



Hamilton County Board of Commissioners

RESOLUTION

No. 1108-43

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE VOLKSWAGEN OF AMERICA GROUP, INC. PROJECT, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, AND TO AUTHORIZE THE COUNTY MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENT IN LIEU OF AD VALOREM TAXES.

WHEREAS, pursuant to Tennessee Code Annotated, Section 7-53-305(b) the Hamilton County Commission (the "Commission") is permitted to delegate to The Industrial Development Board of the City of Chattanooga (the "Board") the authority to negotiate and accept payments in lieu of ad valorem taxes for lessees of the Board upon a finding by the County that such payments are deemed to be in furtherance of the Board's public purposes; and,

WHEREAS, Volkswagen Group of America, Inc. ("Volkswagen") has announced its decision to build at the industrial mega site presently owned jointly by Hamilton County and the City of Chattanooga, known as Enterprise South Industrial Park ("ESIP"), its (Volkswagen's) United States automobile assembly plant (the "Project"), and because of the substantial economic benefits to the City of Chattanooga and Hamilton County resulting from the Project has asked the Board and the County to approve payments in lieu of ad valorem taxes; and,

WHEREAS, the City of Chattanooga and Hamilton County will convey title to approximately one thousand three hundred forty (1,340) acres at ESIP (with an option as to an additional one thousand two hundred (1,200) acres which can be accepted within a eight (8) year period) to the Board who shall in turn lease same to Volkswagen; and,



Resolution No. 1108-43
November 13, 2008

WHEREAS, the Commission has determined that payments in lieu of ad valorem taxes by Volkswagen from such a project would be in furtherance of the Board's public purposes as set forth within Chapter 53 of Title 7 of the Tennessee Code Annotated.

NOW, THEREFORE, BE IT RESOLVED BY THIS COUNTY LEGISLATIVE BODY IN SESSION ASSEMBLED:

That we do hereby find that the Project is in the best interest of the County, and that Volkswagen's payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Board's public purposes; and,

That, having made such a finding in this instance, we do hereby delegate to the Board the authority to negotiate and accept payments in lieu of ad valorem taxes from Volkswagen, it being further noted that this delegation is for this purpose and this project only; and ,

That the County Mayor is hereby authorized to enter into an Agreement for Payments In Lieu Of Ad Valorem Taxes in the form attached hereto, with such changes thereto as he shall approve.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKE EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT.

MB: 339
PAGE: 410

Resolutions/VOLKSWAGEN PILOT AGREEMENT

Approved: ☒

CERTIFICATION OF ACTION

Rejected: ☐

W. H. Knowler
County Clerk

Approved: ☒

Clayton H. Hays
County Mayor

Vetoed: ☐

November 13, 2008
Date



AGREEMENT FOR PAYMENT IN LIEU OF AD VALOREM TAXES

THIS AGREEMENT FOR PAYMENT IN LIEU OF AD VALOREM TAXES (this "Agreement") is hereby made and entered into as of this the 29th day of December, 2009, by and among **VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS, LLC**, a Tennessee limited liability company or Affiliates, successors and permitted assigns (the "Company"), and **HAMILTON COUNTY, TENNESSEE** (the "County"), the **CITY OF CHATTANOOGA, TENNESSEE** (the "City"), and the **INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by **CARL E. LEVI** and his successors, acting in the capacity of **HAMILTON COUNTY TRUSTEE ("Trustee")**, and by **WILLIAM C. BENNETT** and his successors, acting in the capacity of **HAMILTON COUNTY ASSESSOR OF PROPERTY ("Assessor")**.

WITNESSETH:

WHEREAS, the Company is engaged principally in the design, production and sale of automobiles; and

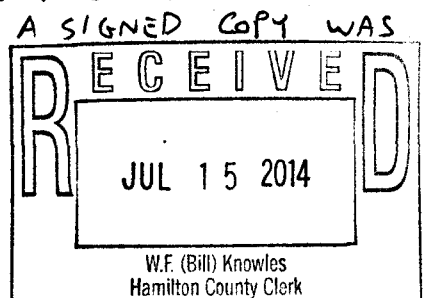
WHEREAS, the Company contemplates the establishment of a manufacturing and assembly facility for the production of automobiles (the "Facility") on a parcel of land of approximately one thousand three hundred (1,300) acres at the Enterprise South Industrial Park in the County (the "Project"), and has requested the Board's assistance in the implementation of the Project; and

WHEREAS, the Project, if fully implemented, has the potential to eventually employ more than two thousand (2,000) employees and to require a capital investment by, or on behalf of, the Company of approximately One Billion Dollars (\$1,000,000,000.00) at full implementation and production; and

WHEREAS, substantial economic benefits to the City and County economies will be derived from the Project; and

WHEREAS, the Board has agreed to take title to certain real property constituting a part of the Project, as described in EXHIBIT "A" attached hereto (i) (the "Project Site"), (ii) all real property improvements to the Project Site (the "Real Property Improvements"), and (iii) certain personal property constituting a part of the Project, as described in EXHIBIT "B" attached hereto (the "Personal Property", and together with the "Project Site" and "Real Property Improvements", the "Property"), which Property is to be owned by the Board and leased to the Company pursuant to that certain Lease Agreement made and entered into simultaneously herewith (the "Lease Agreement"); and

WHEREAS, the Board, the City and the County have agreed to grant an option to the Company for a period of eight (8) years from the date on which the Board, City, and/or the County take or takes title to the real property described on EXHIBIT "C" attached hereto (the "Expansion Site"), for the purchase of the Expansion Site from such party or parties; and



WHEREAS, upon the Company's exercise of the option for the purchase of the Expansion Site the Board has agreed, at the request of the Company, to (i) take title to the Expansion Site, all real property improvements to the Expansion Site, and certain designated personal property located on the Expansion Site constituting part of an expansion to the Project (the "*Expansion Property*"), and (ii) lease the Expansion Site and Expansion Property to the Company pursuant to the terms of the Lease Agreement, including the remaining lease term; and

WHEREAS, the Expansion Site and any Expansion Property shall constitute Property for purposes of this Agreement and will be subject to the terms of the Agreement upon the Company's request to the Board to take title to the Expansion Site and Expansion Property and such Expansion Site and Expansion Property becoming owned by the Board; and

WHEREAS, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, §7-53-101, et seq., all such property will be exempt from ad valorem property taxes ("*Property Taxes*") normally paid to the City and to the County, so long as the Property is owned by the Board, pursuant to the provisions of Tennessee Code Annotated, §7-53-305; and

WHEREAS, for the public benefit of the citizens of the City and the County, the Board has requested that the Company make certain payments to the Board in lieu of the payment of Property Taxes that would otherwise be payable on the Property; and

WHEREAS, the Company has agreed to make such payments to the Board in lieu of the Property Taxes otherwise payable on the Property (the "*In Lieu Payments*"), as more particularly set forth hereinafter; and

WHEREAS, the Board has been authorized to receive the In Lieu Payments in lieu of Property Taxes by resolutions adopted by the City and the County, acting through their duly elected Council and Commission, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions, including, without limitation, the requirement that the Board collect and expend such payments in furtherance of the public purposes for which the Board was created; and

WHEREAS, the Company and the Board have agreed that all In Lieu Payments made to the Board by the Company shall be paid to the Trustee, who shall disburse such amounts to the general funds of the City and the County in accordance with the requirements specified herein; and

WHEREAS, the Board wishes to designate the Assessor as its agent to appraise the Property and assess a percentage of its value in the manner specified herein; and

WHEREAS, the Board wishes to designate the Trustee as its agent to receive the In Lieu Payments in accordance with the terms of this Agreement; and

WHEREAS, in consideration of the inducements, including the tax abatements provided herein, and other commitments made to the Company, the Company is subject to certain potential recapture fees in accordance with Section 5.2 of that certain Memorandum of Understanding dated effective as of July 15, 2008; and

WHEREAS, the following term when used in this Agreement shall be construed as follows: "Affiliate" means any business entity which directly or indirectly through one or more intermediaries controls, or is under common control with, or is controlled by, the Company and/or Volkswagen Group of America, Inc., including, but not limited to Volkswagen Credit, Inc. "Control" (including the related terms "controlled by" and "under common control with") shall exist when any one of the three of the following criteria are met: (i) the possession, directly or indirectly, of the power or shared power to direct or cause the direction of the management and policies of a business entity (whether through the ownership of voting securities or other ownership interest, by contract or otherwise), (ii) the ownership, either directly or indirectly, of fifty percent (50%) or more of the voting stock or other equity interest of such business entity, and (iii) the possession, directly or indirectly, of the power or shared power to make decisions regarding the hiring, firing, compensating and promoting of the employees of such business entity;

NOW, THEREFORE, upon and in consideration of the respective promises and covenants contained herein and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The parties hereby agree that the Assessor shall appraise and assess the Property in accordance with the United States Constitution and the Constitution and laws of the State of Tennessee as though the Property were fully subject to taxation, and that despite the assessment thereby attributed to the Property, all Payments to be made by the Company during the term of this Agreement shall be as though (i) the fair market value of the Project Site were initially determined to be Ten Million Dollars (\$10,000,000.00) and (ii) the fair market value of the Company's Real Property Improvements were initially determined to be in the first full property tax year equal to or less than the Company's actual cost of said Real Property Improvements. Any real or tangible personal property that is exempt from Property Taxes notwithstanding this Agreement shall not be subject to the In Lieu Payments provided herein. The Project Site will be subject to reassessment every four (4) years during the entire term of this Agreement; but such reassessment shall in no way cause the In Lieu Payments to be made by the Company to reflect an increase greater than ten percent (10%) of the above stated fair market value at the end of any subsequent four -year period. The Assessor shall give the Trustee, the City Treasurer, the Board, and the Company written notice of any changes in appraisals of the Property in the same manner that notices are given to owners of taxable property. The Assessor shall make available to the Board and the Company all records relating to the appraisal and assessment of the Property.

2. Upon or contemporaneously with the Company's exercise of the option for the purchase of the Expansion Site, the Company will have the following options:

(a) The Company may, at its discretion, require the Board at any time during the term of this Agreement to (i) promptly take title to the Expansion Site, and any Expansion Property, including all Personal Property designated by the Company, and (ii) lease the Expansion Site and Expansion Property to the Company pursuant to the terms of the Lease Agreement, including the remaining lease term. The Expansion Site and Expansion Property

shall then constitute Property for purposes of this Agreement and will be subject to the terms of this Agreement upon the Company's request to the Board to take title to the Expansion Site and Expansion Property and such Expansion Site and Expansion Property becoming owned by the Board; or

(b) The Company may elect to negotiate a separate Agreement for Payment in lieu of Ad Valorem Taxes ("**PILOT Agreement**") with the Board, City, County, Trustee, and Assessor for the Expansion Site and Expansion Property and the Board, City, County, Trustee, and Assessor agree to negotiate in good faith to agree on the terms of such PILOT Agreement, which shall be substantially similar to the terms in this Agreement.

Upon the Company's exercise of the option to purchase the Expansion Site, the Assessor hereby agrees that the fair market value of the Expansion Site shall initially be set at the actual cost to the City and/or County in acquiring the Expansion Site. The Expansion Site will be subject to reassessment every four (4) years; provided, however, that such reassessment shall not cause the fair market value of the Expansion Site to increase by a cumulative amount greater than ten percent (10%) of the above stated fair market value at the end of the first four-year reassessment period, nor more than a ten percent (10%) cumulative increase at the conclusion of any subsequent four-year reassessment period over the previously determined fair market value.

3. Designation of Trustee; Computation and Billing of Payments in Lieu of Taxes. The Board hereby designates the Trustee as its agent to compute the amounts of the In Lieu Payments, to receive such payments from the Company and to disburse such payments to the County. On or about October 1 of each year during the term of this Agreement, the Trustee shall compute the taxes which would be payable on the Property if it were subject to Property Taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send the Board and the Company a bill for appropriate amounts of In Lieu Payments (the "**Tax Bill**").

4. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Company shall pay to the Trustee the amounts indicated on the Tax Bill in accordance with the amount set forth below in Paragraph 5. The In Lieu Payments shall be made by the Company in lieu of the Property Taxes which would otherwise be payable on the Property if it were subject to Property Taxes.

5. Amount of Payments by the Company. Commencing with the ad valorem tax year beginning on January 1, 2010 and continuing for twenty-nine (29) ad valorem tax years thereafter, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to twenty-nine and twenty-three one hundredths percent (29.23%) of the amount of taxes that would have been payable on the Property constituting the Facility if it were subject to Property Taxes. These annual In Lieu Payments equate to the educational Property Taxes that would have been paid on the Property constituting the Facility if it were subject to Property Taxes. For any periods after such thirty (30) year period that the Property constituting the Facility is owned by the Board, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property constituting the Facility if it were subject to Property Taxes. Notwithstanding the above, any amounts

assessed as ad valorem taxes against the Property shall be credited against any In Lieu Payments due under this Agreement.

6. Penalties and Late Charges. The Company shall make the In Lieu Payments for each year before March 1 of the following year. All In Lieu Payments shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If the Company fails to make any In Lieu Payments when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non-payment has been provided, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1.5%) of the owed amount, for each month that each payment has been unpaid. Such one and one-half percent (1.5%) per month late charge amount shall accumulate each month, be payable so long as there remains any outstanding unpaid amount and shall be the exclusive charge, fee or penalty for such late payment.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County may bring suit in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, the penalties and late charges set forth in this Section 6, and reasonable attorneys' fees.

7. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 3 shall be disbursed to the general funds of the County in accordance with this paragraph and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received shall be deposited into an account for the educational use and benefit of the County. Such account shall be funded with the amount to which the In Lieu Payments are attributable to Property Taxes which would otherwise be owed to the County. All disbursements to the educational funds of the County shall be made by the Trustee only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated §7-53-102.

8. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if the Company contests any such computation, it shall present evidence to the Trustee in favor of its position. If the In Lieu Payments being contested shall be or become due and payable, the Company shall make such payments under protest, the Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If the Company and the Assessor or the Trustee are unable to resolve a dispute, the Company may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

9. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

10. Term. This Agreement shall become effective as of the date set forth on page 1 hereof and shall continue for so long as the Board holds title to any of the Property or the Company has made all payments required hereunder, whichever shall later occur.

