



June 18, 2008

DATE (Month, Day, Year)

Hamilton County Board of Commissioners**RESOLUTION**No. 608-44

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE ALSTOM POWER, INC./ALSTOM POWER TURBOMACHINES, LLC 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 PAYMENTS 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 from lessees of the Board upon a finding by the Commission that such payments are deemed to be in furtherance of the Board's public purposes; and,

WHEREAS, Alstom Power, Inc. ("Alstom") and Alstom Power Turbomachines, LLC ("Turbomachines" and together with Alstom, the "Companies") are contemplating the acquisition of certain property in Chattanooga, Hamilton County, Tennessee, the construction of real property improvements thereon, the construction of new facilities and other real property improvements on existing land and the acquisition of certain machinery, equipment and other personal property for use as a power plant turbine rotor and boiler retrofit facility in the County (the "Project"), and because of the substantial economic benefits to the City of Chattanooga and Hamilton County resulting from the Project, have asked the Board and the County to approve payments in lieu of ad valorem taxes; and

WHEREAS, the Companies anticipate that the development, construction and equipping of the Project will occur in three phases; and

WHEREAS, the Commission has determined that payments in lieu of ad valorem taxes 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 COMMISSION:

That we do hereby find that the Project is in the best interest of the County, and that 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 the Companies, it being further noted that this delegation is for this purpose and this project only; and,



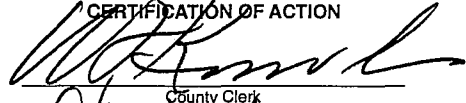
Resolution 608-
Dated: June 18, 2008
Page 2 of 2

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; and,

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

MB: 334
PAGE: 982

Approved: ☒ CERTIFICATION OF ACTION

Rejected: ☐ 
County Clerk

Approved: ☒ 
County Mayor

Vetoed: ☐ June 18, 2008
Date



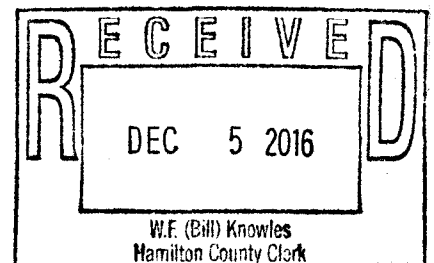
**AGREEMENT FOR PAYMENTS IN LIEU
OF AD VALOREM TAXES**

THIS AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES (this "Agreement") is made and entered into as of this the 30th day of March, 2008, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **ALSTOM POWER, INC.**, a Delaware corporation ("Alstom"); **ALSTOM POWER TURBOMACHINES, LLC**, a Delaware limited liability company ("Turbomachines" and together with Alstom, the "Companies"); the **CITY OF CHATTANOOGA, TENNESSEE** (the "City"); and **HAMILTON COUNTY, TENNESSEE** (the "County") 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 Companies are contemplating the acquisition of certain property located in Chattanooga, Hamilton County, Tennessee, the construction of real property improvements thereon, the construction of new facilities and other real property improvements on existing land and the acquisition of certain machinery, equipment and other personal property for use as a power plant turbine rotor and boiler retrofit facility (the "Project"), and

WHEREAS, the Project will result in a total capital investment of approximately \$265,000,000, including a real property investment of approximately \$65,000,000 and a personal property investment of approximately \$200,000,000, and an increase of approximately 300 jobs during the period between July 5, 2007 and December 31, 2014, which jobs shall have an average annual salary (excluding benefits) equal to at least \$75,000 (collectively the "PILOT



Projections”), and the Companies have requested the Board’s assistance with the financing of the Project, and

WHEREAS, the Companies anticipate that the development, construction and equipping of the Project will occur in three phases (each such phase hereinafter called a “Phase” and collectively the “Phases”); 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 (i) the Turbomachines Real Property (as defined in that certain Lease Agreement (the “Turbomachines Lease”), of even date herewith, by and between the Board and Turbomachines), (ii) the Alstom Real Property (as defined in that certain Lease Agreement (the “Alstom Lease”), of even date herewith, by and between the Board and Alstom (the Turbomachines Real Property and the Alstom Real Property shall hereinafter collectively be referred to as the “Real Property”)), (iii) the Turbomachines Personal Property (as defined in the Turbomachines Lease), and (iv) the Alstom Personal Property (as defined in the Alstom Lease)(the Turbomachines Personal Property and the Alstom Personal Property shall hereinafter collectively be referred to as the “Personal Property”); and

WHEREAS, the Board agrees to lease the Turbomachines Real Property and the Turbomachines Personal Property to Turbomachines, and the Board agrees to lease the Alstom Real Property and the Alstom Personal Property to Alstom; and

WHEREAS, because the Real Property and the Personal Property (collectively, the “Property”) will be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, §7-53-101, et seq., the Property will be exempt from ad valorem property taxes (“property taxes”) normally paid to the City and 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 Companies 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 Companies have 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 Companies and the Board have agreed that all In Lieu Payments made to the Board by the Companies 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 to 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;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. Term. This Agreement shall become effective on the date that the Board attains title to any portion of the Property and shall continue for so long as the Board holds title to any of the Property or the Companies have made all payments required hereunder, whichever shall later occur (collectively the "Term").

2. 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 Constitution and laws of the State of Tennessee as though the Property were subject to property taxes. The Assessor shall give the Trustee, the City Treasurer, the Board, and the Companies 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 Companies all records relating to the appraisal and assessment of the Property.

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 Companies and to disburse such payments to the City and the County. On or about October 1 of each year during the Term, 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 during the Term, the Trustee shall send the Board and the Companies a bill for appropriate amounts of In Lieu Payments (the "Tax Bill").

4. Phase I Project. No later than January 1, 2010, the Companies shall commence the acquisition, construction and equipping of the Real Property (the "Phase I Project"), which is estimated to require a capital investment in the amount of approximately \$65,000,000, provided however, that the parties hereto acknowledge and agree that the actual amount of capital investment for the Phase I Project may fluctuate, in the sole discretion of the Companies, so long as the aggregate capital investment for the Project amounts to approximately \$265,000,000.

5. Phase II Project. No later than January 1, 2011, the Companies shall commence the acquisition and installation of certain machinery, equipment and other personal property more particularly described on Exhibit A, attached hereto and incorporated herein (the "Phase II Project"). The Phase II Project is estimated to require a capital investment in the amount of approximately \$120,000,000, provided however, that the parties hereto acknowledge and agree that the actual amount of capital investment for the Phase II Project may fluctuate, in the sole discretion of the Companies, so long as the aggregate capital investment for the Project amounts to approximately \$265,000,000.

6. Phase III Project. No later than January 1, 2012, the Companies shall commence the acquisition and installation of certain machinery, equipment and other personal property more particularly described on Exhibit A, attached hereto and incorporated herein (the Phase III Project"). The Phase III Project is estimated to require a capital investment in the amount of approximately \$80,000,000, provided however, that the parties hereto acknowledge and agree that the actual amount of capital investment for the Phase III Project may fluctuate, in the sole discretion of the Companies, so long as the aggregate capital investment for the Project amounts to approximately \$265,000,000.

7. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Companies shall pay to the Trustee the amounts indicated on the Tax Bill in accordance with the amounts set forth below in Paragraph 8. The In Lieu Payments shall be made by the Companies in lieu of the property taxes which would otherwise be payable on the Property if it were subject to property taxes.

8. Amount of Payments by the Companies. Each Phase shall comprise a discrete fifteen (15)-year period in which the Companies shall pay In Lieu Payments rather than ad valorem property taxes with respect to such portion of the Project; provided, however, the parties hereto acknowledge and agree that the Companies shall receive a full exemption from the property taxes otherwise due on the Property within a Phase during the first (1st) calendar year following the completion of such Phase. Accordingly, no In Lieu Payments shall be required with respect to the Property within a Phase during the initial year following the completion of such Phase. For each of the fourteen (14) successive calendar years following the completion of each Phase, the In Lieu Payments for each such Phase shall be determined by the Assessor and the Trustee and shall be equal to one hundred percent (100%) of the real and personal property taxes collected on the Property within such Phase to support the County school system as if the Property within such Phase were subject to such real and personal property taxes. (The parties acknowledge that the amount of real and personal property taxes to support County schools currently represents twenty-nine and two-tenths percent (29.2%) of the total amount of the real and personal property taxes that would have been payable on the Property within such Phase if the Property within such Phase were subject to real and personal property taxes). With respect to

the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property within such Phase as if it were subject to property taxes.

9. **Penalties and Late Charges.** The Companies 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 Companies fail to make any In Lieu Payment 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 and be payable so long as there remains any outstanding unpaid amount.

(b) If the Companies should fail to pay all amounts and late charges due as provided hereinabove, then the Board, or the City or the County may bring suit in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees.

10. **PILOT Projections Reporting.**

(a) In order to determine the extent to which the Companies achieve the PILOT Projections, the Companies shall complete and deliver for each calendar year during the term of this Agreement an annual report in the form attached hereto as Exhibit "C" commencing after completion of the first full calendar year during which In Lieu Payments were paid by the Companies.

(b) If the Companies collectively fail to achieve the PILOT Projections, then the City and the County reserve the right to terminate the benefits of this Agreement for any years remaining hereunder.

(c) If the Companies close the Project or move the Project from the County during the term hereof, the City and the County reserve the right to require the partial repayment of amounts that would have been payable on the Property as if it were subject to property taxes.

11. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 7 hereof shall be disbursed to the general funds of the City and 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 divided into two accounts, one for the use and benefit of the City and the other for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the County. All disbursements to the general funds of the City and County shall be made by the Trustee subject to the requirement that all funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated §7-53-102.

12. Contest by the Companies. The Companies 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 Companies contest any such appraisal or assessment, then such contesting party shall present evidence to the Assessor in favor of its position.

Likewise, if the Companies contest any such computation, such party 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 Companies shall make such payments under protest. The Companies 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 contesting party and the Assessor or the Trustee are unable to resolve a dispute, then Alstom or Turbomachines, as the case may be, 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.

13. 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.

14. Leasehold Taxation. If the leasehold interest of the Companies should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder.

15. Notices, etc. All notices and other communications provided for hereunder shall be written, and mailed via registered or certified mail or delivered via overnight express carrier, to the following addresses:

If to the City:

Mr. Randall L. Nelson
City Attorney
Suite 400, Pioneer Bank Building
Chattanooga, Tennessee 37402

If to the County:	Mr. Rheubin M. Taylor County Attorney Room 204 County Courthouse Chattanooga, Tennessee 37402
If to Alstom:	Mr. David G. Breckinridge 1119 Riverfront Parkway Chattanooga, Tennessee 37402
If to Turbomachines:	Mr. Stephane Cai 1201 Riverfront Parkway Chattanooga, Tennessee 37402
With a Copy to:	Brian L. Eftink, Esq. Miller & Martin PLLC Suite 1000, Volunteer Building 832 Georgia Avenue Chattanooga, Tennessee 37402-2289
If to the Trustee:	Trustee Hamilton County Courthouse Chattanooga, Tennessee 37402
If to the Assessor:	Assessor Hamilton County Courthouse Chattanooga, Tennessee 37402

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 be deemed delivered as follows: (i) when mailed via overnight courier service, one business day after mailing, and (ii) when depositing in the United States mail by registered or certified mail, postage prepaid, return receipt requested, three days after deposit.

16. 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.

17. 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.

18. 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.

19. 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.

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

21. 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.

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

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

ATTEST:

BY:

Secretary

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA

BY:

Chairman

ALSTOM POWER, INC.

BY:

PRINT NAME:

TITLE:

ALSTOM POWER TURBOMACHINES, LLC

BY:

PRINT NAME:

TITLE:

CITY OF CHATTANOOGA, TENNESSEE

BY:

Mayor

HAMILTON COUNTY, TENNESSEE

BY:

County Mayor

CARL E. LEVI

BY:

Hamilton County Trustee

ATTEST:

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA

BY: _____
Secretary

BY: _____
Chairman

ALSTOM POWER, INC.

BY: William F. Keough

PRINT NAME: William F. Keough

TITLE: Finance Director

ALSTOM POWER TURBOMACHINES, LLC

BY: Brad Vandeleur

PRINT NAME: Brad Vandeleur

TITLE: Finance Director

CITY OF CHATTANOOGA, TENNESSEE

BY: _____
Mayor

HAMILTON COUNTY, TENNESSEE

BY: _____
County Mayor

CARL E. LEVI

BY: _____
Hamilton County Trustee

ATTEST:

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA

BY: _____
Secretary

BY: _____
Chairman

ALSTOM POWER, INC.

BY: _____

PRINT NAME: _____

TITLE: _____

ALSTOM POWER TURBOMACHINES, LLC

BY: _____

PRINT NAME: _____

TITLE: _____

CITY OF CHATTANOOGA, TENNESSEE

BY: _____
Mayor

HAMILTON COUNTY, TENNESSEE

BY: _____
County Mayor

CARL E. LEVI

BY: _____
Hamilton County Trustee

ATTEST:

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA

BY: _____
Secretary

BY: _____
Chairman

ALSTOM POWER, INC.

BY: _____

PRINT NAME: _____

TITLE: _____

ALSTOM POWER TURBOMACHINES, LLC

BY: _____

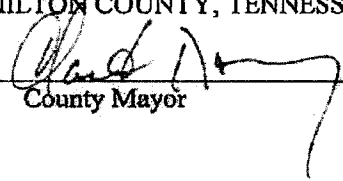
PRINT NAME: _____

TITLE: _____

CITY OF CHATTANOOGA, TENNESSEE

BY: _____
Mayor

HAMILTON COUNTY, TENNESSEE

BY:  _____
County Mayor

CARL E. LEVI

BY:  _____
Hamilton County Trustee

WILLIAM C. BENNETT

BY: *William C Bennett* by
Hamilton County Assessor of Property
James R Gatto

EXHIBIT "A"

REAL PROPERTY LEGAL DESCRIPTION

The following described real estate located in Hamilton County, Tennessee:

ALSTOM POWER, INC.

