

Be it remembered that the Loudon County Legislative Body met in a "SPECIAL CALL MEETING" on Monday, June 12, 1989 at 6:00 P.M., with the Chairman, J.J. Blair, presiding and Riley D. Wampler, County Clerk, present, whereupon Deputy Lucent Kent Opened Court, led the Pledge of Allegiance to the Flag, and presented Earlena Maples, Commissioner, who gave the Invocation.

The following Commissioner were present:

Blair	Masingo	Maples
Millsaps	Petty	Park
Price		

Commissioner Bledsoe was absent.

APPROVAL OF
RESOLUTION
29-89A
MATLOCK-
BEND
DEVELOPMENT

A motion was made by Commissioner Petty and seconded by Commissioner Park that a Resolution Approving Reimbursement Agreement With Matlock Bend Development, Inc., And Rescinding Previous Resolution No. 29-89A be approved. The Roll-Call Vote was unanimous, with the exception of Commissioner Bledsoe, who was absent.

There being no further business at hand, Court then adjourned.

County Executive

County Clerk

LOUDON COUNTY COMMISSION

RESOLUTION NO. 29-89-A

RESOLUTION APPROVING REIMBURSEMENT AGREEMENT
WITH MATLOCK BEND DEVELOPMENT, INC., AND
RESCINDING PREVIOUS RESOLUTION NO.

WHEREAS, the Loudon County Commission previously approved Resolution No. 29-89-A, on March 13, 1989, which approved Loudon County entering into an agreement with Matlock Bend Development, Inc., for the reimbursement of certain costs to Loudon County incurred in the provision of certain improvements in the Matlock Bend area of Loudon County; and

WHEREAS, the proposed agreement now has been drawn and it is the intention of the County Commission to approve the precise agreement as finally drawn to include any changes or differences in the agreement as finally made;

NOW, THEREFORE, BE IT RESOLVED that the Agreement between Matlock Bend Development, Inc., and Loudon County, dated June 12, 1989, attached hereto as Exhibit A, is approved and the County Executive authorized to execute the agreement when the Exhibits to the agreement have been properly attached.

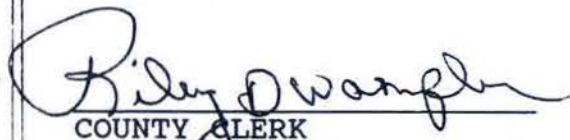
This the 12th day of June, 1989.

COUNTY CHAIRMAN

APPROVED:


COUNTY EXECUTIVE

ATTEST:


COUNTY CLERK

PREPARED BY:


COUNTY ATTORNEY

AGREEMENT

THIS AGREEMENT, made this 12th day of June, 1989, between MATLOCK BEND DEVELOPMENT, INC., a Tennessee corporation (hereinafter referred to as "DEVELOPER"), and LOUDON COUNTY, TENNESSEE, a political subdivision of the State of Tennessee (hereinafter referred to as "COUNTY");

PREAMBLE

County has been interested for several years in developing an industrial park in what is known as the Matlock Bend area of Loudon County, which in general terms lies just north of I-75 and east of State Highway 72. County previously, in order to increase the general accessibility to the Matlock Bend area for the public and for other potential industry, has planned to immediately provide certain highway and water line improvements. The total cost for the presently proposed construction of roads and water lines is estimated to be Two Million Three Hundred Thousand Dollars (\$2,300,000.00), plus interest County has to pay on the borrowed funds. It is apparent that there are two or three industries now showing specific and definite interest in locating in Matlock Bend, and it is felt that there will be other industries interested when the improvements are completed.

Developer, being one of the several owners in the area, believes in the high development potential for the area, and in specific for its own property, and in order to encourage the completion of the planned public improvements immediately, is willing to agree to provide for the reimbursement to County of its development costs, with certain conditions and restrictions, and County is willing to issue bonds and to expedite the construction process. The Loudon County Commission by appropriate resolution has taken action to authorize this Agreement.

Accordingly, the following Agreement is made:

1. The consideration for the Agreement is the mutual covenants and agreements herein made, and it is agreed this document will be recorded in the Register's Office of Loudon

County.

2. County agrees to proceed expeditiously with construction plans and financing for the construction of the proposed water and road improvements, County not being obligated to spend more than \$2,300,000.00 for improvements.

3. Developer agrees to reimburse County from the proceeds of its land sales to any person or entity of any of the property covered by this Agreement proportionate amounts from each sale as computed under paragraph 4, but the total reimbursement is not to exceed the amount of the development funds (together with interest that accrues), expended by the County from the proceeds of its bond issue in constructing the proposed new roads and water lines in the Matlock Bend area.