11. Leasehold Taxation. The Board, the City, the County, the Trustee, and the Assessor covenant and agree that the Company's personal property leasehold interest in the Project shall not be subject to ad valorem taxation. The Board, the City, the County, the Trustee, and the Assessor further covenant and agree that the Company's real property leasehold interest in the Project shall have no assessed value for ad valorem tax purposes as all amounts paid by the Company or on behalf of the Company by the Board, the City, the County, the State of Tennessee, and certain agencies of or within the State of Tennessee for the Project, including without limitation, costs for maintenance, insurance, utilities, infrastructure, site preparation, acquisition, construction, equipment, and furnishing costs for the Project and Project Site shall be considered as rent payable under the Lease Agreement for purposes of determining the value of the leasehold interest. As a result, the actual or imputed rent for the leased real property shall equal or exceed the fair market rent for the leased premises for purposes of Tennessee Code Ann. § 67-5-605 (2008). In the event that there is valid determination that the real property leasehold interest is taxable for ad valorem tax purposes, any amounts assessed as ad valorem taxes on the taxable leasehold interest shall be credited against any In Lieu Payments due under this Agreement.

12. Stormwater Fees. The Company shall not be responsible for any stormwater fees assessed by the City of Chattanooga against the Property. In the event the Company or its Property is ever assessed for any stormwater fees by the City of Chattanooga or other public entity, the stormwater fees shall be credited against any In Lieu Payments due under this Agreement.

13. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered to the following addresses and recipients:

STATE OF TENNESSEE

Governor's Office
Tennessee State Capitol
Nashville, Tennessee 37243-0001
Telephone: 615-741-2001
Facsimile: 615-532-9711
Attention: Honorable Phil Bredesen

CITY OF CHATTANOOGA

City of Chattanooga
100 East 11th Street
Chattanooga, Tennessee 37402
Telephone: 423-425-7800
Attention: Mayor Ron Littlefield

HAMILTON COUNTY

Hamilton County
Hamilton County Court House, Suite 209
Chattanooga, Tennessee 37402
Telephone: 423-209-6105
Attention: County Mayor Claude Ramsey

HAMILTON COUNTY TRUSTEE

625 Georgia Avenue, Room 210
Chattanooga, Tennessee 37402-1494
Telephone: (423) 209-7270
Attention: Carl E. Levi

**HAMILTON COUNTY
ASSESSOR OF PROPERTY**

6135 Heritage Park Drive
Bonny Oaks
Chattanooga, Tennessee 37416
Telephone: (423) 209-7300
Attention: William C. Bennett

**INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF
CHATTANOOGA**

Industrial Development Board of the
City of Chattanooga
City Hall, Suite 200
100 E. 11th Street
Chattanooga, Tennessee 37402
Telephone: 423-643-8250
Attention: Michael A. McMahan

**VOLKSWAGEN GROUP OF
AMERICA CHATTANOOGA
OPERATIONS, LLC**

2200 Ferdinand Porsche Drive
Herndon, VA 20171
Telephone: (703) 364-7240
Attention: David Geanacopoulos

With a copy to:

Balch & Bingham LLP
1901 Sixth Avenue North, Suite 1500
Birmingham, Alabama 35203-4642
Telephone: 205-226-3445
Attention: Alex B. Leath, III

and:

Jones Lang LaSalle Americas, Inc.
8343 Douglas Avenue, Suite 100
Dallas, Texas 75225
Telephone: 214-438-6235
Attention: Keith A. Scott

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

14. No Waiver: Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

15. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

16. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

18. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

19. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

VOLKSWAGEN GROUP OF AMERICA
CHATTANOOGA OPERATIONS, LLC

By: 

Name: DAVID GEANAKOPOULOU

Title: EVP, GENERAL COUNSEL


By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.


VOLKSWAGEN GROUP OF AMERICA
CHATTANOOGA OPERATIONS, LLC

By: 
Name: Patrik Meyer
Title: EVP Finance & IT

By: _____
Name: _____
Title: _____

HAMILTON COUNTY, TENNESSEE

By:

_____

Name:

Title:

CITY OF CHATTANOOGA, TENNESSEE


By: 


Name: Ron Littlefield

Title: Mayor

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

ATTEST:

By: 
Name: James Miller
Title: Secretary

By: 
Name: Theodore W. Mills
Title: Chairman

CARL E. LEVI

By: Carl E. Levi
Hamilton County Trustee

WILLIAM C. BENNETT

By:

William C. Bennett

Hamilton County Assessor of Property

EXHIBIT "A"
TO PILOT AGREEMENT FOR
VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS, LLC
PROJECT SITE

ATTACHED

[illegible]

Note: Acreage does not include the property shown on this map as owned by Hamilton County Rail Authority on the southwestern portion of the property. The parties hereto have agreed to continue negotiation of the site boundaries. Final approval of site boundaries is subject to the approval of Volkswagen of America Chattanooga Operations, LLC, of such boundaries, including, without limitation, the ownership of and use of the land currently designated as Hamilton County Rail Authority property.

Return to
PIONEER TITLE AGENCY, INC.
513 Georgia Avenue
Chattanooga, TN 37403

11657

Prepared by
WILLIAM DAVID JONES
ATTORNEY AT LAW
513 Georgia Avenue
CHATTANOOGA, TN 37403

ADDRESS NEW OR ADDRESS AS FOLLOWS	NEW OR EXISTING	PLAT NUMBER
The Industrial	same	pt 130-001.01
Development Board of The City of Chattanooga	same	pt 130-001.10
c/o Randall L. Nelson	OTHER ADDRESS	
Suite 400 Pioneer Bank Bldg	OTHER ADDRESS	
Chattanooga, TN 37402		
PTA 112862		

LIMITED WARRANTY DEED

THIS Limited Warranty Deed, made and entered into as of the 29th day of January, 2009, by and between CITY OF CHATTANOOGA, TENNESSEE, a municipal corporation of the State of Tennessee, and HAMILTON COUNTY, TENNESSEE, a political subdivision of the State of Tennessee (herein "Grantors") and THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a public corporation created and existing under the laws of the State of Tennessee (herein "Grantee");

WITNESSETH: That for and in consideration of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt of all of which is hereby acknowledged, the said Grantors have bargained and sold and do hereby bargain, sell, convey and confirm unto the said Grantee the following described real estate, situated and being in the City of Chattanooga, County of Hamilton, State of Tennessee:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LEGAL DESCRIPTION.

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF FOR PERMITTED EXCEPTIONS TO TITLE.

To have and to hold the aforesaid real estate together with all the appurtenances and hereditaments thereunto belonging or in any wise appertaining unto the said Grantee, its successors and assigns in fee simple forever.

The said Grantors do hereby covenant with the said Grantee that as to the title and quiet possession of said real estate it will warrant and forever defend against the claims of all persons claiming the same by, through, or under the Grantors or as the result of an affirmative act of the Grantors, but not further or otherwise.

IN WITNESS WHEREOF, Grantors have caused this instrument to be executed by and through their duly authorized officers the day and year first above written.

Instrument: 2009012900168
Book and Page: 01-8842-829
DEED RECORDING FEE \$105.00
DATA PROCESSING FEE \$2.00
Total Fees \$107.00
User: HCDCKHoward
Date: 1/29/2009
Time: 1:47:19 PM
Contact: Pam Hurst, Register
Hamilton County, Tennessee

0

CITY OF CHATTANOOGA, TENNESSEE

BY: [Signature]
Ron Littlefield, Mayor

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me, Paul Parker, of the state and county aforesaid, personally appeared Ron Littlefield, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the MAYOR, of the CITY OF CHATTANOOGA, TENNESSEE, within named bargainor, a municipal corporation and that he as such MAYOR executed the foregoing instrument for the purpose therein, by signing the name of the City of Chattanooga, Tennessee by himself as MAYOR.

WITNESS my hand and seal, at office in Chattanooga, Tennessee, this 8th day of December, 2008.

Paul Parker
Notary Public

My Commission Expires: May 6, 2009



HAMILTON COUNTY, TENNESSEE

BY: Claude Ramsey
Claude Ramsey, County Mayor

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me, Paul Parker, of the state and county aforesaid, personally appeared CLAUDE RAMSEY with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be County Mayor authorized to execute the instrument of the HAMILTON COUNTY, TENNESSEE, the within named bargainor, and that he as such County Mayor executed the foregoing instrument for the purpose therein contained, by signing the name of Hamilton County, by himself as County Mayor.

WITNESS my hand and seal, at office in Chattanooga, Tennessee, this 24 day of December, 2008.

Paul Parker
Notary Public

My Commission Expires: May 6, 2009



STATE OF TENNESSEE
COUNTY OF HAMILTON

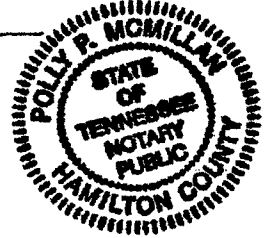
I hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$~~EXEMPT~~ EXEMPT, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

Paul Parker
Affiant

Subscribed and sworn to before me on this the 8th day of December, 2008.

Polly P. McMillan
Notary Public

My Commission Expires: 1/5/2011



The source of grantor's interest is found in deeds recorded in Book 5690, Page 367, Book 5162, Page 652, Book 6630, Page 866, Book 7194, Page 61, Book 7497, Page 354, Book 7497, Page 339, Book 8195, Page 485, Book 8263, Page 929, in the Register's Office of Hamilton County, Tennessee.

TRACT ONE

BEGINNING at a point located on the Northeastern margin of the Roadway Easement as described in Deed Book 7497, Page 339, said point marks the Southwest corner of Tract One and is located at Tennessee State Grid Coordinates of North=278,268.3486 and East=2,228,304.2159, coordinates are based on the City of Chattanooga / Hamilton County Monument Network System (CHAM) North American Datum 1983 (NAD 83) all bearings are based on said system all distances are horizontal ground;

THENCE North 30 degrees, 59 minutes, 37 seconds East a distance of 265.00 feet to a point;

THENCE North 14 degrees, 52 minutes, 55 seconds East a distance of 1972.08 feet to a point;

THENCE South 75 degrees, 07 minutes, 05 seconds East a distance of 486.69 feet to a point;

THENCE North 14 degrees, 52 minutes, 55 seconds East a distance of 448.97 feet to a point;

THENCE South 68 degrees, 06 minutes, 38 seconds East a distance of 664.67 feet to a point;

THENCE South 09 degrees, 51 minutes, 53 seconds West a distance of 2802.26 feet to a point;

THENCE South 36 degrees, 08 minutes, 42 seconds West a distance of 1518.43 feet to a point located on the Eastern margin of the Roadway Easement;

THENCE North 15 degrees, 06 minutes, 54 seconds West a distance of 496.38 feet along the Eastern margin of the Roadway Easement to the point of curvature;

THENCE with a curve to the left (counter clockwise) along the Northeastern margin of Roadway Easement an arc length of 114.43 feet, a radius of 2391.83 feet, a delta angle of 02 degrees, 44 minutes, 28 seconds, a tangent of 57.23 feet and a chord of North 16 degrees, 29 minutes, 08 seconds West a distance of 114.41 feet to the point of tangency;

THENCE North 17 degrees, 51 minutes, 22 seconds West a distance of 1052.39 feet along the Northeastern margin of the Roadway Easement to the POINT OF BEGINNING;

Tract One herein described contains 93.561 acres, more or less, as shown on map of survey by Barge, Waggoner, Sumner, and Cannon, Inc.

Appurtenant Easements for Tract 1:

Together with Ingress/Egress Easement over Proposed Enterprise South Blvd and 200' Roadway Easement known as Connector Road as shown on plat of record in Plat Book 90, Pages 126 -134, Register's Office of Hamilton County, Tennessee.

TRACT TWO

COMMENCEING at a point where the Eastern margin of Hickory Valley Road and the Northern margin of Discovery Drive intersect;

THENCE North 23 degrees, 39 minutes, 39 seconds East a distance of 391.73 feet along the Eastern margin of Hickory Valley Road to a point, said point marks the Northwest corner of Tract 12, as shown on plat of record in Plat Book 80, Page 54, Enterprise South Industrial Park, West Campus in the Register's Office of Hamilton County, Tennessee;

THENCE South 81 degrees, 22 minutes, 25 seconds East a distance of 435.82 feet to a point, said point marks the Northeast corner of Tract 12;

THENCE South 80 degrees, 06 minutes, 16 seconds East a distance of 1649.42 feet to a point located at Tennessee State Grid Coordinates of North=271,824.6710 and East =2,223,829.0577, coordinates are based on the City of Chattanooga / Hamilton County Monument Network System (CHAM) North American Datum 1983 (NAD 83) all bearings are based on said system all distances are horizontal ground, said point marks the POINT OF BEGINNING;

THENCE North 22 degrees, 41 minutes, 19 seconds East a distance of 784.49 feet to a point;

THENCE North 36 degrees, 19 minutes, 54 seconds East a distance of 312.22 feet to a point;

THENCE North 22 degrees, 54 minutes, 43 seconds East a distance of 1142.19 feet to a point;

THENCE North 31 degrees, 10 minutes, 40 seconds East a distance of 492.97 feet to a point;

THENCE North 36 degrees, 44 minutes, 31 seconds East a distance of 1114.53 feet to a point;

THENCE North 24 degrees, 01 minutes, 16 seconds East a distance of 443.89 feet to a point;

THENCE North 09 degrees, 34 minutes, 00 seconds East a distance of 664.70 feet to a point;

THENCE North 80 degrees, 26 minutes, 00 seconds West a distance of 300.00 feet to a point;

THENCE South 09 degrees, 34 minutes, 00 seconds West a distance of 626.65 feet to a point;

THENCE South 24 degrees, 01 minutes, 16 seconds West a distance of 115.90 feet to a point;

THENCE with a curve to the left (counter clockwise) an arc distance of 615.19 feet, a radius of 1066.13 feet, a delta angle of 33 degrees, 03 minutes, 41 seconds, a tangent of 316.42 feet and a chord of North 22 degrees, 39 minutes, 12 seconds West a distance of 606.69 feet to the point of compound curve;

