

GENERAL CAPITAL PROJECT SUBFUND: DEL

Subfund DEL is established for expenditures associated with the site development at Sugarlimb Industrial Park for the location of a new manufacturing facility.

On October 29, 2012, County Commission approved Resolution #102912-A for the sale of property in the Sugarlimb Industrial Park to a European manufacturing company, namely, Del Conca USA, Inc. (See Exhibit 12 and Exhibit 13). County Commission also approved Resolution #102912-B authorizing the submission of a FastTrack Infrastructure Development Application (FIDP) to the Tennessee Department of Economic and Community Development to support the project and partially finance the cost of site preparation/ infrastructure improvements (See Exhibit 14 and Exhibit 15). It would be necessary to construct an industrial access road to serve the proposed facility. Therefore, Resolution #102912-C resolved that a contract be entered into with the Tennessee Department of Transportation for assistance in the construction and completion of the proposed industrial access highway under the provisions of the Industrial Highway Act of 1959 (See Exhibit 16). Budget estimates attached (See Exhibit 17 and Exhibit 18).

	Fiscal Year <u>2012-2013</u>	Fiscal Year <u>2013-2014</u>
Beginning Cash Balance		308,845.44
Revenue	437,730.34	460,342.89
Other Deferred Revenue	489,323.28	
Capital Outlay Note	400,000.00	
Accounts Receivable	(8,621.00)	
Expenditures	(1,129,652.90)	(107,016.42)
Due From Other Governments	(480,702.28)	
Transfer from BAL subfund	600,000.00	
Due to Other Funds	768.00	(768.00)
Exp for Prior Year Encumbrances		(661,403.91)
Ending Cash Balance	<u>308,845.44</u>	<u>-</u>



**6/30/2014
Cash Balance**

Resolution No. 102912-A

A Resolution of the Loudon County Commission authorizing the sale of certain property in Sugarlimb Industrial Park and location inducements for Project Sparrow

Whereas, following a multi-state site selection search beginning in 2008, Project Sparrow (hereinafter referred to as Company) has forwarded to the Loudon County Economic Development Agency a letter of Intent, dated October 11, 2012, indicating the company's intent to construct a manufacturing facility in Sugarlimb Industrial Park at 197 Henry Drive, referenced by County Tax Map 33, a portion of Parcel 5.0, and

Whereas, Company is a European manufacturer of products for the residential and commercial construction sector and plans to construct a U.S. manufacturing facility in Loudon County/City of Loudon comprising approximately 320,000 sq. ft., employing approximately 178 and investing approximately \$70,000,000 in real and personal property over a 5-year period, and

Whereas, Company desires to expedite construction to ensure that production can commence in or around the end of 2013, and

Whereas, the Loudon County Economic Development Agency Board of Directors recommends that certain inducements and assistance be provided to Company involving site grading, extension of infrastructure, road construction and payment in lieu of taxes to secure the Company's presence in Loudon County/City of Loudon, and

Whereas, the Blair Bend/Sugarlimb Industrial Committee has considered and recommends the sale of said property, to Company at a price of \$15,000/acre.

Now, Therefore, Be It Resolved, that the Loudon County Commission hereby agrees to cooperatively provide the following inducements to the project:

1. To sell to Company a tract of land in Sugarlimb Industrial Park consisting of approximately 30 acres +/- at a price of \$15,000/acre with the actual acreage to be determined by a boundary survey.
2. To provide a pad-ready, graded site accommodating a 320,000 sq. ft. manufacturing facility and ancillary parking and access as reflected on the attached drawing being a part of this resolution.
3. To construct and extend infrastructure to the property boundary.
4. To construct an industrial access road from the end of the bridge on Henry Drive and extending south to the southern property line of said tract and to enter into a contract with the State of Tennessee Department of Transportation for State Industrial Road funds, estimated at \$1,100,000.

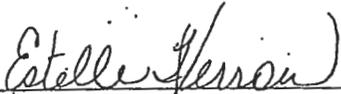
5. To authorize a 10-year payment in lieu of tax (PILOT) for real and personal property of \$168,574 annually.
6. To enter into contracts with the State of Tennessee Department of Economic and Community Development to secure \$750,000 in Fast Track Infrastructure (\$590,000) and training assistance (\$160,000) per the Department's commitment dated October 10, 2012 and herein attached as an exhibit to this Resolution.
7. To assist in the acquisition of Economic Development Funds through the Tennessee Department of Economic and Community Development that shall be used to assist company with specialized foundation and footers for the manufacturing project per the letter of commitment from the Department dated October 10, 2012 and herein attached as an exhibit to this Resolution.

Be, It, Further Resolved, that Loudon County and the City of Loudon hereby dedicate the annual payment in lieu of taxes received from the project to fund debt service for site grading and infrastructure costs. In addition, Loudon County shall serve as the fiscal and grant recipient for said project. Prior to incurring expenditures for engineering, site grading or utility extension, the County shall receive from Company acceptable surety sufficient to cover the outlay of funds utilized for such purposes previously mentioned. Said surety shall exist until such time as the appropriate Industrial Development Board shall enter into an agreement for an in-lieu of tax payment as described in Item #5 or until such time as an occupancy certificate is obtained for the facility.

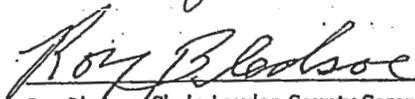
Be, It, Further Resolved, that the County Commission authorizes the Mayor to sign all applicable grant contracts and property closing documents.

Be It Finally Resolved, that this Resolution shall take effect immediately the public welfare requiring it.

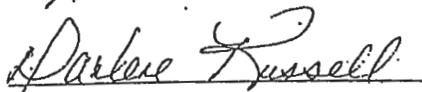
Passed this the 29th Day of October, 2012



 Estelle Herron, Mayor, Loudon County, Tennessee



 Roy Bledsoe, Chair, Loudon County Commission



 Darlene Russell, Loudon County Court Clerk



STATE OF TENNESSEE, LOUDON COUNTY
 I, Darlene M. Russell, County Court Clerk for said county
 certify this to be a true and correct copy of the original
 which is on file in my office at the Court House, Annex
 in Loudon. Witness my hand and seal at office, this

October 30 2012, Pages 2
 _____ Clerk
 By Darlene Russell
 _____ D.C.
 By Phyllis Youngblood

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into as of the 28 day of February, 2013 (the "Effective Date"), by and between THE CITY OF LOUDON and LOUDON COUNTY, TENNESSEE, governmental entities (collectively, "Seller"), and DEL CONCA USA, INC., incorporated in the State of Illinois ("Buyer").

WITNESSETH:

1. The Property. Upon and subject to the terms and conditions contained herein, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, the following (collectively, the "Property"):

- a. The land shown as Lot 4R-1 on Exhibit 2 attached hereto, located in the Sugarlimb Industrial Park in the City of Loudon, County of Loudon, State of Tennessee, being part of parcel 5.00 of Tax Map 33 (Exhibit 1), and containing approximately 27.501 acres, together with all easements, rights, appurtenances, fixtures and privileges appurtenant thereto (the "Land"). The Land shall not include the Access Road shown on Exhibit 2 as running adjacent to the Property and such roadway shall continue to be owned by Seller.
- b. All improvements of every kind and description located on the Land (collectively, the "Improvements").
- c. All warranties, guarantees, permits, licenses, architectural and engineering plans, reports, tests, consents, approvals, specifications, drawings, studies and surveys relating to the Land or the Improvements (collectively, the "Documents").

Seller will prepare and record, at Seller's sole expense, a subdivision plat for the above referenced Land, in a form reasonably acceptable to Buyer, at the time the boundary survey is complete.

2. Purchase Price. Buyer shall pay to Seller as the total price (the "Purchase Price") for the Property the sum of \$15,000/acre, calculated to the nearest one-hundredth of an acre, with the total acreage to be determined by a boundary survey pursuant to paragraph 5.b herein, which shall be payable on the Closing Date in immediately available federal funds, subject to the adjustments and prorations hereinafter provided. Payment shall be made in the form of a cashier's check, law firm trust account check, or by a wire transfer.

3. Condition of Property: Inspection.

- a. Buyer acknowledges and agrees that, subject to the provisions of subparagraph 3.c. below, and except as otherwise set forth in this Agreement, to accept the Property and all portions thereof in "AS IS" condition, subject to completion of the Site Work as described in Exhibit 3, and subject to ordinary wear and tear and damage by casualty (which is governed by paragraph 9 below).
- b. ~~Seller shall deliver to Buyer within fifteen (15) business days~~ (defined below), except as provided in subparagraph 3.b.vii below, after the Effective Date, the following items:
- i. Copies of all licenses and permits relating to the Property,
 - ii. All plans and specifications relating to the Property,
 - iii. Any engineering reports or studies relating to the Property in Seller's possession or control,
 - iv. True, correct and complete copies of any and all notices, requests, correspondence, files, pleadings, or other documents relevant to Buyer's evaluation of pending or threatened claims or litigation relating to the Property, including, without limitation, any documents relating to the environmental condition of the Land, the Improvements and any adjacent property,
 - v. Complete copies of any boundary, as built or other surveys of the Land or Improvements,
 - vi. Complete copies of all warranties or guarantees regarding the Property, and
 - vii. Copies of all existing environmental reports, studies, analyses and data in Seller's possession, whether or not prepared for the benefit of Seller, within three (3) business days after the Effective Date,
 - viii. Copies of existing title insurance policies and title reports in Seller's possession regarding the Property,
 - ix. Copies of any restrictive covenants or conditions regarding the Property.
- c. Buyer and Buyer's consultants shall have until 5:00 p.m. Eastern Time on the sixtieth (60th) day following the Effective Date (the "Inspection Period") to inspect the Property, including the right to perform environmental site assessments and to examine the physical condition of the Property including all Improvements and Documents located thereon or relating thereto. Seller hereby grants a revocable license to Buyer, its employees, contractors and agents to access the Property to perform such environmental assessments as Buyer shall determine appropriate in its

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sole discretion, including, without limitation, any tests, surveys, inspections and sampling (the "Environmental Assessments"). In performing the Environmental Assessments, Buyer agrees to use commercially reasonable efforts (i) to pose no material threat to the safety of persons or the environment, (ii) to cause no material damage to the Property, and (iii) following completion of the Environmental Assessments, to restore the Property to the same or better condition than the condition existing immediately prior to Buyer's exercise of its rights under this paragraph, at Buyer's sole cost and expense. If Buyer is not satisfied, in Buyer's sole discretion, with the results of Buyer's inspection, Buyer shall have the right, exercisable by delivery of written notice to Seller at any time prior to the expiration of the Inspection Period, to terminate this Agreement, whereupon the provisions in paragraph 13 below shall apply. Notwithstanding any provision contained herein to the contrary, in the event that Buyer determines, in its sole discretion, the need for additional environmental site assessments at any time during the Inspection Period, the parties shall make a good faith effort to agree upon a reasonable extension of the Inspection Period for such purpose at no additional cost.

