of said State or the laws of the United States of America, as shall be applicable.

12. **Binding Effect.** This Agreement shall remain in full force and effect until the Remaining Reimbursement Amount has been paid in full.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

CITY OF JONESBORO, ARKANSAS

By: _____
Harold Perrin, Mayor

ARCHITECTURAL CONCEPTS

By: _____
George Stem, Chief Executive Officer