

RESOLUTION NO. 32421

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE NOVONIX ENTERPRISE SOUTH LLC PROJECT, TO AUTHORIZE THE CITY MAYOR TO ENTER INTO AND EXECUTE A “REAL ESTATE PURCHASE AND SALE AGREEMENT” RELATIVE TO THE SALE OF APPROXIMATELY 182.39 ACRES KNOWN AS THE SPECIAL LEGISLATIVE AREA, MAIN MANUFACTURING AREA, PARCEL 1.02, 182.39 ACRES, OF THE ENTERPRISE SOUTH INDUSTRIAL PARK AND AUTHORIZING THE CITY MAYOR TO EXECUTE A DEED AND OTHER NECESSARY CLOSING DOCUMENTS CONVEYING SAID PROPERTY TO THE PURCHASER IDENTIFIED IN THE SALE AGREEMENTS DEFINED BELOW UPON THE SALE PRICE BY THE PURCHASER, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, AND TO AUTHORIZE THE MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

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WHEREAS, Hamilton County (the “County”) and the City of Chattanooga (the “City”) jointly own certain property identified as party of State Tax Map No. 130 also known as party of the Enterprise South Industrial Park; and

WHEREAS, a proposal has been presented in which Novonix Enterprise South LLC, directly or through one or more related entities (together, the “Company”) desires to purchase 182.39 acres (more or less, subject to survey), known as the Special Legislative Area, Main Manufacturing Area, Parcel 1.02 in Enterprise South Industrial Park (the “Property”) at the average purchase price of \$25,000.00 per acre (\$4,559,750.00); and

WHEREAS, a “Real Estate Purchase and Sale Agreement” and proposal have been presented by the Company, in accordance with the attached or similar documents; and

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

WHEREAS, the Company is contemplating the acquisition, improvement and equipping of manufacturing facilities and operations in the City and County, and, because of the substantial economic benefits to the City and County resulting from the project, has asked the Corporation and the City Council to approve payments in lieu of ad valorem taxes; and

WHEREAS, the City Council has determined that payments in lieu of ad valorem taxes from such a project would be in furtherance of the Corporation's public purposes as set forth within Chapter 53 of Title 7 of the Tennessee Code Annotated; and

WHEREAS, it is in the best interest of the City to accept said offer for the continued economic growth of the City;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the Mayor is hereby authorized to enter into and execute the "Real Estate Purchase and Sale Agreement" relative to the Property, in substantially the form attached hereto, with such changes as he shall approve (the "Sale Agreement"), and that the Mayor is further authorized to execute a deed, other necessary closing documents and any other agreement, certificate or other document in connection with the transactions contemplated by the Sale Agreement; and

That we do hereby find that the project referenced above is in the best interest of the City, and that payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Corporation's public purposes; and

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

That the Mayor is hereby authorized to enter into an Agreement for Payments In Lieu of Ad Valorem Taxes with the Company, in substantially the form attached hereto, with such changes thereto as he shall approve; and

That the Mayor and other officials of the City are hereby authorized to execute such other agreements, certificates or documents and to take such further actions as may be necessary to consummate the transactions approved in this Resolution.

ADOPTED: March 11, 2025

/mem

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

**THIS AGREEMENT** (the "Agreement") is made and entered into as of this the [30<sup>th</sup> day of June, 2025,<sup>1</sup>] by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **NOVONIX ENTERPRISE SOUTH LLC** (the "Company"); the **CITY OF CHATTANOOGA** (the "City"); and **HAMILTON COUNTY** (the "County") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by **WILLIAM F. HULLANDER and his successors, acting in the capacity of HAMILTON COUNTY TRUSTEE** (the "Trustee"), and by **MARTY HAYNES and his successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY** (the "Assessor").

**WITNESSETH:**

**WHEREAS**, the Company is contemplating (i) the acquisition of an interest in and the improvement of certain real property in Chattanooga, Hamilton County, Tennessee, as more particularly described on Exhibit A attached hereto (the "Real Property"); and (ii) the acquisition of machinery, equipment and other personal property (including replacements of such property), as more particularly described on Exhibit B attached hereto and incorporated herein (the "Personal Property") (the initial interest in the Real Property and the new improvements to the Real Property during the Five Year Period (defined below) and the Personal Property shall be referred to as the "Project"), resulting in an investment of at least \$1 billion and the creation of at least 500 full-time jobs which jobs shall have an average annual wage (excluding benefits) equal to at least \$61,000.00 (collectively the "Investment, Jobs and Wage Projection") on or before [June 30, 2030] (the "Five Year Period"); and

**WHEREAS**, the Company has requested the Board's assistance with the Project;  
and

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

**WHEREAS**, the Board agrees to hold title to the Real Property and the Personal Property, together with all additions thereto, replacements thereof, and substitutions therefor (collectively, the "Property") and to lease the Property to the Company pursuant to those certain Lease Agreements (each, a "Lease" and, collectively, the "Leases"), based on the documents dated of even date herewith, between the Board and the Company; 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.*, the Property will be exempt from ad valorem property taxes ("property taxes") normally paid to the

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<sup>1</sup> Drafting note: This draft assumes that Novonix will acquire a leasehold interest in the underlying real property as of June 30, 2025. In the event that the actual closing of the real estate transaction is accelerated or delayed, the dates in this agreement will be extended to correlate to the actual closing date. Several other dates that are connected to the effective date are bracketed below and will be similarly adjusted based on the actual closing date.

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 City of Chattanooga Treasurer (the "Treasurer") and the Trustee, who shall disburse such amounts to 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 Treasurer and the Trustee as its agents 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. 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 Treasurer, the Trustee, 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. Designation of Trustee; Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Treasurer and the Trustee and as its agents to compute the amounts of the In Lieu Payments, to receive such payments from the Company and to disburse such payments to the City and the County. On or about October 1 of each year during the term of this Agreement, the Treasurer and 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 Treasurer and the Trustee shall send the Board and the Company bills for appropriate amounts of In Lieu Payments (the "Tax Bill").

3. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Company shall pay to the Treasurer and the Trustee the amounts indicated on the Tax Bills for its Property, which amounts shall be determined in accordance with the provisions set forth below in Section 4. 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.

4. Amount of Payments by the Company. The City and the County have agreed to a fifteen (15) year tax abatement period beginning, at the written election of the Company, as of January 1 of the year in which the Project is Substantially Complete (if notice of such election is delivered to the City and County on or before September 1 of such year) or as of January 1 of the year following the year in which the Project is Substantially Complete, but in no event later than January 1, 2031 (as applicable, the "PILOT Start Date"). For purposes of this Agreement "Substantially Complete" means the stage of construction progress of the Project when all material components of the original manufacturing facility are open for business under a temporary certificate of occupancy or a final certificate of occupancy.

For the fifteen (15) year period beginning as of the PILOT Start Date (the "Tax Abatement Period"), the Company shall make In Lieu Payments with respect to the Project in an amount, as determined by the Assessor, the Treasurer and the Trustee, equal to the following percentage of the taxes that would have been payable on the Project if it were subject to property taxes for the respective years shown:

Year	City General Fund	County General Fund	County School Fund
Year 1	0%	0%	100%
Year 2	25%	25%	100%
Year 3	40%	40%	100%
Year 4	50%	50%	100%
Year 5	50%	50%	100%
Year 6	50%	50%	100%
Year 7	50%	50%	100%
Year 8	50%	50%	100%
Year 9	50%	50%	100%
Year 10	50%	50%	100%
Year 11	50%	50%	100%
Year 12	50%	50%	100%
Year 13	50%	50%	100%
Year 14	50%	50%	100%
Year 15	50%	50%	100%
Year 16 & thereafter	100%	100%	100%

For example, if the initial manufacturing facility is Substantially Complete as of July 1, 2028, the Company may elect a PILOT Start Date of either January 1, 2028 or January 1, 2029. In the case the Company elects a January 1, 2029 PILOT Start Date, "Year 1" in the above chart would be 2029, and the Tax Abatement Period would include years 2029 - 2044.

For the avoidance of doubt, the parties intend that the Company shall make (i) In Lieu Payments in an amount equal to one hundred percent (100%) of all ad valorem taxes that would be dedicated to the support of the County school system, which the Company and County acknowledge and agree currently equates to 45.22% of the amount of the total County taxes that would have been payable on the Project if it were subject to property taxes (the "School Portion"), and (ii) In Lieu Payments in an amount equal to the above graduated amounts for all other ad valorem taxes of County that would have been payable on the Project if it were subject to property taxes, excluding the educational portion of the County ad valorem taxes.

For any portion of the Property other than the Project, the Company shall make In Lieu Payments in an amount, as determined by the Assessor, the Treasurer and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on this portion of the Property if it were subject to property taxes.

For any periods before the Tax Abatement Period or after the Tax Abatement Period that the Property is owned by the Board and leased to the Company, the Company shall make In Lieu Payments in an amount, as determined by the Assessor, the Treasurer and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Project if it were subject to property taxes.

Notwithstanding the above, any amounts assessed and paid as property taxes against the Property shall be credited against any In Lieu Payments due under this Agreement.

## 5. Optional Expansion.

(a) Phase 2 Expansion. The Company shall have the option, but not the obligation, to undertake a second phase of the Project, which would increase the Company's expected investment in the Real Property and the Personal Property to approximately \$2,100,000,000.00 and would involve the creation of approximately 675 additional new, full-time jobs (a "Phase 2 Expansion"). To make such an election, the Company must give written notice of its election to undertake a Phase 2 Expansion to the City, County and Board at any time on or before [June 30, 2029]. The Company shall also be required to commence construction of the Phase 2 Expansion on or before [June 30, 2030].

(b) In the event the Company undertakes and commences construction of the Phase 2 Expansion in accordance with the requirements of subsection (a), above, the Company's investment in the Phase 2 Expansion shall be eligible to utilize the In Lieu Payment percentages set forth in Section 4 for the remainder of the Tax Abatement Period in the same manner and to the same extent as such percentages apply to the Project, provided that the percentages shall not apply to the Phase 2 Expansion until the earlier of (i) January 1 of the year following the year when all material components of the Phase 2 Expansion are open for business under a temporary certificate of occupancy or a final certificate of occupancy or (ii) January 1,

2036. The Phase 2 Expansion will also be subject to the economic development lease payments required under Section 10 in the same manner and to the same extent as such payments apply to the Project.

6. Penalties and Late Charges. The Company shall make its In Lieu Payments for each year during the term 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 a Company fails to make its In Lieu Payment when due, 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 (1-1/2%) of the owed amount. Additional late charges of one and one-half percent (1-1/2%) of the amount shall accumulate and become immediately due and payable upon the expiration of each subsequent thirty (30) day period when there remains any outstanding unpaid amount.

(b) If a 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 against the Company 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.

7. Minimum Requirements; Annual Review; Increase in Amount of In Lieu Payments. The Company covenants as follows for the benefits included in this Agreement:

(a) Minimum Requirements. The Company must meet one hundred percent (100%) of the Minimum Job Requirement and one hundred percent (100%) of the Minimum Investment Requirement by the end of the Five Year Period (the "Determination Date") and during each calendar year thereafter during the Tax Abatement Period. For purposes of this Section, the "Minimum Jobs Requirement" equals 400 full-time jobs, and the "Minimum Investment" equals \$800,000,000. For purposes of meeting the Minimum Jobs Requirement, the Company may also include full-time jobs created by the Company and by Novonix Anode Materials LLC ("NAM") at facilities of the Company in the City and at other facilities of NAM in the City whose primary responsibility is to support operations at the Project (or in the case of non-production personnel, the operations of the Company or NAM as a whole), but the Company may not include any jobs created by NAM that are used by NAM at any time to satisfy minimum job requirements under that certain Agreement for Payments In Lieu of Taxes between the City, the County, the Board, NAM and Novonix 1029, LLC dated July 28, 2021, including any such jobs that are later transferred to the Company.

(b) Annual Employment Review. If the Company fails to achieve the Minimum Jobs Requirement during the calendar year immediately following the Determination Date or during in any calendar year thereafter during the Tax Abatement Period, the City and the County reserve the right but are not obligated to increase the amount of the general fund In Lieu Payments applicable to the Project for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Job Performance" for such calendar year (the "Job In Lieu Payment Percentage Increase"). The "Company's Job Performance" for any calendar year means the proportion, expressed as a percentage, that the average number of full-time jobs actually maintained by the Company (and NAM in accordance with subsection (a)) bears to the Minimum



Job Requirement. For purposes of determining compliance with the Minimum Job Requirement, the Company may only include the total number of full-time jobs that have a blended average wage (excluding benefits) of \$61,000, as calculated across the total number of jobs reported for determining compliance divided by the total wages associated with all such jobs (including, for clarity, individual jobs that have wages of less than \$61,000 so long as the total blended average wages associated with the total number of reported jobs equals or exceeds \$61,000). In no event shall the Company's annual General Fund In Lieu Payments exceed one hundred percent (100%) of the general fund taxes that would be assessed against the Project if it were subject to general fund taxes.

**Example 1:**

Total number of full-time jobs as of December 31, 2034 = 500

Minimum Job Requirement = 400

No increase in In Lieu Payments for 2034

(Minimum Job Requirement has been exceeded)

**Example 2:**

Total number of full-time jobs as of December 31, 2034 = 380

Minimum Job Requirement = 400

Job Performance = 95%

Job In Lieu Payment Percentage Increase for 2034 = 5%

(In Lieu Payment Percentages for the City General Fund and the County General Fund may be increased by 5%, and in this example, assuming 2034 is year 4 of this Agreement, the In Lieu Payment Percentage for 2034 for the City General Fund and for the County General Fund may be increased from the current requirement of 50% to 55%)

(c) Annual Investment Review. If the Company fails to achieve the Minimum Investment Requirement during the calendar year immediately following the Determination Date or during in any calendar year thereafter during the Tax Abatement Period, the City and the County reserve the right but are not obligated to increase the amount of the general fund In Lieu Payments applicable to the Project for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Investment Performance" for such calendar year (the "Investment In Lieu Payment Percentage Increase"). The "Company's Investment Performance" for any calendar year means the proportion, expressed as a percentage, that the actual aggregate capital investment made by the Company through the end of such calendar year, including all capital investment made in the preceding calendar years in connection with the Project, bears to the Minimum Investment Requirement. In no event shall the Company's annual General Fund In Lieu Payments exceed one hundred percent (100%) of the general fund taxes that would be assessed against the Project if it were subject to general fund taxes.