Tract 1

Commencing at a point, said point being a MAG nail lying on the northwestern right-of-way line of Riverfront Parkway (80-foot right-of-way) marking the southeast corner of Tract 6-B of the Revised ABB Combustion Engineering, Inc. Subdivision, as recorded in Plat Book 55, Page 248; thence along said right-of-way S 11°34'17" W a distance of 25.50 feet to the point of beginning, said point being a 5/8" rebar with cap marking the beginning of a curve to the left; thence traveling along said 80-foot right-of-way along said curve to the left having a radius of 858.48 feet, a tangent of 106.07 feet, a delta angle of 14°05'15", a chord bearing S 03°42'42" W a distance of 210.54 feet and an arc length of 211.08 feet to a point marked by an iron pin; thence continuing along said right-of-way S 03°24'01" E a distance of 562.97 feet to a point marked by a 5/8" rebar with cap, said point also marking the beginning of a curve to the left; thence traveling along said 80-foot right-of-way along said curve to the left having a radius of 858.51 feet, a tangent of 116.86 feet, a delta angle of 15°30'12", a chord bearing S 12°26'46" a distance of 231.59 feet and an arc length of 232.30 feet to a point marked by a 5/8" rebar with cap; thence leaving said northwestern right-of-way S 23°45'34" W a distance of 395.73 feet to a point; thence S 65°00'42" E a distance of 14.95 feet to a point; thence S 24°59'18" W a distance of 385.61 feet to a point; thence N 65°52'26" W a distance of 969.95 feet to a point marked by a 5/8" rebar with cap; thence N 09°01'51" E a distance of 279.02 feet to a point marked by a 5/8" rebar with cap; thence N 09°38'52" E a distance of 420.62 feet to a point marked by a 5/8" rebar with cap; thence N 10°26'22" E a distance of 144.66 feet to a point marked by a 5/8" rebar with cap; thence N 10°16'44" E a distance of 138.74 feet to a point marked by a 5/8" rebar with cap; thence N 15°40'15" E a distance of 365.47 feet to a point marked by a 5/8" rebar with cap; thence N 20°27'08" E a distance of 182.87 feet to a point marked by a 5/8" rebar with cap; thence N 30°14'04" E a distance of 148.95 feet to a point lying on the southern lot line of Tax Parcel 145B-A-001, belonging to ABB Alstom Power, Inc., said point marked by a 5/8" rebar with cap; thence along said southern lot line S 63°14'14" E a distance of 834.48 feet to the point of beginning; described parcel of land containing 38.72 acres, more or less.

Tract 2

Beginning at a point, said point being a rebar marking the northwest corner of Tract 6-A of ABB Combustion Engineering, Inc. Subdivision, recorded in Plat Book 49, Page 201; thence along the western line of said Tract 6-A S 01°39'14" E a distance of 239.15 feet to the northwest corner of Tract 6-B of the Revised ABB Combustion Engineering, Inc. Subdivision, recorded in Plat Book 55, Page 248, marked by a rebar; thence the following thirteen (13) calls along the western line of said Tract 6-B, said line marked by a meandering fence line: thence S 10°21'50" W a distance of 41.72 feet to a point marked by a fence post; thence S 18°49'15" E a distance of 38.45 feet to a

point marked by a fence post; thence S 09°54'14" E a distance of 20.73 feet to a point marked by a fence post; thence 25°12'28" E a distance of 20.16 feet to a point marked by a fence post; thence 36°02'13" E a distance of 20.69 feet to a point marked by a fence post; thence 31°36'17" E a distance of 20.84 feet to a point marked by a fence post; thence 20°57'31" E a distance of 22.16 feet to a point marked by a fence post; thence 05°27'29" E a distance of 23.21 feet to a point marked by a fence post; thence 00°16'50" E a distance of 20.02 feet to a point marked by a fence post; thence 04°22'44" W a distance of 19.73 feet to a point marked by a fence post; thence 06°21'07" W a distance of 29.97 feet to a point marked by a fence post; thence 19°33'00" W a distance of 9.19 feet to a point marked by a fence post; thence 30°39'34" W a distance of 8.65 feet to a point on the southern line of said Tract 6-B, marked by a fence post; thence S 41°21'20" E a distance of 119.24 feet to a point marked by a fence post; thence S 89°14'45" E a distance of 32.37 feet to a point lying on the northwestern right-of-way line of Riverfront Parkway (80-foot right-of-way), marked by a MAG nail; thence S 11°34'17" W along said right-of-way 25.50 feet to a point marked by a 5/8" rebar with cap; thence leaving said right-of-way N 63°14'14" W a distance of 864.53 feet to a point lying on the northwestern right-of-way of A.G.S. Railway, marked by an old iron pin; thence along said railroad right-of-way S 30°14'05" W a distance of 149.70 feet to a point marked by a 5/8" rebar with cap; thence continuing along said railroad right-of-way S 20°27'08" W a distance of 187.87 feet to a point marked by a PK nail and lying on the eastern line of the A.D.M. Holdings, Inc. property, as recorded in Deed Book 3942, Page 940; thence leaving said railroad right-of-way N 11°17'34" E a distance of 343.29 feet to a point marked by an old iron pin; thence N 20°34'46" E a distance of 104.26 feet to a point marked by an old iron pin; thence N 66°13'51" W a distance of 142.52 feet to a point marked by an old iron pin and lying at the water's edge of the Tennessee River; thence following along said water's edge on a chord bearing N 25°47'50" E a distance of 642.80 feet to a point marked by a 5/8" rebar with cap at said water's edge of the Tennessee River; thence leaving said water's edge S 65°52'45" E a distance of 498.41 feet to a point marked by a 5/8" rebar cap, lying on the rear line of Lot 1 of the Newton Chevrolet Subdivision, as recorded in Revised Plat Book 42, Page 347, said point also marking the beginning of a curve to the left; thence traveling along said curve having a radius of 636.63 feet, a tangent of 105.66 feet, a delta angle of 18°50'49", a chord bearing S 31°07'28" W a distance of 208.47 feet and an arc length of 209.41 feet to a point at the end of said curve, marked by an iron pin; thence leaving said rear line of said Lot 1 S 14°05'57" W a distance of 60.94 feet to a point marked by a rebar; thence S 65°49'52" E a distance of 193.43 feet to the point of beginning; described parcel of land containing 12.37 acres, more or less.