4. The Developer shall make the payments to the County by first paying fifteen percent (15%) of the sales price, or One Thousand Dollars (\$1,000.00) per acre, whichever is greater, for each and every lot or tract sold or transferred during the reimbursement period, not to exceed the County's total development cost as defined herein (including interest costs paid by the County). The percentage paid to County shall be based on the actual full sales price (less bona fide real estate commission, if any) and shall be paid on the full amount whether or not all of the purchase price is actually paid to Developer, e.g., if some of the purchase price is received by Developer in credits, etc. The payment from Developer to County shall be paid as a part of the closing of the sale of the property from Developer to the land purchaser. This payment requirement by Developer shall not apply to the initial planned land sales to Bayou Steel, McKinnon Bridge Company, McKinnon Pre-Stress Concrete Company, and Malibu Boat Company. The Developer shall make payments into an interest-bearing escrow account controlled by the County. As the County makes its periodic scheduled bond payments in regard to these improvements, the Developer will receive credit first for the items in paragraph 5 below and then funds will be credited from the escrow account as needed to complete the County's scheduled bond payment.

5. That the County shall give additional credit to the Developer on its obligation to Loudon County for funds and revenues received by the County related to the presently proposed improvements in the Matlock Bend area, as follows:

A. Grants obtained for said improvements;

B. Fees and revenues reimbursed to the County from local utilities relating to the improvements to this area;

C. Additional personal and real property tax revenues received from industries which locate in Matlock Bend after this date and which directly use the improvements made by the County as a part of the Matlock Bend development project.

6. Prior to construction, the Developer shall deed to the County unencumbered title to all the land needed for the new planned roadway as reasonably determined by the County's engineers to be necessary for the construction by the County and/or by the State of the entire planned length of the new Matlock Bend Industrial Road.

7. It is understood that the County will release Developer from all further obligation when the full development cost expended by County has been reimbursed under the terms and conditions of this contract, or when Developer has sold all of its property covered by this Agreement, whichever event occurs first. Any balance in the escrow shall be released to the Developer when said payment requirement has been satisfied.

8. The specific properties owned by Developer, or in which Developer has an interest, which are subject to and covered by this Agreement are listed and described on Exhibit A by name of registered owner, the general location description, the approximate number of acres, and the present map and parcel number as designated in the Loudon County Property Assessor's office. Exhibit B shows by map the approximate boundary lines of the property included by this Agreement. It is further agreed that future acquired properties by Developer or in which Developer has an interest are subject to this Agreement and are incorporated herein by reference.

9. It is agreed that Loudon County shall not be required

to commence construction of the water tank and lines unless and until the City of Loudon and Loudon Utilities Board, or other capable utility agency, declares its intent to secure funding to make the necessary improvements to its system so as to be able to provide sufficient water to potential industrial users in the Matlock Bend area at the time needed.

A. Loudon County agrees to collect a line assessment charge from all customers that connect to the water line constructed by Loudon County, which line assessment charge will be charged on a front footage basis.

B. Loudon County agrees to collect an acreage charge from the new water customers to recapture the cost of the water tank, the formula for the recapture cost to be determined by an engineer using standard methods.

10. County and Developer will negotiate for such additional provisions to this Agreement as shall be deemed necessary by County's Bond Counsel to preserve the excludability of interest on the County's bonds from gross income for federal income tax purposes.

IN WITNESS WHEREOF, this Agreement effective on the day and year first above written.

LOUDON COUNTY

BY: George M. Miller

DEVELOPER:
MATLOCK BEND DEVELOPMENT, INC.

BY: [Signature]
Matlock Bend
Development, Inc.

EXHIBIT A TO AGREEMENT

PROPERTIES OWNED BY THE DEVELOPER OR IN WHICH THE DEVELOPER HAS AN INTEREST

I. Properties owned directly by Matlock Bend Development, Inc.

1)	Tax Map No. 27 Parcel 3.03	25 Acres
2)	Tax Map No. 27 Parcel 3.02	37.5 Acres
3)	Tax Map No. 35 Parcel 4	66.60 Acres
4)	Tax Map 35 Parcel 9	134.65 Acres
5)	Tax Map 35 Parcel 7.0	42.5 Acres
6)	Tax Map 27 Parcel 1.01	50 Acres
7)	Tax Map 35 Parcel 6.0	46 Acres
8)	Tax Map 35 Parcel 35	43.3 Acres
9)	Tax Map 35 Parcel 13	4.4 Acres
10)	Tax Map 35 Parcel 14	9.3 Acres
11)	Tax Map 35 Parcel 15	9.0 Acres
12)	Tax Map 35 Parcel 16	9.0 Acres
		477.25 Acres

II. Property in which the Developer has an interest

OWNER: FLIDCO/Matlock Bend, A Tennessee Limited Partnership

Tax Map 27
Parcel 1 850 Acres

TOTAL ACRES 1327.25 ACRES

EXHIBIT B TO AGREEMENT

Attached to this cover sheet are copies of the appropriate Tax Maps for Loudon County, Tennessee, reflecting the parcels of property listed on Exhibit A.

Note:
Maps on file with County Executive