**Example 3:**

Total amount of capital investment through December 31, 2034 =  
\$1,000,000,000.00

Minimum Investment Requirement = \$800,000,000.00

No increase in In Lieu Payments for 2034 (Minimum Investment Requirement has been exceeded)

**Example 4:**

Total amount of capital investment through December 31, 2034 = \$720,000,000.00

Minimum Investment Requirement = \$800,000,000.00

Companies' Investment Performance = 90%

Investment In Lieu Payment Percentage Increase for 2034 = 10%

(In Lieu Payment Percentages for the City General Fund and the County General Fund may be increased by 10%, and in this example, assuming 2034 is year 4 of this Agreement, the In Lieu Payment Percentage for 2034 for the City General Fund and for the County General Fund may be increased from the current requirement of 50% to 60%)

Such formula shall be evaluated on an annual basis until the Minimum Investment Requirement has been met or exceeded, whereupon no further evaluations or increase in the amount of the In Lieu Payments pursuant to this Section 7(c) shall occur.

(d) Single Adjustment Regarding Tax Abatement; Issuance of Supplemental Bill to the Company. If both the annual employment review under Section 7(b) and the investment review under Section 7(c) for any calendar year indicate an increase in the In Lieu Payments for the same calendar year in which such failure occurs, and if the City and the County elect to increase the In Lieu Payments for such calendar year, then the City and the County shall determine whether the increase under Section 7(b) or Section 7(c) shall apply, which shall be the sole remedy for a shortfall in the Investment, Jobs and Wage Projection. The increase under Section 7(b) and Section 7(c) shall not be combined. If the City and the County increase the amount of the In Lieu Payments pursuant to the annual employment review under Section 7(b) for any calendar year, then they may not, in the same year, also increase the amount of the In Lieu Payments pursuant to Section 7(c), and vice versa. For example, using Examples 2 and 4 shown above, the City and the County may elect to either (i) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 7(b) by 5% or (ii) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 7(c) by 10%. In accordance with the foregoing and once a determination has been made of the Jobs In Lieu Payment Percentage Increase or the Investment In Lieu Payment Percentage Increase, whichever is determined to be applicable, the Trustee shall compute the amount of the additional In Lieu Payment resulting therefrom and will issue a supplemental bill to the Company for that payment.

(e) Adjustments to Minimum Jobs Requirement and Minimum Investment – Phase 2 Expansion. In the event the Company undertakes and commences construction of the Phase 2 Expansion in accordance with the requirements of Section 5(a), above,

then as of [January 1, 2036], the "Minimum Jobs Requirement" for purposes of Section 7(b) will increase from 400 full-time jobs to 940 full-time jobs, and the "Minimum Investment" for purposes of Section 7(c) will increase from \$800,000,000.00 to \$1,680,000,000.

(f) Project Closure. In the event the Project closes or moves from the City and/or the County during the Tax Abatement Period, the City and the County reserve the right to immediately terminate the tax abatements provided by this Agreement and require the partial repayment of amounts from the Company that would have been payable on the Property during the Tax Abatement Period as if it were subject to property taxes. The provisions of this subsection (e) shall be the sole remedy for a closure or relocation of the Project.

8. Community Benefit Obligations.

(a) The Company will make good faith efforts, in consultation with the City, County and Chattanooga Area Chamber of Commerce (the "Chamber") to develop collaborative research programs with the University of Tennessee at Chattanooga's (UTC) College of Engineering & Computer Science and collaborations between UTC and the company's current university programs.

(b) The Company will make good faith efforts, in consultation with the City, County and Chamber to publicize available job opportunities at the Project so as to maximize the opportunities for qualified residents of Hamilton County, Tennessee to seek and gain employment at the Project.

(c) The Company will make good faith efforts, in consultation with the City, County and Chamber, to publicize available construction and service contract opportunities at the Project so as to maximize the opportunities for qualified contractors located in Hamilton County, Tennessee to seek and gain contracts in connection with the Project.

(d) The Company will make good faith efforts to encourage the employment of ex-offenders through organizations such as Project Return or through internal hiring policies.

(e) The Company will make good faith efforts to provide financial education and/or planning training or information for all new full-time employees that highlights the opportunities to participate in the Company's retirement plan and the benefits of participating in the plan.

9. Disbursements by the Treasurer and Trustee. All sums received by the Treasurer pursuant to Section 3 for the benefit of the City shall be disbursed to the appropriate funds of the City in accordance with this Section and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received by the Trustee pursuant to Section 3 for the benefit of the County (other than the School Portion which shall be paid to the School Fund) shall be disbursed to the appropriate fund of the County in accordance with this Section and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All such sums received by the Treasurer shall be placed into an account for the use and benefit of the City. All such sums received by the Trustee for the benefit of the County shall be placed into an account 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 sums received by the Trustee pursuant to Section 3 for the benefit of the County school system shall be disbursed to the County and thereafter deposited into an account for the educational use and benefit of the County schools. The parties acknowledge and agree that all disbursements to the City and County pursuant to this Agreement are in furtherance of the Board's purposes as set forth in Tennessee Code Annotated § 7-53-305.

10. Economic Development Lease Payments.

(a) For each calendar year in which the In Lieu Payment Percentage as to the City General Fund and as to the County General Fund (see chart in Section 4) is less than 100%, an Economic Development Payment equal to 15% of the property taxes for the City and the County, respectively, that would otherwise be payable for such year on the Project if it were subject to property taxes as calculated by the Treasurer and Trustee pursuant to Section 2, above, shall be computed and collected by the Treasurer and Trustee; provided, however, in no event shall the total of the Company's annual In Lieu Payments plus the Economic Development Payment to the City and the County exceed one hundred percent (100%) of the respective City and County taxes that would be assessed against the Project if it were subject to property taxes. Beginning in "Year 1" of the chart set forth in Section 4, this Economic Development Payment will be paid for each year that the Property is owned by the Board through and including "Year 15" if the In Lieu Payment Percentage as to the City General Fund and as to the County General Fund (see chart in Section 4) for such calendar year is less than 100%. If the Board's ownership ceases during any calendar year, then that year's Economic Development Payment will be prorated, but in no event shall the total of the Company's prorated tax payments, prorated City and County In Lieu Payments plus the prorated Economic Development Fee exceed one hundred percent (100%) of the prorated City and County property taxes that would be assessed against the Project if it were subject to City and County taxes. The Trustee shall add the Economic Development Payment as a separate line item on the Tax Bill, and the Company shall pay the Economic Development Payment for each such year during the term before March 1 of the following year. Any failure to pay the Economic Development Payment on or before March 1 shall result in penalties and late charges calculated in the same manner as penalties and late charges are calculated for In Lieu Payments under this Agreement.

(b) The Trustee shall not deduct any part of the Economic Development Payment from the School Portion of the In Lieu Payments. As the Company makes Economic Development Payments to the County from time to time, the Trustee shall disburse the County's Economic Development Payment in accordance with the following provisions:

(i) The first \$5,000,000 of the County's Economic Development Payment shall be retained by the County and deposited in a fund for payment or reimbursement of capital expenditures incurred by the County in connection with the construction and/or equipping of a Chattanooga area high school to

support workforce development and career and technical education;

- (ii) The next \$1,650,000.00 of the County's Economic Development Payment shall be paid over to the Board for deposit in a special dedicated account (the "Project Fund") that may only be used for Project Purposes (as defined below); and
- (iii) Any remaining amounts of the County's Economic Development Payment following the uses outlined in paragraphs (i) and then (ii), above, will be retained by the County.

(c) As the Company makes Economic Development Payments to the City from time to time, the Treasurer shall disburse the City's Economic Development Payment in accordance with the following provisions:

- (i) Each year, the Treasurer will disburse a portion of the City's Economic Development Payment to the Board in an amount equal to the amount retained by or paid over by the County in accordance with subsection (b)(i) and (ii), above, during the same year, and the Board will deposit such funds into the Project Fund for use for Project Purposes; and
- (ii) Any remaining amounts of the City's Economic Development Payment following the uses outlined in paragraph (i), above, will be retained by the City.

The intent of the foregoing provisions is to ensure that funds allocated for the purposes outlined in subsection (b)(i) and (ii) and for the purposes outlined in subsection (c)(i) will be provided on an annual basis in an amount that is evenly divided between the City and the County. By way of example, if the amount of the County's Economic Development Payment that is retained by or paid over to the County in accordance with subsection (b)(i) and (ii), above, is \$100,000 in a specific year, an equal amount \$100,000 of the City's Economic Development Payment in that year will be disbursed to the Board and deposited in the Project Fund.

(d) The Board will disburse funds deposited in the Project Fund pursuant to subsection (b)(ii) for use for such Project Purposes as may be requested by the Company and approved from time to time by the Mayor of the County, which approval shall not be unreasonably withheld. The Board will disburse funds deposited in the Project Fund pursuant to subsection (c)(i) for use for such Project Purposes as may be requested by the Company and approved from time to time by the Mayor of the City, which approval shall not be unreasonably withheld. For any disbursements from the Project Fund that reimburse the Company for

expenditures made by the Company for Project Purposes, the Company may, in the alternative, elect to receive a credit against the obligation to pay City or County Economic Development Payments or a refund of such payments to the extent of the approved disbursements.

(e) For the purpose of this Section 10, "Project Purposes" shall mean (i) infrastructure, workforce training, employee recruitment, outreach to underemployed and unemployed individuals, and removing employment barriers for citizens of the City and the County; (ii) upgrades to sewer facilities in connection with the Project, improvements to Ferdinand Piech Way in connection with the Project, rail improvements in connection with the Project, and improvements to Hickory Valley Road in connection with the Project; (iii) marketing campaigns to attract workers for Chattanooga's manufacturing sector; (iv) improved public transportation service to Enterprise South Industrial Park; (v) support of public, private and public-private childcare and early learning facilities in Enterprise South Industrial Park; and (vi) support of the development of an advanced manufacturing workforce training center in collaboration with Gateway High School and potentially other schools in the area. In the event that the Company proceeds with a Phase 2 Expansion, the "Project Purposes" shall include any of the foregoing purposes in connection with the Phase 2 Expansion, and shall also include further site work, utility improvements, and other infrastructure improvements in connection with the Phase 2 Expansion.

(f) Increase in Payments – Phase 2 Expansion. In the event the Company undertakes and commences construction of the Phase 2 Expansion in accordance with the requirements of Section 5(a), above, the maximum amount of the County's Economic Development Payment to be paid over to the Board under Section 10(b)(ii) shall be increased from \$1,650,000.00 to \$4,850,000.00, and the maximum amount of the City's corresponding obligation under Section 10(c)(i) will be increased in a similar amount so that the City's maximum obligation is increased from \$6,650,000.00 to \$9,850,000.00, provided, however, that if all material components of the Phase 2 Expansion are not open for business under a temporary certificate of occupancy or a final certificate of occupancy as of January 1, 2036, the obligations of the Board, the City and the County under this subsection (f) shall cease and be of no further force or effect.

11. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor, the computation by the Treasurer and the Trustee of the amount of the In Lieu Payment and the calculation of the Economic Development Payments. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. If the In Lieu Payments, or the Economic Development Payments, as applicable, being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor, the Treasurer or the Trustee, as the case may be, shall negotiate in good faith for a period not to exceed sixty (60) days to resolve any disputes as to appraisal, assessment or computation of the In Lieu Payment or the Economic Development Payments, as applicable. If the Company and the Assessor, the Treasurer or the Trustee, as the case may be, are unable to resolve a dispute, then 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.

12. Lien on the 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.

13. Term. This Agreement shall become effective on the date that the Board leases the Property to the Company and shall continue for so long as the Board holds title to any of the Property and leases such property to the Company or the Company has made all payments required hereunder, whichever shall later occur.

14. Leasehold Taxation. The Board, the City, the County, the Treasurer, the Trustee and the Assessor acknowledge and agree that the Company's real and personal property leasehold interests in the Property under the Lease shall not be subject to assessment for ad valorem tax purposes. If the leasehold interests of the Company in the Property should be subject to ad valorem taxation for any year hereunder, then any amounts assessed as taxes thereon shall be credited against any In Lieu of Tax Payments and Economic Development Payments paid under this Agreement and carried forward from year to year until fully utilized.

15. 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 addressed as follows:

Board:	The Industrial Development Board of the City of Chattanooga 100 E. 11 <sup>th</sup> Street, Suite 200 Chattanooga, Tennessee 37402 Attention: Phil Noblett
The City:	Phillip A. Noblett City Attorney City of Chattanooga 100 E. 11 <sup>th</sup> Street, Suite 200 Chattanooga, Tennessee 37402
The County:	Rheubin M. Taylor County Attorney Hamilton County Government Room 204, County Courthouse Chattanooga, Tennessee 37402
Company:	Novonix Enterprise South LLC 353 Corporate Place Chattanooga, Tennessee 37419 Attention: Rashda M. Buttar

With a Copy to:	Miller & Martin PLLC 832 Georgia Avenue Suite 1200, Volunteer Building Chattanooga, Tennessee 37402 Attention: Mark W. Smith
The Assessor	Hamilton County Assessor of Property Hamilton County Courthouse Chattanooga, Tennessee 37402
The Treasurer:	City of Chattanooga Treasurer 101 East 11 <sup>th</sup> Street Chattanooga, TN 37402
The Trustee:	Hamilton County Trustee Hamilton County Courthouse Chattanooga, Tennessee 37402

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

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, City and County Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, official, director or officer, as such, of the Board, the City or the County, whether past, present or future, either directly or through the Board, the City or the County. 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. Assignment.