- d. Buyer shall indemnify Seller from and against all liability, loss, damage and expense arising directly from the inspection of the Property by Buyer or its agents or consultants.

4. Conveyance Documents.

- a. Seller shall convey to Buyer the Land and the Improvements by limited warranty deed in a form to be mutually agreed upon by Buyer and Seller prior to Closing (the "Deed").
- b. Seller shall convey to Buyer all of Seller's rights, title and interest in the Documents pursuant to an Assignment of Warranties and Documents (the "Assignment of Warranties").

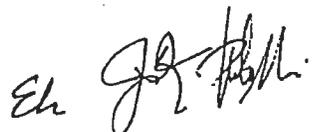
5. Title.

- a. It shall be a condition to Buyer's obligation to consummate the transaction contemplated hereby that, upon the recording of the Deed, the Title Company (as defined below) shall issue to Buyer an ALTA Owner's Policy of Title Insurance, with an effective date and time as of the date and time of the recording of the Deed (the "Title Policy") in the amount of the Purchase Price, insuring title to the Land and Improvements in Buyer, free and clear of all encumbrances other than the Permitted Exceptions (defined below). Seller agrees to deliver to the Title Company,



on or prior to the Closing Date, an affidavit in a form reasonably satisfactory to Seller and the Title Company, to induce the Title Company to remove the so-called standard exceptions from the Title Policy (the "Title Company Affidavit"). The "Title Company" shall be First American Title Insurance Company, acting through Tennessee Valley Title, as its agent.

- b. Seller shall provide at Buyer's expense (through the FastTrack Infrastructure Development Program ("FIDP") grant or otherwise) a current ALTA/ACSM Land Title Survey of the Land and Improvements meeting those survey requirements adopted by ALTA/ACSM and effective February 23, 2011 as marked on Exhibit 5, prepared by a surveyor registered in the State of Tennessee and reasonably acceptable to Buyer, certified to Buyer and the Title Company (the "Survey"). The Survey shall state the acreage of the Land to the nearest one-hundredth of an acre.
- c. For the purposes hereof, the term "Permitted Exceptions" means:
 - i. Real estate taxes and assessments which are a lien but not yet due and payable,
 - ii. Building and zoning ordinances and regulations,
 - iii. Deed restrictions as provided as Exhibit 4,
 - iv. Any matters disclosed on the Commitment (as defined below) or the Survey and not objected to by Buyer as provided below, and
 - v. Liens or other encumbrances arising as the result of labor performed, materials delivered or action taken with respect to the Land at the direction of Buyer, by Buyer, its employees, agents or contractors.
- d. Buyer shall order from the Title Company a Title Commitment with respect to the Property for issuance of the Title Policy (the "Commitment"). In the event the Commitment or the Survey shows any encumbrance, other than "Permitted Exceptions," affecting title to the Property which is not acceptable to Buyer, in its sole discretion, or if any update of the Commitment or the Survey prior to Closing shows any encumbrance not previously reflected in the Commitment or Survey that is not acceptable to Buyer, in its sole discretion (a "Defect"), Buyer shall provide written notice of such Defect to Seller within fourteen (14) days following receipt of the Commitment and Survey, or any update thereof.
- e. Following receipt of notice of a Defect, Seller shall have the right, exercisable within thirty (30) days after receipt of the notice of such Defect, to cure such Defect, but shall not be obligated to do so, except as set forth below. If Seller elects to cure any



Defect, Seller shall so notify Buyer and shall exercise commercially reasonable efforts to affect such cure. If, within the thirty (30) day period described in this paragraph 5.e., Seller does not cure or remove the Defect to the reasonable satisfaction of Buyer, then Buyer shall have the right to either:

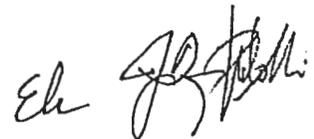
- i. Accept the Property subject to the Defect, with no reduction in the Purchase Price and with the additional exception shown in the Title Policy, or
- ii. Terminate this Agreement, in which event the provisions of paragraph 13 below shall apply.

The Closing Date shall be extended as necessary to permit each of Seller and Buyer to exercise its rights and perform its obligations within the time periods set forth in this paragraph 5.e.

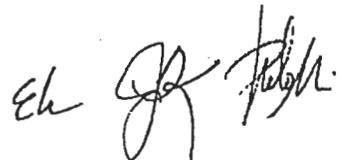
- f. Seller shall be obligated to pay and discharge all mortgages, deeds of trust, mechanics' and materialmen's liens, tax liens for taxes already past due and assessments encumbering the Property, other than any liens arising for labor performed or materials delivered to the Land caused by or at the direction of employees, agents or contractors of Buyer.

6. Closing.

- a. The closing of the transactions contemplated hereby (the "Closing") shall take place in escrow on a date selected by Buyer and not later than thirty (30) days following the later of:
 - i. The completion of the work described on Exhibit 3 attached hereto and made a part hereof (the "Site Work") or
 - ii. Expiration of the Inspection Period, or on such other date as may be established in accordance with the provisions of this Agreement or otherwise agreed to by the parties in writing (the closing date, as the same may be so adjusted or extended, is herein referred to as the "Closing Date").
- b. Seller and Buyer hereby appoint the Title Company to act as escrow agent ("Escrow Agent") for the Closing of this transaction. A signed counterpart of this document shall serve as the escrow instructions to the Escrow Agent.
- c. On the Closing Date, and provided that Buyer simultaneously performs its obligations hereunder, Seller shall deposit with the Escrow Agent all of the items listed below, properly executed by Seller, as applicable:
 - i. Deed.
 - ii. Assignment of Warranties.



- iii. Seller's affidavit of non-foreign status, as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended (if applicable to government entities).
- iv. An executed copy of a closing statement ("Closing Statement") prepared by the Escrow Agent reflecting the Purchase Price as adjusted to reflect the allocation of closing costs as set forth herein.
- v. The Title Company Affidavit in favor of the Title Company pursuant to paragraph 5.a. above.
- vi. Any other documents or instruments required by the terms of this Agreement.
- d. On the Closing Date, and provided that Seller simultaneously performs its obligations hereunder, Buyer shall deposit with the Escrow Agent all of the items listed below to Seller, properly executed by Buyer, as applicable:
 - i. The Purchase Price, subject to the adjustments and prorations as hereinafter provided.
 - ii. An executed copy of the Closing Statement.
 - iii. All other documents or items required by the terms of this Agreement.
- e. On the Closing Date, the Escrow Agent shall complete this transaction by:
 - i. Causing the Deed to be filed for record with the Loudon County Register of Deeds.
 - ii. Issuing the Title Policy to Buyer.
 - iii. Charging the Seller and the Buyer for those costs and expenses to be paid by each.
 - iv. Delivering to each party the Documents to be delivered to Buyer and Seller, respectively, and disbursing the Purchase Price to Seller, after deducting any sums, charges and prorations as required hereunder.
 - v. Preparing and forwarding to each party one signed copy of the Escrow Agent's Closing Statement showing all of the receipts and disbursements of the escrow.
- f. In the event the Escrow Agent is unable to simultaneously perform all of the instructions set forth above, it shall so notify Buyer and Seller and retain all funds and Documents in its possession pending receipt of further instructions jointly issued by Buyer and Seller. Pending resolution of any such dispute, Escrow Agent is authorized to deposit all funds and Documents in its possession into court, in which event Escrow Agent shall be discharged from all further obligations hereunder.

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g. Buyer may elect to close the transaction contemplated hereby prior to completion of the Site Work. If Buyer elects to do so, Seller's obligation to complete the Site Work shall continue after Closing until such Site Work is completed in accordance with Exhibit 3 attached hereto, and Seller shall have a right to enter the Property to complete such Site Work. To the extent permitted by law, Seller shall indemnify and hold Buyer harmless from all liens, or claims or rights to enforce liens, against the Land or the improvements arising out of any work to be performed or labor or materials to be furnished in connection with such Site Work. Seller shall further, to the extent permitted by law, indemnify and hold Buyer free and harmless from all liabilities, costs and charges by reason of any act, omission or representation by or on behalf of Seller, or of its employees, agents, or contractors/subcontractors, including, but not limited to, claims or demands for personal injury or property damage, arising out of or caused by any act or omission by any entity doing work on its behalf in connection with such Site Work. To the extent Buyer closes the purchase and commences construction prior to the completion of the Site Work, Buyer shall indemnify and hold Seller and its employees and contractors free and harmless from all liabilities, costs and charges by reason of any act, omission or representation by or on behalf of Buyer, or its employees, agents or contractors/subcontractors, including but not limited to, claims or demands for personal injury or property damage, arising out of or caused by any act or omission by any entity doing work on its behalf on the Property. During the time while such Site Work is being completed, Seller and Buyer will instruct their respective contractors to cooperate with each other and coordinate their activities at the Property in order to avoid interference with each other's activities. During the time after Closing while such Site Work is being completed, Seller will carry, or cause its contractors to carry, the following types of insurance through insurance carrier or carriers reasonably acceptable to Buyer:

- i. Worker's compensation insurance fully covering all persons engaged in the performance of the work being performed on the Land at the behest of Seller as required by the laws of Tennessee;
- ii. Public liability covering death and bodily injury with the limits of not less than \$1,000,000.00 and property damage coverage with limits of not less than \$1,000,000.00, which insurance shall name Buyer as an additional insured.



iii. Seller shall furnish Buyer at Closing copies of policies of insurance as set forth in this paragraph, together with certificates or receipts showing that the insurance is in full force and fully paid. Each of the policies shall contain a provision to the effect that it may not be cancelled except upon ten (10) days prior written notice to the Buyer

7. Buyer's Conditions to Closing. The obligations of Buyer under this Agreement to purchase the Property and consummate the transaction contemplated hereby shall be subject to the satisfaction of the following conditions on or before the Closing Date, except to the extent that Buyer waives any of such conditions in writing at or prior to Closing:

- a. Seller shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed and complied with by Seller on or before the Closing Date.
- b. The Property shall be in at least the same physical condition that it was in on the Effective Date, except for changes brought about by completion of the Site Work.
- c. The Site Work shall have been completed in accordance with plans and specifications which have heretofore been approved by Buyer.
- d. Buyer shall have received each of the items to be delivered to it or for its benefit under this Agreement.
- e. No suit or other proceeding shall be pending against Seller by any Person before any court or authority seeking to restrain or prohibit or declare illegal the transaction contemplated by this Agreement, or seeking damages against Seller in connection with the transactions contemplated by this Agreement.
- f. No suit, claim, notice, penalty order, compliance order, request for information or other proceeding shall be issued, pending or threatened against Seller by any person or governmental agency, alleging or asserting (i) a violation of any environmental law, statute, ordinance, permit or other requirement, or (ii) a release or threat of release of any hazardous, toxic or otherwise regulated substance, waste, contaminant, pollutant or material on, at, in, under, about, to or from the Land or the Improvements.
- g. Buyer shall have obtained all permits with respect to air, wetlands, wastewater and stormwater (collectively, the "Permits") as are deemed necessary by Buyer for Buyer's proposed use and development of the Property. Buyer shall apply for such Permits in a timely manner and shall diligently pursue such applications.