THENCE with a curve to the left (counter clockwise) an arc distance of 116.21 feet, a radius of 1096.49 feet, a delta of 06 degrees, 04 minutes, 21 seconds, a tangent of 58.16 feet and a chord of North 42 degrees, 13 minutes, 15 seconds West a distance of 116.16 feet to the point of compound curve;

THENCE with a curve to the left (counter clockwise) an arc distance of 124.46 feet, a radius of 1559.29 feet, a delta angle of 04 degrees, 34 minutes, 23 seconds, a tangent of 62.26 feet and a chord of North 47 degrees, 32 minutes, 37 seconds West a distance of 124.42 feet to the point of compound curve;

THENCE with a curve to the left (counter clockwise) an arc distance of 86.40 feet, a radius of 280.21 feet, a delta angle of 13 degrees, 34 minutes, 35 seconds, a tangent of 33.35 feet and a chord of North 56 degrees, 37 minutes, 15 seconds West a distance of 86.24 feet to the point of tangency;

THENCE North 63 degrees, 24 minutes, 23 seconds West a distance of 252.66 feet to a point;

THENCE North 13 degrees, 48 minutes, 37 seconds East a distance of 391.34 feet to a point;

THENCE North 70 degrees, 53 minutes, 03 seconds East a distance of 635.96 feet to a point;

THENCE North 30 degrees, 58 minutes, 00 seconds East a distance of 1742.12 feet to a point;

THENCE North 17 degrees, 04 minutes, 30 seconds East a distance of 88.00 feet to a point;

THENCE South 67 degrees, 14 minutes, 47 seconds East a distance of 1770.59 feet to a point;

THENCE North 30 degrees, 59 minutes, 37 seconds East a distance of 146.87 feet to a point located on the Southwestern margin of the Roadway Easement;

THENCE South 17 degrees, 51 minutes, 22 seconds East a distance of 877.61 feet along the Southwestern margin of the Roadway Easement to the point of curvature;

THENCE with a curve to the right (clockwise) along the Western margin of the Roadway Easement an arc distance of 104.86 feet, a radius of 2191.83 feet, a delta angle of 02 degrees, 44 minutes, 28 seconds, a tangent of 52.44 feet and a chord of South 16 degrees, 29 minutes, 08 seconds East a distance of 104.85 feet to the point of tangency;

THENCE South 15 degrees, 06 minutes, 54 seconds East a distance of 784.38 feet along the Western margin of the Roadway Easement to the point of curvature;

THENCE with a curve to the right (clockwise) along the Western margin of the Roadway Easement an arc distance of 155.08 feet, a radius of 1045.92 feet, a delta angle of 08 degrees, 29 minutes, 43 seconds, a tangent of 77.68 feet and chord of South 10 degrees, 52 minutes, 03 seconds East a distance of 154.94 feet to the point of tangency;

THENCE South 06 degrees, 37 minutes, 11 seconds East a distance of 3027.78 feet along the Western margin of the Roadway Easement to the point of tangent to spiral curve;

THENCE with a spiral curve to the left (counter clockwise) along the Western margin of the Roadway Easement having an beginning radius of 3848.63 feet, a total central angle of 18 degrees, 01 minutes, 23 seconds, a central angle of spiral of 03 degrees, 00 minutes, 37 seconds, a spiral tangent of 89.47 feet and a chord of South 07 degrees, 33 minutes, 49 seconds East a distance of 286.22 feet to the point of spiral to curve;

THENCE with a curve to the left (counter clockwise) along the Western margin of the Roadway Easement an arc distance of 642.02 feet, a radius of 3064.79 feet, a central angle of 12 degrees, 00 minutes, 09 seconds, tangent of 322.19 feet and a chord of South 15 degrees, 37 minutes, 53 seconds East a distance of 640.85 feet to the point of curve to spiral.

THENCE with a spiral curve to the left (counter clockwise) along the Western margin of the Roadway Easement having an ending radius of 3848.63 feet, a total central angle of 18 degrees, 01 minutes, 23 seconds, a central angle of spiral of 03 degrees, 00 minutes, 37 seconds, a spiral tangent of 89.47 feet and a chord of South 23 degrees, 41 minutes, 56 seconds East a distance of 285.22 feet to the point of spiral to tangent;

THENCE South 24 degrees, 38 minutes, 34 seconds East a distance of 331.83 feet along the Roadway Easement to the point of curvature;

THENCE with a curve to the right (clockwise) an arc distance of 78.54 feet, a radius of 50.00 feet, a delta angle of 90 degrees, 00 minutes, 00 seconds, a tangent of 60.00 feet and a chord of South 20 degrees, 21 minutes, 26 seconds West for a distance of 70.71 feet to the point of tangency, said point is located on the Northern margin of the proposed Enterprise South Boulevard;

THENCE South 65 degrees, 21 minutes, 26 seconds West a distance of 382.97 feet along the Northern margin of the proposed Enterprise South Boulevard to the point of curvature;

THENCE with a curve to the left (counter clockwise) along the Northern margin of the proposed Enterprise South Boulevard an arc distance of 912.38 feet, a radius of 1476.00 feet, a delta angle of 35 degrees, 25 minutes, 01 seconds, a tangent of 471.29 feet and a chord of South 47 degrees, 39 minutes, 01 seconds West for a distance of 897.92 feet to the point of tangency;

THENCE South 29 degrees, 56 minutes, 25 seconds West a distance of 598.73 feet along the Northern margin of the proposed Enterprise South Boulevard to the point of curvature;

THENCE with a curve to the right (clockwise) along the Northern margin of the proposed Enterprise South Boulevard an arc distance of 278.21 feet, a radius of 910.93 feet, a delta angle of 17 degrees, 29 minutes, 57 seconds, a tangent of 140.20 feet and a chord of South 38 degrees, 41 minutes, 23 seconds West for a distance of 277.13 feet to the point of tangency, said point is located on the Northern margin of the existing Enterprise South Boulevard;

THENCE South 47 degrees, 26 minutes, 22 seconds West a distance of 167.05 feet along the Northern margin of the existing Enterprise South Boulevard to the point of curvature;

THENCE with a curve to the right (clockwise) along the Northern margin of the existing Enterprise South Boulevard an arc distance of 2316.28 feet, a radius of 2356.00 feet, a delta angle of 56 degrees, 19 minutes, 48 seconds, a tangent of 1261.42 feet and a chord of South 75 degrees, 36 minutes, 12 seconds West for a distance of 2224.12 feet to the point of tangency;

THENCE North 76 degrees, 13 minutes, 52 seconds West a distance of 192.74 feet along the Northern margin of the existing Enterprise South Boulevard to the point of curvature;

THENCE with a curve to the left (counter clockwise) along the Northern margin of the existing Enterprise South Boulevard an arc distance of 618.66 feet, a radius of 1085.74 feet, a delta angle of 32 degrees, 38 minutes, 50 seconds, a tangent of 317.98 feet and a chord of South 87 degrees, 26 minutes, 43 seconds West for a distance of 610.32 feet to the point of reverse curve;

THENCE with a curve to the right (clockwise) an arc distance of 62.12 feet, a radius of 40.00 feet, a delta angle of 88 degrees, 58 minutes, 56 seconds, a tangent of 39.30 feet and a chord of North 64 degrees, 23 minutes, 14 seconds West for a distance of 56.06 feet to the point of tangency, said point is located on the Eastern margin of Discovery Drive;

THENCE North 21 degrees, 02 minutes, 26 seconds West a distance of 77.87 feet along the Eastern margin of Discovery Drive to the point of curvature;

THENCE with a curve to the left (counter clockwise) along the Eastern margin of Discovery Drive an arc distance of 310.50 feet, a radius of 1175.92 feet, a delta angle of 15 degrees, 07 minutes, 44 seconds, a tangent of 156.16 feet and a chord of North 28 degrees, 36 minutes, 18 seconds West for a distance of 309.80 feet to the point of tangency;

THENCE North 36 degrees, 10 minutes, 10 seconds West a distance of 167.27 feet along the Eastern margin of Discovery Drive to a point, said point marks the Southwest corner of Tract 7, Enterprise South Industrial Park as shown on plat of record in Plat Book 74, Page 155, R.O.H.C

THENCE North 53 degrees, 49 minutes, 48 seconds East a distance of 550.00 feet to a point, said point marks the Southeast corner of Tract 7;

THENCE North 36 degrees, 10 minutes, 12 seconds West a distance of 1016.87 feet to a point, said point marks the Northern most corner of Tract 9, Enterprise South Industrial Park as shown on plat of record in Plat of Record in Plat Book 74, Page 155, R.O.H.C;

THENCE North 16 degrees, 15 minutes, 26 seconds East a distance of 550.73 feet to a point;

THENCE North 80 degrees, 06 minutes, 16 seconds West a distance of 784.94 feet to the POINT OF BEGINNING;

Tract Two herein described contains 737.989 acres, more or less, as shown on map of survey by Barge, Waggoner, Sumner, and Cannon, Inc.

LESS AND EXCEPT Tract 2-A (T.V.A. Substation) as shown on plat of record in Plat Book 90, Pages 126 - 134, in the Register's Office of Hamilton County, Tennessee and which is more particularly described as follows:

TRACT 2-A T.V.A. SUBSTATION

BEGINNING at a point that marks the Northeast corner of Tract 2-A, said point is located at Tennessee State Grid Coordinates of North=276,899.9024 and East=2,227,179.0352, coordinates are based on the City of Chattanooga / Hamilton County Monument Network System (CHAM System) North American Datum 1983 (NAD 83) all bearings are based on said system, all distances are horizontal ground;

THENCE South 30 degrees, 04 minutes, 24 seconds West a distance of 230.00 feet to a point, said point marks the Southeast corner of Tract 2-A;

THENCE North 59 degrees, 55 minutes, 36 seconds West a distance of 320.00 feet to a point, said point marks the Southwest corner of Tract 2-A;

THENCE North 30 degrees, 04 minutes, 24 seconds East a distance of 230.00 feet to a point, said point marks the Northwest corner of Tract 2-A;

THENCE South 59 degrees, 55 minutes, 36 seconds East a distance of 320.00 feet to the POINT OF BEGINNING.

Tract 2-A herein described contains 1.690 acres, more or less, as shown on map of survey by Barge, Waggoner, Sumner, and Cannon, Inc.

Appurtenant Easements for Tract 2:

Together with Ingress/Egress Easement over Proposed Enterprise South Blvd and 200' Roadway Easement known as Connector Road as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with 60' Ingress/Egress Easement #1 across Tracts 2-B, 2-C and 2-D as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with 30' Ingress/Egress Easement as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with an Ingress/Egress Easement to and from Hickory Valley Road over and across the Existing Road as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

TRACT 2-C

COMMENCEING at a point where the Eastern margin of Hickory Valley Road and the Northern margin of Discovery Drive intersect;

THENCE North 23 degrees, 39 minutes, 39 seconds East a distance of 443.50 feet along the Eastern margin of Hickory Valley Road to a point;

THENCE South 81 degrees, 22 minutes, 25 seconds East a distance of 31.08 feet to a point;

THENCE North 23 degrees, 39 minutes, 39 seconds East a distance of 2247.00 feet to a point;

THENCE South 74 degrees, 16 minutes, 24 seconds East a distance of 735.01 feet to a point located at Tennessee State Grid Coordinates of North=274,075.1454 and East=2,223,434.0399, coordinates are based on the City of Chattanooga / Hamilton County Monument Network System (CHAM) North American Datum 1983 (NAD 83) all bearings are based on said system all distances are horizontal ground, said point marks the POINT OF BEGINNING;

THENCE South 74 degrees, 16 minutes, 24 seconds East a distance of 805.26 feet to a point;

THENCE North 13 degrees, 48 minutes, 37 seconds East a distance 2601.90 feet to a point located on the Southern margin of the existing railroad;

THENCE South 63 degrees, 24 minutes, 23 seconds East a distance of 241.32 feet to the point of curvature;

THENCE with a curve to the right (clockwise) an arc distance of 54.55 feet, a radius of 230.21 feet, a delta angle of 13 degrees, 34 minutes, 35 seconds, a tangent of 27.40 feet and a chord of South 56 degrees, 36 minutes, 49 seconds East a distance of 54.42 feet to the point of compound curve;

THENCE with a curve to the right (clockwise) an arc distance of 120.47 feet, a radius of 1509.28 feet, a delta angle of 04 degrees, 34 minutes, 23 seconds, a tangent of 60.26 feet and a chord of South 47 degrees, 32 minutes, 50 seconds East a distance of 120.43 feet to the point of compound curve;

THENCE with a curve to the right (clockwise) an arc distance of 110.91 feet, a radius of 1046.49 feet, a delta angle of 06 degrees, 04 minutes, 21 seconds, a tangent of 55.51 feet and a chord of South 42 degrees, 13 minutes, 15 seconds East a distance of 110.86 feet to the point of compound curve;

THENCE with a curve to the right (clockwise) an arc distance of 680.00 feet, a radius of 1016.13 feet, a delta angle of 38 degrees, 20 minutes, 33 seconds, a tangent of 353.28 feet and a chord of South 20 degrees, 00 minutes, 46 seconds East a distance of 687.38 feet to a point at the end of curve;

THENCE South 24 degrees, 01 minutes, 16 seconds West a distance of 307.29 feet to a point;

THENCE South 36 degrees, 44 minutes, 31 seconds West a distance of 1148.15 feet to a point;

THENCE South 57 degrees, 54 minutes, 37 seconds East a distance of 82.54 feet to a point;

THENCE South 22 degrees, 40 minutes, 33 seconds West a distance of 1386.46 feet to the point of curvature;

THENCE with a curve to the left (counter clockwise) an arc length of 57.50 feet, a radius of 433.43 feet, a delta angle of 07 degrees, 36 minutes, 02 seconds, a tangent of 28.79 feet and a chord of South 18 degrees, 51 minutes, 49 seconds West a distance of 57.45 feet to the point of tangency;

THENCE South 15 degrees, 04 minutes, 32 seconds West a distance of 140.76 feet to the point of curvature;

THENCE with a curve to the right (clockwise) an arc distance of 89.43 feet, a radius of 673.05 feet, a delta angle of 07 degrees, 36 minutes, 47 seconds, a tangent of 44.78 feet and a chord of South 18 degrees, 52 minutes, 56 seconds West a distance of 89.37 feet to the point of tangency;