(a) Except in the event of the conveyance of all or a portion of the Property or all or a portion of a leasehold interest in the Property as a result of a foreclosure or



deed in lieu of foreclosure or except as otherwise provided in this Section, the Company may only assign this Agreement, or any part hereof, with the prior consent of the Mayor of the City, the Mayor of the County, and the Board. The Mayor of the City, the Mayor of the County and/or the Board shall not withhold such consent upon the occurrence of all of the following conditions: (i) there is no default under this Agreement at the time of the assignment, (ii) all requirements of the Company under this Agreement have been satisfied as of the date of the assignment, and (iii) any assignee agrees to provide proof of sufficient assets to fund the Company's portion of the business plan for the Project and agrees to be bound by the terms of this Agreement from and after the date of assignment (the "Consent Requirements"). If the Company provides the Mayor of the City, the Mayor of the County and the Board (x) a certificate of an officer of the Company certifying that the requirements of (i) and (ii) have been satisfied and (y) proof of sufficient assets to fund the business plan for the Project and a copy of an assignment and assumption agreement pursuant to which the assignee agrees to be bound by the terms of this Agreement, the Mayor of the City, the Mayor of the County and the Board shall each have the option, upon at least seven (7) days' prior notice to the Company, to meet with a representative of the Company within forty-five (45) days of receipt of the Company's certificate for purposes of determining whether the Company has satisfied the Consent Requirements. Unless the Mayor of the City, the Mayor of the County and the Board meet with the Company and all state in writing within such forty-five (45) day period that the Company has not satisfied the Consent Requirements, the Company may assign this Agreement in accordance with the terms and conditions described in the Company's certificate without any further action of the Mayor of the City, the Mayor of the County and/or the Board. In the event that the Mayor of the City, the Mayor of the County and the Board timely state in writing that the Company has not satisfied the Consent Requirements, the Company and the assignee may, upon the Company's request, appear before the City Council of the City, the Board of Commissioners of the County and the Board to request approval of such assignment pursuant to the terms of this Section, which consents shall not be unreasonably withheld. Upon satisfaction of the requirements of this Section, the assignment shall relieve the Company from liability for any of its obligations hereunder as of the effective date of the assignment.

(b) Notwithstanding the provisions of subsection (a), above, and notwithstanding any other provision in this Agreement or the applicable Lease to the contrary, a Company may make a collateral assignment of all or any portion of its interests in this Agreement, its Lease and its portion of the Property for the benefit of one or more banks or other lenders that, from time to time, provide financing to the Company. Nothing in this Agreement or the applicable Lease shall in any way restrict any sale or transfer of the leasehold interest and other interests of the Company in its portion of the Property pursuant to a judicial or non-judicial foreclosure sale as a result of the exercise of any one or more lender's rights under the applicable loan documents. The City, the County and the Board shall cooperate with the Company, to the extent reasonable and at no additional cost to the City, County or Board, in consummating any financing for the Company that involves a pledge or assignment of the Company's interests in this Agreement, the Lease or its portion of the Property. Without limitation of the foregoing, the Mayor of the City, the Mayor of the County, and the Chairman of the Board, or any of their respective designees, are authorized, upon the Company's request, enter into or consent to such documents as are necessary to consummate such financing including, without limitation, consents to assignment, deeds of trust, estoppel certificates, subordination and non-disturbance agreements, affidavits and certificates, provided

that any such documents are expressly non-recourse to the City, County and Board beyond the Board's interest in the Property.

20. 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.

21. Prohibition on Boycott of Israel. The Company certifies that it is not currently engaged in and will not, for the duration of this Agreement, engage in a boycott of Israel as defined by Tenn. Code Ann. § 12-4-119.

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

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

24. Annual Report.

(a) On or before January 31 of each year this Agreement is in effect, the Company shall provide a report to the Mayor of the City and to the Mayor of the County summarizing its investment in the Property, including a list of the cost of all investments in the Property (with supporting evidence if requested) and the development and operation of the Project for purposes of analyzing the Company's progress in achieving the Investment, Jobs and Wage Projection. An independent audit of these certifications may occur if requested by the City or County during any calendar year of this Agreement.

(b) The Company shall comply with the annual reporting requirements applicable to agreements for payments in lieu of taxes as set forth in Tenn. Code Ann. § 7-53-305(e). Additional information regarding these requirements is currently available at <https://comptroller.tn.gov/boards/state-board-of-equalization/sboe-services/property-tax-incentive-programs/pilot-reporting.html>.

25. Stormwater Fees. In addition to the other requirements under this Agreement, the Company shall be responsible for all stormwater fees assessed by the City against the Real Property within the City limits.

[ Signature Pages Follow ]

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

ATTEST:

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

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Chairman

**NOVONIX ENTERPRISE SOUTH LLC**

By: \_\_\_\_\_  
\_\_\_\_\_, Authorized Person

**CITY OF CHATTANOOGA, TENNESSEE**

By: \_\_\_\_\_  
Mayor

**HAMILTON COUNTY, TENNESSEE**

By: \_\_\_\_\_  
County Mayor

**WILLIAM F. HULLANDER**

By: \_\_\_\_\_  
Hamilton County Trustee

**MARTY HAYNES**

By: \_\_\_\_\_  
Hamilton County Assessor of Property

**EXHIBIT "A"**  
**TO PILOT AGREEMENT**

**REAL PROPERTY**

The Real Property includes the following real property together with all expansions and improvements to be constructed by the Company on such property:

**EXHIBIT "B"**  
**TO PILOT AGREEMENT**

**PERSONAL PROPERTY**

The Project shall include all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used in connection with the real property described in Exhibit A attached to this Agreement on or before [June 30, 2030], together with replacements thereof and substitutions therefor, in connection with the Company's facilities and operations on such property. Notwithstanding the foregoing, the personal property subject to this Agreement does not include any personal property that is already in service at any operations of the Company in the City and the County as of the effective date of the Agreement or any personal property that is subject to that certain Agreement for Payments In Lieu of Taxes between the City, the County, the Board, NAM and Novonix 1029, LLC dated July 28, 2021.



**REAL ESTATE PURCHASE AND SALE AGREEMENT**

**THIS REAL ESTATE PURCHASE AND SALE AGREEMENT** (this “Agreement”) is entered into so as to be effective as of the \_\_\_\_ day of \_\_\_\_\_, 2025 (“Effective Date”), by and among the **CITY OF CHATTANOOGA** and **HAMILTON COUNTY, TENNESSEE**, political subdivisions of the State of Tennessee (collectively “Sellers”) and **NOVONIX ENTERPRISE SOUTH LLC**, a Delaware limited liability company (“Purchaser”).

FOR AND IN CONSIDERATION OF the premises set forth herein, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms. The following terms which are used in this Agreement are defined and have the meanings set forth in this Section 1:

(a) Approved Use. The use of the Improvements by Purchaser for battery-grade synthetic graphite manufacturing for electric vehicle batteries and grid energy storage application.

(b) Closing. The conveyance of the Property by Sellers to Purchaser (or, alternatively in accordance with Section 12 below, to the IDB) pursuant to a fully executed limited warranty deed (“Deed”) which is in form and content reasonably acceptable to Purchaser and the Title Company so that the Title Company can insure fee simple title to the Property in the name of Purchaser (or the IDB), free and clear of all liens and encumbrances except for the Permitted Exceptions (as defined herein). The other conditions precedent to the Closing are set forth in Section 18 hereof.

(c) Earnest Money. The sum of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00).

(d) Effective Date. The date on which the last of the parties to this Agreement executes this Agreement, which date is to be set forth in the first paragraph of this Agreement.

(e) Escrow Agent. Jones Title Company, LLC, which also will serve as the title company (“Title Company”) insuring to Purchaser fee simple title to the Property.

(f) Feasibility Period. The period of time for Purchaser’s examination of the Property hereunder which commences on the Effective Date of this Agreement and expires not later than one hundred eighty (180) days thereafter (the “Initial Feasibility Period”), the terms of which, including the right to extend the expiration of the term thereof, are set forth in Section 6 hereof.

(g) Force Majeure. As used herein, the term “Force Majeure” shall mean a material delay beyond the reasonable control of the delayed party, which delay arises as a result of pandemics, epidemics, or any other public health emergency, or as a result of strikes, lockouts,

labor troubles, Act of God, failure of power, unavailability of any utility service, restrictive governmental laws or regulations, riots, insurrections, the act, the failure to act, or default of another party, war, or other reason beyond Sellers' or Purchaser's control.

(h) IDB. The Industrial Development Board of the City of Chattanooga, a public corporation created and existing under the laws of the State of Tennessee.

(i) Improvements. The building structures, truck and other vehicular entrances, driveways, parking areas, railway spurs, landscaping and other infrastructure that are anticipated to be constructed by Purchaser on the Property generally in accordance with the Site Plan.

(j) Property. The approximately 182.39-acre parcel of real property and improvements located at Enterprise South Industrial Park in the city of Chattanooga, Hamilton County, Tennessee, together with all easement rights and privileges appurtenant thereto, and which is more particularly shown as the "Special Legislative Area, Main Manufacturing Area, Parcel 1.02, 182.39 acres" on Exhibit "A" and is more particularly described on Exhibit "A-1", both as attached to and made a part of this Agreement.

(k) Purchaser Financing Parties. Any lender or group of lenders to the Purchaser providing construction or permanent financing for the acquisition, development, construction or operation of the Property (including the Improvements).

(l) Quitclaim Deed. Collectively, the Quitclaim Deeds from the United States of America, acting by and through the Administrator of General Services Administration ("GSA") to Sellers dated April 15, 2005, recorded in Book 7497, Pages 485 and 631, in the Register's Office of Hamilton County, Tennessee ("ROHC"), as amended by CERCLA Warranty Amendment to Quitclaim Deeds Granting CERCLA Covenant and Discharging Land Use Regulations from the GSA effective December 13, 2023 and recorded in Book 13520, Page 128 in the ROHC.

(m) Restrictive Covenants. The Declaration of Covenants and Restrictions for Enterprise South Industrial Park dated April 2, 2004, recorded in Book 7085, Page 299, in the ROHC, if applicable.

(n) Site Plan. The preliminary site plan showing the proposed Improvements and their locations on the Property, a copy of which is attached hereto as Exhibit "B".

2. Sale of Property. In accordance with and subject to the terms and conditions of this Agreement, at Closing Sellers shall sell, and Purchaser shall purchase, in fee simple, the Property for the development and operation of the Improvements for the Approved Use. In accordance with Section 12 below, at Purchaser's option, title to the Property will be conveyed at Closing from Sellers to the IDB, which will lease the Property to Purchaser.

3. Purchase Price for the Property and Price Per Acre. The amount of the purchase price ("Purchase Price") for the Property is Four Million Five Hundred Fifty-Nine Thousand, Seven Hundred Fifty and No/100 Dollars (\$4,559,750.00) calculated by Sellers and Purchaser by multiplying the sum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) (per acre) times

the total number of acres which comprise the Property, as determined in accordance with the Survey under Section 7(b) below.

4. Earnest Money. Within five (5) business days after the Effective Date of this Agreement, Purchaser will pay to Escrow Agent the Earnest Money in good funds, to be held as earnest money hereunder in an interest-bearing account, all of which will be nonrefundable upon the Effective Date of this Agreement and opening of escrow, except as provided hereinafter. In the event Purchaser terminates this Agreement and is due a refund of the Earnest Money, such funds will be refunded to Purchaser, less \$50 paid to each Seller as independent consideration for this Agreement.

5. Restrictive Covenants.

(a) Sellers agree that at Closing, they will enter into a waiver, in form and substance reasonably acceptable to Purchaser and Purchaser Financing Parties (and to be negotiated in good faith during the Feasibility Period as such may be extended), waiving, to the extent applicable to the Property, the provisions of (i) Section 2.1 (Right of Reversion), (ii) Section 3.1 (Speculation Prohibition), and (iii) Section 3.2 (Right of First Refusal), in each case, of the Restrictive Covenants, such waiver conditioned on the Purchaser commencing site preparation work on the Property within ninety (90) days after the Closing ("Site Works Commencement Deadline"), and commencing construction of the Improvements on the Property within three hundred sixty-five (365) days after the Closing ("Construction Commencement Deadline"), and, such construction is pursued to substantial completion (as determined by the Purchaser in its sole discretion) within thirty-six (36) months after the Construction Commencement Deadline, using commercially reasonable efforts; it being understood and agreed that each of the Site Works Commencement Deadline and Construction Commencement Deadline (x) may be extended with the Sellers' consent, which consent not to be unreasonably withheld, conditioned (including for no additional consideration) or delayed and (y) shall be automatically extended in connection with an event of Force Majeure, with no further action by Sellers. This Section shall expressly survive Closing and the delivery of the Deed.

(b) Sellers further agree that, pursuant to Section 2.3 (Subordination) of the Restrictive Covenants, they will subordinate, in form and substance reasonably acceptable to Purchaser and Purchaser Financing Parties (and to be negotiated in good faith during the Feasibility Period as such may be extended), any applicable rights of Sellers under the Restrictive Covenants, including but not limited to Section 2.1 (Right of Reversion) and Section 3.1 (Speculation Prohibition) of the Restrictive Covenants to the rights of the Purchaser Financing Parties.

(c) At the Closing, Purchaser shall grant to the Sellers (or the IDB, as defined below) a right of first refusal ("ROFR") (the form of which to be negotiated in good faith during the Feasibility Period as such may be extended), in lieu of Section 3.2 (Right of Refusal) in the Restrictive Covenants pursuant to which Purchaser shall agree not to sell the Property to an unaffiliated third party if at least Phase 1 of the improvements thereto (as defined below) have not been completed in accordance with Section 5.1(a), without giving Sellers (or the IDB) written notice of the terms of such sale and the right to purchase the Property from Purchaser on the same terms. Such ROFR shall be set forth in a recordable document in form and substance reasonably

acceptable to Sellers (or the IDB), Purchaser and Purchaser Financing Parties, executed by Purchaser and to be recorded in the ROHC. Sellers agree that they will subordinate their rights and interests under the ROFR to the rights and interests of the Purchaser Financing Parties. Sellers further agree that a foreclosure by the Purchaser Financing Parties shall not constitute a violation of the ROFR described in this Agreement or any of the Restrictive Covenants. Sellers also agree to timely enter into any documents, instruments or other agreements to effectuate or evidence the waivers and subordination set forth in this Section 5 as may be reasonably requested by Purchaser Financing Parties.