- h. The Loudon/Loudon County Blair Bend Committee shall have (i) approved Buyer's proposed use of the Property, (ii) approved the site plans and landscaping plans for Buyer's proposed development, and (iii) confirmed to Buyer that Buyer's proposed use is compatible with existing industry in the industrial park.
- i. All warranties and representations made by Seller in paragraph 14 hereof shall be true and accurate in all material respects as of the Closing Date.

If any of the foregoing conditions are not fulfilled by Closing, the Buyer shall have the right, exercisable by delivering written notice to Seller, to terminate this Agreement, in which event the provisions of paragraph 13 below shall apply; provided, however, that in the event any failure of a condition constitutes a default by Seller or Buyer, then Buyer or Seller, as the case may be, shall also have any rights against the other party available at law or in equity.

8. Expenses.

- a. Provided the Closing occurs pursuant to paragraphs 6 and 7 hereof, Buyer shall pay the following costs and expenses:
 - i. The costs and expenses of the Escrow Agent,
 - ii. The cost of the Commitment and Title Policy,
 - iii. The cost of the Survey, and
 - iv. The cost of recording the Deed.
- b. Each party shall bear its own legal expenses incurred in the connection with the negotiation, documentation and Closing of this transaction.

9. Damage. Risk of loss of the Property shall remain in Seller until the Closing Date. If, prior to the Closing Date, the Property or any substantial part thereof is damaged or destroyed by fire, the elements, or by any other cause of whatever nature, Seller shall deliver prompt written notice to Buyer of such damage. In the event of any casualty that damages the Property prior to the Closing Date, Seller shall make any repairs necessary to deliver the Property to Buyer at Closing with the Site Work completed.

10. Possession. Possession of the Property shall be delivered by Seller to Buyer on the Closing Date, with the Site Work completed, and subject only to the Permitted Exceptions.

11. Notices.

- a. All notices, requests and other communications hereunder shall be in writing and shall be:
 - i. Personally delivered,
 - ii. Sent by national overnight delivery service (with evidence of delivery), or



iii. Sent by facsimile or other electronic transmission with concurrent delivery by overnight delivery service (with evidence of delivery), addressed to the following addresses, or to such other address of which Seller or Buyer shall have given notice to the other as herein provided or at such other address as may be designated by either of the parties in a written notice given in accordance with the provisions of this paragraph.

If to Seller to:	Loudon County Government ATTN: Mayor 100 River Road Loudon, TN 37774 FAX: 865-458-1784	City of Loudon ATTN: Mayor 201 Alma Place P.O. Box 189 Loudon, TN 37774 FAX: 865-458-6781
With a Copy to:	Kramer Rayson LLP 800 S Gay Street, Suite 2500 Knoxville, TN 37929 ATTN: Robert Bowman, Esq. Esq. FAX: 865-522-5723	Ford & Nichols 501 Mulberry Street Loudon, TN 37774 ATTN: Joe Ford, FAX: 865-458-4302
If to Buyer to:	Del Conca USA, Inc. c/o Ceramica del Conca SpA Via Croce, 8 47832 San Clemente (RN) ITALY ATTN: Paolo Mularoni FAX: 011-39-0541-988783	
With a copy to:	Luca Costi. c/o Ceramica del Conca SpA Via Croce, 8 47832 San Clemente (RN) ITALY FAX: 011-39-059-739345	
With a copy to:	Arnall Golden Gregory LLP 171 17 th St., NW Suite 2100 Atlanta, GA 30363-1031 ATTN: Andrew J. Schutt FAX: 404-873-8779	

b. All such notices, requests and other communications shall be deemed to have been sufficiently given and received for all purposes hereof on the date of actual receipt thereof, or on the date of refusal of delivery by the addresses.

12. Broker Fees.



- a. Each of Seller and Buyer hereby represents and warrants to the other that It has not dealt with any real estate broker or agent in connection with this transaction.
- b. Each party hereby indemnifies and agrees to defend and hold harmless the other from and against any and all claims, costs or expenses incurred by reason of the breach of its representations, warranties, or covenants under this paragraph 12. The provisions of this paragraph 12 shall survive Closing and the delivery of the Deed hereunder or the termination of this Agreement without the occurrence of Closing.
13. Termination. In the event of the termination of this Agreement which, by the express terms of this Agreement, is governed by this paragraph 13, any sums deposited by Buyer with the Escrow Agent shall be returned to Buyer, all Documents delivered into escrow shall be returned by the Escrow Agent to the depositing party, and each party shall pay any costs theretofore Incurred by It or for which such party is responsible in accordance with the terms hereof, whereupon neither party shall have any additional liability hereunder, except the Seller's Incurred unreimbursed Project Expenses that County is entitled to recover pursuant to the terms of the Surety Agreement, the Letter of Credit or otherwise, and this Agreement shall be terminated, except that the indemnification provisions of paragraphs 3.d. and 12.b. above shall survive such termination and remain in effect.
14. Seller's Representations and Warranties. To induce Buyer to enter into this Agreement, Seller hereby makes the representations, warranties and covenants hereinafter set forth, each of which is material to and is relied upon by Buyer. Seller represents, warrants and covenants as follows:
- a. Authority to Sell. Seller has the right, power and authority to (i) sell the Property to Buyer in accordance with the terms and conditions hereof, (ii) execute and deliver this Agreement and all other documents to be executed and delivered, either simultaneously herewith or at Closing, in connection with the transaction contemplated herein, and (iii) perform all obligations of Seller that arise under this Agreement or under such documents.
- b. Title to Property. Seller is the sole owner of good, fee simple, marketable and insurable title to all of the Property. Seller has granted no outstanding options to purchase or rights of first refusal with respect to all or any part of the Property and has entered into no outstanding contracts with others for the sale, mortgage, pledge, hypothecation, assignment, lease or other transfer of all or any part of or any interest in the Property.
- c. Zoning and Use. To Seller's knowledge:

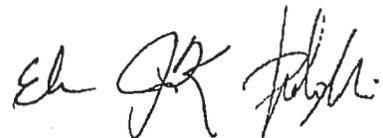


- i. No part of the Property is subject to any building or use restrictions that restrict or prevent Buyer's proposed use of the Property;
 - ii. The Property is properly and duly zoned for Buyer's proposed use;
 - iii. There is no outstanding notice of violation of any rule, regulation, code, resolution, ordinance, statute or law of any government, governmental agency or insurance Board of Underwriters involving the use, maintenance, operation or condition of the Property or any part thereof;
 - iv. There is no outstanding notice or order of any governmental authority having jurisdiction over the Property not fully and duly complied with, affecting the use or operation of any part of the Property, or requiring, as of the date hereof or a specified date in the future, any repairs or alterations or additions or improvements thereto;
 - v. To Seller's knowledge, all necessary permits and licenses required in connection with the current uses of the Property have been obtained and are currently in full force and effect; and
 - vi. The Property is not located in any conservation or historic district or in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards.
- d. Encroachment. To Seller's knowledge, no improvements located on the Property violate any setback requirements or encroach on any adjacent property, and no buildings or other improvements of any kind encroach on the Property.
- e. No Mechanics' Liens. No labor has been performed or material furnished for the Property for or on behalf of Seller for which Seller has not heretofore fully paid, or for which any mechanics' or materialmen's lien or liens, or any other lien, can be claimed by any person, party or entity.
- f. No Condemnation Proceedings. There are no condemnation or eminent domain proceedings pending, or to the best of Seller's knowledge, threatened or contemplated against the Property or any part thereof, and Seller has received no notice, oral or written of the desire of any public authority or other entity to take or use the Property or any part thereof or interest therein. Seller will give Buyer prompt written notice of any actual or, if known to Seller, any threatened or contemplated condemnation of any part of or interest in the Property.
- g. No Litigation. To Seller's knowledge, there is no action, suit, litigation, hearing or administrative proceeding pending or threatened with respect to all or any portion



of the Property, or relating to Seller that, if adversely determined, would directly or indirectly affect all or any part of the Property or Seller's ability to convey the Property to Buyer in accordance with this Agreement.