THENCE South 22 degrees, 41 minutes, 18 seconds West a distance of 293.17 feet to a point;

THENCE South 35 degrees, 28 minutes, 02 seconds West a distance of 204.36 feet to the point of tangency;

THENCE with a curve to the right (clockwise) an arc distance of 134.30 feet, a radius of 207.55 feet, a delta angle of 37 degrees, 04 minutes, 32 seconds, a tangent of 69.60 feet and a chord of South 54 degrees, 00 minutes, 14 seconds West a distance of 131.97 feet to the point of tangency;

THENCE South 72 degrees, 32 minutes, 27 seconds West a distance of 109.13 feet to a point;

THENCE South 77 degrees, 41 minutes, 36 seconds West a distance of 224.65 feet to the point of curvature;

THENCE with a curve to the right (clockwise) an arc distance of 172.11 feet, a radius of 2550.00, a delta angle of 03 degrees, 52 minutes, 01 seconds, a tangent of 86.09 feet and a chord of South 79 degrees, 37 minutes, 48 seconds West a distance of 172.07 feet to the point of tangency;

THENCE South 81 degrees, 33 minutes, 37 seconds West a distance of 60.34 feet to the point of curvature;

THENCE with a curve to the right (clockwise) an arc distance of 259.69 feet, a radius of 811.51 feet, a delta angle of 18 degrees, 20 minutes, 07 seconds, a tangent of 130.97 feet and a chord of North 89 degrees, 16 minutes, 22 seconds West a distance of 258.58 feet to the point of tangency;

THENCE North 80 degrees, 06 minutes, 16 seconds West a distance of 273.91 feet to a point on curve;

THENCE with a curve to the left (counter clockwise) an arc distance of 90.79 feet, a radius of 701.17 feet, a delta angle of 07 degrees, 25 minutes, 07 seconds, a tangent of 45.46 feet and a chord of North 68 degrees, 51 minutes, 33 seconds East a distance of 90.72 feet to the point of compound curve;

THENCE with a curve to the left (counter clockwise) an arc distance of 179.58 feet, a radius of 428.34 feet, a delta angle of 24 degrees, 01 minutes, 18 seconds, a tangent of 91.13 feet and a chord of North 53 degrees, 08 minutes, 13 seconds East a distance of 178.27 feet to the point of compound curve;

THENCE with a curve to the left (counter clockwise) an arc distance of 255.74 feet, a radius of 526.84 feet, a delta angle of 27 degrees, 48 minutes, 46 seconds, a tangent of 130.44 feet and a chord of North 27 degrees, 13 minutes, 10 seconds East a distance of 253.24 feet to the point of tangency;

THENCE North 13 degrees, 18 minutes, 49 seconds East a distance of 1683.71 feet to the POINT OF BEGINNING.

TRACT 2-C herein described contains 80.510 acres, more or less, as shown on map of survey by Barge, Waggoner, Sumner, and Cannon, Inc.

Appurtenant Easements for Tract 2-C:

Together with Ingress/Egress Easement over Proposed Enterprise South Blvd and 200' Roadway Easement known as Connector Road as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with 50' Ingress/Egress Easement #1 across Tracts 2-B and 2-D as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with 30' Ingress/Egress Easement as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with an Ingress/Egress Easement to and from Hickory Valley Road over and across the Existing Road as shown on plat of record in Plat Book 90, Pages 126 - 134, in the Register's Office of Hamilton County, Tennessee.

TRACT 2-D

COMMENCEING at a point where the Eastern margin of Hickory Valley Road and the Northern margin of Discovery Drive intersect;

THENCE North 23 degrees, 39 minutes, 39 seconds East a distance of 443.50 feet along the Eastern margin of Hickory Valley Road to a point;

THENCE South 81 degrees, 22 minutes, 25 seconds East a distance of 31.06 feet to a point;

THENCE North 23 degrees, 39 minutes, 39 seconds East a distance of 986.67 feet to a point located at Tennessee State Grid Coordinates of North=273,101.6667 and East=2,222,212.7167, coordinates are based on the City of Chattanooga / Hamilton County Monument Network System (CHAM) North American Datum 1983 (NAD 83) all bearings are based on said system all distances are horizontal ground, said point marks the POINT OF BEGINNING;

THENCE North 23 degrees, 39 minutes, 39 seconds East a distance of 1280.33 feet to a point;

THENCE South 74 degrees, 16 minutes, 24 seconds East a distance of 684.97 feet to a point located on the Western margin of the existing;

THENCE South 13 degrees, 18 minutes, 49 seconds West a distance of 1685.82 feet to the point of curvature;

THENCE with a curve to the right (clockwise) an arc distance of 231.47 feet, a radius of 476.84 feet, a delta angle of 27 degrees, 48 minutes, 46 seconds, a tangent of 118.06 feet and a chord of South 27 degrees, 13 minutes, 17 seconds West a distance of 229.20 feet to the point of compound curve;

THENCE with a curve to the right (clockwise) an arc distance of 158.62 feet, a radius of 378.34 feet, a delta angle of 24 degrees, 01 minutes, 17 seconds, a tangent of 80.49 feet and a chord of South 53 degrees, 08 minutes, 03 seconds West a distance of 157.46 feet to the point of compound curve;

THENCE with a curve to the right (clockwise) an arc distance of 134.73 feet, a radius of 651.17 feet, a delta angle of 11 degrees, 51 minutes, 16 seconds, a tangent of 67.60 feet and a chord of South 71 degrees, 04 minutes, 35 seconds West a distance of 134.49 feet to the point of compound curve;

THENCE with a curve to the right (clockwise) an arc distance of 116.82 feet, a radius of 292.36 feet, a delta angle of 22 degrees, 53 minutes, 36 seconds, a tangent of 59.20 feet and a chord of South 88 degrees, 26 minutes, 56 seconds West a distance of 116.05 feet to the point of tangency;

THENCE North 80 degrees, 06 minutes, 16 seconds West a distance of 114.45 feet to the point of curvature;

THENCE with a curve to the right (clockwise) an arc distance of 371.16 feet, a radius of 331.07 feet, a delta angle of 64 degrees, 14 minutes, 04 seconds, a tangent of 207.82 feet and a chord of North 47 degrees, 59 minutes, 15 seconds West a distance of 352.03 feet to the point of compound curve;

THENCE with a curve to the right (clockwise) an arc distance of 179.55 feet, a radius of 437.00 feet, a delta angle of 23 degrees, 32 minutes, 30 seconds, a tangent of 81.06 feet and a chord of North 04 degrees, 05 minutes, 59 seconds West a distance of 178.29 feet to the point of tangency;

THENCE North 07 degrees, 40 minutes, 16 seconds East a distance of 570.50 feet to the POINT OF BEGINNING.

TRACT 2-D herein described contains 39.523 acres, more or less, as shown on map of survey by Barge, Waggoner, Sumner, and Cannon, Inc.

Appurtenant Easements for Tract 2-D:

Together with Ingress/Egress Easement over Proposed Enterprise South Blvd and 200' Roadway Easement known as Connector Road as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with 50' Ingress/Egress Easement #1 across Tracts 2-C and 2-B as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with 30' Ingress/Egress Easement as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

Together with an Ingress/Egress Easement to and from Hickory Valley Road over and across the Existing Road as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee.

TRACT 2-E

COMMENCEING at a point where the Eastern margin of Hickory Valley Road and the Northern margin of Discovery Drive intersect;

THENCE North 23 degrees, 39 minutes, 39 seconds East a distance of 443.50 feet along the Eastern margin of Hickory Valley Road to a point;

THENCE South 81 degrees, 22 minutes, 25 seconds East a distance of 31.06 feet to a point located at Tennessee State Grid Coordinates of North =272,216.2575 and East=2,221,824.7699, coordinates are based on the City of Chattanooga / Hamilton County Monument Network System (CHAM) North American Datum 1983 (NAD 83) all bearings are based on said system all distances are horizontal ground, said point marks the POINT OF BEGINNING;

THENCE North 23 degrees, 39 minutes, 39 seconds East a distance of 785.16 feet to a point;

THENCE South 07 degrees, 40 minutes, 16 seconds West a distance of 396.01 feet to the point of curvature;

THENCE with a curve to the left (counter clockwise) an arc distance of 200.10 feet, a radius of 487.00 feet, a delta angle of 23 degrees, 32 minutes, 30 seconds, a tangent of 101.48 feet and a chord of South 04 degrees, 05 minutes, 59 seconds East a distance of 198.69 feet to the point of compound curve;

THENCE with a curve to the left (counter clockwise) an arc distance of 229.26 feet, a radius of 381.07 feet, a delta angle of 34 degrees, 28 minutes, 16 seconds, a tangent of 118.22 feet and a chord of South 33 degrees, 06 minutes, 21 seconds East a distance of 225.82 feet to a point at the end of curve;

THENCE North 81 degrees, 22 minutes, 25 seconds West a distance of 404.36 feet to the POINT OF BEGINNING.

TRACT 2-E herein described contains 2.325 acres, more or less, as shown on map of survey by Barge, Waggoner, Sumner, and Cannon, Inc.

Appurtenant Easements for Tract 2-E:

Together with 30' Ingress/Egress Easement as shown on plat of record in Plat Book 90, Pages 126 -134, in the Register's Office of Hamilton County, Tennessee

TRACT THREE

BEGINNING at an existing concrete monument located on the Eastern margin of Bonny Oaks Drive at Tennessee State Grid Coordinates of North=268,179.0000 and East=2,241,110.5000, coordinates are based on the City of Chattanooga / Hamilton County Monument Network System (CHAM System) North American Datum 1983 (NAD 83) all bearings are based on said system, all distances are horizontal ground, said concrete monument marks the Southwest corner of Tract Three and the POINT OF BEGINNING;

THENCE North 23 degrees, 51 minutes, 00 seconds West a distance of 229.68 feet along the Eastern margin of Bonny Oaks Drive to an existing concrete monument;

THENCE North 37 degrees, 03 minutes, 28 seconds West a distance of 107.42 feet along the Eastern margin of Bonny Oaks Drive to an existing concrete monument, same being the Southern most corner of Tract 11, Enterprise South Industrial Park, Plat Book 78, Page 189, R.O.H.C.

THENCE North 53 degrees, 10 minutes, 35 seconds East a distance of 72.00 feet to an existing iron rod;

THENCE North 02 degrees, 52 minutes, 00 seconds East a distance of 436.24 feet to an existing iron rod;

THENCE North 32 degrees, 12 minutes, 27 seconds West a distance of 55.40 feet to an existing iron rod on curve, said iron rod marks the Northwest corner of Tract Three in the Southern margin of Enterprise South Boulevard;

THENCE with a curve to the right (clockwise) along the Southern margin of Enterprise South Boulevard an arc distance of 385.02 feet, a radius of 1384.39 feet, a delta angle of 15 degrees, 56 minutes, 06 seconds, a tangent of 193.76 feet and a chord of North 60 degrees, 59 minutes, 31 seconds East for a distance of 383.78 feet to the point of tangency;

THENCE North 68 degrees, 57 minutes, 34 seconds East a distance of 627.64 feet along the Southern margin of Enterprise South Boulevard to the point of curvature;

THENCE with a curve to the right (clockwise) along the Southern margin of Enterprise South Boulevard an arc distance of 603.74 feet, a radius of 993.74 feet, a delta angle of 34 degrees, 48 minutes, 34 seconds, a tangent of 311.51 feet and a chord of North 86 degrees, 21 minutes, 51 seconds East for a distance of 594.49 feet to the point of tangency;

THENCE South 76 degrees, 13 minutes, 52 seconds East a distance of 192.74 feet along the Southern margin of Enterprise South Boulevard to the point of curvature;

THENCE with a curve to the left (counter clockwise) along the Southern margin of Enterprise South Boulevard an arc distance of 2058.74 feet, a radius of 2448.00 feet, a delta angle of 48 degrees, 11 minutes, 07 seconds, a tangent of 1094.66 feet and a chord of North 79 degrees, 40 minutes, 35 seconds East for a distance of 1998.61 feet to a point on curve, said point marks the Northeast corner of Tract Three;

THENCE South 05 degrees, 50 minutes, 20 seconds East a distance of 1887.68 feet to a point located on the Northern margin of the Norfolk-Southern Railroad, said point marks the Southeast corner of Tract Three;

THENCE South 84 degrees, 46 minutes, 17 seconds West a distance of 74.08 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE South 85 degrees, 56 minutes, 50 seconds West a distance of 100.03 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE South 87 degrees, 10 minutes, 55 seconds West a distance of 103.81 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE South 88 degrees, 06 minutes, 08 seconds West a distance of 100.58 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE South 89 degrees, 15 minutes, 41 seconds West a distance of 99.13 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE North 89 degrees, 45 minutes, 41 seconds West a distance of 104.17 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE North 88 degrees, 35 minutes, 49 seconds West a distance of 106.83 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE North 87 degrees, 26 minutes, 33 seconds West a distance of 107.62 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE North 86 degrees, 15 minutes, 38 seconds West a distance of 109.34 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE North 85 degrees, 16 minutes, 32 seconds West a distance of 102.87 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE North 84 degrees 11 minutes 46 seconds West, a distance of 117.22 feet along the Northern margin of the Norfolk-Southern Railroad to a point;

THENCE North 83 degrees, 51 minutes, 12 seconds West a distance of 2644.38 feet along the Northern margin of the Norfolk-Southern Railroad to the POINT OF BEGINNING.

Tract Three herein described contains 120.708 acres, more or less, as shown on map of survey by Barge, Waggoner, Sumner and Cannon, Inc.