6. Purchaser's Feasibility Period. Purchaser shall have until the expiration of the Feasibility Period to examine the Property and all matters relating thereto. If such day falls on a weekend or holiday, then the Feasibility Period will expire on the next-following business day. The matters included in the examination of the Property shall be, without limitation, the status of title and survey as described in Section 7 and the determination by Purchaser in its sole discretion that (i) the Property is suitable for Purchaser's intended use, including without limitation, assessment of title, surveying, platting, preparation of the Site Plan, environment and wetlands analysis, tree surveys, soil borings, site engineering and access; and (ii) the financing and capital resources that Purchaser intends to use to acquire, develop and operate the Property is satisfactory and acceptable to Purchaser in all respects. Sellers will reasonably cooperate with Purchaser in making its examination and timely will furnish to Purchaser any materials relating to the Property which are known by Sellers to be in their possession. Notwithstanding the foregoing, the Initial Feasibility Period shall automatically extend by one (1) day for each day beyond the stated Initial Feasibility Period for each day that the United States Department of the Army, its agents, contractors, and assigns, are delayed in the Remediation (as defined in Section 8(b) below) and Sellers are delayed in the Clearing and Grading (as defined in Section 10(h) below) beyond the Initial Feasibility Period (the "Automatic Extension"), and, in addition to the Automatic Extension, if any, Purchaser will have one (1) option at its sole discretion to extend the Feasibility Period by one hundred fifty (150) days (the "Feasibility Period Extension"). To exercise the Feasibility Period Extension, Purchaser shall provide written notice to Seller prior to the then expiration of the Feasibility Period and deposit the sum of Fifty Thousand and No/100 Dollars (\$50,000) of additional Earnest Money with Escrow Agent (the "Additional Earnest Money") within three (3) business days of such notice. For avoidance of doubt, no Additional Earnest Money will be due in the event of an Automatic Extension. The Additional Earnest Money will be credited to the Purchase Price at Closing. Purchaser shall notify Sellers in writing prior to the expiration of the Initial Feasibility Period, Automatic Extension, or the Feasibility Period Extension, if applicable, as to whether Purchaser elects to proceed to the Closing of the Property or terminate this Agreement as to the Property, which Purchaser may elect to do in its sole discretion. If Purchaser fails to provide such notice prior to the expiration of the Initial Feasibility Period, Automatic Extension, or the Feasibility Period Extension, if applicable, then this Agreement shall automatically remain in full force and effect. If this Agreement is terminated pursuant to this Section 6 as to the Property, Purchaser shall recover the Earnest Money, together with all interest accrued thereon, less \$50 paid to each Seller as independent consideration for this Agreement. If Purchaser does not terminate this Agreement as to the Property prior to the expiration of the Feasibility Period, Automatic Extension, or the Feasibility Period Extension, if applicable, then the Earnest Money shall be nonrefundable except as set forth herein.

During the Feasibility Period, Automatic Extension, and the Feasibility Period Extension, if applicable, Sellers will use reasonable efforts to assist Purchaser with respect to (i) developing strategies and solutions to mitigate wetlands and other environmental issues which may be adversely affected by the construction of the Improvements; and (ii) a waiver of the requirement of a pre-development tree survey of the Property under Section 8.1(d) of the Restrictive Covenants.

By notice to Sellers, Purchaser will have the unilateral right, at its sole discretion to reduce the term of the Feasibility Period, Automatic Extension, and/or the Feasibility Period Extension.

7. Title and Survey Review.

(a) Promptly after the Effective Date, Purchaser shall cause title to the Property to be examined by the Title Company and shall request that the Title Company issue a commitment for an ALTA owner's policy of title insurance, a copy of which will be furnished to Sellers (the "Title Commitment").

(b) Within thirty (30) days after the Effective Date, Sellers shall, at Sellers' expense, obtain from Barge Design Solutions, Inc., a final ALTA/ACSM boundary and topographical survey of the Property prepared in conformance with Purchaser's and Title Company's reasonable survey requirements (the "Survey").

(c) If (i) the Title Commitment indicates: (A) that Sellers do not have marketable, indefeasible title to the Property in fee simple, or (B) the Property is subject to any defects, liens, encumbrances, encroachments, easements, rights-of-way, covenants, reservations, or restrictions which are not reasonably acceptable to Purchaser other than the Restrictive Covenants and Quitclaim Deed; or if (ii) the Survey (x) is for good cause not acceptable to the Title Company, or (y) shows the boundaries or acreage of the Property are insufficient for the Approved Use and the Improvements, or (z) shows easements, encroachments or other adverse conditions which are not reasonably acceptable to Purchaser; then Purchaser shall, within ten (10) business days after its receipt of the latter of the Title Commitment or the Survey but prior to the expiration of the Feasibility Period (including any extension thereof), give Sellers written notice thereof (the "Objection Notice"). The matters that are set forth in the Objection Notice are hereinafter referred to as "Title Objections".

(d) Sellers shall notify Purchaser within ten (10) business days of receipt of the Objection Notice of its intended action in regard to satisfying or remedying the Title Objections. If Sellers elect to satisfy or remedy the Title Objections, but have not notified Purchaser in writing within such ten (10) business days of its intent to satisfy or remedy all Title Objections, or if Sellers elect not to satisfy or remedy the Title Objections, then Purchaser may, by written notice within ten (10) business days after the expiration of said ten (10) business day period, either (i) terminate this Agreement as to the Property; or (ii) elect to waive its objection to any uncured Title Objections and to proceed to close the purchase of the Property without reduction in the Purchase Price. The Closing may, if necessary, and only by written consent of both Purchaser and Sellers, be adjourned for such time period as is necessary to accommodate the notice periods set forth in this Section 7. Any exceptions shown on the Title Commitment or the Survey to which Purchaser does not object

as herein provided, and any exceptions to which Purchaser waives its objections by written notice, shall be deemed approved by Purchaser and shall be “Permitted Exceptions”.

8. Purchaser’s Access to the Property.

(a) Purchaser, its agents, engineers, surveyors and other representatives (including potential Purchaser Financing Parties) shall have the right, during the term of this Agreement, to enter upon the Property to inspect, examine, survey the Property, conduct engineering, geophysical, and/or environmental and wetlands assessments and tests of the Property, and otherwise to do that which, in the opinion of Purchaser, is necessary to determine the boundaries and acreage of the Property, the suitability of the Property for the Approved Use, and the physical condition of the Property, all in accordance with Section 10 below. Subject to the provisions of Section 8(b), such evaluations may include but are not limited to, soil sampling, soil borings, vapor sampling, groundwater sampling, including drilling, installing, maintaining, operating and removing groundwater monitoring wells. Purchaser agrees to indemnify and hold Sellers harmless from and against any damage to persons or property, costs (including attorneys’ fees), liabilities, claims, damages or suits arising directly from Purchaser’s inspection and testing of the Property, which indemnity shall survive Closing and delivery of the Deed or the termination of this Agreement. Additionally, prior to accessing the Property, Purchaser shall obtain commercial liability insurance in an amount not less than One Million and No/100 Dollars (\$1,000,000) listing Sellers as additional insureds and shall provide a Certificate of Insurance evidencing the same to Sellers.

(b) Three areas of the Property as shown on Exhibit “C” and more particularly described on Exhibit “C-1”, attached to and made a part of this Agreement (the “Remediation Areas”), have been found to be impacted by foundry sand that was not due to the actions of Sellers upon the Property. GSA on behalf of the United States Department of the Army has awarded a contract for the remediation of the foundry sand to a third party vendor. Purchaser acknowledges and agrees that the Remediation Areas have been excluded from the CERCLA Warranty described in Section 1(l) above and that Purchaser may not access, test or disturb the Remediation Areas, pursuant to the Quitclaim Deed, until the remediation is complete, as determined by GSA and to be evidenced by an additional CERCLA Warranty Amendment to Quitclaim Deeds to be recorded in the ROHC (the “Additional Quitclaim Deed”) providing CERCLA warranties to the Remediation Areas (the “Remediation”). Sellers agree to put forth their best efforts to cause GSA to execute, deliver and record such Additional Quitclaim Deed and to have the CERCLA warranties therein and in the Quitclaim Deed to extend to Sellers “and their successors or assigns” as soon as possible after the completion of such work on the Remediation Areas. If such “successors and assigns” are not included in the Additional Quitclaim Deed, Sellers shall execute and deliver at Closing an agreement to enforce the CERCLA warranties in the Quitclaim Deed and Additional Quitclaim Deed on behalf of Purchaser (a “CERCLA Enforcement Agreement”) in form and substance reasonably satisfactory to Purchaser and at Purchaser’s cost. Purchaser acknowledges and agrees that certain restrictions set forth in the Quitclaim Deed remain enforceable after Closing, will not be discharged by the Additional Quitclaim Deed, and are required to be incorporated into the Deed.

9. NO REPRESENTATIONS AND WARRANTIES/RELEASE.

(a) BY ENTERING INTO THIS AGREEMENT, PURCHASER REPRESENTS AND WARRANTS THAT IT HAS PERFORMED (AND PURCHASER REPRESENTS AND WARRANTS TO SELLERS THAT PURCHASER IS CAPABLE OF PERFORMING) AN INDEPENDENT INVESTIGATION, ANALYSIS AND EVALUATION OF THE PROPERTY. PRIOR TO THE EXPIRATION OF THE FEASIBILITY PERIOD (AS MAY BE EXTENDED PURSUANT TO THIS AGREEMENT), PURCHASER SHALL DETERMINE, SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, THAT THE PROPERTY IS ACCEPTABLE TO PURCHASER. PRIOR TO THE EXPIRATION OF THE FEASIBILITY PERIOD (INCLUDING ANY EXTENSION THEREOF), PURCHASER SHALL CONDUCT ITS OWN THOROUGH AND INDEPENDENT INSPECTION, INVESTIGATION, ANALYSIS AND EVALUATION OF ALL INSTRUMENTS, RECORDS AND DOCUMENTS WHICH PURCHASER DETERMINES TO BE APPROPRIATE OR ADVISABLE TO REVIEW IN CONNECTION WITH PURCHASER'S ACQUISITION OF THE PROPERTY AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(b) PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT PURCHASER HAS SUBSTANTIAL EXPERIENCE WITH REAL PROPERTY AND ITS OPERATIONS, AND THAT PURCHASER WILL ACQUIRE THE PROPERTY IN "AS IS, WHERE IS, WITH ALL FAULTS" CONDITION, AND SOLELY IN RELIANCE ON PURCHASER'S OWN INSPECTION AND EXAMINATION AND SELLERS' REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED HEREIN, IF ANY.

(c) EXCEPT AS TO THOSE REPRESENTATIONS, WARRANTIES AND CONDITIONS EXPRESSLY SET FORTH IN THIS AGREEMENT, IF ANY, AND THE CONVEYANCE DOCUMENTS, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT SELLERS MAKE NO REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND, NATURE OR SORT, EXPRESS OR IMPLIED, WITH RESPECT TO THE PHYSICAL CONDITION, PAST, PRESENT OR FUTURE OPERATION AND/OR PERFORMANCE, OR VALUE, OF THE PROPERTY AND THAT SELLERS CONVEY THE PROPERTY TO PURCHASER "AS IS AND WHERE IS, WITH ALL FAULTS," AND PURCHASER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN AND THE CONVEYANCE DOCUMENTS, SELLERS MAKE NO REPRESENTATIONS, GUARANTIES OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE QUALITY, CHARACTER, EXTENT, PERFORMANCE, CONDITION OR SUITABILITY OF THE PROPERTY FOR ANY PURPOSE.

(d) PURCHASER'S INSPECTION, INVESTIGATION AND SURVEY OF THE PROPERTY SHALL BE IN LIEU OF ANY NOTICE OR DISCLOSURE REQUIRED BY ANY APPLICABLE HEALTH AND SAFETY CODE, OR BY ANY OTHER PROVISION OF APPLICABLE LAW, RULE OR REGULATION, INCLUDING LAWS REQUIRING DISCLOSURE BY SELLERS OF FLOOD, FIRE, MOLD, SEISMIC HAZARDS, LEAD PAINT, LANDSLIDE AND LIQUEFACTION, OTHER GEOLOGICAL HAZARDS, RAILROAD AND OTHER UTILITY ACCESS, SOIL CONDITIONS AND OTHER CONDITIONS WHICH MAY AFFECT THE USE OF THE PROPERTY, AND PURCHASER HEREBY WAIVES ANY REQUIREMENT FOR A NOTICE PURSUANT TO THOSE PROVISIONS AND HEREBY

ACKNOWLEDGES AND AGREES THAT IT WILL CONDUCT ITS OWN INSPECTIONS AND REVIEWS WITH RESPECT TO ALL MATTERS COVERED THEREBY, AND, EXCEPT WITH RESPECT TO FRAUD, HEREBY RELEASES SELLER FROM LIABILITY IN CONNECTION WITH ANY SUCH MATTERS.