- h. No Leases. The Property is not subject to any leases, tenancies, licenses or occupancy agreements.
- i. No Defaults or Violations. Neither the execution nor the delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (i) result in the acceleration of any encumbrance pertaining to the Property that will not be paid off at Closing, or the cancellation of any contract pertaining to the Property, (b) violate any restriction to which Seller is subject, (c) constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance, rule, judgment, decree or order, or (d) result in the creation of any lien, charge or encumbrance upon any of the Property.
- j. Taxes, Assessments. Seller has paid, or will pay at or prior to Closing, all taxes, assessments, charges, fees, levies and impositions coming due prior to the Closing. To Seller's knowledge, no public improvements have been constructed or planned that would be paid for by means of assessments upon the Property.
- k. Maintenance. Prior to Closing, and until physical possession of the Property has been delivered to Buyer, Seller will keep and maintain all of the Property in good order and condition, will not permit any waste with respect thereto, and will not permit any grading or any cutting of timber thereon, or removal of any soil, gravel, rock or minerals therefrom, other than as part of the Site Work described herein.
- l. Hazardous Substances.
 - i. For purposes of this Agreement, "Environmental Laws" means the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Clean Water Act, 33 U.S.C. Section 1251 et seq., and all other applicable Federal, state, county, municipal, administrative or other environmental, hazardous waste or substance, health and/or safety laws, ordinances, rules, regulations and requirements and as may be amended from time to time pertaining to the environmental or ecological conditions on, under, about or from the Property. For purposes of this Agreement, "hazardous substance" means any matter giving rise to liability under any of the



Environmental Laws, or under any common law theory based on nuisance, trespass or strict liability.

ii. Seller warrants and represents that:

- (A) to Seller's knowledge, the Property does not contain any hazardous substance, and there has been no prior release of any hazardous substance at, on, in, under, about or from the Subject Property, except as disclosed to Buyer in writing;
- (B) neither Seller nor, to Seller's knowledge, any prior owner, user or occupant of the Property, has conducted or authorized the generation, transportation, storage, treatment or disposal at or near the Property of any hazardous substance, except as disclosed to Buyer in writing;
- (C) Seller is not aware of any pending or threatened claim, demand, litigation or proceeding before any court or any governmental or administrative agency in which any person or entity alleges a violation of Environmental Law or the presence, release, threat of release, placement on, in, at, under, about or from the Property or any adjacent property, or the generation, transportation, storage, treatment or disposal at the Property or any adjacent property, of any hazardous substance, except as disclosed to Buyer in writing;
- (D) Seller has not received any notice of, and has no actual or constructive knowledge that any governmental authority or employee or agent thereof has determined, or threatens to determine, that there is a presence, release or threat of release or placement on, in, at, under, about or from the Property or any adjacent property, or the generation, transportation, storage, treatment or disposal at the Property or any adjacent property, of any hazardous substance, except as disclosed to Buyer in writing;
- (E) To Seller's knowledge, there are no actions, communications or agreements with any governmental authority or agency (Federal, state or local) or any private entity, including, but not limited to, any prior owners of the Property relating in any way to the presence, release or threat of release or placement on, in, at, under, about or from the Property or any adjacent property, or the generation, transportation, storage, treatment or disposal at the Property or any adjacent property, of any hazardous substance, except as disclosed to Buyer in writing;



- (F) Seller has owned and operated the Property in compliance with all Environmental Laws and has obtained all necessary permits under the Environmental Laws for Seller's operations on the Property.
- (G) To Seller's knowledge, there are no underground storage tanks on the Property, and no underground storage tanks have been removed from the Property.
- m. Contracts. The Property is not subject to any operating or maintenance agreements that cannot be terminated by Buyer, without charge or penalty, upon thirty (30) days' or less notice.
- n. Utilities. Usable public sanitary and storm sewers, public water facilities, gas and electrical facilities (collectively, the "Public Utilities") necessary to the operation of the Property are installed in, and are duly connected to, the Property, or shall be connected to the Property as part of the Site Work, and can be used without any charge except the normal and usual metered public utility charges and usual sewer charges. All Public Utilities required for the operation of the Property are presently, or shall be, available to the Property either through adjoining public streets or, if they pass through adjoining private lands, do so with valid public or private easements.
- o. Access to Public Road. The Property abuts Henry Drive, which is a public roadway, and the right of ingress and egress from said roadway to and from the Property is not restricted or limited in any manner.
- p. Truth of Warranties and Representations. The truth and accuracy of all material respects, as of the date of Closing, of all representations and warranties made by Seller herein shall be an express condition to Buyer's obligation to consummate the transactions contemplated herein.

15. Miscellaneous.

- a. This Agreement and the Exhibits referred to herein, all of which are attached hereto and made a part hereof, together with the Surety Agreement, embody and constitute the entire understanding between the parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, by and between Buyer and Seller are superseded and merged into this instrument, and shall be null, void and of no further force and effect from and after the Effective Date.

A handwritten signature in black ink, appearing to be "Eh J.R. Hill", is located in the bottom right corner of the page.

- b. None of the provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.
- c. This Agreement shall be binding upon, and inure to the benefit of, Seller and Buyer, and their respective successors and assigns.
- d. This Agreement shall be governed by the laws of the State of Tennessee, without regard to its conflicts of laws principles. The parties hereby waive any right to trial by jury. In the event that either party hereto shall commence litigation against the other in connection herewith, the losing party in such action shall reimburse the reasonable attorneys' fees of the prevailing party in such action. If one party prevails on certain claims but the other party prevails on other claims, the award of attorney fees shall be determined at the discretion of the court.
- e. All paragraph headings and other titles and captions herein are for convenience only, do not form a substantive part of this Agreement and shall not restrict or enlarge any substantive provisions hereof or thereof. The term "including," when used in this Agreement, means "including, without limitation," and shall be construed as a term of illustration, and not a term of limitation. Whenever reference is made to a number of "days" in the computations of time hereunder, such reference shall mean "calendar days" unless otherwise indicated. Wherever any period of time is specified herein for taking of any action or the giving of any notice, the period shall be computed by excluding the day upon which the period is specified to commence and including the last day of the period specified. Whenever the time for performance of an obligation occurs or expires on a day other than a Business Day, the time for performance thereof shall be extended to the next Business Day. For the purposes hereof, the term "Business Day" means all days, excluding:
 - i. Saturday and Sunday and
 - ii. Any day that is a national holiday in the United States or a state holiday in the State in which the Land is located.
- f. The Escrow Agent is hereby designated the "real estate reporting person" for purposes of Section 6045 of Title 26 of the United States Code and Treasury Regulation 1.6045-5, if applicable. Following the Closing, Buyer shall cause to be filed a Form 1099 information return (or other applicable form) by the date required



by Law. Seller shall cooperate with Buyer in connection with all real estate reporting requirements. This paragraph shall survive the Closing.

- g. Subject to the express terms and conditions of this Agreement, each party shall take such actions and provide to the other such assurances as may be reasonably requested to consummate the transactions contemplated hereby, including providing such further documents or instruments reasonably requested by the other party as may be reasonably necessary to effect the purpose of this Agreement, carry out its provisions and consummate the transactions contemplated hereby.
- h. No failure by either party to insist upon strict performance by the other party of any provision hereof shall constitute a waiver of strict performance thereof, and no express waiver shall be deemed to apply to any other existing or subsequent failure of performance whether similar or dissimilar.
- i. This Agreement may be executed in counterparts, each of which shall be deemed an original, and both of which together shall form a single instrument. The execution of this Agreement by facsimile or other electronic form (e.g. PDF) of signature shall be binding and enforceable as an original; provided, that any party delivering a facsimile or electronic document shall thereafter execute and deliver to the other party an original instrument, as soon as reasonably possible thereafter.
- j. Nothing in this Agreement, expressed, or implied, is intended to confer any rights or remedies upon any person, other than the parties hereto and, subject to any restrictions on assignment herein contained, their respective successors and assigns.
- k. Any disputes about interpreting or enforcement of this Agreement will be heard in Loudon County Chancery Court and that Tennessee substantive law will control, conflicts of law principles notwithstanding.
- l. Except as may be required by law, without the written consent of Buyer, neither Seller nor its agents or brokers shall disclose or release any plans, specifications, drawings or technical data relating to Buyer's proposed development on the Property to any third party not involved in the preparation of the site or the construction of Buyer's proposed development.
- m. Although Seller has advised Buyer that it is preferable that construction work by Buyer on its facilities not commence until after both Closing and after it has secured financing that may be necessary to construct the facilities, should Buyer, its employees, agents, contractors or representatives come onto the Land for purposes of commencement of construction, Buyer:

A handwritten signature in black ink, appearing to be "Eh" followed by a stylized name, possibly "J. F. [unclear]".

- i. Represents and warrants to Seller that it will do so only through persons or entities fully experienced and properly qualified as experts to perform the work being performed and who are properly equipped, organized and financed to perform such work,
- ii. Affirms that it shall finance its own operations, shall operate as an independent contractor and not as the agent of the Seller and shall indemnify and hold Seller free and harmless from all liabilities, costs and charges by reason of any act, omission or representation by or on behalf of Buyer, or of its employees, agents, or contractors/subcontractors, including, but not limited to, claims or demands for personal injury or property damage, arising out of or caused by any act or omission by any entity doing work on its behalf.
- iii. Shall, at all times, commencing with the date upon which construction begins, carry the following types of insurance through insurance carrier or carriers reasonably acceptable to the Seller:
 1. Worker's compensation insurance fully covering all persons engaged in the performance of the work being performed on the Land at the behest of Buyer as required by the laws of Tennessee;
 2. Public liability covering death and bodily injury with the limits of not less than \$1,000,000.00 and property damage coverage with limits of not less than \$1,000,000.00, which insurance shall name Seller as an additional insured.
 3. "Builders' risk" insurance against damage or destruction by fire in full extended coverage, including vandalism and malicious mischief, covering all improvements to be erected and all materials for the same which are on or about the tract in any amount equal to the full insurable value of the improvements and materials, such insurance to be made payable to the Seller and the Buyer, as their interests may appear. Buyer shall furnish Seller five (5) days prior to the date construction commences, copies of policies of insurance as set forth in this paragraph, together with certificates or receipts showing that the insurance is in full force and fully paid. Each of the policies shall contain a provision to the effect that it may not be cancelled except upon ten (10) days prior written notice to the Seller.



4. Shall indemnify and hold Seller harmless from all liens, or claims of rights to enforce liens against the Land or the improvements arising out of any work to be performed or labor or materials to be furnished during the time period prior to Closing by or at the direction of employees, agents or contractors of Buyer.

Elm J.R. High

IN WITNESS WHEREOF, Buyer and Seller have each caused this Agreement to be duly executed as of the date first written above.