Appurtenant Easements for Tract 3:

None

Exhibit "B"

(1) Easements, restrictions, reservations, leases, obligations, terms and other agreements set out in Deeds from United States of America to City of Chattanooga, a municipal corporation of the State of Tennessee, and Hamilton County, a political subdivision of the State of Tennessee, recorded in Book 7497, Page 354, as corrected and amended in Book 8195, Page 485, and as affected by Release of Restrictions in Quitclaim Deed as recorded in Book 8263, Page 888, in the Register's Office of Hamilton County, Tennessee. (As to Tracts 2, 2-C, 2-D and 2-E)

(2) Easements, rights and restrictions set out in Deeds from United States of America to City of Chattanooga and Hamilton County recorded in Book 5690, Page 367 and Book 6162, Page 652, as amended at Book 6202, Page 694, and Book 6630, Page 866, and as affected by Release of Easement dated June 16, 2004, and recorded in Book 7194, Page 61, in the Register's Office of Hamilton County, Tennessee, all as affected by Release of Utility Easements dated April 15, 2005, from United States of America to City of Chattanooga and Hamilton County recorded in Book 7497, Page 347, and Release of Road Easements dated April 15, 2005, from United States of America to City of Chattanooga and Hamilton County recorded in Book 7497, Page 339, and Release of Restrictions contained in Quitclaim Deed recorded in Book 8263, Page 929, and as affected by any mergers of ownership by virtue of deed acquisition recorded in Book 7497, Page 354, as amended in Book 8195, Page 485, in the Register's Office of Hamilton County, Tennessee. (As to Tracts 1, 2 and 3)

(3) Notice of Hazardous Substance Site recorded in Book 3616, Page 201, as corrected at Book 3754, Page 316, and as amended at Book 6202, Page 702, and in Book 6630, Page 945, Book 7539, Page 695, Book 7539, Page 779 and Book 7539, Page 780, in the Register's Office of Hamilton County, Tennessee. (As to all Tracts)

(4) Road right of way and easements as shown, described or noted on plat recorded in Plat Book 78, Pages 189 and 190, in the Register's Office of Hamilton County, Tennessee. (Now known as Enterprise South Boulevard) (As to Tracts 2 and 3)

(5) Road right of way and easements as shown, described or noted on plat recorded in Plat Book 83, Pages 58 and 59, in the Register's Office of Hamilton County, Tennessee. (Now known as Discovery Drive). (As to Tracts 2 and 3)

Exhibit "B"

(6) Colonial Pipeline Easement as set out in instrument recorded in Book 1538, Page 698, as supplemented in Book 4403, Page 60, and as partially relocated in Book 8261, Page 81, and as shown on survey by Barge, Waggoner, Sumner & Cannon, Inc. dated October 17, 2008. (As to Tract 3)

(7) Rights, reservations, restrictions, covenants, conditions, and easements contained in the Notice of Enterprise South Industrial Park Wetlands as set out in instrument recorded in Book 8120, Page 791, in the Register's Office of Hamilton County, Tennessee. (As to all Tracts)

(8) Declaration of Covenants and Restrictions for Enterprise South Industrial Park as set out in instrument recorded in Book 7085, Page 299, in the Register's Office of Hamilton County, Tennessee. (As to all Tracts)

(9) The following matters shown on plat recorded in Plat Book 90, Pages 126 - 134 and on survey by Barge, Waggoner, Sumner & Cannon, Inc. dated October 17, 2008, last revised December 5, 2008:

(As to Tract 1)

- a) 50' EPB Power and Communication Easement;
- b) 20' Sanitary Sewer Easement;
- c) 30' Eastside Utility District Waterline Easement serving the EPB Substation.
- d) Note # 15
- e) Note # 17

(As to Tract 2)

- a) 100' Conservation Easement (West);
- b) 100' Conservation Easement (East);
- c) 30' Waterline Easement;
- d) 30' EPB Power and Communication Easement;
- e) 50' EPB Easement;
- f) 20' Sanitary Sewer Easement;
- g) 50' Non-exclusive Ingress/Egress Easement #3 leading to and from Tract 2-B;
- h) 187.5' TVA Transmission Line Easement leading to and from Tract 2-A and TVA Substation;
- i) 30' Eastside Utility Waterline Easement;
- j) 20' Drainage Easements;
- k) 15' Utility Easement;
- l) 50' Landscape Buffer along Enterprise South

Existing:

- a) Wetlands and intermittent streams
- b) 30' Eastside Utility District Waterline easement
- c) Future development of right of way of Connector Road
- d) 30' waterline easement
- e) 100' Conservation Easement (West)
- f) 50' non-exclusive ingress and egress easements 1, 2 & 3
- g) 20' utility easement
- h) 102' Conservation Easement (South)
- i) 15' utility easement
- j) 50' landscape buffer along Enterprise South Boulevard
- k) Temporary cul-de-sac at Enterprise South Boulevard
- l) 20' drainage easement
- m) Gasline easement
- n) Existing buildings as shown
- o) 30' public sanitary sewer easement
- p) 30' communication easement
- q) 20' ingress and egress easement

Proposed:

- a) 50' Electric Power Board power and communication easement
- b) 20' sanitary sewer easement
- c) 187.5' TVA transmission line easement
- d) 30' Electric Power Board power and communication easement
- e) 20' drainage easements
- f) Right of way of proposed Enterprise South Boulevard and Connector Road

(10) The following matters shown on survey by Barge, Waggoner, Sumner & Cannon, Inc. dated October 17, 2008, last revised December 5, 2008: (As to Tract 2)

Existing:

- a) Wetlands and intermittent streams
- b) Drainage easements (varying widths)
- c) 20' Public sanitary sewer easement
- d) Power and communication easements (varying widths)
- e) 50' Landscape buffer along Enterprise South Boulevard
- f) 10' x 10' Electric Power Board easement
- g) 30' Colonial Pipeline easement
- h) 75' Electric Power Board transmission line easement
- i) Railroad right of way easements
- j) 6' Force main easement

Proposed:

- a) 30' Sanitary sewer easement

Return to:
PTAI.

ADDRESS NEW OWNERS, AS FOLLOWS:		SEND TAX BILLS TO		MAP/PARCEL NUMBER	
The Industrial Development		same		pt 130-001.01	
Of The City of Chattanooga		(NAME)			
c/o Michael McMahon		(STREET ADDRESS)			
Suite 400, 801 Broad Street		(CITY)		(STATE) (ZIP)	
Chattanooga, TN 37402					

PTA 112862.1

LIMITED WARRANTY DEED

THIS Limited Warranty Deed, made and entered into as of the 13th day of July, 2009, by and between CITY OF CHATTANOOGA, TENNESSEE, a municipal corporation of the State of Tennessee, and HAMILTON COUNTY, TENNESSEE, a political subdivision of the State of Tennessee (herein "Grantors") and THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a public corporation created and existing under the laws of the State of Tennessee (herein "Grantee");

WITNESSETH: That for and in consideration of Ten Dollars (\$10.00), cash in hand paid; and other good and valuable considerations, the receipt of all of which is hereby acknowledged, the said Grantors have bargained and sold and do hereby bargain, sell, convey and confirm unto the said Grantee the following described real estate, situated and being in the City of Chattanooga, County of Hamilton, State of Tennessee:

Prepared By
WILLIAM DAVID JONES
ATTORNEY AT LAW
310 Georgia Avenue
CHATTANOOGA, TN 37402

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LEGAL DESCRIPTION.

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF FOR PERMITTED EXCEPTIONS TO TITLE.

To have and to hold the aforesaid real estate together with all the appurtenances and hereditaments thereunto belonging or in any wise appertaining unto the said Grantee, its successors and assigns in fee simple forever.

The said Grantors do hereby covenant with the said Grantee that as to the title and quiet possession of said real estate it will warrant and forever defend against the claims of all persons claiming the same by, through, or under the Grantors or as the result of an affirmative act of the Grantors, but not further or otherwise.

IN WITNESS WHEREOF, Grantors have caused this instrument to be executed by and through their duly authorized officers the day and year first above written.

Instruments: 2009072100143
Book and Page: 61 8379 227
DEED RECORDING FEE \$35.00
DATA PROCESSING FEE \$2.00
Total Fees: \$37.00
User: HCDC/Klynn
Date: 7/21/2009
Time: 1:20:07 PM
Contact: Pam Hurst, Register
Hamilton County, Tennessee

OK 12236 124

CITY OF CHATTANOOGA, TENNESSEE

BY: Ron Littlefield, Mayor

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me, Paul Parker, of the state and county aforesaid, personally appeared Ron Littlefield, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the MAYOR, of the CITY OF CHATTANOOGA, TENNESSEE, within named bargainor, a municipal corporation and that he as such MAYOR executed the foregoing instrument for the purpose therein, by signing the name of the City of Chattanooga, Tennessee by himself as MAYOR.

WITNESS my hand and seal, at office in Chattanooga, Tennessee, this 13th day of July, 2009.

Paul Parker
Notary Public

My Commission Expires: May 27, 2013



HAMILTON COUNTY, TENNESSEE

BY: Claude Ramsey
Claude Ramsey, County Mayor

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me, Paul Parker, of the state and county aforesaid, personally appeared CLAUDE RAMSEY with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be County Mayor authorized to execute the instrument of the HAMILTON COUNTY, TENNESSEE, the within named bargainor, and that he as such County Mayor executed the foregoing instrument for the purpose therein contained, by signing the name of Hamilton County, by himself as County Mayor.

WITNESS my hand and seal, at office in Chattanooga, Tennessee, this 8th day of July, 2009.

Paul Parker
Notary Public

My Commission Expires: May 27, 2013



STATE OF TENNESSEE
COUNTY OF HAMILTON

I hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$EXEMPT ENTITY, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

WILLIAM J. JOLLEY
Affiant

Subscribed and sworn to before me on this the 20th day of July, 2009.

Sandy Jolley
Notary Public

My Commission Expires: 7-21-10



TRACT 2-A
T.V.A. SUBSTATION

Being Tract 2-A, Mega Site One, Enterprise South Industrial Park, located in the City of Chattanooga, Tennessee as shown on plat of record in Plat Book 90, Page 128 in the Register's Office of Hamilton County, Tennessee, Tract 2-A being more particularly described as follows:

COMMENCING at a point which marks the Northwest corner of Tract Two, Mega Site One, Enterprise South Industrial Park as shown on plat of record in Plat Book 90, Page 128, R.O.H.C

THENCE South 16 degrees, 03 minutes, 31 seconds East a distance of 1601.82 feet to a point which marks the Northwest corner of Tract 2-A, said point is located at Tennessee State Grid Coordinates of North=277,080.2676 and East=2,226,802.1125, coordinates are based on the City of Chattanooga / Hamilton County Monument Network System (CHAM System) North American Datum 1983 (NAD 83) all bearings are based on said system, all distances are horizontal ground, said point marks the POINT OF BEGINNING;

THENCE South 59 degrees, 55 minutes, 36 seconds East a distance of 320.00 feet to a point, said point marks the Northeast corner of Tract 2-A;

THENCE South 30 degrees, 04 minutes, 24 seconds West a distance of 230.00 feet to a point, said point marks the Southeast corner of Tract 2-A;

THENCE North 59 degrees, 55 minutes, 36 seconds West a distance of 320.00 feet to a point, said point marks the Southwest corner of Tract 2-A;

THENCE North 30 degrees, 04 minutes, 24 seconds East a distance of 230.00 feet to the POINT OF BEGINNING

Together with and subject to any rights-of-way, easements, restrictions, ordinances, agreements, zoning and any other matters of title that may exist

Tract 2-A herein described contains 1.690 acres, more or less, as shown on the attached drawing prepared Berge, Waggoner, Sumner, and Cannon, Inc

The source of grantor's interest is found in deeds recorded in Book 5690, Page 367 and Book 7497, Page 354, in the Register's Office of Hamilton County, Tennessee.

Exhibit "A"

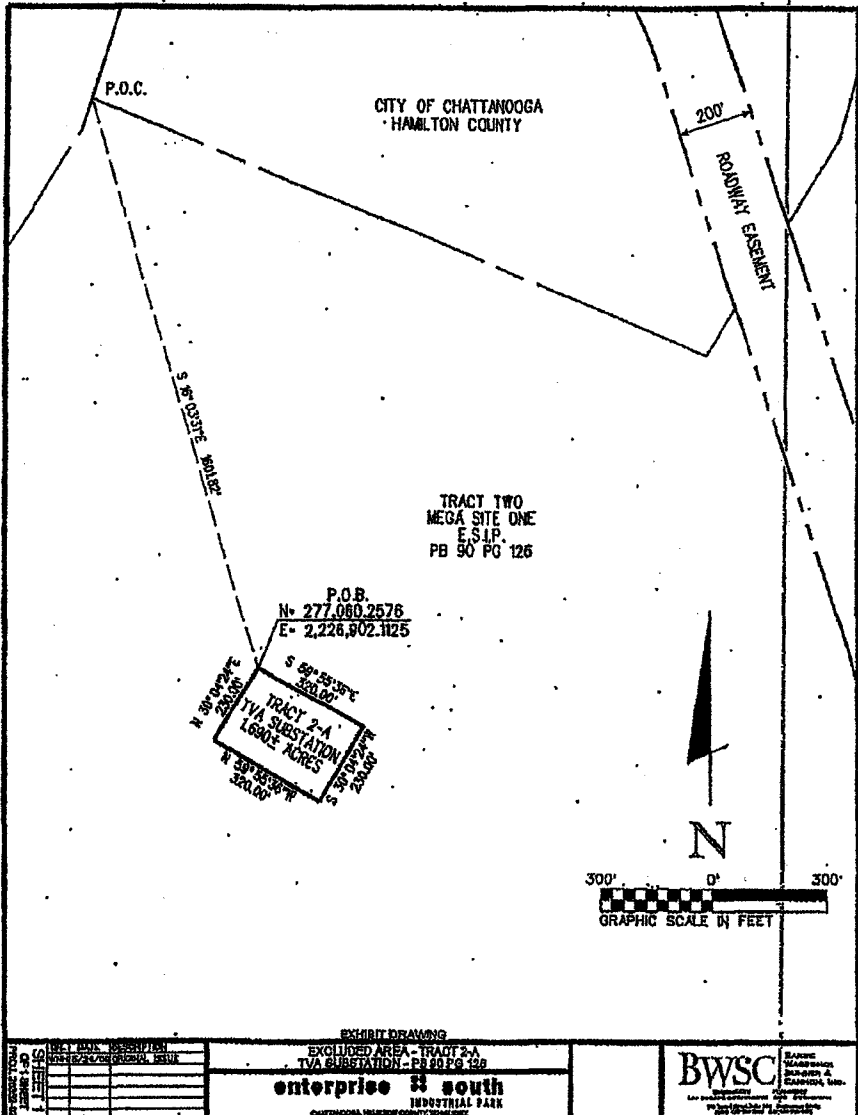


Exhibit "B"
(Permitted Exceptions)

(1) Taxes for the year 2009, and subsequent years.