(e) FURTHERMORE, EXCEPT AS TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE CONVEYANCE DOCUMENTS, AND TO THE EXTENT ASSIGNABLE, THE CERCLA WARRANTIES IN THE QUITCLAIM DEED AND THE ADDITIONAL QUITCLAIM DEED, PURCHASER ACKNOWLEDGES THAT SELLERS MAKE NO, AND HAVE MADE NO, REPRESENTATIONS OR WARRANTIES IN CONNECTION WITH THE PRESENCE OR INTEGRATION OF HAZARDOUS MATERIALS UPON OR WITHIN THE PROPERTY. IN THAT REGARD, PURCHASER HAS, PRIOR TO CLOSING, CONDUCTED ITS OWN INVESTIGATIONS TO DETERMINE IF THE PROPERTY CONTAINS ANY HAZARDOUS MATERIALS OR TOXIC WASTE, MATERIALS, DISCHARGE, DUMPING OR CONTAMINATION, WHETHER SOIL, GROUNDWATER OR OTHERWISE, WHICH VIOLATES ANY FEDERAL, STATE, LOCAL OR OTHER GOVERNMENTAL LAW, REGULATION OR ORDER OR REQUIRES REPORTING TO ANY GOVERNMENTAL AUTHORITY. EXCEPT AS TO THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE CONVEYANCE DOCUMENTS AND EXCEPT WITH RESPECT TO FRAUD, PURCHASER, FOR ITSELF AND ITS OWNERS, SUCCESSORS AND ASSIGNS, HEREBY RELEASES AND FOREVER DISCHARGES SELLERS, AND SELLERS' PAST, PRESENT AND FUTURE MEMBERS, PARTNERS, AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ASSIGNS, AND SUCCESSORS-IN-INTEREST, FROM ALL PAST, PRESENT AND FUTURE CLAIMS, DEMANDS, OBLIGATIONS, LOSSES AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER, WHETHER NOW KNOWN OR UNKNOWN, DIRECT OR INDIRECT, FORESEEN OR UNFORESEEN, SUSPECTED OR UNSUSPECTED, WHICH ARE BASED UPON OR ARISE OUT OF OR IN CONNECTION WITH THE CONDITION OF THE PROPERTY AND, WITH RESPECT TO THE PRESENCE OF ANY HAZARDOUS MATERIALS, ANY ENVIRONMENTAL DAMAGES OR ENVIRONMENTAL REQUIREMENTS, INCLUDING THE PHYSICAL, STRUCTURAL, GEOLOGICAL, MECHANICAL AND ENVIRONMENTAL (SURFACE AND SUBSURFACE) CONDITION OF THE PROPERTY (INCLUDING THE IMPROVEMENTS THEREON) OR ANY LAW OR REGULATION RELATING TO HAZARDOUS MATERIALS. WITHOUT LIMITING THE FOREGOING, THIS RELEASE SPECIFICALLY APPLIES TO ALL LOSSES AND CLAIMS ARISING UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT OF 1986, (42 U.S.C. SECTIONS 9601 ET SEQ.), THE RESOURCES CONSERVATION AND RECOVERY ACT OF 1976, (42 U.S.C. SECTIONS 6901 ET SEQ.), THE CLEAN WATER ACT, (33 U.S.C. SECTIONS 466 ET SEQ.), THE SAFE DRINKING WATER ACT, (14 U.S.C. SECTION 1401-1450), THE HAZARDOUS MATERIALS TRANSPORTATION ACT, (49 U.S.C. SECTIONS 1801 ET SEQ.), THE TOXIC SUBSTANCE CONTROL ACT, (15 U.S.C. SECTIONS 2601-2629), AND ANY OTHER FEDERAL, STATE OR LOCAL LAW OF SIMILAR EFFECT, AS WELL AS ANY AND ALL COMMON LAW CLAIMS.



BY INITIALING THIS CLAUSE BELOW, PURCHASER ACKNOWLEDGES THAT THIS SECTION HAS BEEN READ AND FULLY UNDERSTOOD, AND THAT PURCHASER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE.

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PURCHASER'S SIGNATURE

10. Conditions Precedent. The Purchaser's obligation to close under this Agreement shall be conditioned on the satisfaction and fulfillment of the following conditions precedent ("Conditions Precedent"), on or prior to the respective dates set forth hereinafter:

(a) Investigations. Except as may be otherwise expressly provided in this Agreement, Purchaser acknowledges that Sellers are conveying the Property to Purchaser in an "AS IS" condition, and Purchaser shall rely upon its own inspection and investigation in determining whether to proceed with this transaction. During the Feasibility Period (including any extension thereof), Purchaser, and Purchaser's agents, subject to the provisions of Section 8, will have the right to enter onto the Property and to have the Property inspected, surveyed, evaluated, analyzed, tested, appraised and assessed for any matter whatsoever, at Purchaser's sole cost and expense, including but not limited to (i) soil conditions on the Property; (ii) the location of flood plains on the Property; (iii) the presence of wetlands, including any required mitigation; (iv) the presence of environmental contamination on the Property; (v) health and safety conditions; (vi) access to existing and contemplated utilities; (vii) signage; (viii) zoning and compliance with other laws, codes and ordinances; (ix) suitability for the Approved Use; and (x) any other matter germane to Purchaser's interest in the Property and/or the operation thereof. The foregoing shall include the right of Purchaser, at its expense, to conduct such environmental site evaluations of the Property as Purchaser deems appropriate, including but not limited to, Phase I and (subject to the provisions of this Section 10(a)), Phase II environmental site assessments and baseline environmental assessments (collectively, the "Site Investigation Evaluations"). Copies of all reports for the Site Investigation Evaluations, when and if completed, will be delivered to Sellers prior to the expiration of the Feasibility Period (including any extension thereof), and if Purchaser terminates this Agreement, the originals of such reports will be delivered to Sellers upon request. Any inspections and testing under this Section 10 shall be performed by companies selected by Purchaser. If any of the investigations are not satisfactory to Purchaser, for any reason whatsoever, then Purchaser shall have the right to terminate this Agreement in accordance with Section 6 above. Purchaser will not conduct any drilling or other invasive or structural testing, including a Phase II environmental assessment, without representative(s) of Sellers having the opportunity to be present, and Purchaser shall give Sellers reasonable advance notice thereof, and without the written consent of Sellers, which consent will not be unreasonably withheld, conditioned, or delayed. Purchaser will be responsible for promptly repairing any damage to the Property that is caused by Purchaser, its employees, agents, or contractors.

(b) Property Reports. Within three (3) business days after the Effective Date, Sellers shall deliver to Purchaser all of the items listed on the attached Exhibit "D" (collectively, the "Property Reports"), to the extent in Sellers' possession. Sellers agree to cooperate with Purchaser to have the Property Reports updated, renewed or certified to Purchaser, at Purchaser's

cost, if so desired by Purchaser. If any of the information disclosed in the Property Reports is not satisfactory to Purchaser, for any reason whatsoever, then Purchaser shall have the right to terminate this Agreement in accordance with Section 6 above. If this Agreement is terminated for any reason other than Sellers' default, Purchaser promptly will return the Property Reports to Sellers.

(c) Utilities. To the extent water, sanitary and storm sewer, electric, natural gas, internet and telephone lines and other utilities are not available at the boundary of the Property or in the right-of-way or access drive adjacent to the Property, Sellers, at their sole cost and expense and during the Feasibility Period (including any extension thereof), shall extend such utilities to the boundary of the Property in locations reasonably acceptable to Purchaser. If not currently available, Sellers shall be responsible for the installation of lines to connect the foregoing utilities in accordance with applicable utility company and governmental requirements and shall pay the cost thereof. To the extent necessary, Sellers will provide Purchaser with all necessary construction and permanent easements for such utilities without charge in order for Purchaser to install and maintain such easements.

(d) Brownfield Voluntary Cleanup Oversight and Assistance Program. During the Feasibility Period (including any extension thereof), Sellers will cause the execution of a Brownfield Voluntary Cleanup Oversight and Assistance Agreement ("Brownfield Agreement") by and among Purchaser, the IDB, and the Tennessee Department of Environment and Conservation ("TDEC") in form and substance reasonably acceptable to Purchaser, and the approval by TDEC of Purchaser's soil management plan for the construction and development of the Property. Purchaser acknowledges and agrees that the Property may be subject to Land Use Restrictions, if required by TDEC, to be recorded at or before Closing. The form of the Land Use Restrictions, if required, will also be reasonably acceptable to Purchaser.

(e) CERCLA Warranty. During the Feasibility Period (including any extension thereof), GSA shall have executed and delivered the Additional Quitclaim Deed described in Section 8(b) above in form reasonably acceptable to Purchaser.

(f) Governmental Incentives. During the Feasibility Period (including any extension thereof), Purchaser will apply for, attempt to obtain or seek new or existing governmental incentives, tax abatements, grants, incentives, benefits, entitlements, approvals or permits related to the Approved Use of the Property, or which Purchaser otherwise deems necessary or desirable, in Purchaser's sole discretion, in order to utilize the Property for the Approved Use (collectively, "Governmental Incentives"), including without limitation, the PILOT described in Section 12 below. Purchaser's obligations to close under this Agreement shall be expressly contingent on Purchaser's receipt of all such Governmental Incentives, including, but not limited to, the PILOT and other incentives from the City of Chattanooga and Hamilton County, and the Tennessee Valley Authority ("TVA"), all on terms satisfactory to Purchaser in its sole discretion. Sellers agree that, during the term of this Agreement, Sellers will reasonably cooperate with (and will not oppose), any applications that Purchaser, at its sole expense, desires to submit to any governmental authorities in connection with obtaining any such Governmental Incentives or information in furtherance of the Approved Use. If, at any time prior to the expiration of the Feasibility Period (including any extension thereof), Purchaser determines that it cannot obtain the Governmental

Incentives on terms and conditions acceptable to Purchaser, in Purchaser's sole discretion, then Purchaser shall have the right to terminate this Agreement in accordance with Section 6 above.

(g) Governmental Approvals. Purchaser's receipt during the Feasibility Period (including any extension thereof) of all governmental, zoning, architectural, design, and building code approvals and permits necessary or desirable for Purchaser's operation of the Property for the Approved Use, including, but not limited to, special use permits, demolition permits, stormwater and site preparation permits, construction emissions air permits, site plan approval, and land disturbance permits (collectively, "Governmental Approvals"). Such Governmental Approvals shall include, but are not limited to, site plan, zoning, special use and any other approvals desired by Purchaser of the Property by governmental bodies or agencies that have jurisdiction over or otherwise govern the Property. Sellers agree that, during the term of this Agreement, Sellers reasonably will sign and support (and will not oppose) any applications that Purchaser desires to submit to any governmental authorities in connection with obtaining any such Governmental Approvals or information in furtherance of Purchaser's intended use and development of the Property. Purchaser shall use reasonable commercial efforts to obtain the Governmental Approvals during the term of the Agreement. If Purchaser is unable to obtain all desired Governmental Approvals for the Approved Use on terms and conditions reasonably acceptable to Purchaser, in its sole discretion, then Purchaser shall have the right to terminate this Agreement in accordance with Section 6 above.

(h) Financing. Purchaser's receipt during the Feasibility Period (including any extension thereof) of all approvals for financing from Purchaser's Financing Parties, in form and substance satisfactory to Purchaser, including assurance that funds from such financing and from any equity offering reasonably acceptable to Purchaser will be available at Closing hereunder.

(i) Sellers' Site Clearing. From and after the Effective Date, Sellers will reasonably cooperate with Purchaser to establish a plan for Sellers' completion, at their expense, of tree, brush and vegetation clearing and grubbing, and preliminary grading work and removal of the buildings, structures and other improvements currently or previously located thereon (collectively "Clearing and Grading"). The scope of work included in the Clearing and Grading, including work previously performed, generally is described on Exhibit "E", but Seller's cost for such Clearing and Grading shall not exceed a total of \$7,000,000. The contractor selected by Sellers and the contract under which the Clearing and Grading is to be completed shall be approved by Purchaser, such approval not to be unreasonably withheld, conditioned or delayed. Sellers will complete the Clearing and Grading no later than the expiration of the Feasibility Period as may be extended, absent a Force Majeure event.

(j) Off-Site Improvements. Purchaser's receipt during the Feasibility Period (including any extension thereof) of written assurances and/or commitments which are acceptable to Purchaser and Purchaser Financing Parties in their sole discretion, with respect to the planning, implementation and payment for the following:

- (i) Confirmation that the sewer pump station, which will serve the Property is adequate to serve Purchaser's intended initial ("Phase 1") use of the Property (as generally outlined on Exhibit B attached

hereto), together with reasonable assurance that upgrades to the pump station will be timely made by the City to accommodate Purchaser's potential expansion (Phase 2) of its facilities on the Property (as generally outlined on **Exhibit B** attached hereto) provided that Purchaser provides Sellers at least 12 months' advance notice of its intent to expand;

- (ii) Improvements to the railway lines to provide access to the Property, in the location generally shown on **Exhibit B** attached hereto, to be completed by the Hamilton County Rail Authority not later than **December 31, 2027**, so that the Property is adequately served by rail for the Approved Use; and
- (iii) Improvements to Ferdinand Piech Way, a public right of way, by the Tennessee Department of Transportation and/or the Chattanooga Department of Transportation, including additional turn lanes between Highway 58 and both entrances generally as shown on **Exhibit "F"** attached hereto, and to be completed not later than **December 31, 2027**, so that the Property is adequately served for construction, passenger and freight vehicular traffic.

If any of the Conditions Precedent in subsection (c), (i) or (j) above are not satisfied prior to the expiration of the Feasibility Period (including any extension thereof) and Purchaser nevertheless agrees to proceed to Closing and then, unless waived in writing by Purchaser, Sellers will, at Closing, reaffirm their obligation(s) to satisfy such remaining Condition(s) Precedent in a written document in form and substance reasonably acceptable to Purchaser and Purchaser Financing Parties unless the Conditions Precedent have been satisfied by Closing; provided, however, that Purchaser acknowledges that any funds for the off-site improvements in subsections (j)(ii) and (j)(iii) above shall come from either the State of Tennessee or from reimbursements to Purchaser from Economic Development Payments made by Purchaser to the City or County under the PILOT Documents (as defined below.)

11. Sellers' Approvals. Sellers and Purchaser agree that prior to the expiration of the Feasibility Period (including any extension thereof), Purchaser will prepare in final form the Site Plan for the Approved Use. Upon Purchaser's finalization of the plans and specifications for the Improvements (collectively "Improvements Specs") for any portion of the Property, and prior to the commencement of construction thereon, Purchaser will obtain the written approval thereof from the Enterprise South Industrial Park Development Review Committee, which has been created pursuant to the terms of the Restrictive Covenants. Such approval will be based upon the general conformity of the Improvements Specs with the Site Plan and their suitability for the Approved Use, and which will not be unreasonably withheld, conditioned or delayed.