Excepting therefrom Lot 1 of ABB-CE Services, Inc. W. 9th Street CSO Subdivision, as recorded in Plat Book 65, Page 91, and described as follows:

Commencing at a point, said point being a rebar marking the northwest corner of Tract 6-A of ABB Combustion Engineering, Inc. Subdivision, recorded in Plat Book 49, Page 201; thence N 79°38'39" W a distance of 463.70 feet to a point being the northeast corner of said Lot 1 of ABB-CE Services, Inc. W. 9th Street CSO Subdivision, said point being marked by a rebar; thence S 21°54'22" W a distance of 39.67 feet to a point; thence 20°02'40" W a distance of 30.99 feet to a point; thence S 22°59'24" W a distance of 23.06 feet to a point; thence S 23°06'30" W a distance of 60.47 feet to a point; thence S 27°15'24" W a distance of 35.37 feet to a point marked by a rebar; thence N 70°38'46" W a distance of 155.60 feet to a point marked by an iron spike; thence N 17°37'29" E a distance of 77.00 feet to a point marking the beginning of a curve to the right;

thence traveling along said curve having a radius of 672.46 feet, a tangent of 49.09 feet, a delta angle of 8°21'00", a chord bearing N 21°47'59" E a distance of 97.91 feet and an arc length of 98.00 feet to a point at the end of said curve; thence N 25°58'29" E a distance of 14.31 feet to a point marked by an iron spike; thence S 70°38'46" E a distance of 164.52 feet to the point of the beginning; described parcel of land containing 0.71 acres, more or less, all as shown on Betts Engineering Associates, Inc. drawing number 11605-2_145B-A-001.

ALSTOM POWER TURBOMACHINES, LLC

Tract 1, Parcel A

Beginning at a point, said point being an iron spike marking the northwest corner of Tract 3 of ABB Combustion Engineering, Inc. Subdivision, recorded in Plat Book 54, Page 107 in the Register's Office of Hamilton County, Tennessee; thence along the western line of said Tract 3 S 23°44'44" W a distance of 383.08 feet to an iron spike marking the northwest corner of Lots 2 through 13, Part of Lots 1 through 14, Block 6 of the Roan Iron COS Amended Addition, as recorded in said Register's Office in Plat Book 2, Page 37 and in Deed Book 765, Page 352; thence along said western line S 23°44'44" W a distance of 350.53 feet to a 5/8" rebar with cap marking the southwest corner of said Lots 2 through 13 and Part of Lots 1 through 14; thence S 65°29'23" E a distance of 354.45 feet to a point marked by an iron spike and being the southwest corner of Tract 1 of the ABB Combustion Engineering, Inc. Subdivision, as recorded in said Register's Office in Plat Book 54, Page 107; thence S 65°29'23" E along the southern line of said Tract 1, a distance of 390.43 feet to a point being a rebar on the northwestern right-of-way line of Riverfront Parkway (80-foot right-of-way); thence along said right-of-way S 24°08'59" W a distance of 539.61 feet to a point marked by a rebar; thence leaving said right-of-way N 59°31'01" W a distance of 159.00 feet to a point marked by a 5/8" rebar with cap; thence S 41°22'56" W a distance of 25.00 feet to a point marked by a rebar; thence N 65°14'18" W a distance of 314.46 feet to a point marked by a rebar; thence S 25°35'41" W a distance of 8.50 feet to a point marked by a rebar; thence N 65°14'18" W a distance of 147.86 feet to a point marked by a 5/8" rebar with cap; thence S 24°47'24" W a distance of 30.04 feet to a point marked by a 5/8" rebar with cap; thence S 65°14'18" E a distance of 332.11 feet to a point marked by a rebar and being the northwest corner of Lot 9 of ABB Combustion Engineering, Inc. Subdivision, as recorded in said Register's Office in Plat Book 52, Page 111; thence along the western line of said Lot 9 S 25°12'59" W a distance of 502.43 feet to a point marked with a fence post, said point also marking the beginning of a curve to the left; thence leaving said western line, traveling along said curve having a radius of 465.75 feet, a tangent of 50.87 feet, a delta angle of 12°28'00", a chord bearing N 59°29'00" W a distance of 101.14 feet and an arc length of 101.34 feet to a point marked by a 5/8" rebar with cap; thence N 65°34'45" W a distance of 95.18 feet to a point marked by a 5/8" rebar with cap; thence S 24°20'05" W a distance of 70.00 feet to a point marked by a 5/8" rebar with cap; thence N 65°39'55" W a distance of 60.00 feet to a point marked by a rebar; thence S 23°48'56" W a distance of 13.70 feet to a point marked by an iron spike; thence N 83°41'48" W a distance of 53.04 feet to a point marked by an iron spike; thence N 84°40'22" W a distance of 100.71 feet to a point marked by a 5/8" rebar with cap, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 689.01 feet, a tangent of 31.86 feet, a delta angle of 5°17'41", a chord bearing N 82°04'57" W a distance of 63.65 feet and an arc length of 63.67 feet to a point marked by an iron spike; thence N 79°24'12" W a distance of 10.17 feet to a point marked by an iron spike, said point also marking the beginning of a curve to