(2) Easements, restrictions, reservations, leases, obligations, terms and other agreements set out in Deeds from United States of America to City of Chattanooga, a municipal corporation of the State of Tennessee, and Hamilton County, a political subdivision of the State of Tennessee, recorded in Book 7497, Page 354, as corrected and amended in Book 8195, Page 485, and as affected by Release of Restrictions in Quitclaim Deed as recorded in Book 8263, Page 888, in the Register's Office of Hamilton County, Tennessee.

(3) Easements, rights and restrictions set out in Deeds from United States of America to City of Chattanooga and Hamilton County recorded in Book 5690, Page 367 and Book 6162, Page 652, as amended at Book 6202, Page 694, and Book 6630, Page 866, and as affected by Release of Easement dated June 16, 2004, and recorded in Book 7194, Page 61, in the Register's Office of Hamilton County, Tennessee, all as affected by Release of Utility Easements dated April 15, 2005, from United States of America to City of Chattanooga and Hamilton County recorded in Book 7497, Page 347, and Release of Road Easements dated April 15, 2005, from United States of America to City of Chattanooga and Hamilton County recorded in Book 7497, Page 339, and Release of Restrictions contained in Quitclaim Deed recorded in Book 8263, Page 929, and as affected by any mergers of ownership by virtue of deed acquisition recorded in Book 7497, Page 354, as amended in Book 8195, Page 485, in the Register's Office of Hamilton County, Tennessee.

(4) Notice of Hazardous Substance Site recorded in Book 3616, Page 201, as corrected at Book 3754, Page 816, and as amended at Book 6202, Page 702, and in Book 6630, Page 945, Book 7539, Page 695, Book 7539, Page 779 and Book 7539, Page 780, in the Register's Office of Hamilton County, Tennessee.

(5) Rights, reservations, restrictions, covenants, conditions, and easements contained in the Notice of Enterprise South Industrial Park Wetlands as set out in instrument recorded in Book 8120, Page 791, in the Register's Office of Hamilton County, Tennessee.

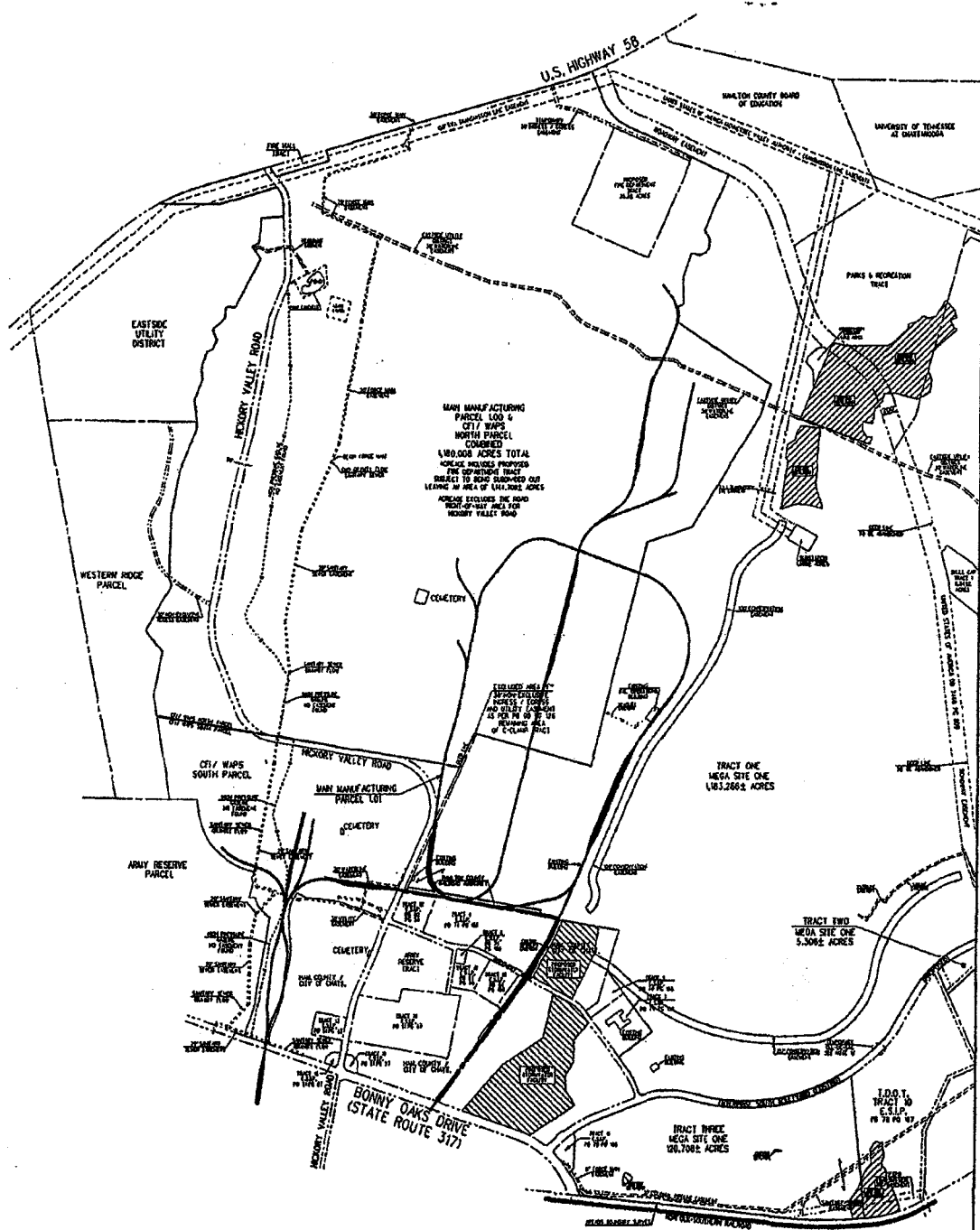
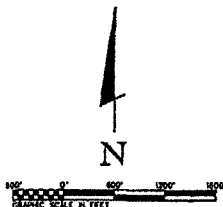
(6) Declaration of Covenants and Restrictions for Enterprise South Industrial Park as set out in instrument recorded in Book 7085, Page 299, in the Register's Office of Hamilton County, Tennessee.

EXHIBIT "B"
TO PILOT AGREEMENT FOR
VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS, LLC
PERSONAL PROPERTY

1. All tangible personal property, including property leased to or by the Company, necessary or desirable in connection with acquiring, constructing, equipping, operating, and supporting the Project, including, without limitation, machinery, equipment, tooling, dies, molds, furniture and fixtures, office equipment, computers, raw materials, railcars, and automotive vehicles that would be assessed for property tax purposes to the Company notwithstanding this Agreement and are not otherwise exempt from property taxes under Tennessee law, together with all acquisitions hereafter, additions thereto, replacements thereof and substitutions therefore during the term of this Agreement.
2. All raw materials and component parts used in connection with the design, production and sale of automobiles, together with all acquisitions hereafter, additions thereto, replacements thereof and substitutions therefore during the term of this Agreement. It is the intention hereof that all of the Board's rights, titles and interests in and to such raw materials and component parts shall be reassigned, reconveyed, retransferred and redelivered to the Company at the time such raw materials or component parts become inventory, including work in process and finished products.
3. For 1 and 2 above, such personal property shall further include personal property owned by the Board but sitused at a supplier located on the Project Site or within the jurisdiction of the Board.

EXHIBIT "C"
TO PILOT AGREEMENT FOR
VOLKSWAGEN GROUP OF AMERICA CHATTANOOGA OPERATIONS, LLC
EXPANSION SITE

ATTACHED



NO.	DATE	DESCRIPTION
1	8/23/88	ORIGINAL ISSUE
2	5/21/91	REVISION ONE
3		
4		
5		
6		
7		
8		
9		
10		

**MAIN MANUFACTURING PARCEL 1.00 AND
CFI / WAPS NORTH PARCEL COMBINED**

enterprise south

INDUSTRIAL PARK

CHATTANOOGA, HAMILTON COUNTY, TENNESSEE

BWSC

BRANKE
WARRICK
BURNER &
CLARKSON, INC.

ENGINEERING PLANNING
LANDSCAPE ARCHITECTURE AND SURVEYING

500 Market Street, Suite 200 Chattanooga, TN 37402
PHONE 423-261-0011 FAX 423-261-0012

**AGREEMENT FOR PAYMENT IN LIEU
OF AD VALOREM TAXES**

THIS AGREEMENT FOR PAYMENT IN LIEU OF AD VALOREM TAXES (this "*Agreement*") is hereby made and entered into as of the 2nd day of January 2009, by and among _____, a _____ or its assignee (the "*Company*"), and HAMILTON COUNTY, TENNESSEE (the "*County*"), the CITY OF CHATTANOOGA, TENNESSEE (the "*City*"), and the INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA (the "*Board*") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by _____ and his/her successors, acting in the capacity of HAMILTON COUNTY TRUSTEE ("*Trustee*"), and by _____ and his/her successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY ("*Assessor*").

WITNESSETH:

WHEREAS, the Company is engaged principally in the design, production and sale of automobiles; and

WHEREAS, the Company contemplates the establishment of a manufacturing and assembly facility for the production of automobiles (the "*Facility*") on a parcel of land of approximately one thousand three hundred forty (1,340) acres at the Enterprise South Industrial Park in the County (the "*Project*"), and has requested the Board's assistance in the financing of the Project; and

WHEREAS, the Project, if fully implemented, has the potential to eventually employ more than two thousand (2,000) employees and to require a capital investment by, or on behalf of, the Company of approximately One Billion Dollars (\$1,000,000,000.00) at full implementation and production; and

WHEREAS, substantial economic benefits to the City and County economies will be derived from the Project; and

WHEREAS, the Board has agreed to take title to certain real property constituting a part of the Project, as described in EXHIBIT "A" attached hereto (i) (the "*Project Site*"), (ii) all real property improvements to the Project Site (the "*Real Property Improvements*"), and (iii) certain personal property constituting a part of the Project, as described in EXHIBIT "B" attached hereto (the "*Personal Property*"), and together with the "*Project Site*" and "*Real Property Improvements*", the "*Property*"), which Property is to be owned by the Board and leased to the Company pursuant to that certain Lease Agreement made and entered into as of the 2nd day of January 2009 (the "*Lease Agreement*"); and

WHEREAS, the Board, the City and the County have agreed to grant an option to the Company for a period of eight (8) years from the date on which the Board, City, and/or the County take or takes title to the real property described on EXHIBIT "C" attached hereto (the "*Expansion Site*"), for the purchase of the Expansion Site from such party or parties; and

WHEREAS, upon the Company's exercise of the option for the purchase of the Expansion Site the Board has agreed, at the request of the Company, to (i) take title to the Expansion Site, all real property improvements to the Expansion Site, and certain designated personal property located on the Expansion Site constituting part of an expansion to the Project (the "*Expansion Property*"), and (ii) lease the Expansion Site and Expansion Property to the Company pursuant to the terms of the Lease Agreement, including the remaining lease term; and

WHEREAS, the Expansion Site and any Expansion Property shall constitute Property for purposes of this Agreement and will be subject to the terms of the Agreement upon the Company's request to the Board to take title to the Expansion Site and Expansion Property and such Expansion Site and Expansion Property becoming owned by the Board; and

WHEREAS, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, §7-53-101, et seq., all such property will be exempt from ad valorem property taxes ("*Property Taxes*") normally paid to the City and to the County, so long as the Property is owned by the Board, pursuant to the provisions of Tennessee Code Annotated, §7-53-305; and

WHEREAS, for the public benefit of the citizens of the City and the County, the Board has requested that the Company make certain payments to the Board in lieu of the payment of Property Taxes that would otherwise be payable on the Property; and

WHEREAS, the Company has agreed to make such payments to the Board in lieu of the Property Taxes otherwise payable on the Property (the "*In Lieu Payments*"), as more particularly set forth hereinafter; and

WHEREAS, the Board has been authorized to receive the In Lieu Payments in lieu of Property Taxes by resolutions adopted by the City and the County, acting through their duly elected Council and Commission, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions, including, without limitation, the requirement that the Board collect and expend such payments in furtherance of the public purposes for which the Board was created; and

WHEREAS, the Company and the Board have agreed that all In Lieu Payments made to the Board by the Company shall be paid to the Trustee, who shall disburse such amounts to the general funds of the City and the County in accordance with the requirements specified herein; and

WHEREAS, the Board wishes to designate the Assessor as its agent to appraise the Property and assess a percentage of its value in the manner specified herein; and

WHEREAS, the Board wishes to designate the Trustee as its agent to receive the In Lieu Payments in accordance with the terms of this Agreement; and

WHEREAS, in consideration of the inducements, including the tax abatements provided herein, and other commitments made to the Company, the Company is subject to certain potential recapture fees in accordance with Section 5.2 of that certain Memorandum of Understanding dated as of July __, 2008;

NOW, THEREFORE, upon and in consideration of the respective promises and covenants contained herein and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the United States Constitution and the Constitution and laws of the State of Tennessee as though the Property were fully taxable. Any real or tangible personal property that is exempt from Property Taxes notwithstanding this Agreement shall not be subject to the In Lieu Payments provided herein. Notwithstanding the foregoing, the Assessor hereby agrees that the fair market value of the Project Site shall initially be set at Ten Million Dollars (\$10,000,000.00). The Project Site will be subject to reassessment every four (4) years during the entire term of this Agreement; provided, however, that such reassessment shall not cause the fair market value of the Project Site to increase by a cumulative amount greater than ten percent (10%) of the above stated fair market value at the end of the first four-year reassessment period, nor more than a ten percent (10%) cumulative increase at the conclusion of any subsequent four-year reassessment period over the previously determined fair market value. In addition, the Assessor hereby agrees that the fair and reasonable market value of the Company's Real Property Improvements in the first full Property Tax year shall not exceed the Company's actual cost of said Real Property Improvements. The Assessor shall give the Trustee, the City Treasurer, the Board, and the Company written notice of any changes in appraisals of the Property in the same manner that notices are given to owners of taxable property. The Assessor shall make available to the Board and the Company all records relating to the appraisal and assessment of the Property.