12. PILOT. Purchaser represents that it intends to effect the acquisition of the Property by entering into a lease with the IDB under a Payment In Lieu of Taxes arrangement ("PILOT"), subject to approval by the IDB, under which the IDB will take legal title to the Property and lease the Property to Purchaser. Copies of the PILOT Agreement and the PILOT lease between Purchaser (or its proposed assignee) and the IDB are attached hereto as **Exhibits "G"** and "**H**"

(collectively “PILOT Documents”). The Purchase Price will be paid at Closing in the form of prepaid rental under the terms of the PILOT Documents. If requested by Purchaser, such PILOT Documents shall include a subordination of the IDB’s rights and interest in the Property to the lien of any acquisition, development or permanent financing obtained by Purchaser from the Purchaser Financing Parties and IDB shall timely enter into any documents, consents, instruments and other agreements as requested by Purchaser or Purchaser Financing Parties to effectuate the same. By its execution of the Joinder attached hereto within thirty (30) days after the Effective Date, the IDB shall acknowledge this Agreement and its intention to take title to the Property and enter the PILOT Documents at Closing.

13. Expenses. The cost of preparing the Deed and the cost of a standard owner’s title policy (excluding the cost of endorsements unless required to correct existing deficiencies in title) shall be paid by Sellers, along with the cost of the Survey (as provided in Section 7(b) and Section 9(b) hereof). Purchaser shall pay for the cost of all of Purchaser’s due diligence, other than the Survey, any costs associated with Purchaser’s financing, recording of the Deed and PILOT Documents to the extent recordable, the Tennessee transfer tax, if applicable, and any title endorsements other than as set forth above. Purchaser and Sellers shall each pay their own attorneys’ fees in connection with this transaction. All other escrow fees shall be divided equally between Sellers and Purchaser.

14. Risk of Loss. The risk of loss or damage to the Property from fire, flood, windstorm or other casualty until delivery of the Deed to Purchaser or the IDB for the Property is assumed by Sellers. Risk of loss or damage to the Property upon and after delivery of the Deed to Purchaser or the IDB is assumed by Purchaser. If, before the date of Closing, any condemnation (taking by eminent domain) proceeding is or has been commenced solely with respect to the Property or any casualty results in damage to the Property or improvements thereon, Purchaser shall have the option of either terminating this Agreement or of completing the purchase contemplated herein. In the event Purchaser shall elect to terminate this Agreement, Purchaser shall be entitled to the return of all Earnest Money and all parties shall be relieved and discharged of any further liability hereunder (except as specified in Section 8). If, however, Purchaser shall elect to complete this transaction, there shall be no reduction in the Purchase Price and Purchaser shall be entitled, in the case of fire or other casualty, to receive from the insurance carrier all insurance proceeds or, in the case of condemnation, to receive the entire award for the Property or the portion thereof so taken. Sellers shall execute and deliver to Purchaser at Closing all proper instruments for the assignment and collection of such proceeds and awards.

15. Sellers’ Representations and Warranties.

- (a) Sellers represent and warrant to Purchaser that:
  - (i) Sellers have the authority to execute this Agreement and to perform their obligations hereunder. The persons executing this Agreement on behalf of Sellers are duly authorized to do so;
  - (ii) Sellers have received no written notice concerning the Property from any governmental authority stating that the Property is

currently in violation of any federal, state, county, or city statute, ordinance, code, rule, or regulation which remains uncured other than as disclosed in the Quitclaim Deed;

- (iii) There is no pending litigation affecting the Property;
- (iv) Sellers have not used the Property for the disposal or dumping of, nor, during Sellers' ownership, to Sellers' knowledge, has there been any spillage, seepage, or uncontrolled loss on, or filtration from or onto the Property of any hazardous materials (as defined under local, state, or federal law), other than as disclosed in the Quitclaim Deed; and
- (v) There are no unpaid charges or fees affecting the Property which would result in a lien on the Property or otherwise be binding upon or be charged to Purchaser after Closing.

(b) Survival of Representations and Warranties. The representations and warranties in this Section 15 will be deemed made on and as of the Effective Date and also as of the date of Closing with the same force and effect as if made at that time. The representations and warranties survive Closing for a period of one (1) year (the "Survival Period"), at which time they terminate unless there is a claim for breach thereof which has been instituted within the Survival Period.

16. Sellers' Covenants. Sellers covenant with Purchaser as follows:

- (a) Except as permitted by this Agreement, Sellers shall not encumber or permit the encumbrance of the Property with liens or encumbrances creating a cloud on title
- (b) Until Closing, Sellers will comply in all material respects with all laws, statutes, rules and regulations that are applicable to the Property.

17. Purchaser's Representations, Warranties, and Covenants.

- (a) Purchaser represents and warrants to Sellers, which representations and warranties are also deemed to be made on and as of the date of Closing:
  - (i) Purchaser is a limited liability company, validly existing and in good standing under the laws of the state of Delaware, and is, to the extent necessary, qualified to do business in the state of Tennessee;
  - (ii) Purchaser has the authority to execute this Agreement and to perform its obligations under this Agreement. The person executing this Agreement on behalf of Purchaser is duly authorized to do so;
  - (iii) There are no attachments, executions, assigns for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or

under other debtor relief laws contemplated by, pending, or threatened against Purchaser;

- (iv) Purchaser is in compliance with the requirements of Executive Order No. 133224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the “Order”) and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury (“OFAC”) and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the “Orders”); and
- (v) Purchaser (A) is not listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the “Lists”); (B) has not been determined by competent authority to be subject to the prohibitions contained in the Orders; or (C) is not owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders.

(b) Survival of Representations and Warranties. The representations and warranties in this Section 17 will be deemed made on and as of the Effective Date and also as of the date of Closing with the same force and effect as if made at that time. The representations and warranties survive Closing for the Survival Period, at which time they terminate unless there is a claim for breach thereof which has been instituted within the Survival Period.

18. Closing.

(a) If Purchaser has not terminated this Agreement by the expiration of the Feasibility Period (including any extension thereof), the Closing of the Property will occur within Sixty (60) days following such expiration of the Feasibility Period (including any extension thereof).

(b) At the Closing for the Property, Sellers shall deliver the following:

- (i) The fully executed Deed for the Property in form and content reasonably acceptable to Purchaser and the Title Company and subject to no exceptions that are not Permitted Exceptions in accordance with Section 7(d) hereof or as otherwise permitted in accordance with Section 16(a) hereof.

- (ii) A fully executed recordable waiver of Sections 2.1, 3.1 and 3.2 of the Restrictive Covenants in accordance with the terms of Section 5 hereof.
  - (iii) A fully executed subordination (to the extent provided in Section 5 hereof) of the terms of Sections 2.1, Section 3.1 and 3.2 of the Restrictive Covenants to the terms of Purchaser's construction and permanent financing, in form and content reasonably acceptable to Purchaser and the Title Company, provided, however, that if, as of the Closing, such financing is not in place, Sellers will timely deliver such subordination in connection with such financing and prior to Purchaser's commencement of vertical construction of improvements on the Property for which the subordination is requested. The covenants of this section are agreed to survive Closing for a period of the Survival Period.
  - (iv) An affidavit to the Title Company enabling it to issue its final title insurance policy without exception for mechanic's or materialmen's liens, parties in possession, or unrecorded leases.
  - (v) A fully-executed CERCLA Enforcement Agreement.
  - (vi) Instruments reasonably satisfactory to Purchaser and the Title Company reflecting the proper authority of Sellers to consummate the transactions contemplated by this Agreement.
  - (vii) An affidavit with respect to the Property, which is subject to the Closing, that (i) there is no pending condemnation or similar proceeding or other pending or threatened litigation or administrative action, and (ii) no third party has any right to occupy (other than as set forth in the Quitclaim Deed, the Additional Quitclaim Deed and the Brownfield Agreement), use or acquire the Property.
  - (viii) A closing statement setting forth the source and disposition of the Purchase Price and all other funds transferred at Closing ("Closing Statement").
  - (ix) Any other documents or instruments reasonably necessary to close the transactions under this Agreement that are subject to the Closing.
- (c) At the Closing of the Property, Purchaser shall deliver:
- (i) Payment in cash of the Purchase Price in the manner set forth in Section 11, giving credit for the Earnest Money, Additional Earnest Money, if applicable, and any allocations and prorations set forth in this Agreement.



- (ii) Executed copies of the PILOT Documents.
- (iii) Executed counterpart to the waiver in accordance with Section 5(a) hereof.
- (iv) The executed ROFR in recordable form in accordance with Section 5(c) hereof.
- (v) Counterpart to the Closing Statement;
- (vi) Any other documents or instruments reasonably necessary to close the transfer of the title to the Property.

(d) Possession and title of the Property shall pass to Purchaser or the IDB (as provided in Section 12 hereof) at the Closing of the Property.

(e) Either party may elect to close by overnight courier or hand delivery of all documents required to effect the Closing, through the Title Company.

19. Default.

(a) In the event that Purchaser defaults under the terms of this Agreement prior to Closing and Sellers have not defaulted, Sellers shall be entitled to receive the Earnest Money, any Additional Earnest Money, and any interest earned thereon, as agreed upon liquidated damages, and the parties shall be relieved from any further liability hereunder except under the provisions of Section 8. Purchaser and Sellers specifically acknowledge and agree that the damage to Sellers from Purchaser's breach hereunder would be difficult or impossible to accurately determine, that the Earnest Money (if previously paid to Escrow Agent), and interest earned thereon is a reasonable estimate of Sellers' damages, and that the retention by Sellers of the Earnest Money, any Additional Earnest Money and interest earned thereon does not constitute a penalty. The Sellers waive the right to assert the defense of lack of mutuality in any action for specific performance instituted by the Purchaser.

(b) In the event Sellers default under the terms of this Agreement prior to Closing and Purchaser has not defaulted, Purchaser shall be entitled, at Purchaser's option:

- (i) to compel Sellers to convey the Property by a suit for specific performance and to recover all costs incidental to such suit; or
- (ii) to declare this Agreement terminated as to the Property. Upon any such declaration, Purchaser shall be entitled to receive the Earnest Money, any Additional Earnest Money, and interest earned thereon, if any, and any out-of-pocket expenses paid for Purchaser's third-party contractors, consultants, and engineers, (not to exceed \$100,000.00) and the parties shall thereafter be relieved from any further liability hereunder.

(c) In the event of default, the non-defaulting party shall have the right to recover from the defaulting party all costs and expenses incurred in enforcing this Agreement, including reasonable attorney's fees.

20. Broker. Purchaser and Sellers represent and warrant to each other that they have not dealt with any broker, consultant, finder, or like agent who might be entitled to any compensation in connection with the sale of the Property to Purchaser. No broker has authority to bind either party to this Agreement. Sellers and Purchaser do each hereby indemnify and agree to hold one another harmless from and against any and all causes, claims, demands, losses, liabilities, commissions, settlements, judgments, damages, expenses and fees (including reasonable attorneys' fees and court costs) in connection with any claim for commissions, fees, compensation or other charges relating in any way to this transaction, or the consummation thereof, which may be made by any person, firm or entity as a result of any of Sellers' or Purchaser's acts or the acts of Sellers' or Purchaser's representatives.

21. Assignment. Purchaser may assign this Agreement and any rights hereunder only to an affiliate of Purchaser and may collaterally assign this Agreement to a Purchaser Financing Party. Purchaser shall remain liable for all obligations hereunder. Purchaser also may assign this Agreement on a non-recourse basis to the IDB in order to facilitate Purchaser's utilization of certain of the Governmental Incentives.

22. Notices. Any notice required or permitted to be given to a party under this Agreement, shall be in writing and shall be deemed given: (i) on the day it is delivered personally (with receipt); or (ii) the day after it is deposited with a nationally-recognized courier service for next day delivery; or (iii) three (3) days after it is deposited in the U.S. certified mail, postage prepaid, return receipt requested, addressed as follows:

To Purchaser:                      Novonix Enterprise South LLC  
   353 Corporate Place  
   Chattanooga, TN 37419  
   Attention: Darcy MacDougald, Rashda M. Buttar and Tricia Smith  
   Email: darcy@novonixgroup.com  
                        rashda@novonixgroup.com  
                        tricia.smith@novonixgroup.com

With a copy to:                      Miller & Martin PLLC  
   Attention: James M. Haley IV and Mark Smith  
   Suite 1200 Volunteer Building  
   832 Georgia Avenue  
   Chattanooga, TN 37402  
   Email: james.haley@millermartin.com  
                        mark.smith@millermartin.com

To Sellers: Hamilton County, Tennessee  
c/o Lynn Mansfield, Real Property Manager  
Hamilton County Real Property Office  
4005 Cromwell Road  
Chattanooga, TN 37421  
Email: lynnm@hamiltontn.gov

City of Chattanooga  
c/o ECD Real Property  
101 E. 11<sup>th</sup> Street, Suite G-18  
Chattanooga, TN 37402  
Email: ghart@chattanooga.gov  
and: jfreeman@chattanooga.gov

With a copy to: Rheubin M. Taylor, Esq.  
Hamilton County Attorney  
204 Hamilton County Courthouse  
625 Georgia Avenue  
Chattanooga, TN 37402  
Email: rmtaylor@mail.hamiltontn.gov

Office of the City Attorney  
100 E. 11th Street, Suite 200  
Chattanooga, TN 37402  
Email: vmalueg@chattanooga.gov

Either party may, from time to time, change its address by written notice to the other party at its then current address.

23. Escrow Agent.

(a) The Earnest Money shall be held by the Escrow Agent until Closing or sooner termination of this Agreement, and Escrow Agent shall pay over the interest or income earned thereon, if any, to the party entitled to the Earnest Money, and the party receiving such interest or income shall pay any income taxes due thereon. In the event Closing shall occur in accordance with the provisions of this Agreement, then, Sellers and Purchaser shall deliver to Escrow Agent written instructions directing Escrow Agent to deliver the Earnest Money to Sellers in accordance with the signed Settlement Statement.

(b) If for any reason Closing does not occur pursuant to the provisions of this Agreement, and either party makes a written demand upon Escrow Agent, by registered or certified mail (return receipt optional), or overnight mail carrier, for the payment of the Earnest Money and any other sums previously paid to Escrow Agent, then Escrow Agent shall give written notice in accordance with the provisions hereof to the other party of the receipt of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment of the Earnest Money and any other sums previously paid to Escrow Agent pursuant to the aforesaid

demand within ten (10) days after the delivery of such notice by Escrow Agent, Escrow Agent is hereby authorized to make such payment in accordance with the aforesaid demand.