the right; thence traveling along said curve having a radius of 408.51 feet, a tangent of 48.44 feet, a delta angle of $13^{\circ}31'31''$, a chord bearing $N 72^{\circ}37'15'' W$ a distance of 96.21 feet and an arc length of 96.43 feet to a point marked by an iron spike; thence $N 66^{\circ}05'01'' W$ a distance of 37.63 feet to a point marked by a rebar, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 977.18 feet, a tangent of 25.31 feet, a delta angle of $2^{\circ}58'04''$, a chord bearing $N 64^{\circ}14'02'' W$ a distance of 50.61 feet and an arc length of 50.62 feet to a point marked by a rebar, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 437.01 feet, a tangent of 97.11 feet, a delta angle of $25^{\circ}03'26''$, a chord bearing $N 50^{\circ}21'47'' W$ a distance of 189.60 feet and an arc length of 191.12 feet to a point marked by a rebar; thence $N 37^{\circ}46'06'' W$ a distance of 28.34 feet to a point marked by a rebar, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 475.42 feet, a tangent of 115.03 feet, a delta angle of $27^{\circ}12'10''$, a chord bearing $N 24^{\circ}15'54'' W$ a distance of 223.61 feet and an arc length of 225.72 feet to a point marked by a rebar, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 453.40 feet, a tangent of 52.86 feet, a delta angle of $13^{\circ}17'59''$, a chord bearing $N 04^{\circ}08'36'' W$ a distance of 105.01 feet and an arc length of 105.25 feet to a point marked by an iron spike; thence $N 02^{\circ}38'51'' E$ a distance of 140.10 feet to a point marked by a rebar, said point also marking the beginning of a curve to the left; thence traveling along said curve having a radius of 502.87 feet, a tangent of 172.09 feet, a delta angle of $37^{\circ}47'00''$, a chord bearing $N 16^{\circ}16'33'' W$ a distance of 325.64 feet and an arc length of 331.61 feet to a point marked by a 5/8" rebar with cap; thence $N 05^{\circ}02'05'' W$ a distance of 19.26 feet to a point marked by an iron spike; thence $N 48^{\circ}53'43'' W$ a distance of 52.99 feet to a point marked by an iron spike; thence $N 40^{\circ}08'17'' W$ a distance of 33.02 feet to a point marked by a PK nail; thence $N 23^{\circ}50'40'' E$ a distance of 34.00 feet to a point marked by a 5/8" rebar, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 608.49 feet, a tangent of 170.46 feet, a delta angle of $31^{\circ}17'58''$, a chord bearing $N 27^{\circ}30'12'' W$ a distance of 328.29 feet and an arc length of 332.40 feet to a point marked by a 5/8" rebar with cap; thence $N 11^{\circ}51'13'' W$ a distance of 144.00 feet to a point marked by a 5/8" rebar with cap; thence $N 01^{\circ}21'40'' E$ a distance of 85.81 feet to a point marked by an iron spike; thence $N 01^{\circ}17'05'' E$ a distance of 34.11 feet to a point marked by a rebar; thence $N 05^{\circ}46'35'' E$ a distance of 8.67 feet to a point marked by a rebar; thence $N 09^{\circ}06'41'' E$ a distance of 350.34 feet to a point marked by a 5/8" rebar with cap; thence $N 09^{\circ}01'51'' E$ a distance of 10.98 feet to a point marked by a 5/8" rebar with cap; thence $S 65^{\circ}52'26'' E$ a distance of 968.81 feet to a point marked by a 5/8" rebar with cap; thence $N 24^{\circ}59'18'' E$ a distance of 397.03 feet to a point; thence $S 23^{\circ}45'34.3'' W$ a distance of 15.11 feet to a point; thence $N 23^{\circ}45'34.3'' W$ a distance of 395.73 feet to a point on the southwesterly right-of-way line of Riverfront Parkway (80-foot right-of-way), said point also lying on a curve to the left; thence traveling along said right-of-way on a curve to the left having a radius of 858.51 feet, a chord bearing $S 16^{\circ}9'39.5'' E$, a chord distance of 35.62 feet to a point; thence continuing to travel along said right-of-way on the curve to the left having a radius of 858.51 feet, a tangent of 132.25 feet, a delta angle of $17^{\circ}30'53''$, a chord bearing $S 26^{\circ}06'25'' E$ a distance of 261.42 feet and an arc length of 262.44 feet to a point marked by a rebar; thence continuing along said Riverfront Parkway $S 34^{\circ}53'04'' E$ a distance of 319.75 feet to the point of beginning; described parcel of land containing 55.88 acres, more or less, identified as "Proposed Lot No. 2" on survey for Alstom Power Systems, dated January 18, 2008 by Betts Engineering Associates, Inc. drawing no. 11605-2_145G-A-2.00. Being part of

the property conveyed to ABB Alstom Power, Inc. in Deed Book 2514, Page 464 and in Deed Book 5594, Page 413, in said Register's Office.

Tract 1, Parcel B.

Commencing at a point, said point being a fence post marking the southwest corner of Lot 9 of ABB Combustion Engineering, Inc. Subdivision, as recorded in the Register's Office of Hamilton County, Tennessee at Plat Book 52, Page 111, said point also marking the beginning of a curve to the left; thence leaving said western line, traveling along said curve having a radius of 465.75 feet, a tangent of 50.87 feet, a delta angle of 12°28'00", a chord bearing N 59°29'00" W a distance of 101.14 feet and an arc length of 101.34 feet to a point marked by a 5/8" rebar with cap; thence N 65°34'45" W a distance of 95.18 feet to a point marked by a 5/8" rebar with cap; thence S 24°20'05" W a distance of 70.00 feet to a point marked by a 5/8" rebar with cap; thence N 65°39'55" W a distance of 60.00 feet to a point marked by a rebar; thence S 23°48'56" W a distance of 13.70 feet to a point marked by an iron spike; thence N 83°41'48" W a distance of 53.04 feet to a point marked by an iron spike; thence N 84°40'22" W a distance of 100.71 feet to a point marked by a 5/8" rebar with cap, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 689.01 feet, a tangent of 31.86 feet, a delta angle of 5°17'41", a chord bearing N 82°04'57" W a distance of 63.65 feet and an arc length of 63.67 feet to a point marked by an iron spike; thence N 79°24'12" W a distance of 10.17 feet to a point marked by an iron spike, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 408.51 feet, a tangent of 48.44 feet, a delta angle of 13°31'31", a chord bearing N 72°37'15" W a distance of 96.21 feet and an arc length of 96.43 feet to a point marked by an iron spike; thence N 66°05'01" W a distance of 37.63 feet to a point marked by a rebar, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 977.18 feet, a tangent of 25.31 feet, a delta angle of 2°58'04", a chord bearing N 64°14'02" W a distance of 50.61 feet and an arc length of 50.62 feet to a point marked by a rebar, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 437.01 feet, a tangent of 97.11 feet, a delta angle of 25°03'26", a chord bearing N 50°21'47" W a distance of 189.60 feet and an arc length of 191.12 feet to a point marked by a rebar; thence N 37°46'06" W a distance of 28.34 feet to a point marked by a rebar, said point also marking the beginning of a curve to the right; thence traveling along said curve having a radius of 475.42 feet, a tangent of 115.03 feet, a delta angle of 27°12'10", a chord bearing N 24°15'54" W a distance of 223.61 feet and an arc length of 225.72 feet to a point marked by a rebar lying on the easterly right-of-way line of Southern Railway; thence leaving said easterly right-of-way line S 21°25'09" W a distance of 49.40 feet to a 5/8" rebar with cap lying in the westerly right-of-way line of said railroad, said point being the **POINT OF BEGINNING of this Tract 1, Parcel B**; thence S 21° 25'09" W a distance of 6.59 feet to a point marked by a spike; thence S 03°06'14" W a distance of 100.42 feet to a point marked by a rebar with cap; thence N 45°01'53" W a distance of 70.39 feet to a point marked by a rebar with cap; thence N 42°20'14" W a distance of 84.47 feet to a point marked by an iron pipe; thence N 24°04'26" E a distance of 232.02 feet to a point marked by an iron pipe; thence N 08°35'58" W a distance of 328.10 feet to a point marked by an iron pipe and marking the beginning of a curve to the right; thence traveling along said curve having a radius of 475.00 feet, a tangent of 133.30 feet, a delta angle of 31°21'09", a chord bearing S 13°03'58" E a distance of 256.69 feet and an arc length of 259.92 feet to a point marked by a rebar; thence S 02°39'26" W a distance of 140.21 feet to a point marked by a spike, said point also marking

the beginning of a curve to the left; thence traveling along said curve having a radius of 481.40 feet, a tangent of 56.07 feet, a delta angle of $13^{\circ}17'14''$, a chord bearing $S\ 04^{\circ}05'30''\ E$ a distance of 111.39 feet and an arc length of 111.64 feet to a point marked by a rebar with cap, said point also marking the beginning of a curve to the left; thence traveling along said curve having a radius of 503.42 feet, a tangent of 20.97 feet, a delta angle of $4^{\circ}46'14''$, a chord bearing $S\ 13^{\circ}03'40''\ E$ a distance of 41.90 feet and an arc length of 41.92 feet to the POINT OF BEGINNING, described parcel of land containing 0.56 acres, more or less, as shown on survey for Alstom Power Systems, by Betts Engineering Associates, Inc., drawing #11605-2-145G-A-2.00. Being part of the property conveyed to ABB Alstom Power, Inc. in Deed Book 2514, Page 464 and in Deed Book 5594, Page 413, in said Register's Office.