SELLER:

CITY OF LOUDON, TENNESSEE
a Municipal Government Entity

By: Judy McGill Keller
Name: Judy McGill Keller
Title: Mayor, City of Loudon

COUNTY OF LOUDON, TENNESSEE
A County Government Entity

By: Estelle Herron
Name: Estelle Herron
Title: Mayor, County of Loudon

BUYER:

DEL CONCA USA, INC.
an Illinois Corporation

By: Paolo Mularoni
Name: Paolo Mularoni
Title: President

The undersigned Escrow Agent hereby agrees to be bound by the provision of this Agreement which is applicable to Escrow Agent.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name:
Title:

EH 

EXHIBIT 3

SITE WORK AND ACCESS ROAD

Seller will cause the following work (the "Site Work") to be performed on the Property:

1. Grading. The Property will be graded to create a pad site in accordance with plans and specifications prepared by Seller's engineering firm, Cannon & Cannon, based upon and in compliance with the results and recommendations of S&ME contained in the Report of Geotechnical Exploration, Project No. 1431-11-348A, dated November 13, 2012, a copy of which Buyer has received. Such grading plans and specifications include the following: Del Conca Production Facility Initial Site Preparation Plan, dated February 11, 2013, prepared by Cannon & Cannon, Inc. Any proposed modification of the scope of the grading work or of the grading plans heretofore approved by Buyer and Seller must be submitted to the other party for approval with a drawing highlighting or otherwise clearly indicating such modification. Any such proposed modification must be approved in writing by both parties in order to be effective. The contract for the grading design plan will be subject to Buyer's reasonable approval. The contract for the grading work will also be subject to Buyer's reasonable approval and will contain warranties with respect to the grading work. The warranty shall survive completion of the grading work for a minimum of two (2) years. The grading work contract will include the contractor's acknowledgment that Closing may occur prior to completion of the Site Work and that in such event the contractor will provide such subordination agreement, affidavit and partial lien waiver as may be reasonably required by Buyer's title insurer. Buyer will be named a third party beneficiary of the grading design and grading contracts. If the Site Work is completed prior to Closing, Seller will assign to Buyer Seller's rights under such contracts at Closing. If Closing occurs prior to completion of the Site Work, as provided in the Agreement, Seller will assign to Buyer Seller's rights under such contracts upon completion of the grading work. Seller will possess the right to enforce such contracts prior to the assignment and will cooperate with Buyer after the assignment in any proceeding to enforce such contract. The grading work contract will include the specifications and requirements to comply with the results and recommendations of the S&ME report, which specifications and requirements have been approved by Buyer's engineer, Mallia Engineering Company. Seller will use S&ME for the purpose of Quality Control testing with respect to the grading work. Seller will permit Buyer's engineer or its agent to conduct Quality Assurance testing with respect to the grading work, the results of which will be provided to Seller. Seller will act to repair any quality deficiencies disclosed by such Quality Control and Quality Assurance testing within a reasonable time in order to prevent any delay in completion of the grading. Buyer acknowledges that it is not the intent of the grading design to be a substitute for the necessary engineering design of the foundations and structural components necessary to support the facilities to be constructed and the equipment to be installed therein, such design work to be done by Buyer's consultants and not as a condition of this Agreement. The grading will not be deemed to be completed until the site has been graded and compacted to satisfy the specifications and requirements heretofore approved by Buyer's engineer.

Seller shall provide Buyer, its consultants, employees and agents access to the Property to monitor and inspect all work on the pad site and installation of the utilities, and copies of all testing and inspection reports related to the Site Work. Buyer agrees to give Seller written notice of any material issue or deficiency that comes to its attention during Seller's work on the Site Work.

Seller will use its best efforts to cause the grading contract to be signed by February 28, 2013. The grading contract will obligate the contractor to complete the grading for the building pad within 45 calendar days of the date the grading contract is signed and to complete all other grading work under such contract within 75 calendar days after such contract is signed. Such deadlines will be extended by one (1) calendar day for each day of delay caused by Force Majeure. "Force Majeure" shall mean labor disputes, acts of God, severe and adverse weather conditions, war, acts of terrorism, riots, or unforeseeable restrictions or regulations imposed by any governmental entity other than Seller. The grading contract will provide for payment to Buyer by the grading contractor of liquidated damages in the amount of \$2,700.00 per day for each day of delay in completion if the work is not completed by the deadline dates listed above.

2. Utilities. Seller will use its best efforts to cause the providers of utilities of water and electric service to extend such service to the boundary of the Property at locations reasonably acceptable to Buyer by May 11, 2013 (temporary supply) and August 31, 2013 (permanent supply), the permanent supply being subject to the ability of TDOT to accommodate the installation of the utilities within the right-of-way as it is constructing the Access Road. Seller will use its best efforts to cause the providers of utilities of gas and sewer to extend such service to the boundaries of the Property at locations reasonably acceptable to Buyer by August 31, 2013.

In addition to the foregoing, Seller will use its best efforts to cause the Tennessee Department of Transportation ("DOT") to extend Henry Drive from the bridge at the boundary of the Property along the side of the Property (with the Property being located on the south and east sides of the road) to a cul-de-sac as shown on Exhibit 2 (both the extension of Henry Drive and the road to the cul-de-sac referred to as the "Access Road") and to complete the construction of such Access Road by October 31, 2013. Upon completion, such Access Road will be dedicated as a public right-of-way. Construction of the Access Road will not be included in the Site Work for purposes of this Agreement, and completion of the Access Road prior to Closing will not be a condition to Buyer's obligation to close.

Seller will also use its best efforts to cause DOT to construct a temporary access road to be completed by the date of completion of the grading for the building pad. Seller will use its best efforts to cause such temporary access road to be suitable by such date to permit Buyer's contractor to have access to the building site in order to bring its construction equipment onto the site to start fine grading and construction of the building foundations. Seller will use its best efforts to cause such temporary access road to be suitable by September 1, 2013, to accept delivery of Buyer's heavy production machinery.

Until the Access Road is dedicated as a public right-of-way, Buyer and its agents, contractors and employees will have an easement for pedestrian and vehicular access, ingress and egress on and across the Access Road, provided it does not interfere with TDOT's construction of the Access Road. Buyer and Seller will enter into an easement agreement at Closing with respect to such access easement.



EXHIBIT 4

DEED RESTRICTIONS

1. Minimum Lot Size: The minimum lot size shall be determined by the applicable municipal zoning restrictions for the property.
2. Landscaping: All non-impervious surface areas shall be landscaped with trees, shrubs, and grass maintained in an aesthetically pleasing manner. In determining the extent of landscaping, the minimum requirements shall comply with the standards for landscaping of the Loudon Zoning Ordinance Section 11-611 or subsequent amendments. Landscape plans shall accompany all site plans submitted to the Joint Loudon/Loudon County Blair Bend Committee (hereinafter referred to as Committee) for review and approval.
3. Types of Construction: All principal and accessory structures shall, at a minimum, be designed to include brick, stucco, decorative block, split faced concrete block, or similar material along the exterior façade to a minimum height of five feet. Exterior materials shall be complemented by using neutral colors.
4. Storage Areas: The exterior storage of materials is normally not permitted unless an appropriate plan is presented to and approved by the Committee, which adequately screens the area with the use of plant material, enclosures, or any combination thereof.
5. Loading Space: Loading docks shall face either the rear or side yard unless the Committee approves otherwise.
6. Parking: The City's zoning requirements shall govern the number of spaces required for a development. All parking spaces, entrances/exits and loading areas, shall be paved and curbed.
7. Signage: All signs shall be governed by the City of Loudon Zoning Ordinance.
8. Subdivision and Resale: The subdivision and/or resale of undeveloped property without approval of the Committee are expressly prohibited.
9. Compatibility: All industrial uses must be consistent with EPA, other Federal, State, and local requirements; and compatible with existing industry in the park. Adult Sexually Oriented Businesses as defined in the City of Loudon Zoning Ordinance are specifically included as being non-compatible, and are prohibited.
10. Noise: The noise level of any sound emissions resulting from activities and operations on each parcel shall not exceed 85 decibels at the property line of the parcel.
11. Adult entertainment/oriented uses: Adult entertainment/oriented uses as defined in the Loudon County Zoning Resolution are specifically prohibited.
12. Solid Waste Disposal: The property shall not be used for any solid waste disposal including but not limited to demolition landfilling, fly ash landfilling, or sanitary landfilling.

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13. Recapture Clause: If construction is not begun within 12 months from the date of sale, the Committee has the right to buy the property back at the original acquisition price. After construction has commenced, the Committee shall execute and record a termination of such repurchase right upon the request of the owner of the property. No resale of the property shall be made before construction is completed except with approval of the Committee. Extension may be granted by the Committee. Between the date of sale and beginning of construction, any proposed change in use shall be subject to approval of the Committee.

EXHIBIT 4
DEED RESTRICTIONS

1. Minimum Lot Size: The minimum lot size shall be determined by the applicable municipal zoning restrictions for the property.
2. Landscaping: All non-impervious surface areas shall be landscaped with trees, shrubs, and grass maintained in an aesthetically pleasing manner. In determining the extent of landscaping, the minimum requirements shall comply with the standards for landscaping of the Loudon Zoning Ordinance Section 11-611 or subsequent amendments. Landscape plans shall accompany all site plans submitted to the joint Loudon/Loudon County Blair Bend Committee (hereinafter referred to as Committee) for review and approval.
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4. Storage Areas: The exterior storage of materials is normally not permitted unless an appropriate plan is presented to and approved by the Committee, which adequately screens the area with the use of plant material, enclosures, or any combination thereof.
5. Loading Space: Loading docks shall face either the rear or side yard unless the Committee approves otherwise.
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12. Solid Waste Disposal: The property shall not be used for any solid waste disposal including but not limited to demolition landfilling, fly ash landfilling, or sanitary landfilling.
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EXHIBIT 5

American Land Title Association
American Congress on Surveying and Mapping

Minimum Standard Detail Requirements
For ALTA/ACSM Land Title Surveys
Effective 2/23/2011

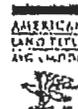
TABLE A

OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS

NOTE: The items of Table A must be negotiated between the surveyor and client. It may be necessary for the surveyor to qualify or expand upon the description of these items (e.g., in reference to Item 6(b), there may be a need for an interpretation of a restriction). The surveyor cannot make a certification on the basis of an interpretation or opinion of another party. Notwithstanding Table A Items 5 and 11(b), if an engineering design survey is desired as part of an ALTA/ACSM Land Title Survey, such services should be negotiated under Table A, Item 22.