(c) If Escrow Agent receives written objection from the other party to the proposed payment of the Earnest Money and any other sums previously paid to Escrow Agent pursuant to the aforesaid demand within such ten (10) day period, or if for any other reason Escrow Agent in good faith shall elect not to make such payment, Escrow Agent shall continue to hold the Earnest Money and any other sums previously paid to Escrow Agent until otherwise directed by written instructions from Sellers and Purchaser or a final judgment of a court of competent jurisdiction. Escrow Agent shall have the right at any time to deposit the Earnest Money and any other sums previously paid to Escrow Agent with the clerk of any court of competent jurisdiction in Hamilton County, Tennessee, and Escrow Agent shall give written notice of such deposit to the Sellers and the Purchaser, and upon such deposit being made, Escrow Agent shall be discharged from all obligations and responsibilities hereunder.

(d) The parties acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that Escrow Agent may act upon any writing believed by it in good faith to be genuine and to be signed and presented by the proper person and the Escrow Agent shall not be deemed to be the agent of either of the parties, and that Escrow Agent shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this Agreement or involving gross negligence.

(e) Escrow Agent shall have no duties or responsibilities except as set forth herein. Escrow Agent shall not be bound by any modification of the Agreement unless the same is in writing and signed by the Purchaser and Sellers and if Escrow Agent's duties hereunder are affected, unless Escrow Agent shall have given prior written consent thereto. The Sellers and Purchaser hereby jointly and severally indemnify and hold the Escrow Agent harmless from and against all costs, claims and expenses (including reasonable attorney's fees) incurred in connection with the performance by the Escrow Agent of its duties in accordance with the provisions of this section of this Agreement.

24. Force Majeure. If Purchaser is delayed or hindered in or prevented from the performance of its obligations by Force Majeure, then the time periods for Purchaser's performance hereunder will be extended for a period equivalent to the period of such delay. Financial inability to perform will not be deemed to be a cause beyond the control of Purchaser.

25. Survival. The terms and provisions of this Agreement will survive the Closing and remain in full force and effect until they expire in accordance with their terms.

26. Miscellaneous.

(a) Entire Agreement; Amendment. This Agreement constitutes the entire agreement between Sellers and Purchaser, and no change in or supplement to this Agreement may be made except by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(b) Binding Effect. The covenants and agreements contained in this Agreement shall be binding upon and inure to the benefit of Sellers and Purchaser and their respective successors and assigns.

(c) Construction. This Agreement shall be construed without reference to the titles of the various paragraph headings herein contained, which are inserted for convenience of reference only. Both Sellers and Purchaser have had the opportunity to be represented by legal counsel in negotiating this Agreement, thus this Agreement shall be construed without inference of drafting by either Sellers or Purchaser.

(d) Counterparts. This Agreement may be executed in any number of counterparts, any one or all of which shall constitute the agreement of the parties.

(e) Time is of the Essence. Time is of the essence of this Agreement and each provision hereof. Any reference to a number of “days” herein shall be a reference to “calendar days” unless an express reference in said provision is made to “business days”. For the purposes hereof, “business day” means any day other than a Saturday or Sunday, or other day on which commercial banks are authorized or required to close under the laws of the state of Tennessee. If the date on which either Purchaser or Sellers is required to take action under this Agreement is not a business day (as defined herein), the action shall be taken on the next succeeding business day.

(f) Partial Invalidity; Waiver. If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible the remainder of this Agreement shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision of this Agreement shall be deemed not to be a waiver of such party’s right to enforce against the other party the same or any other such term or provision.

(g) Governing Law. This Agreement will be interpreted under and governed and enforced according to the laws of Tennessee which are applicable to contracts executed wholly within that state.

(h) Confidential Information. Sellers and Purchaser will coordinate any and all announcements regarding the Closing to the extent allowed by Tennessee law.

**[SIGNATURES ON FOLLOWING PAGE]**

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

**PURCHASER:**

**NOVONIX ENTERPRISE SOUTH LLC**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[Signature Pages Continue]*

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

**SELLER:**

**HAMILTON COUNTY, TENNESSEE, a  
political subdivision of the state of Tennessee**

By: \_\_\_\_\_  
Weston Wamp, County Mayor

*[Signature Pages Continue]*

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

**SELLER:**

**CITY OF CHATTANOOGA, TENNESSEE**

By: \_\_\_\_\_  
Tim Kelly, Mayor

*[Signature Pages Continue]*



The undersigned has signed this Agreement to acknowledge its receipt of the Earnest Money and its agreement to hold and disburse the Earnest Money in accordance with the terms of this Agreement.

**JONES TITLE COMPANY, LLC**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**JOINDER**

The undersigned hereby acknowledges the Agreement and its intention to comply with the actions required of it under Section 10(d) – Brownfield Agreement, and Section 12 – taking title and entering the PILOT Documents; provided that such actions do not impose any liability or cost to the IDB or any of its officers or agents.

**Industrial Development Board of the City of Chattanooga**

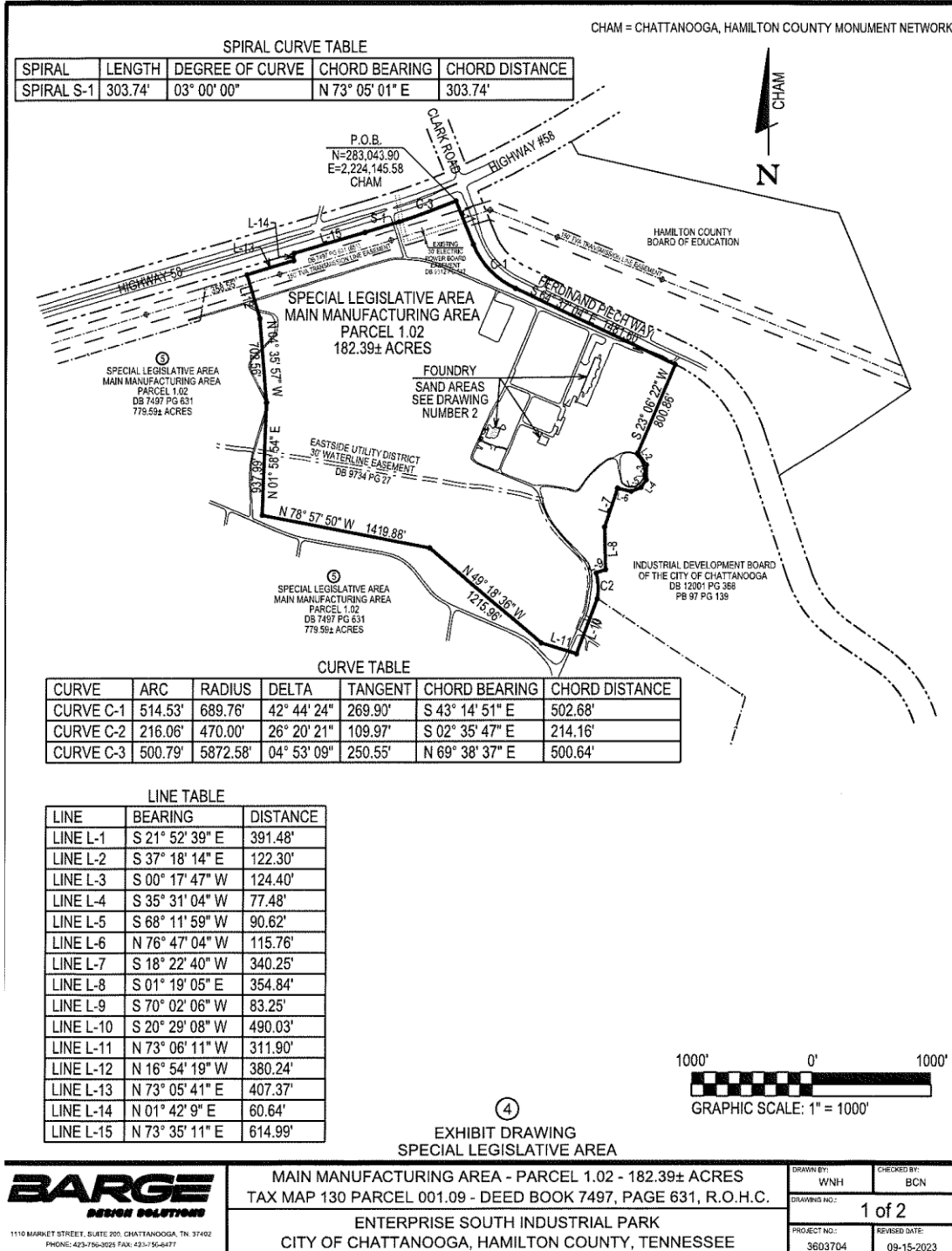
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

## **EXHIBITS TO REAL ESTATE PURCHASE AGREEMENT**

The photographs and renderings that are included in the following exhibits are conceptual and may vary from the final approved Site Plan and plans and specifications for the Improvements. Additionally, the dimensions of the renderings are not necessarily drawn to scale.

## EXHIBIT "A"

### SPECIAL LEGISLATIVE AREA, MAIN MANUFACTURING AREA, PARCEL 1.02, 182.39±ACRES



**EXHIBIT "A-1"**

**LEGAL DESCRIPTION**

**SPECIAL LEGISLATIVE AREA, MAIN MANUFACTURING AREA, PARCEL 1.02,  
182.39±ACRES**

BEING the Northern portion of the property described as the Main Manufacturing Area in Deed Book 7497, Page 631 (see page 647) in the Register's Office of Hamilton County, Tennessee, property shown on Tax Map 130 being Parcel 001.09, located in the Enterprise South Industrial Park, City of Chattanooga, Hamilton County, Tennessee, being more particularly described as follows:

BEGINNING at a point where the Southern margin of Highway 58 and the Western margin of Ferdinand Piech Way intersect, said point being at Tennessee State Grid Coordinates of North=283,043.90 and East=2,224,145.58, coordinates based on the City of Chattanooga/Hamilton County Monument Network System (CHAM System) all bearings are based on said system, all distances are horizontal ground;

THENCE South 21 degrees, 52 minutes, 39 seconds East for a distance of 391.48 feet along the Western margin of Ferdinand Piech Way to the point of curvature;

THENCE with a curve to the left (counterclockwise) along the Southwestern margin of Ferdinand Piech Way an arc distance of 514.53 feet, having a radius of 689.76 feet, a delta angle of 42 degrees, 44 minutes, 24 seconds and a chord bearing of South 43 degrees, 14 minutes, 51 seconds East and a chord distance of 502.68 feet to the point of tangency;

THENCE South 64 degrees, 37 minutes, 04 seconds East for a distance of 1481.60 feet along the Southern margin of Ferdinand Piech Way to a point;

THENCE South 23 degrees, 06 minutes, 22 seconds West for a distance of 800.86 feet to a point;

THENCE South 37 degrees, 18 minutes, 14 seconds East for a distance of 122.30 feet to a point;

THENCE South 00 degrees, 17 minutes, 47 seconds West for a distance of 124.40 feet to a point;

THENCE South 35 degrees, 31 minutes, 04 seconds West for a distance of 77.48 feet to a point;

THENCE South 68 degrees, 11 minutes, 59 seconds West for a distance of 90.62 feet to a point;

THENCE North 76 degrees, 47 minutes, 04 seconds West for a distance of 115.76 feet to a point;

THENCE South 18 degrees, 22 minutes, 40 seconds West for a distance of 340.25 feet to a point;

THENCE South 01 degrees, 19 minutes, 05 seconds East for a distance of 354.84 feet to a point;

THENCE South 70 degrees, 02 minutes, 06 seconds West for a distance of 83.25 feet to a point on curve;

THENCE with a curve to the right (clockwise) an arc distance of 216.06 feet, having a radius of 470.00 feet, a delta angle of 26 degrees, 20 minutes, 21 seconds and a chord bearing of South 02 degrees, 35 minutes, 47 seconds East and a chord distance of 214.16 feet to the point of tangency;

THENCE South 20 degrees, 29 minutes, 08 seconds West for a distance of 490.03 feet to a point;

THENCE North 73 degrees, 06 minutes, 11 seconds West for a distance of 311.90 feet to a point;

THENCE North 49 degrees, 18 minutes, 36 seconds West for a distance of 1215.96 feet to a point;

THENCE North 78 degrees, 57 minutes, 50 seconds West for a distance of 1419.88 feet to a point;

THENCE North 01 degrees, 58 minutes, 54 seconds East for a distance of 937.99 feet to a point;

THENCE North 04 degrees, 35 minutes, 57 seconds West for a distance of 702.56 feet to a point;

THENCE North 16 degrees, 54 minutes, 19 seconds West for a distance of 380.24 feet to a point;

THENCE North 73 degrees, 05 minutes, 41 seconds East for a distance of 407.37 feet to a point;

THENCE North 01 degrees, 42 minutes, 09 seconds East for a distance of 60.64 feet to a point located on the Southern margin of Highway 58;

THENCE North 73 degrees, 35 minutes, 11 seconds East for a distance of 614.99 feet along the Southern margin of Highway 58 to the beginning of a spiral curve;

THENCE with a spiral curve to the left (counterclockwise) along the Southern margin of Highway 58 a total length of 303.74 feet, having a degree of curve of 03 degrees, 00 minutes, 00 seconds, a chord bearing of North 73 degrees, 05 minutes, 01 seconds East and a chord distance of 303.74 feet to the end of spiral curve;

THENCE with a curve to the left (counterclockwise) an arc distance of 500.79 feet, having a radius of 5872.58 feet, a delta angle of 04 degrees, 53 minutes, 09 seconds and a chord bearing of North 69 degrees, 38 minutes, 37 seconds East and a chord distance of 500.64 feet to the POINT OF BEGINNING.