2. Upon or contemporaneously with the Company's exercise of the option for the purchase of the Expansion Site, the Company will have the following options:

(a) The Company may, at its discretion, require the Board at any time during the term of this Agreement to (i) promptly take title to the Expansion Site, and any Expansion Property, including all Personal Property designated by the Company, and (ii) lease the Expansion Site and Expansion Property to the Company pursuant to the terms of the Lease Agreement, including the remaining lease term. The Expansion Site and Expansion Property shall then constitute Property for purposes of this Agreement and will be subject to the terms of this Agreement upon the Company's request to the Board to take title to the Expansion Site and Expansion Property and such Expansion Site and Expansion Property becoming owned by the Board; or

(b) The Company may elect to negotiate a separate Agreement for Payment in lieu of Ad Valorem Taxes ("**PILOT Agreement**") with the Board, City, County, Trustee, and Assessor for the Expansion Site and Expansion Property and the Board, City, County, Trustee, and Assessor agree to negotiate in good faith to agree on the terms of such PILOT Agreement, which shall be substantially similar to the terms in this Agreement.

Upon the Company's exercise of the option to purchase the Expansion Site, the Assessor hereby agrees that the fair market value of the Expansion Site shall initially be set at the actual cost to the City and/or County in acquiring the Expansion Site. The Expansion Site will

be subject to reassessment every four (4) years; provided, however, that such reassessment shall not cause the fair market value of the Expansion Site to increase by a cumulative amount greater than ten percent (10%) of the above stated fair market value at the end of the first four-year reassessment period, nor more than a ten percent (10%) cumulative increase at the conclusion of any subsequent four-year reassessment period over the previously determined fair market value.

3. Designation of Trustee; Computation and Billing of Payments in Lieu of Taxes. The Board hereby designates the Trustee as its agent to compute the amounts of the In Lieu Payments, to receive such payments from the Company and to disburse such payments to the County. On or about October 1 of each year during the term of this Agreement, the Trustee shall compute the taxes which would be payable on the Property if it were subject to Property Taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send the Board and the Company a bill for appropriate amounts of In Lieu Payments (the "**Tax Bill**").

4. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Company shall pay to the Trustee the amounts indicated on the Tax Bill in accordance with the amount set forth below in Paragraph 5. The In Lieu Payments shall be made by the Company in lieu of the Property Taxes which would otherwise be payable on the Property if it were subject to Property Taxes.

5. Amount of Payments by the Company. Commencing with the ad valorem tax year beginning on January 1, 2010 and continuing for twenty-nine (29) ad valorem tax years thereafter, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to twenty-nine and twenty-three one hundredths percent (29.23%) of the amount of taxes that would have been payable on the Property constituting the Facility if it were subject to Property Taxes. These annual In Lieu Payments equate to the educational Property Taxes that would have been paid on the Property constituting the Facility if it were subject to Property Taxes. For any periods after such thirty (30) year period that the Property constituting the Facility is owned by the Board, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property constituting the Facility if it were subject to Property Taxes. Notwithstanding the above, any amounts assessed as ad valorem taxes against the Property shall be credited against any In Lieu Payments due under this Agreement.

6. Penalties and Late Charges. The Company shall make the In Lieu Payments for each year before March 1 of the following year. All In Lieu Payments shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If the Company fails to make any In Lieu Payments when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non-payment has been provided, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1.5%) of the owed amount, for each month that each payment has been unpaid. Such one and one-half percent (1.5%) per month late charge amount shall accumulate each month, be payable

so long as there remains any outstanding unpaid amount and shall be the exclusive charge, fee or penalty for such late payment.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County may bring suit in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, the penalties and late charges set forth in this Section 6, and reasonable attorneys' fees.

7. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 3 shall be disbursed to the general funds the County in accordance with this paragraph and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received shall be deposited into an account for the educational use and benefit of the County. Such account shall be funded with the amount to which the In Lieu Payments are attributable to Property Taxes which would otherwise be owed to the County. All disbursements to the educational funds of the County shall be made by the Trustee only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated §7-53-102.

8. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if the Company contests any such computation, it shall present evidence to the Trustee in favor of its position. If the In Lieu Payments being contested shall be or become due and payable, the Company shall make such payments under protest, the Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If the Company and the Assessor or the Trustee are unable to resolve a dispute, the Company may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

9. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

10. Term. This Agreement shall become effective on January 2, 2009 and shall continue for so long as the Board holds title to any of the Property or the Company has made all payments required hereunder, whichever shall later occur.

11. Leasehold Taxation. The Board, the City, the County, the Trustee, and the Assessor covenant and agree that the Company's personal property leasehold interest in the Project shall not be subject to ad valorem taxation. The Board, the City, the County, the Trustee, and the Assessor further covenant and agree that the Company's real property leasehold interest in the Project shall have no assessed value for ad valorem tax purposes as all amounts paid by the Company or on behalf of the Company by the Board, the City, the County, the State of Tennessee, and certain agencies of or within the State of Tennessee for the Project, including without limitation, costs for maintenance, insurance, utilities, infrastructure, site preparation,

acquisition, construction, equipment, and furnishing costs for the Project and Project Site shall be considered as rent payable under the Lease Agreement for purposes of determining the value of the leasehold interest. As a result, the actual or imputed rent for the leased real property shall equal or exceed the fair market rent for the leased premises for purposes of Tennessee Code Ann. § 67-5-605 (2006). In the event that there is valid determination that the real property leasehold interest is taxable for ad valorem tax purposes, any amounts assessed as ad valorem taxes on the taxable leasehold interest shall be credited against any In Lieu Payments due under this Agreement.

12. Stormwater Fees. The Company shall not be responsible for any stormwater fees assessed by the City of Chattanooga against the Property.

13. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered to the following addresses and recipients:

STATE OF TENNESSEE

Governor's Office
Tennessee State Capitol
Nashville, Tennessee 37243-0001
Telephone: 615-741-2001
Facsimile: 615-532-9711
Attention: Honorable Phil Bredesen

CITY OF CHATTANOOGA

City of Chattanooga
100 East 11th Street
Chattanooga, Tennessee 37402
Telephone: 423-425-7800
Attention: Mayor Ron Littlefield

HAMILTON COUNTY

Hamilton County
Hamilton County Court House, Suite 209
Chattanooga, Tennessee 37402
Telephone: 423-209-6105
Attention: County Mayor Claude Ramsey

HAMILTON COUNTY TRUSTEE

Carl E. Levi

Telephone: _____
Attention: _____

HAMILTON COUNTY
ASSESSOR OF PROPERTY

William C. Bennett

Telephone: _____
Attention: _____

INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF
CHATTANOOGA

2200 Ferdinand Porsche Drive
Herndon, VA 20171
Telephone:
Facsimile:
Attention: David Geanacopoulos

With a copy to:

Balch & Bingham LLP
1901 Sixth Avenue North, Suite 1500
Birmingham, Alabama 35203-4642
Telephone: 205-226-3445
Facsimile: 205-488-5852
Attention: Alex B. Leath, III

and:

Jones Lang LaSalle
15601 Dallas Parkway, Suite 400
Addison, Texas 75001
Telephone: 972-361-5000
Facsimile: 972-361-5902
Attention: Keith A. Scott

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

14. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

15. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

16. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

18. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

19. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

By: _____
Name: _____
Title: _____

HAMILTON COUNTY

By: _____
Name: _____
Title: _____

CITY OF CHATTANOOGA

By: _____
Name: _____
Title: _____

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CARL E. LEVI

By: _____
Hamilton County Trustee

WILLIAM C. BENNETT

By: _____
Hamilton County Assessor of Property

EXHIBIT "A"
TO PILOT AGREEMENT FOR
VOLKSWAGEN GROUP OF AMERICA, INC.

PROJECT SITE

[INSERT]

EXHIBIT "B"
TO PILOT AGREEMENT FOR
VOLKSWAGEN GROUP OF AMERICA, INC.

PERSONAL PROPERTY

All tangible personal property necessary or desirable in connection with the acquisition, construction, and equipping of the Project, including, without limitation, machinery, equipment, tooling, dies, molds, furniture and fixtures, office equipment, computers, and raw materials designated by the Company, together with all additions thereto, replacements thereof and substitutions therefore during the term of this Agreement. Such personal property shall include personal property owned by the Company but situated at a supplier located on the Project Site or within the jurisdiction of the Board.

EXHIBIT "C"
TO PILOT AGREEMENT FOR
VOLKSWAGEN GROUP OF AMERICA, INC.
EXPANSION SITE

[INSERT]

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "*Agreement*") is hereby made and entered into as of the 2nd day of January 2009, by and among _____, a _____ or its assignee (the "*Company*"), and **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "*Board*"), a public corporation duly created and existing under the laws of the State of Tennessee.

WITNESSETH:

In consideration of the respective covenants and agreements hereinafter contained, the Board and the Company agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.01 Definitions. The following terms when used in this Agreement, unless the context shall clearly indicate another or different meaning or intent, shall be construed as follows:

"*Act*" means the Tennessee Industrial Development Corporations Act of 1955, Chapter 210 of the Public Acts of 1955, as codified in Tennessee Code Annotated Sections 7-53-101 et seq., as heretofore amended and as hereafter amended from time to time.

"*Act of Bankruptcy*" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the Company or the Board under any applicable bankruptcy, insolvency or similar law as now or hereafter in effect.

"*Agreement*" means this Lease Agreement as it now exists and as it may hereafter be amended.

"*Board*" means The Industrial Development Board of the City of Chattanooga, a public corporation duly created and existing under the Act, and its successors and assigns.

"*City*" means the City of Chattanooga, Tennessee.

"*County*" means Hamilton County, Tennessee.

The terms "*default*" and "*event of default*" means any occurrence or event specified in Section 10.01 hereof.

"*Expansion Site*" means the real property, real property improvements and tangible personal property, including items of machinery, equipment, furniture and fixtures and all other items of tangible personal property, as described in EXHIBIT "A" attached hereto, together with all additions thereto, replacements thereof and substitutions therefore, that are necessary or

desirable for the acquisition, construction and equipping of an automotive manufacturing and assembly facility or manufacturing headquarters facility, or both, and related businesses and suppliers.

The term "*pending*" with respect to any proceedings commenced by an Act of Bankruptcy means that such proceedings have not been dismissed, or are subject to further appeal.

"*PILOT Agreement*" means the Agreement for Payments in Lieu of Ad Valorem Taxes entered into by and among the Board, the Company, the City, the County, the Hamilton County Trustee, and the Hamilton County Assessor of Property.

"*Project*" means the real property, real property improvements and tangible personal property, including items of machinery, equipment, furniture and fixtures and all other items of tangible personal property, as described in EXHIBIT "B" attached hereto, together with all additions thereto, replacements thereof and substitutions therefore, that are necessary or desirable for the acquisition, construction and equipping of an automotive manufacturing and assembly facility and manufacturing headquarters facility.

ARTICLE 2

CERTIFICATIONS

Section 2.01 Certifications by Board. The Board makes the following certifications as the basis for the undertakings on its part herein contained:

(a) The Board is a public corporation of the State of Tennessee, duly organized and existing under the provisions of the Act. The Act authorizes the Board to acquire land, buildings, machinery and equipment and related facilities and to own, lease and dispose of the same for the purpose of maintaining and increasing employment opportunities by promoting industry, trade and commerce and by inducing manufacturing, industrial and commercial enterprises to locate in or remain in the State of Tennessee. The Board is authorized to act in furtherance of such purposes in the State of Tennessee.

(b) The Board has found and does hereby declare that the acquisition, construction and equipping of the Project and the leasing of the same to the Company will increase employment in the State of Tennessee, and will be in furtherance of the public purposes for which the Board was created.

(c) The Board has been induced to enter into this undertaking by the promise of the Company to establish a manufacturing and assembly facility for the production of automobiles in the State of Tennessee.

(d) There are no actions, suits, proceedings, inquiries or investigations pending, or to the knowledge of the Board threatened, against or affecting the Board in any court or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the transactions contemplated by this Agreement or which, in any way, would materially and adversely affect the validity or enforceability of this

Agreement or any agreement or instrument to which the Board is a party and which is sued or contemplated for use in the consummation of the transactions contemplated hereby or thereby.

Section 2.02 Certifications by Company. The Company makes the following certifications as the basis for the undertakings on its part herein contained:

(a) The Company is a _____ duly organized under the laws of the State of _____, is in good standing under its corporate charter, has full power and authority to enter into this Agreement and to perform all obligations contained herein and therein, and has, by proper corporate action, been fully authorized to execute and deliver this Agreement and, when executed and delivered by the parties thereto, this Agreement will constitute the valid and binding obligation of the Company enforceable in accordance with its terms.

(b) The agreement of the Board to own the Project and lease it to the Company induced the Company to locate the Project in the State of Tennessee, which will increase employment in the State of Tennessee.

(c) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated herein by the Company, nor the fulfillment of or compliance with the terms and conditions of this Agreement, does or will conflict with or result in a breach of the terms, conditions or provisions of any corporate restriction or internal governing document of the Company or any agreement or instrument to which the Company is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree to which it is subject, or constitutes a default under any of the foregoing or, except as contemplated hereby, results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement.

(d) There are no proceedings pending, or to the knowledge of the Company threatened, against or affecting the Company in any court or before any governmental authority, arbitration board or tribunal which involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of the Company, or the ability of the Company to perform its obligations under this Agreement. The Company is not in default with respect to an order of any court, governmental authority, arbitration board or tribunal.

(e) No event has occurred and no condition exists with respect to the Company that would constitute an "event of default" under this Agreement, or which, with the lapse of time or with the giving of notice, or both, would become such an "event of default".

ARTICLE 3

LEASING CLAUSES; WARRANTY OF TITLE

Section 3.01 Lease of Project. The Board hereby leases to the Company, and the Company hereby leases from the Board, the Project, for the consideration set forth in Section 5.03 hereof and in accordance with the provisions of this Agreement.

Section 3.02 Title. The Board will obtain upon the acquisition thereof good and marketable title to the Project, free from all encumbrances.