If checked, the following optional items are to be included in the ALTA/ACSM LAND TITLE SURVEY, except as otherwise qualified (see note above):

- ~~Monuments placed (or reference monument or witness to the corner) at all major corners of the boundary of the property, unless already marked or referenced by existing monuments or witnesses.~~
- 2. Address(es) if disclosed in Record Documents, or observed while conducting the survey.
- 3. Flood zone classification (with proper annotation based on federal Flood Insurance Rate Maps or the state or local equivalent) depicted by scaled map location and graphic plotting only.
- 4. Gross land area (and other areas if specified by the client).
- 5. Vertical relief with the source of information (e.g. ground survey or aerial map), contour interval, datum, and originating benchmark identified.
- 6. (a) Current zoning classification, as provided by the insurer.
 (b) Current zoning classification and building setback requirements, height and floor space area restrictions as set forth in that classification, as provided by the insurer. If none, so state.
- 7. (a) Exterior dimensions of all buildings at ground level.
 (b) Square footage of:
_____ (1) exterior footprint of all buildings at ground level.
_____ (2) other areas as specified by the client.
 (c) Measured height of all buildings above grade at a location specified by the client. If no location is specified, the point of measurement shall be identified.



Handwritten signature and initials, including "Eli" and "NSPS".

8. Substantial features observed in the process of conducting the survey (in addition to the improvements and features required under Section 5 above) such as parking lots, billboards, signs, swimming pools, landscaped areas, etc.
9. Striping, number and type (e.g. handicapped, motorcycle, regular, etc.) of parking spaces, in parking areas, lots and structures.
10. (a) Determination of the relationship and location of certain division or party walls designated by the client with respect to adjoining properties (client to obtain necessary permissions).
- (b) Determination of whether certain walls designated by the client are plumb (client to obtain necessary permissions).
11. Excavation of utilities (representative examples of which are listed below), existing on or adjoining the surveyed property as determined by:
- (a) Observed evidence.
- (b) Observed evidence together with evidence from plans obtained from utility companies or provided by client, and markings by utility companies and other appropriate sources (with reference as to the source of information).
- Railroad tracks, spurs and sidings;
 - Manholes, catch basins, valve vaults and other surface indications of subterranean uses;
 - Wires and cables (including their function, if readily identifiable) crossing the surveyed property, and all poles on or within ten feet of the surveyed property. Without expressing a legal opinion as to the ownership or nature of the potential encroachment, the dimensions of all encroaching utility pole crossmembers or overhangs; and
 - utility company installations on the surveyed property.
- Note - With regard to Table A, item 11(b), source information from plans and markings will be combined with observed evidence of utilities to develop a view of those underground utilities. However, lacking excavation, the exact location of underground features cannot be accurately, completely and reliably depicted. Where additional or more detailed information is required, the client is advised that excavation may be necessary.
12. Governmental Agency survey-related requirements as specified by the client, such as for HUD surveys, and surveys for leases on Bureau of Land Management managed lands.
13. Names of adjoining owners of platted lands according to current public records.
14. Distance to the nearest intersecting street as specified by the client.
15. Rectified orthophotography, photogrammetric mapping, airborne/mobile laser scanning and other similar products, tools or technologies as the basis for the showing the location of certain features (excluding boundaries) where ground measurements are not otherwise



NSPS

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RESOLUTION NO. 102912-B

A Resolution of the Loudon County Commission authorizing the submission of a FastTrack Infrastructure Development (FIDP) Application to the Tennessee Department of Economic and Community Development on behalf of Project Sparrow

WHEREAS, Loudon County recognizes and supports the need for business expansion within the county; and

WHEREAS, Project Sparrow will be constructing a new facility to be located in the Sugarlimb Industrial Park; and

WHEREAS, Project Sparrow has indicated that site preparation improvements are needed in order to prepare the site for the facility construction; and

WHEREAS, the State of Tennessee offers grants to local communities to finance site preparation improvements that support business expansion through its FastTrack Infrastructure Development Program (FIDP); and

WHEREAS, Loudon County must submit a formal application in order to be eligible for funding through the FIDP program, said application to request funding for site preparation improvements to support Project Sparrow facility construction.

NOW, THEREFORE, BE IT RESOLVED that Loudon County hereby authorizes the Mayor or her representative to prepare and submit an FIDP grant application for up to \$750,000 to partially finance the cost of site preparation/infrastructure improvements to support Project Sparrow's facility construction at Sugarlimb Industrial Park.

BE IT FURTHER RESOLVED that Loudon County acknowledges that the local share requirements of the FIDP program will be satisfied by Loudon County.

This Resolution adopted this the 29th day of October, 2012.

Approved By:

Estelle Herron
Estelle Herron, Mayor

Roy Bledsoe
Roy Bledsoe, Chairman

Darlene Russell
Darlene Russell, County Court Clerk



STATE OF TENNESSEE, LOUDON COUNTY
I, Darlene M. Russell, County Court Clerk for said county certify this to be a true and correct copy of the original which is on file in my office at the Court House, Annex in Loudon. Witness my hand and seal at office, this
October 30 2012 Pages 1
Darlene Russell Clerk
By Phyllis Youngblood D.C.

SURETY AGREEMENT

THIS AGREEMENT is hereby entered into on this the 28th day of February, 2013, by and between the County of Loudon, Tennessee (hereinafter "County") and Del Conca USA, Inc. (hereinafter "Company").

WHEREAS, Company has entered into a contract (the "Purchase and Sale Agreement") with the property owners, City of Loudon and Loudon County, Tennessee, to purchase certain land containing approximately 30 acres +/- located in Sugarlimb Industrial Park on Henry, Kimberly and Natalie Drives, Loudon, for the construction by Company of a manufacturing facility (the "Site"); and

WHEREAS, before it will be feasible to locate a manufacturing facility on the Site, certain infrastructure must be designed and installed for which local assistance may be obtained through the FastTrack Infrastructure Development Program ("FIDP") and a payment in lieu of taxes program ("PILOT"); and

WHEREAS, the Tennessee Department of Economic and Community Development has extended a proposal to Company, dated October 10, 2012, committing up to \$590,000 under the FIDP to provide funds for certain site improvements including drainage, grading and utility improvements to assist in the location of Company's facility on the Site; and

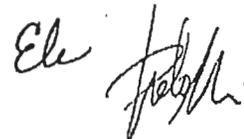
WHEREAS, Loudon County Commission has passed a Resolution of support and submitted an application under the FIDP through the Tennessee Department of Economic and Community Development; and

WHEREAS, Loudon County and the City of Loudon have also passed Resolutions committing to provide certain site improvements including (i) a pad-ready graded site capable of accommodating a 320,000 sq. ft. manufacturing facility and ancillary parking and access on the Site and (ii) to construct and extend utilities to the property line, (iii) providing the local match for the FIDP program funds received, and (iv) contributing the balance of the costs associated with this Site improvement project ((i) and (ii) collectively referred to herein as the "Project"); and

WHEREAS, both parties realize that in order to expedite the Project in a timely manner, certain costs will be incurred by the County prior to assurances that sufficient revenue will be generated to fund the Project from a PILOT Agreement (the "PILOT Agreement") or from the State of Tennessee under the FIDP, and that until such revenue is realized it will be necessary for the Company to provide adequate surety and/or security in favor of the County as described below; and

WHEREAS, the parties in exchange for the consideration of the mutual covenants and promises as set forth herein and the Resolutions, desire to enter into this agreement for the purpose of expediting the construction of infrastructure and site development improvements making up the Project to serve the Company and the Site.

NOW, THEREFORE, in consideration of the premises set forth herein, the parties expressly agree as follows:



1. County agrees to enter into a contract with the State of Tennessee Department of Economic and Community Development for the utilization of funds under the FIDP for the Project to enable the future location of the Company in Sugarlimb Industrial Park in Loudon, Tennessee.
2. County agrees to competitively bid the construction of the Project utilities and site grading in conformity with local and State requirements and to provide cash flow to initially pay all related design and construction invoices for the Project, for which it will be entitled to receive reimbursement from either (i) the funds received through the FIDP and the PILOT, or (ii) the Letter of Credit referenced in Section 3 below (in the event of a "Company Event of Default", as defined in Section 4 below).
3. Either the Company or its affiliate, Ceramica Del Conca S.p.A., shall obtain surety and/or security to cover the estimated cost of the Project in the form of an irrevocable letter of credit from Intesa Sanpaolo SpA, New York ("Intesa") in substantially the form attached hereto as Exhibit A, naming the County as beneficiary, prior to the County obligating or committing any funds for the Project. The letter of credit shall be for One Million Five Hundred Thousand U.S. Dollars (U.S. \$1,500,000) (the anticipated cost of the Project) (referred to herein as the "Letter of Credit").
4. If Company fails (each such Company failure referred to herein as a "Company Event of Default") to take reasonable steps to cooperate in the application for the FIDP and/or the PILOT program, if it fails to commence, or once commenced fails to continue reasonable progress on the design and construction of its manufacturing facility or if it fails to close on the purchase of the Site for any reason other than (a) the failure of the County to complete the Site Work as described in Exhibit 3 to the Purchase and Sale Agreement; (b) the failure or inability of the County to propose and implement a reasonable cure for a Defect as described in Section 5 of the Purchase and Sale Agreement, a reasonable cure being one for which title insurance could be obtained from the title company insuring Buyer's title in spite of the defect, or (c) the failure of the County to meet its obligations described in Sections 7(a), 7(b), 7(d), 7(h), or 7(i) of the Purchase and Sale Agreement and the failure or inability of the County to propose and implement a reasonable cure for such failure in a reasonable period of time (the matters described in Sections 4(a), 4(b) and 4(c) above referred to herein as a "County Event of Default"), and if the County has incurred unreimbursed reasonable Project expenditures, then County may give Company written notice and demand for reimbursement (the "Demand") up to the amount of the County's unreimbursed reasonable Project expenditures less the local match. For purposes of this provision, ~~fails to continue reasonable progress means that progress on the construction of the manufacturing facility has been at such a pace that it will not be completed and an occupancy permit issued at least forty five (45) days prior to the expiration of the Letter of Credit.~~ If pursuant to the Demand the Company has not (i) cured the Company Event of Default, (ii) reimbursed County with good funds within thirty (30) days after receipt by Company of the Demand, or (iii) in the event of the Company's failure to commence or once commenced failure to continue reasonable progress on the design and construction of its manufacturing facility, extended the term of the Letter of Credit (in which case the period for which the Company has to complete construction of the manufacturing facility and secure issuance of an occupancy permit described above will be extended by the number of days of the extension of the Letter of Credit), ~~then the County may draw on the Letter of Credit the amount specified in the Demand.~~ Any drawings shall be applied against and reduce the next in time payments

Elh 

due under the PILOT Agreement. The County may not draw on the Letter of Credit in the event the County has received a good faith notice from the Company of a County Event of Default (a "Company Notice") and (i) such County Event of Default remains uncured or (ii) the Purchase and Sale Agreement has been terminated by the Company as a result of such County Event of Default.