Tract 2

Beginning at the intersection of the eastern right-of-way line of the abandoned Ash Street (City Ordinance No. 5205) with the Southwestern right-of-way line of the abandoned west 14th Street (City Ordinance No. 5534 & 5571); thence following along with said Ash Street right-of-way $N\ 23^{\circ}44'44''\ E$ a distance of 383.08 feet to a point, said point lying on the southwestern right-of-way line of Riverfront Parkway (80-foot right-of-way); thence $S\ 34^{\circ}53'41''\ E$ a distance of 98.70 feet to a point, said point marks the beginning of a curve to the left; said curve having a radius of 1477.30 feet, a tangent of 151.27 feet, a delta of $11^{\circ}41'34''$, a chord of $S\ 40^{\circ}44'29''\ E$, 300.96 feet and an arc length of 301.48 feet to a point marking the end of said curve; thence leaving the above mentioned Riverfront right-of-way $S\ 23^{\circ}53'48''\ W$ a distance of 202.46 feet to a point; thence $N\ 66^{\circ}11'38''\ W$ a distance of 355.36 feet to the point of beginning; Described parcel of land containing 2.32 acres, more or less, and being Tract 3 of ABB Combustion Engineering Subdivision as shown in Plat Book 54, Page 107, in the Register's Office of Hamilton County, Tennessee. FOR PRIOR TITLE, see Deed recorded in Book 5594, Page 413, in said Register's Office.

Tract 3

Beginning at a point, said point being located on the southwestern right of-way line of West 19th street (50-foot right-of-way) at the northwestern corner of Tract 4, Revised Plat of ABB Combustion Engineering, Inc. Subdivisions, as recorded in Plat Book 54, Page 184 in the Register's Office of Hamilton County, Tennessee; thence $S\ 20^{\circ}20'09''\ W$ a distance of 67.96 feet to a point marked with a fence post; thence $S\ 24^{\circ}19'43''\ W$ a distance of 66.95 feet to a point marked with a fence post; thence $N\ 63^{\circ}30'54''\ W$ a distance of 20.18 feet to a point marked with a fence post and lying of the southwestern line of the above mentioned private 20' ingress and egress easement; thence leaving said private 20-foot easement $S\ 02^{\circ}11'24''\ E$ a distance of 181.65 feet to a point marked with a cut cross; thence $S\ 37^{\circ}01'39''\ E$ a distance of 133.51 feet to a point, said point marked with a cut cross; thence $S\ 24^{\circ}13'05''\ W$ a distance of 198.31 feet to a point marked with a iron pin; thence $S\ 78^{\circ}26'05''\ W$, passing a fence post at 54.40 feet, a total distance of 59 feet, more or less, to the Tennessee River Bank; thence following along with said River Bank as it curves to the left, said curve having a radius of 659.62 feet, a delta of $10^{\circ}57'43''$, a tangent of 63.29 feet, a chord of $N\ 26^{\circ}56'33''\ W$, 126.01 feet and an arc length of 126.20 feet to a point marking the beginning of a compound curve as it continues to the left; said curve having a radius of 9.15 feet, a delta of $66^{\circ}06'34''$, a tangent of 5.95 feet, a chord of $N\ 70^{\circ}56'06''\ W$, 9.98

feet and an arc length of 10.56 feet to a point marking the beginning of a reverse curve to the right; said curve having a radius of 6.79 feet, a delta of $78^{\circ}33'39''$, a tangent of 5.55 feet, a chord of $N 64^{\circ}42'34'' W$, 8.60 feet and an arc length of 9.31 feet to a point marking a compound curve to the right; said curve having a radius of 312.67 feet, a delta of $13^{\circ}40'39''$, a tangent of 37.50 feet, a chord of $N 12^{\circ}10'07'' W$, 74.46 feet and an arc length of 74.64 feet to a point marking the beginning of compound curve to the right; said curve having a radius of 23.88 feet, a delta of $57^{\circ}34'31''$, a tangent of 13.12 feet, a chord of $N 40^{\circ}33'03'' E$, 23.00 feet and an arc length of 24.00 feet to a point; thence $N 01^{\circ}19'32'' E$ a distance of 106.34 feet to a point; thence following along with a curve to the right, said curve having a radius of 23.14 feet, a delta of $58^{\circ}45'54''$, a tangent of 13.03 feet, a chord of $N 47^{\circ}17'18'' W$, 22.70 feet and an arc length of 23.73 feet to a point; thence $N 22^{\circ}51'58'' W$ a distance of 12.39 feet to a point marking the beginning of a curve to the right; said curve having a radius of 335.64 feet, a delta of $08^{\circ}41'42''$, a tangent of 25.52 feet, a chord of $N 16^{\circ}11'35'' W$, 50.89 feet and an arc length of 50.94 feet to a point marking a compound curve to the right; said curve having a radius of 904.29 feet, a delta of $05^{\circ}16'52''$, a tangent of 41.70 feet, a chord of $N 09^{\circ}12'18'' W$, 83.32 feet and an arc length of 83.35 feet to a point marking the end of the said curve; thence leaving the waters edge $N 86^{\circ}25'45'' E$, passing a fence post at 25 feet, more or less, then continuing a distance of 75.84 feet to a point marked by a rebar; thence following along with a curve to the right, said curve having a radius of 461.86 feet, a delta of $16^{\circ}52'20''$, a tangent of 68.50 feet, a chord of $N 37^{\circ}16'50'' E$, 135.52 feet and an arc length of 136.01 feet to a point marked with a rebar; thence $N 45^{\circ}44'18'' E$ a distance of 13.00 feet to a point marked with a rebar; thence $N 24^{\circ}13'05'' E$ a distance of 20.50 feet to a point lying on the northwestern right-of-way line of the above mentioned southwestern right-of-way of West 19th Street (50' right-of-way); thence following along with said right-of-way $S 65^{\circ}48'20'' E$ a distance of 46.57' to the point of beginning; described parcel of land containing 1.93 acres, more or less, and being Tract 5 of ABB Combustion Engineering, Inc. Subdivision as shown in Plat Book 54, Page 184, in the Register's Office of Hamilton County, Tennessee. FOR PRIOR TITLE, see Deed recorded in Book 5594, Page 413, in said Register's Office.