Section 3.03 Quiet Enjoyment. The Board covenants and agrees that it will warrant and defend the Company in the quiet enjoyment and peaceable possession of the Project, free from all claims of all persons whatsoever, throughout the Lease Term, so long as the Company shall perform the covenants, conditions and agreements to be performed by it hereunder, or so long as the period for remedying any default in such performance shall not have expired. If the Board shall at any time be called upon to defend the title to said property as aforesaid, it shall not be required to incur any costs or expenses in connection therewith unless indemnified to its satisfaction against all such costs and expenses.

ARTICLE 4

ACQUISITION, CONSTRUCTION AND INSTALLATION OF PROJECT

Section 4.01 Agreement to Acquire, Construct and Install Project. The Company agrees that:

- (a) It will cause title in and to the Project to be vested in the Board;
- (b) It will acquire, construct and install the Project in the name of and on behalf of the Board; and
- (c) It will complete the acquisition, construction and equipping of the Project as promptly as practicable.

Section 4.02 Expansion Site. In the event that the Company exercises its option on the Expansion Site as provided in that certain Memorandum of Understanding dated as of July __, 2008, the Company may elect to include the Expansion Site as part of the Project. Upon the Company's notification to the Board of such election, the Board agrees to take title to the Expansion Site and lease the Expansion Site to the Company and the Expansion Site will then be subject to the terms of this Agreement. Alternatively, the Company may elect to negotiate a separate lease agreement for the Expansion Site, which shall be substantially similar to the terms of this Agreement.

ARTICLE 5

EFFECTIVE DATE; DURATION OF LEASE TERM; CONSIDERATION

Section 5.01 Effective Date of this Agreement; Duration of Lease Term. This Agreement shall become effective on January 2, 2009, and the leasehold estate created hereunder shall then begin, and, subject to the other provisions of this Agreement, shall expire at midnight on January 2, 2039 (the "*Lease Term*").

Section 5.02 Delivery and Acceptance of Possession. The Board agrees to deliver to the Company sole and exclusive possession of the Project, and the Company agrees to accept possession of the Project upon such delivery.

Section 5.03 Consideration for Lease. In consideration of the lease granted hereunder the Company agrees to:

- (a) Acquire, construct and install the Project as described in Section 4.01 hereof;
- (b) Operate the Project for its own benefit and for the benefit of the citizens of the County and the City; and
- (c) Make the payments required of it under the PILOT Agreement for educational purposes.

ARTICLE 6

MAINTENANCE; MODIFICATION; TAXES AND INSURANCE

Section 6.01 Maintenance and Modification of Project by Company. The Company agrees that throughout the term of this Agreement it will, at its own expense, keep the Project (i) in as reasonably safe condition as its operations shall permit, and (ii) in good repair and in good operating condition, normal wear and tear and obsolescence excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof. All modifications, renewals, and replacements shall be considered a part of the Project.

Section 6.02 Removal of Machinery and Equipment Included in Project. The Board shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary machinery or equipment constituting a part of the Project. In any instance where the Company in its sole discretion determines that any items of such machinery or equipment have become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the Company may remove such items of machinery or equipment and (on behalf of the Board) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Board thereof.

Section 6.03 Taxes, Other Governmental Charges and Utility Charges. The Board and the Company acknowledge that under present law the Project will be exempt from ad valorem taxation in the State of Tennessee. The Company will pay, as the same become lawfully due and

payable, (i) all taxes and governmental charges of any kind whatsoever upon or with respect to the Project and (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

The Company may, at its own expense and in its own name, in good faith contest any such taxes, assessments or other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. The Board will cooperate fully with the Company in any such contest.

Section 6.04 Maintenance of Insurance. Throughout the term of this Agreement, the Company shall keep the Project continuously insured against such risks as are customarily insured against with respect to property similar to the Project by businesses of like size and type (other than business interruption insurance), paying as the same become due all premiums in respect thereto.

Section 6.05 Indemnification of Board. The Company shall and hereunder agrees to indemnify and save the Board and its officers, directors, agents, servants and employees harmless from and against all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Project during the term of this Agreement, and against and from all claims arising during the term of this Agreement, from:

- (a) any condition of the Project caused by the Company;
- (b) any breach or default on the part of the Company in the performance of any of its obligations under this Agreement; and
- (c) any act of negligence of the Company or of any agents, contractors, servants, employees or licensees of the Company or of any assignee or sublessee of the Company.

The Company shall indemnify and save the Board and its officers, directors, agents, servants and employees harmless from and against all costs and expenses incurred in or in connection with any action or proceeding brought thereon, and, upon notice from the Board, the Company shall defend the Board and any such officer, director, agent, servant or employee or any of them in any such action or proceeding.

Section 6.06 Depreciation and Investment Credit. The Board covenants and agrees that depreciation expenses and investment tax credit, if any, with respect to the Project shall be made available to the Company, and the Board will fully cooperate with the Company in any effort by the Company to avail itself of any such depreciation expenses or investment tax credit, but the Board shall have no responsibility or liability for failure of the Company to receive any such expenses or credits.

ARTICLE 7

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.01 Damage and Destruction. If during the term hereof the Project is damaged by fire or other casualty, the Board shall cause the proceeds received by it from insurance to be paid to the Company for application in one or both of the following ways, as shall be determined by the Company:

- (a) Repair, rebuilding or restoration of the property damaged.
- (b) Reimbursement to the Company for loss in value of its interest in the Project.

Section 7.02 Condemnation of the Project. If title in and to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under government authority, the Board shall cause the proceeds received by it from any award made in such eminent domain proceeding to be paid to the Company for application in one or more of the following ways, as shall be determined by the Company:

- (a) Restoration of the Project to substantially the same condition as existed prior to the exercise of said power of eminent domain.
- (b) Acquisition, by construction or otherwise, of other property having substantially the same use and utility as the property taken in such proceedings (which property will be deemed a part of the Project available for use by the Company under this Agreement).
- (c) Reimbursement to the Company for loss in value of its interest in the Project.

The Board shall cooperate fully with the Company in the handling and conduct of any prospective or pending eminent proceeding with respect to the Project or any part thereof and shall, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and on behalf of the Board. In no event will the Board voluntarily settle, or consent to the settlement of, any prospective or pending eminent domain proceeding with respect to the Project or any part thereof without the written consent of the Company.

ARTICLE 8

SPECIAL COVENANTS

Section 8.01 No Warranty of Condition or Suitability by Board. The Board makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the purposes or needs of the Company. The Company releases the Board from, agrees that the Board shall not be liable for, and agrees to hold the Board and its officers, directors, agents, servants and employees harmless against, any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or

the use thereof. The members of the Board of Directors of the Board shall incur no liability either individually or collectively by reason of the obligations undertaken by the Board hereunder.

Section 8.02 Identification of Machinery and Equipment Included In Project. The Company will at all times maintain in its permanent records a complete list of the tangible personal property constituting a part of the Project, which will reasonably identify each item of machinery, equipment, and other tangible personal property owned by the Board. The Company may utilize records such as depreciation schedules, inventory lists, or similar documents to provide such identification.

ARTICLE 9

ASSIGNMENT, SUBLEASING, PLEDGING AND SELLING

Section 9.01 Assignment or Subleasing. This Agreement may be assigned and the Project be subleased, as a whole or in part, by the Company without the prior written consent of the Board provided that:

(a) No assignment shall relieve the Company from primary liability for any of its obligations hereunder, and, in the event of any such assignment, the Company shall continue to remain primarily liable for performance and observance of the agreements on its part herein provided to be performed and observed by it to the same extent as though no assignment had been made.

(b) The assignee or sublessee shall assume the obligations of the Company hereunder to the extent of the interest assigned and subleased.

(c) The Company shall, within thirty (30) days after the execution and delivery thereof, furnish or cause to be furnished to the Board a true and complete copy of each such assignment, sublease and assumption of obligation, as the case may be.

Section 9.02 Restrictions on Sale of Project by Board. The Board agrees that, except for transactions effected in accordance with Section 11.03 hereof, it will not sell, assign, mortgage, transfer or convey the Project during the Lease Term or create or suffer to be created any debt, lien or charge on the rents, revenues or receipts arising out of or in connection with its ownership of the Project, and it will not take any other action which may reasonably be construed as tending to cause or induce the levy or assessment of ad valorem taxes; provided, that if the laws of the State of Tennessee at the time shall permit, nothing contained in this Section shall prevent the consolidation of the Board with, or merger into, or transfer of the Project as an entirety to, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning, leasing and selling of the Project; provided that such consolidation, merger or transfer shall be authorized by the governing body of the State of Tennessee. The Board agrees to provide written notice to Company of any such consolidation, merger, or transfer at least 30 days prior to such event.

ARTICLE 10

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default Defined. The following shall be "events of default" under this Agreement, and the terms "event of default" or "default" shall mean, whenever they are used in this Agreements, any one or more of the following events:

(a) Failure by the Board or the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to one party by the other, unless the one giving notice shall agree in writing to an extension of such time prior to its expiration. If a failure under this Section 10.01(a) is such that it can be corrected but not within the applicable period, it shall not constitute an event of default or default if appropriate corrective action is instituted within the applicable period and diligently pursued until the default is corrected.

(b) A voluntary Act of Bankruptcy or an Act of Bankruptcy which, if resulting from the filing or commencement of involuntary proceedings against the Company or the Board, is not dismissed or discharged within sixty (60) days of the filing or commencement thereof.

The foregoing provisions of subsection (a) of this Section are subject to the following limitations: if by reasons of force majeure, the Board or the Company is unable in whole or in part to carry out the agreements on its part herein referred to, the failure to perform such agreements due to such inability shall not constitute an event of default nor shall it become an event of default upon appropriate notification or the passage of this stated period of time. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; act of public enemies; orders of any kind of the government of the United States of America or of the State of Tennessee or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides, lightning; earthquakes; fires, hurricanes, tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities or any other cause or event not reasonably within the control of the Board or the Company. The Board and the Company agree, however, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Board or the Company, as the case may be and the Board and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Board or the Company, unfavorable to it.

Section 10.02 Remedies on Default. Whenever any event of default referred to in Section 10.01 hereof shall have occurred and be subsisting, the Board or the Company, as the case may be, may take whatever action at law or in equity may appear necessary or desirable to

enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

ARTICLE 11

OPTIONS IN FAVOR OF COMPANY

Section 11.01 Options to Terminate. The Company shall have the following options to cancel or terminate the term of this Agreement:

(a) At any time, the Company may terminate the Lease Term by giving written notice to the Board of such termination.

(b) At any time, the Company may terminate this Agreement as to a part of the Project by giving written notice to the Board of such termination, and such termination shall forthwith become effective as to that part of the Project.

Section 11.02 Option to Purchase Project. Upon termination or expiration of the Lease Term or termination of this Agreement as to a part of the Project, the Company shall have, and is hereby granted, the option to purchase the Project or that part of the Project as to which the Agreement has been terminated, as the case may be, for the purchase price, in each case, of One Dollar (\$1.00). This option may be exercised whether or not the Company is in default hereunder.

Section 11.03 Conveyance on Exercise of Option. Upon exercise of the option granted above, the Board will, upon receipt of the purchase price, deliver to the Company documents conveying to the Company title to the Project or part of the Project, as the case shall be, by appropriate deeds and bills of sale, subject only to:

(a) those liens and encumbrances, if any, to which title to said property was subject when conveyed to the Board;

(b) those liens and encumbrances created by or with the consent of the Company; and

(c) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Agreement.

ARTICLE 12

MISCELLANEOUS

Section 12.01 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by first class United States mail, postage prepaid, or sent by telegram addressed as follows:

Board:

Company:

With a Copy to:

Any such person may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificate or other communication shall be sent.

Section 12.02 Binding Effect. This Agreement shall insure to the benefit of and shall be binding upon the Company, the Board, and their respective successors and assigns.

Section 12.03 Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.04 Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.05 Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope, extent or intent of any provision or Section hereof.

Section 12.06 Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Tennessee.

IN WITNESS WHEREOF, the Board and the Company have caused this Agreement to be duly executed in their respective corporate names, all as of the date first above written.

BOARD:

THE INDUSTRIAL DEVELOPMENT BOARD
THE CITY OF CHATTANOOGA

ATTEST:

By: _____

Name:

Title:

By: _____

Name:

Title:

COMPANY:

By: _____

Name:

Title:

STATE OF TENNESSEE
COUNTY OF HAMILTON

Personally appeared before me, _____, Notary Public, _____
and _____, with whom I am personally acquainted, and who acknowledged that they
executed the within instrument for the purposes therein contained, and who further
acknowledged that they are the Chairman and Secretary of the Board, THE INDUSTRIAL
DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, and are
authorized by the Board to execute this instrument on behalf of the Board.

WITNESS my hand, at office, this ____ day of _____, 20__.

Notary Public
My Commission Expires: _____

STATE OF _____
COUNTY OF _____

Personally appeared before me, _____, Notary Public, _____,
with whom I am personally acquainted, and who acknowledged that [he/she] executed the within
instrument for the purposes therein contained, and who further acknowledged that [he/she] is the
_____ of the Company, _____, and is
authorized by the Company to execute this instrument on behalf of the Company.

WITNESS my hand, at office, this ____ day of _____, 20__.

Notary Public
My Commission Expires: _____

EXHIBIT "A"

EXPANSION SITE

[INSERT]

EXHIBIT "B"

REAL PROPERTY

The Project shall include a parcel of land of approximately one thousand three hundred forty (1,340) acres at the Enterprise South Industrial Park in the County (the "Project Site") and all real property improvements to the Project Site during the term of the Lease, including any portion of the Project Site and any real property improvements thereto that are subleased to suppliers for the Project. A legal description of the Project Site is set forth below:

[INSERT]

PERSONAL PROPERTY

All tangible personal property necessary or desirable in connection with the acquisition, construction, and equipping of an automotive manufacturing and assembly plant and manufacturing headquarters facility, including, without limitation, machinery, equipment, tooling, dies, molds, furniture and fixtures, office equipment, computers, and certain raw materials designated by the Company, together with all additions thereto, replacements thereof and substitutions therefore during the term of this Agreement. Such personal property shall include personal property owned by the Company but situated at a supplier located on the Project Site or within the jurisdiction of the Board.