In the event the Company provides a Company Notice, and the County in good faith provides the Company with written notice in reasonable detail indicating the County's disagreement with the Company's position set forth in the Company Notice, the Company will keep the Letter of Credit in full force and effect until the parties have resolved such disagreement. In the event Intesa is unwilling to extend the term of the Letter of Credit, and if the Company does not secure another letter of credit in the amount specified in Section 3 above with another banking institution either (A) chartered in the United States of America, or (B) chartered in Italy (with confirmation by a banking institution chartered in the United States of America), and in form and substance substantially similar to that set forth on Exhibit A, then the County will be entitled to draw upon the Letter of Credit in the amount specified in the County's Demand despite the Company Notice.

5. All notices, requests and other communications hereunder shall be in writing and shall be:
- i. Personally delivered,
 - ii. Sent by national overnight delivery service (with evidence of delivery), or
 - iii. Sent by facsimile or other electronic transmission with concurrent delivery by overnight delivery service (with evidence of delivery), addressed to the following addresses, or to such other address of which the County or Company shall have given notice to the other as herein provided or at such other address as may be designated by either of the parties in a written notice given in accordance with the provisions of this paragraph.

If to the County to:	Loudon County Government ATTN: Mayor 100 River Road Loudon, TN 37774 FAX: 865-458-1784	City of Loudon ATTN: Mayor 201 Alma Place P. O. Box 189 Loudon, TN 37774 FAX: 865-458-6781
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With a copy to:	Kramer Rayson LLP 800 S Gay Street, Suite 2500 Knoxville, TN 37929 ATTN: Robert Bowman, Esq. FAX: 865-522-5723	Ford & Nichols 501 Mulberry Street Loudon, TN 37774 ATTN: Joe Ford, Esq. FAX: 865-458-4302
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If to the Company to:	Del Conca USA, Inc. c/o Ceramica del Conca SpA Via Croce, 8 47832 San Clemente (RN) ITALY ATTN: Paolo Mularoni
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FAX: (011) 39 0541 988783

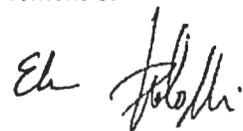
With a copy to:

Ceramica del Conca SpA
Via Croce, 8
47832 San Clemente (RN)
ITALY
ATTN: Luca Costi
FAX: (011) 39 059 739345

Amall Golden Gregory LLP
171 17th St., NW Suite 2100
Atlanta, GA 30363-1031
ATTN: Andrew J. Schurr
FAX: 404-873-8779

All such notices, requests and other communications shall be deemed to have been sufficiently given and received for all purposes hereof on the date of actual receipt thereof, or on the date of refusal of delivery by the addressees.

6. Company understands and agrees that the Letter of Credit shall continue in effect until the soonest to occur of twelve (12) months from the date hereof (unless such twelve (12) month period is extended as provided in Section 4 above), or such time as the Company enters into a lease agreement for real and personal property as required which provides for a Payment in Lieu of Tax of \$168,574 annually for a period of 10-years (the term of the Letter of Credit not to exceed twelve (12) months in any event, unless the term is extended as provided in Section 4 above). Once such a lease agreement is entered into, or the Company at any time prior to such agreement being entered into pays County any remaining balance of the County's unreimbursed reasonable Project expenditures the County has incurred which the County has not otherwise recovered, less the local match, or in the event the Purchase and Sale Agreement has been terminated by the Company as a result of a County Event of Default, the County shall return the Letter of Credit to Company and execute such agreements so as to cancel the Letter of Credit, and renounce any of its rights as beneficiary thereof.
7. Should any part or portion of this agreement be determined unenforceable by a court of law or equity, the remainder of the agreement shall be deemed to be severable and shall continue to be enforceable to the full extent allowed by applicable law. Upon such determination that any part or portion of this agreement is unenforceable, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner.
8. Any disputes about interpreting or enforcement of this surety agreement will be heard in Loudon County Chancery Court and that Tennessee substantive law will control, conflicts of law principles notwithstanding.
9. Capitalized terms shall have the meaning provided herein or as defined in the Purchase and Sale Agreement.
10. Except as may be required by law, without the written consent of the Company, neither the County nor its agents or brokers shall disclose the terms of this Agreement or



disclose or release any plans, specifications, drawings or technical data relating to the Project to any third party not involved in the preparation of the site or the construction of the Project.

[Signatures on following page]

A handwritten signature in black ink, appearing to read "Eh J. J. J.", located in the bottom right corner of the page.

Tennessee

By: Estelle Herron
Estelle Herron, Mayor, Loudon County,

By: Paolo Mularoni
Paolo Mularoni, President
For Del Conca USA, Inc.

[Signature Page to Surety Agreement]

Exhibit A

FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

Issue Date: _____, 2013

Loudon County, Tennessee

Gentlemen:

We, Intesa Sanpaolo SpA, New York (the "Bank") hereby establish this Irrevocable Standby Letter of Credit No. _____ at the request of Ceramica Del Conca S.p.A. (the "Applicant") in favor of Loudon County, Tennessee (the "Beneficiary") in the aggregate amount of One Million Five Hundred Thousand U.S. Dollars (U.S. \$1,500,000.00) (the "Maximum Credit"). This Letter of Credit is available by payment at sight with Intesa Sanpaolo SpA, New York in accordance with the terms and conditions hereinafter set forth.

This Letter of Credit is issued to secure certain payments required to be made by Del Conca USA, Inc. to you under a Surety Agreement dated as of _____, 2013 (as amended, the "Surety Agreement").

1. Expiration. This Letter of Credit shall remain in effect for a period of one (1) year from the date hereof (the "Issue Date") and shall expire at the close of business on the earliest to occur of (such earliest date, the "Expiration Date"):

(a) the date of receipt by the Bank of a certificate in the form of Exhibit A attached hereto, appropriately completed and executed; or

(b) the date of payment of the maximum aggregate amount available under this Letter of Credit; or

(c) _____, 2013, one (1) year from the Issue Date.

2. Maximum Credit. The maximum aggregate amount available under this Letter of Credit shall be U.S. \$1,500,000.00 (the "Maximum Credit"), which maximum credit shall be reduced from time to time pursuant to payments made as provided in paragraph 3 hereof.

3. Documents to be Presented. This Letter of Credit is available for payment upon receipt by the Bank at Intesa Sanpaolo SpA, One William Street, New York, NY 10004 attention Letter of Credit Department (as such information may be changed by giving ten (10) days written notice of such change to you) of: a certificate in the form attached as Exhibit B hereto, signed by an authorized officer of Beneficiary (the "Draw Certificate"). Beneficiary may deliver a Draw Certificate on multiple occasions for partial payment of the Maximum Credit, subject to the limitation of paragraph 2 above.

4. Method and Notice of Presentment. The documents required by paragraph 3 (collectively, a "Demand for Payment") may be delivered to the Bank in person, by



10. Governing Law. This Letter of Credit is subject to the International Standby Practices, International Chamber of Commerce, Publication No. 590 ("ISP98") and as to matters not addressed by the ISP98, shall be governed by and construed in accordance with the laws of State of New York.

11. Prohibited Parties. UNDER NO CIRCUMSTANCES SHALL THIS LETTER OF CREDIT BE TRANSFERRED TO ANY PERSON OR ENTITY WITH WHICH A FINANCIAL INSTITUTION IS PROHIBITED BY LAW FROM CONDUCTING BUSINESS UNDER SUCH LAWS AND REGULATIONS (each such prohibited person being referred to herein as a "Prohibited Party").

Very truly yours,

By: _____
Name: _____
Title: _____

Eh J. J. J.

Exhibit A

Surrender Certificate

TO: INTESA SANPAOLO SPA,
ONE WILLIAM STREET
NEW YORK, NY 10004
ATTENTION: LETTER OF CREDIT DEPARTMENT

Re: Letter of Credit No. _____

Ladies and Gentlemen:

We refer to your Irrevocable Standby Letter of Credit Number _____ (the "Letter of Credit"), dated _____, 2013, issued by you to _____ (the "Beneficiary"). The undersigned, a duly authorized officer or agent of Beneficiary, hereby certifies to you that:

1. We hereby surrender the attached Letter of Credit to you.
2. The Letter of Credit is hereby terminated in accordance with its terms.
3. No payment is demanded of you in connection with the surrender of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this certificate this _____ day of _____, 201__.

Very truly yours,

Loudon County, Tennessee

By: _____
Name: _____
Title: _____

Elie
[Signature]

Exhibit B

Draw Certificate – Event of Default

TO: INTESA SANPAOLO SPA,
ONE WILLIAM STREET
NEW YORK, NY 10004
ATTENTION: LETTER OF CREDIT DEPARTMENT

Re: Letter of Credit No. _____

The undersigned hereby certifies to Intesa Sanpaolo SpA, New York (the "Bank") that: (a) he or she is a duly authorized officer or agent of Loudon County, Tennessee; (b) he or she is authorized to execute this Certificate on behalf of said governmental entity; and (c) is authorized to deliver this Certificate by the Letter of Credit (as defined below).

With reference to Irrevocable Standby Letter of Credit number _____ dated _____, 2013, issued by the Bank (the "Letter of Credit"), the undersigned certifies that an Event of Default (as said term is defined in the Surety Agreement) has occurred and is continuing and the amount for which payment is demanded hereunder is due to the undersigned pursuant to the terms of the Surety Agreement as a result of the occurrence and continuation of such Event of Default.

Accordingly, the undersigned hereby makes demand under the Letter of Credit for payment of US\$ _____.

PAY TO _____ [name of Beneficiary] by wire transfer to account # _____ at the office of _____ [Name of Bank] at _____ [Address of Bank], which bank has an ABA Bank Routing Number of _____, the sum of \$ _____ (U.S. Dollars).

IN WITNESS WHEREOF, the undersigned has executed this Certificate this _____ day of _____, 201__.