EXHIBIT "B"

PERSONAL PROPERTY

All machinery, equipment and other tangible personal property that is located on or about the real property described in the foregoing Exhibit A during the period between July 5, 2007 and December 31, 2014, (together with additions thereto, replacements thereof, and substitutions therefore) in connection with a power plant turbine rotor and boiler retrofit facility located on such real property.

EXHIBIT "C"



CHATTANOOGA
AREA CHAMBER OF COMMERCE

**Annual Report for Payment-In-Lieu-of-Tax (PILOT) Program
for Chattanooga and Hamilton County Tennessee**

Company Information

Name: _____

Address: _____

City and Zip: _____

Company Contact: _____

Telephone: _____

E-mail: _____

Fax: _____

Company's Commitment (commitment agreement attached)

Real Property Investment Amount: _____

Personal Property Investment Amount: _____

Number of Net New Jobs: _____

Average Wages per New Job: _____

Capital Investment as of December 31, 20

Real Property Investment Amount: _____

Personal Property Investment Amount: _____

PILOT Annual Report
Page 2

Job Creation as of December 31, 20

(Number of jobs at beginning of PILOT: _____)

No. of Net New Jobs Created: _____

Average Wages as of December 31, 20

Average Wages of New Jobs Above¹: _____

¹ Wages may include overtime, but must exclude benefits.

Comment on Progress Toward Performance Goals

Submit Completed Information To:

Mr. J. Steven Hiatt, Director of Existing Business
Chattanooga Area Chamber of Commerce
811 Broad Street, Suite 100 • Chattanooga, TN 37402
FAX: (423) 763-4044
EMAIL: shiatt@chattanooga-chamber.com

I certify that the information and attachments provided are true and accurate to the best of my knowledge and belief:

Print name and title of authorized representative of applicant

Signature

Date

Phone

Fax

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

THIS AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES (this "Agreement") is made and entered into as of this the ____ day of _____, 2008, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **ALSTOM POWER, INC.**, a Delaware corporation ("Alstom"); **ALSTOM POWER TURBOMACHINES, LLC**, a Delaware limited liability company ("Turbomachines" and together with Alstom, the "Companies"); the **CITY OF CHATTANOOGA, TENNESSEE** (the "City"); and **HAMILTON COUNTY, TENNESSEE** (the "County") 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 Companies are contemplating the acquisition of certain property located in Chattanooga, Hamilton County, Tennessee, the construction of real property improvements thereon, the construction of new facilities and other real property improvements on existing land and the acquisition of certain machinery, equipment and other personal property for use as a power plant turbine rotor and boiler retrofit facility (the "Project"), and

WHEREAS, the Project will result in a total capital investment of approximately \$265,000,000, including a real property investment of approximately \$65,000,000 and a personal property investment of approximately \$200,000,000, and an increase of approximately 300 jobs during the period between July 5, 2007 and December 31, 2014, which jobs shall have an

average annual salary (excluding benefits) equal to at least \$75,000 (collectively the "PILOT Projections"), and the Companies have requested the Board's assistance with the financing of the Project, and

WHEREAS, the Companies anticipate that the development, construction and equipping of the Project will occur in three phases (each such phase hereinafter called a "Phase" and collectively the "Phases"); 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 (i) the Turbomachines Real Property (as defined in that certain Lease Agreement (the "Turbomachines Lease"), of even date herewith, by and between the Board and Turbomachines), (ii) the Alstom Real Property (as defined in that certain Lease Agreement (the "Alstom Lease"), of even date herewith, by and between the Board and Alstom (the Turbomachines Real Property and the Alstom Real Property shall hereinafter collectively be referred to as the "Real Property")), (iii) the Turbomachines Personal Property (as defined in the Turbomachines Lease), and (iv) the Alstom Personal Property (as defined in the Alstom Lease)(the Turbomachines Personal Property and the Alstom Personal Property shall hereinafter collectively be referred to as the "Personal Property"); and

WHEREAS, the Board agrees to lease the Turbomachines Real Property and the Turbomachines Personal Property to Turbomachines, and the Board agrees to lease the Alstom Real Property and the Alstom Personal Property to Alstom; and

WHEREAS, because the Real Property and the Personal Property (collectively, the "Property") will be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, §7-53-101, et seq., the Property will be exempt from

ad valorem property taxes ("property taxes") normally paid to the City and 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 Companies 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 Companies have 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 Companies and the Board have agreed that all In Lieu Payments made to the Board by the Companies 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 to 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;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. Term. This Agreement shall become effective on the date that the Board attains title to any portion of the Property and shall continue for so long as the Board holds title to any of the Property or the Companies have made all payments required hereunder, whichever shall later occur (collectively the "Term").

2. 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 Constitution and laws of the State of Tennessee as though the Property were subject to property taxes. The Assessor shall give the Trustee, the City Treasurer, the Board, and the Companies 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 Companies all records relating to the appraisal and assessment of the Property.

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 Companies and to disburse such payments to the City and the County. On or about October 1 of each year during the Term, 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 during the Term, the Trustee shall send the Board and the Companies a bill for appropriate amounts of In Lieu Payments (the "Tax Bill").

4. Phase I Project. No later than January 1, 2010, the Companies shall commence the acquisition, construction and equipping of the Real Property (the "Phase I Project"), which is estimated to require a capital investment in the amount of approximately \$65,000,000, provided however, that the parties hereto acknowledge and agree that the actual amount of capital investment for the Phase I Project may fluctuate, in the sole discretion of the Companies, so long as the aggregate capital investment for the Project amounts to approximately \$265,000,000.

5. Phase II Project. No later than January 1, 2011, the Companies shall commence the acquisition and installation of certain machinery, equipment and other personal property more particularly described on Exhibit A, attached hereto and incorporated herein (the "Phase II Project"). The Phase II Project is estimated to require a capital investment in the amount of approximately \$120,000,000, provided however, that the parties hereto acknowledge and agree that the actual amount of capital investment for the Phase II Project may fluctuate, in the sole discretion of the Companies, so long as the aggregate capital investment for the Project amounts to approximately \$265,000,000.

6. Phase III Project. No later than January 1, 2012, the Companies shall commence the acquisition and installation of certain machinery, equipment and other personal property more particularly described on Exhibit A, attached hereto and incorporated herein (the Phase III Project"). The Phase III Project is estimated to require a capital investment in the amount of approximately \$80,000,000, provided however, that the parties hereto acknowledge and agree that the actual amount of capital investment for the Phase III Project may fluctuate, in the sole discretion of the Companies, so long as the aggregate capital investment for the Project amounts to approximately \$265,000,000.

7. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Companies shall pay to the Trustee the amounts indicated on the Tax Bill in accordance with the amounts set forth below in Paragraph 8. The In Lieu Payments shall be made by the Companies in lieu of the property taxes which would otherwise be payable on the Property if it were subject to property taxes.

8. Amount of Payments by the Companies. Each Phase shall comprise a discrete fifteen (15)-year period in which the Companies shall pay In Lieu Payments rather than ad valorem property taxes with respect to such portion of the Project; provided, however, the parties hereto acknowledge and agree that the Companies shall receive a full exemption from the property taxes otherwise due on the Property within a Phase during the first (1st) calendar year following the completion of such Phase. Accordingly, no In Lieu Payments shall be required with respect to the Property within a Phase during the initial year following the completion of such Phase. For each of the fourteen (14) successive calendar years following the completion of each Phase, the In Lieu Payments for each such Phase shall be determined by the Assessor and the Trustee and shall be equal to one hundred percent (100%) of the real and personal property taxes collected on the Property within such Phase to support the County school system as if the Property within such Phase were subject to such real and personal property taxes. (The parties acknowledge that the amount of real and personal property taxes to support County schools currently represents twenty-nine and two-tenths percent (29.2%) of the total amount of the real and personal property taxes that would have been payable on the Property within such Phase if the Property within such Phase were subject to real and personal property taxes). With respect to the Property within each Phase, for any periods prior to or subsequent to such respective fifteen (15)-year periods, the Companies 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 within such Phase as if it were subject to property taxes.

9. Penalties and Late Charges. The Companies 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 Companies fail to make any In Lieu Payment 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 and be payable so long as there remains any outstanding unpaid amount.

(b) If the Companies should fail to pay all amounts and late charges due as provided hereinabove, then the Board, or the City or the County may bring suit in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees.

10. PILOT Projections Reporting.

(a) In order to determine the extent to which the Companies achieve the PILOT Projections, the Companies shall complete and deliver for each calendar year during the term of this Agreement an annual report in the form attached hereto as Exhibit "C" commencing after completion of the first full calendar year during which In Lieu Payments were paid by the Companies.

(b) If the Companies collectively fail to achieve the PILOT Projections, then the City and the County reserve the right to terminate the benefits of this Agreement for any years remaining hereunder.

(c) If the Companies close the Project or move the Project from the County during the term hereof, the City and the County reserve the right to require the partial repayment of amounts that would have been payable on the Property as if it were subject to property taxes.

11. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 7 hereof shall be disbursed to the general funds of the City and 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 divided into two accounts, one for the use and benefit of the City and the other for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the County. All disbursements to the general funds of the City and County shall be made by the Trustee subject to the requirement that all funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated §7-53-102.

12. Contest by the Companies. The Companies 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 Companies contest any such appraisal or assessment, then such contesting party shall present evidence to the Assessor in favor of its position.

Likewise, if the Companies contest any such computation, such party 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 Companies shall make such payments under protest. The Companies 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 contesting party and the Assessor or the Trustee are unable to resolve a dispute, then Alstom or Turbomachines, as the case may be, 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.

13. 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.

14. Leasehold Taxation. If the leasehold interest of the Companies should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder.

15. Notices, etc. All notices and other communications provided for hereunder shall be written, and mailed via registered or certified mail or delivered via overnight express carrier, to the following addresses:

If to the City:

Mr. Randall L. Nelson
City Attorney
Suite 400, Pioneer Bank Building
Chattanooga, Tennessee 37402

If to the County:

Mr. Rheubin M. Taylor
County Attorney
Room 204
County Courthouse
Chattanooga, Tennessee 37402

If to Alstom:

Mr. David G. Breckinridge
1119 Riverfront Parkway
Chattanooga, Tennessee 37402

If to Turbomachines:

Mr. Stephane Cai
1201 Riverfront Parkway
Chattanooga, Tennessee 37402

With a Copy to:

Brian L. Eftink, Esq.
Miller & Martin PLLC
Suite 1000, Volunteer Building
832 Georgia Avenue
Chattanooga, Tennessee 37402-2289

If to the Trustee:

Trustee
Hamilton County Courthouse
Chattanooga, Tennessee 37402

If to the Assessor:

Assessor
Hamilton County Courthouse
Chattanooga, Tennessee 37402

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 be deemed delivered as follows: (i) when mailed via overnight courier service, one business day after mailing, and (ii) when depositing in the United States mail by registered or certified mail, postage prepaid, return receipt requested, three days after deposit.

16. 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.

17. 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.

18. 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.

19. 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.

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

21. 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.

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

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

ATTEST:

BY: _____
Secretary

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF CHATTANOOGA

BY: _____
Chairman

ALSTOM POWER, INC.

BY: _____

PRINT NAME: _____

TITLE: _____

ALSTOM POWER TURBOMACHINES, LLC

BY: _____

PRINT NAME: _____

TITLE: _____

CITY OF CHATTANOOGA, TENNESSEE

BY: _____
Mayor

HAMILTON COUNTY, TENNESSEE

BY: _____
County Mayor

CARL E. LEVI

BY: _____
Hamilton County Trustee

WILLIAM C. BENNETT

BY: _____
Hamilton County Assessor of Property

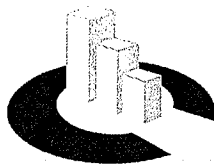
EXHIBIT "A"

REAL PROPERTY LEGAL DESCRIPTION

EXHIBIT "B"

PERSONAL PROPERTY

EXHIBIT "C"



CHATTANOOGA
AREA CHAMBER OF COMMERCE

**Annual Report for Payment-In-Lieu-of-Tax (PILOT) Program
for Chattanooga and Hamilton County Tennessee**

Company Information

Name: _____

Address: _____

City and Zip: _____

Company Contact: _____

Telephone: _____

E-mail: _____

Fax: _____

Company's Commitment (commitment agreement attached)

Real Property Investment Amount: _____

Personal Property Investment Amount: _____

Number of Net New Jobs: _____

Average Wages per New Job: _____

Capital Investment as of December 31, 20

Real Property Investment Amount: _____

Personal Property Investment Amount: _____

Job Creation as of December 31, 20

(Number of jobs at beginning of PILOT: _____)

No. of Net New Jobs Created: _____

Average Wages as of December 31, 20

Average Wages of New Jobs Above¹: _____

¹ Wages may include overtime, but must exclude benefits.

Comment on Progress Toward Performance Goals

Submit Completed Information To:

Mr. J. Steven Hiatt, Director of Existing Business
Chattanooga Area Chamber of Commerce
811 Broad Street, Suite 100 • Chattanooga, TN 37402
FAX: (423) 763-4044
EMAIL: shiatt@chattanoogaachamber.com

I certify that the information and attachments provided are true and accurate to the best of my knowledge and belief:

Print name and title of authorized representative of applicant

Signature

Date

Phone

Fax