Date: _____

Loudon County, Tennessee

By: _____

Name: _____

Title: _____

Contact Fax Number: _____



Exhibit C

Form of Replacement Certificate

(ON BENEFICIARY'S COMPANY LETTERHEAD)

DATE: _____

TO: INTESA SANPAOLO SPA,
ONE WILLIAM STREET
NEW YORK, NY 10004
ATTENTION: LETTER OF CREDIT DEPARTMENT

GENTLEMEN/LADIES:

Reference is made to Irrevocable Letter of Credit No. _____ dated _____ issued by Intesa Sanpaolo SpA, New York (the "Bank") for the account of Ceramica del Conca S.p.A. (the "Applicant") and in favor of Loudon County, Tennessee (the "Beneficiary") in the original face amount of \$1,500,000.00 (the "Maximum Credit").

We (the Beneficiary) hereby request that a duplicate original Letter of Credit be sent.

At the present time, the Beneficiary is unable to locate the original of the Letter of Credit and presumes that the original of the Letter of Credit has been lost, stolen or destroyed.

The Beneficiary hereby requests the Bank to provide the Beneficiary with a duplicate original of the Letter of Credit and the Beneficiary hereby agrees to indemnify the Bank and the Applicant and hold the Bank and the Applicant harmless from and against any and all liabilities, losses, costs, charges, expenses or fees, including, but not limited to, attorneys' fees and the allocated cost of internal legal counsel employed by the Bank and the Applicant, of any kind whatsoever, which the Bank or the Applicant may suffer or incur as a result of issuing a duplicate original of the Letter of Credit, excluding the cost of issuing the duplicate original of the Letter of Credit.

Very truly yours,

Loudon County, Tennessee

By: _____
Name: _____
Title: _____



RESOLUTION NO. 102912-C

A Resolution of the Loudon County Commission authorizing the submission of a State Industrial Access Road (SIA) application to the Tennessee Department of Transportation pursuant to the Industrial Highway Act of 1959 to extend Henry Drive in Sugarlimb Industrial Park on behalf of Project Sparrow

WHEREAS, Loudon County, Tennessee is vitally interested in the economic welfare of its citizens and wishes to provide the necessary leadership to enhance this area's capabilities for growth and development; and

WHEREAS, the provision of jobs to area citizens by local industry is both necessary and vital to the economic well-being of the County of Loudon and the State of Tennessee; and

WHEREAS, the Industrial Highway Act of 1959 authorizes the Tennessee Department of Transportation to contract with cities and counties for the construction and maintenance of "Industrial Highways" to provide access to industrial areas and to facilitate the development and expansion of industry within the State of Tennessee; and

WHEREAS, on October 11, 2012, Project Sparrow submitted a letter of intent which outlines plans to complete construction of a manufacturing facility in Loudon County/City of Loudon by the end of 2013; and

WHEREAS, the construction of an industrial access road to serve said proposed plant is necessary and vital to the successful completion of this project and the future economic well-being of this area.

NOW, THEREFORE BE IT RESOLVED by the Loudon County Commission, that a contract be entered into with the Tennessee Department of Transportation for assistance in construction and completion of the herein proposed industrial access highway under the provisions of the Industrial Highway Act of 1959.

Adopted this the 29th day of October, 2012.

Estelle Herron

Estelle Herron, Mayor

Roy Bledsoe

Roy Bledsoe, Chairman

Darlene Russell

Darlene Russell, County Court Clerk



STATE OF TENNESSEE, LOUDON COUNTY
I, Darlene M. Russell, County Court Clerk for said county certify this to be a true and correct copy of the original which is on file in my office at the Court House, Annex in Loudon. Witness my hand and seal at office, this
October 30 2012. Pages 1
Darlene Russell Clerk
By *Shyella Youngblood* D.C.

Exhibit 17

Project Sparrow

Loudon County and City of Loudon Financial Overview October 29, 2012

Expenditures

Construction and Engineering	\$	1,501,800
Legal (PILOT and property transfer)		10,000
Grant administration		5,000
		<hr/>
Total Expenditures	\$	1,516,800

Revenues

FastTrack infrastructure grant (State of TN)	\$	590,000
Balance of local obligations	\$	926,800

Debt Service

\$1,000,000 Capital outlay notes (10Yrs) @ 3.2%		
Annual debt service payment	\$	116,984
Payment in Lieu of Tax (annual)	\$	168,574

Difference \$ 51,589.96

Loudon County estimated portion (63.5%)	\$	32,760.00
City of Loudon estimated portion (36.5%)	\$	18,830.00

Original estimate submitted to County Commission on October 29, 2012

Exhibit 18

DEL CONCA REVISED BUDGET AS OF MARCH 19, 2013

Expenditures

Rough Grading - Wright Brothers	\$	1,326,938.30
Engineering - Cannon & Cannon		140,400.00
Geotechnical - S&ME		63,000.00
Water/Wastewater (estimate)		250,000.00
Legal fees		30,000.00
FIDP grant administrator (ETDD)		5,000.00
Total	\$	1,815,338.30

Revenues

FIDP Grant	\$	590,000.00
Capital Outlay Note		400,000.00
Local Funds		600,000.00
Sugarlimb Industrial Park Fund		225,338.30
Total	\$	1,815,338.30

Fund : 171- General Capital Projects - Del Conca

Account Number	Account Description	Balance
Assets		
171-DEL-11140- - -	Cash With Trustee	0.00
171-DEL-11410- - -	Accounts Receivable	0.00
171-DEL-11430- - -	Due From Other Governments	0.00
171-DEL-14100- - -	Estimated Revenues	518,445.00
171-DEL-14200- - -	Unliquidated Encumbrances (Control)	0.00
171-DEL-14500- - -	Expenditures - Current Year (Control)	107,016.42
171-DEL-14600- - -	Exp Chgd To Reserve For Prior Yrs Enc	407,062.91
171-DEL-14600- -UTILI-	Exp Chgd To Reserve For Prior Yrs Enc - Utility Site Construction	254,341.00
	Total Assets	1,286,865.33
	Total Assets and Deferred Outflows of Resources	1,286,865.33
Liabilities		
171-DEL-21410- - -	Contracts Payable	0.00
171-DEL-21500- - -	Due To Other Funds	0.00
171-DEL-22200- - -	Other Deferred Revenue	0.00
171-DEL-28100- - -	Appropriations (Control)	(88,542.00)
171-DEL-28500- - -	Revenues (Control)	(460,342.89)
	Total Liabilities	(548,884.89)
171-DEL-34110- - -	Encumbrances - Current Year	0.00
171-DEL-34120- - -	Encumbrances - Prior Year	31,354.11
171-DEL-39000- - -	Unassigned	(339,431.55)
171-DEL-39000- - -	Budget Unassigned	(429,903.00)
	Total Equities	(737,980.44)
	Total Liabilities, Deferred Inflows of Resources, and Fund Bala	(1,286,865.33)
Fund Totals:	171-DEL General Capital Projects - Del Conca	0.00

Balance Sheet
JUNE 30, 2014

171 GENERAL CAPITAL PROJECTS

DEL DEL CONCA

Fnd-Funct-Obj	Sub Cost Fnd-Centr-Obj	Sub	Account Name	Amount
ASSETS				
171-14100-	-DEL		ESTIMATED REVENUES	518,445.00
171-14500-	-DEL		EXPENDITURES - CURRENT YEAR (CONTROL)	107,016.42
171-14600-	-DEL		EXP CHGD TO RESERVE FOR PRIOR YRS ENC	407,062.91
171-14600-	-DEL-UTILI		EXP CHGD TO RESERVE FOR PRIOR YRS ENC	254,341.00
TOTAL ASSETS				1,286,865.33
LIABILITIES				
171-28100-	-DEL		APPROPRIATIONS (CONTROL)	88,542.00-
171-28500-	-DEL		REVENUES (CONTROL)	460,342.89-
TOTAL LIABILITIES				548,884.89-
EQUITIES				
171-34120-	-DEL		ENCUMBRANCES - PRIOR YEAR	31,354.11
171-39000-	-DEL		UNASSIGNED	339,431.55-
171-39000-	-DEL		BUDGET UNASSIGNED	429,903.00-
TOTAL EQUITIES				737,980.44-
Fund Is In Balance				0.00

G/L Month: 06 JUNE
Beginning Fund: 171 Beginning Sub Fund: DEL
Ending Fund: 171 Ending Sub Fund: DEL

* End of Report: LOUDON CO CENTRAL ACCOUNTING *

Balance Sheet
JUNE 30, 2013

171 GENERAL CAPITAL PROJECTS

DEL DEL CONCA

End-Funct-Obj	Sub Cost Fnd-Centr-Obj	Sub Fnd-Centr-Obj	Account Name	Amount
ASSETS				
171-11140-	-DEL		CASH WITH TRUSTEE	308,845.44
171-11410-	-DEL		ACCOUNTS RECEIVABLE	8,621.00
171-11430-	-DEL		DUE FROM OTHER GOVERNMENTS	480,702.28
171-14100-	-DEL		ESTIMATED REVENUES	1,335,901.00
171-14200-	-DEL		UNLIQUIDATED ENCUMBRANCES (CONTROL)	737,978.68
171-14500-	-DEL		EXPENDITURES - CURRENT YEAR (CONTROL)	1,129,652.90

TOTAL ASSETS				4,001,701.30
LIABILITIES				
171-21500-	-DEL		DUE TO OTHER FUNDS	768.00-
171-22200-	-DEL		OTHER DEFERRED REVENUE	489,323.28-
171-28100-	-DEL		APPROPRIATIONS (CONTROL)	1,935,901.00-
171-28500-	-DEL		REVENUES (CONTROL)	437,730.34-
171-28510-	-DEL		TRANSFERS FROM OTHER FUNDS (CONTROL)	400,000.00-

TOTAL LIABILITIES				3,263,722.62-
EQUITIES				
171-34110-	-DEL		ENCUMBRANCES - CURRENT YEAR	737,978.68-
171-39000-	-DEL		UNASSIGNED	600,000.00-
171-39000-	-DEL		BUDGET UNASSIGNED	600,000.00

TOTAL EQUITIES				737,978.68-

Fund Is In Balance				0.00
				=====

G/L Month: 06 JUNE
 Beginning Fund: 171 Beginning Sub Fund: DEL
 Ending Fund: 171 Ending Sub Fund: DEL

* End of Report: LOUDON CO CENTRAL ACCOUNTING *