SUBJECT to a TVA Transmission Line Easement described in Deed Book 7497, Page 631 (see page 651) R.O.H.C.;

SUBJECT to an Eastside Utility District Waterline Easement, 30 feet in width described in Deed Book 9734, Page 27, R.O.H.C.;

SUBJECT to an Electric Power Board Easement, 30 feet in with described in Deed Book 9312, Page 587, R.O.H.C.;

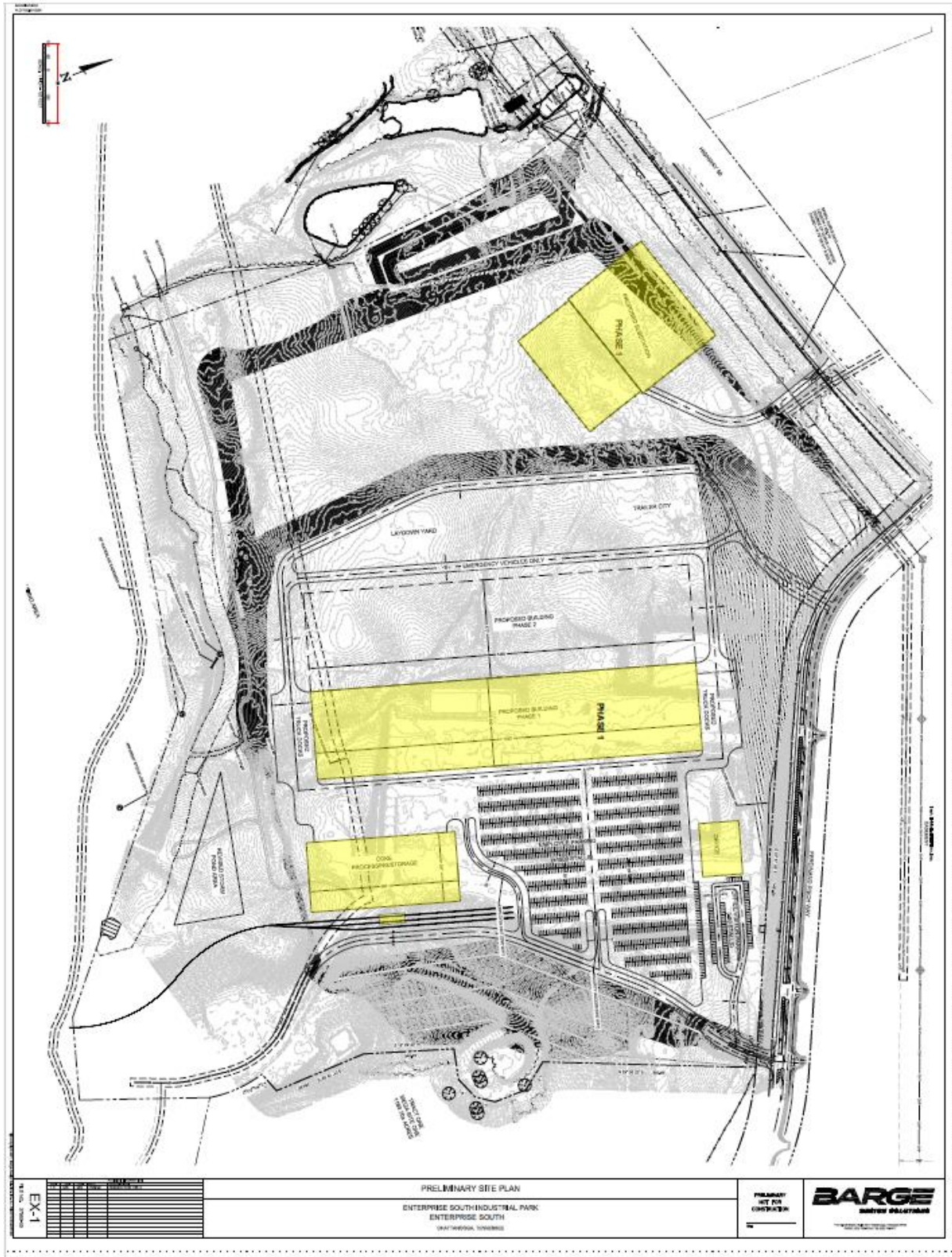
SUBJECT to a Slope Easement, described in Deed Book 9823, Page 96, R.O.H.C.;

SUBJECT to a Drainage Easement, described in Deed Book 9823, Page 96, R.O.H.C.;

SAID portion of the Special Legislative Area, Main Manufacturing Area herein described contains 182.39 acres, less and except the 3 Foundry Sand Areas described below, all as shown on the attached drawing prepared by Barge Design Solutions, having project number 3603704.

**EXHIBIT "B"**

**SITE PLAN**



**EXHIBIT "C"**

**SITE PLAN SHOWING REMEDIATION AREAS**



## **EXHIBIT "C-1"**

### **DESCRIPTION OF REMEDIATION AREAS**

#### **FOUNDRY SAND AREA 1**

BEING Foundry Sand Area 1, located on the Special Legislative Area, Main Manufacturing Area, Parcel 1.02, 182.39± acre tract, which is a part of the Main Manufacturing Area described in Deed Book 7497, Page 631, in the Register's Office of Hamilton County, Tennessee, property is shown on Tax Map 130, being Parcel 001.09, located in the Enterprise South Industrial Park, City of Chattanooga, Hamilton County, Tennessee, sand Foundry Sand Area 1 being more particularly described as follows:

COMMENCING at a point located on the Southern margin of Ferdinand Piech Way and marking the Northeast corner of the Main Manufacturing Area, Northern Portion, being at Tennessee State Grid Coordinates of North=281,679.36 and East=2,225,974.45, coordinates based on the City of Chattanooga I Hamilton County Monument Network System (CHAM System) all bearings are based on said system, all distances are horizontal ground;

THENCE North 64 degrees, 37 minutes, 04 seconds West for a distance of 571.39 feet along the Southern margin of Ferdinand Piech Way to a point;

THENCE South 25 degrees, 22 minutes, 56 seconds West for a distance of 194.75 feet to the POINT OF BEGINNING;

THENCE South 22 degrees, 35 minutes, 00 seconds West for a distance of 380.00 feet to a point;

THENCE North 67 degrees, 25 minutes, 00 seconds West for a distance of 60.00 feet to a point;

THENCE North 22 degrees, 35 minutes, 00 seconds East for a distance of 380.00 feet to a point;

THENCE South 67 degrees, 25 minutes, 00 seconds East for a distance of 60.00 feet to the POINT OF BEGINNING.

SAID Foundry Sand Area 1 herein described contains 22,800 square feet, more or less, or 0.52 acres, more or less, as shown on the attached drawing prepared by Barge Design Solutions, having project number 3603704.

#### **FOUNDRY SAND AREA 2**

BEING Foundry Sand Area 2, located on the Special Legislative Area, Main Manufacturing Area, Parcel 1.02, 182.39± acre tract, which is a part of the Main Manufacturing Area described in Deed Book 7497, Page 631, in the Register's Office of Hamilton County, Tennessee, property is shown on Tax Map 130, being Parcel 001.09, located in the Enterprise South Industrial Park, City of Chattanooga, Hamilton County, Tennessee, sand Foundry Sand Area 1 being more particularly described as follows:

COMMENCING at a point located on the Southern margin of Ferdinand Piech Way and marking the Northeast corner of the Main Manufacturing Area, Northern Portion, being at Tennessee State Grid Coordinates of North=281,679.36 and East=2,225,974.45, coordinates based on the City of Chattanooga I Hamilton County Monument Network System (CHAM System) all bearings are based on said system, all distances are horizontal ground;

THENCE North 64 degrees, 37 minutes, 04 seconds West for a distance of 693.16 feet along the Southern margin of Ferdinand Piech Way to a point;

THENCE South 25 degrees, 22 minutes, 56 seconds West for a distance of 1009.96 feet to the POINT OF BEGINNING;

THENCE South 23 degrees, 09 minutes, 46 seconds West for a distance of 65.00 feet to a point;

THENCE North 66 degrees, 24 minutes, 37 seconds West for a distance of 77.59 feet to a point;

THENCE North 23 degrees, 45 minutes, 31 seconds East for a distance of 80.90 feet to a point;

THENCE South 54 degrees, 43 minutes, 16 seconds East for a distance of 78.49 feet to the POINT OF BEGINNING.

SAID Foundry Sand Area 2 herein described contains 5,633 square feet, more or less, or 0.13 acres, more or less, as shown on the attached drawing prepared by Barge Design Solutions, having project number 3603704.

### **FOUNDRY SAND AREA 3**

BEING Foundry Sand Area 3, located on the Special Legislative Area, Main Manufacturing Area, Parcel 1.02, 182.39± acre tract, which is a part of the Main Manufacturing Area described in Deed Book 7497, Page 631, in the Register's Office of Hamilton County, Tennessee, property is shown on Tax Map 130, being Parcel 001.09, located in the Enterprise South Industrial Park, City of Chattanooga, Hamilton County, Tennessee, sand Foundry Sand Area 1 being more particularly described as follows:

COMMENCING at a point located on the Southern margin of Ferdinand Piech Way and marking the Northeast corner of the Main Manufacturing Area, Northern Portion, being at Tennessee State Grid Coordinates of North=281,679.36 and East=2,225,974.45, coordinates based on the City of Chattanooga I Hamilton County Monument Network System (CHAM System) all bearings are based on said system, all distances are horizontal ground;

THENCE North 64 degrees, 37 minutes, 04 seconds West for a distance of 1074.72 feet along the Southern margin of Ferdinand Piech Way to a point;

THENCE South 25 degrees, 22 minutes, 56 seconds West for a distance of 1065.21 feet to the POINT OF BEGINNING;

THENCE South 22 degrees, 52 minutes, 30 seconds East for a distance of 33.86 feet to a point;

THENCE South 47 degrees, 33 minutes, 08 seconds West for a distance of 121.74 feet to a point;  
THENCE North 85 degrees, 52 minutes, 47 seconds West for a distance of 39.87 feet to a point;  
THENCE North 66 degrees, 34 minutes, 33 seconds West for a distance of 39.07 feet to a point;  
THENCE North 12 degrees, 31 minutes, 47 seconds East for a distance of 97.51 feet to a point;  
THENCE South 89 degrees, 54 minutes, 08 seconds East for a distance of 131.13 feet to the POINT  
OF BEGINNING.

SAID Foundry Sand Area 3 herein described contains 13,434 square feet, more or less, or 0.31 acres, more or less, as shown on the attached drawing prepared by Barge Design Solutions, having project number 3603704.

**EXHIBIT “D”**

**PROPERTY REPORTS**

All documents known by Sellers as of the Effective Date to be in Sellers’ possession or control, or in the possession of their third party contractors, pertaining to the Property and which might be necessary or beneficial to complete Purchaser’s investigation and inspection of the Property, including without limiting the generality of the foregoing, engineering, geotechnical, or environmental reports, title policies and surveys, and contracts, easements and licenses applicable thereto.

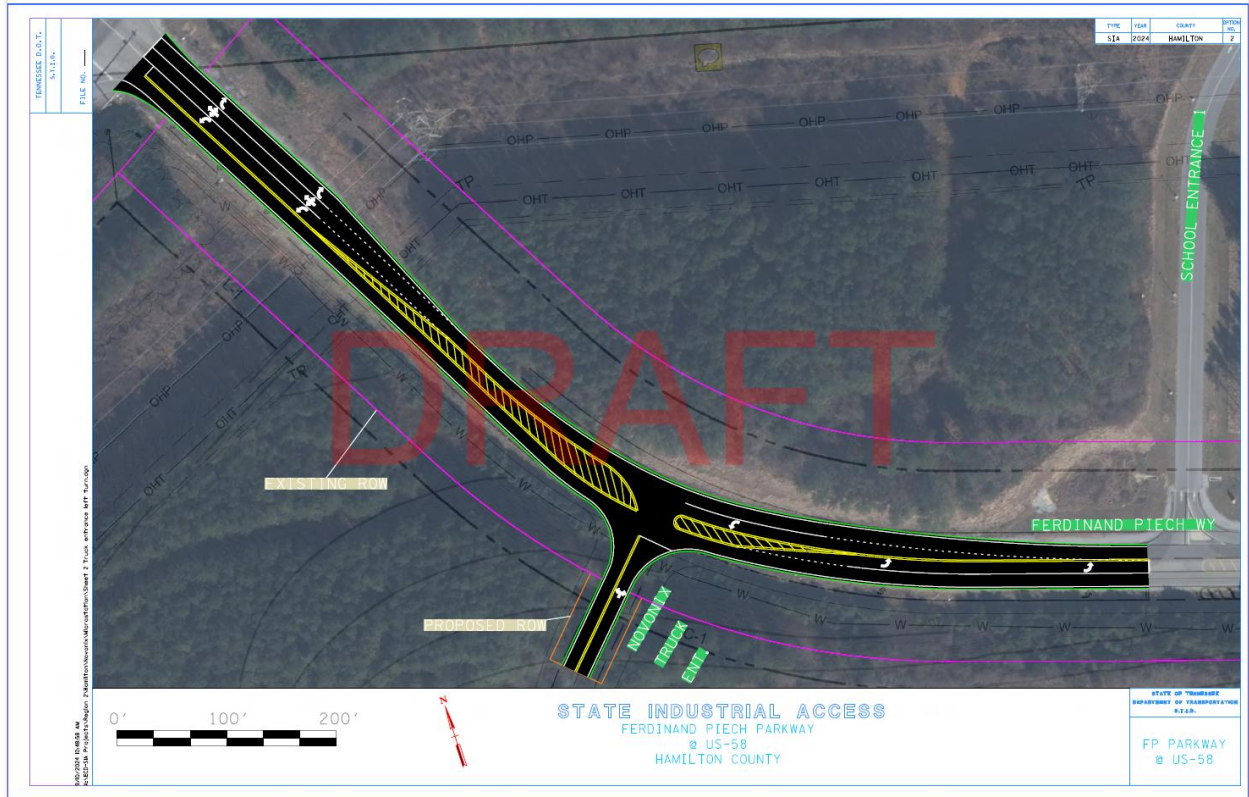
## **EXHIBIT “E”**

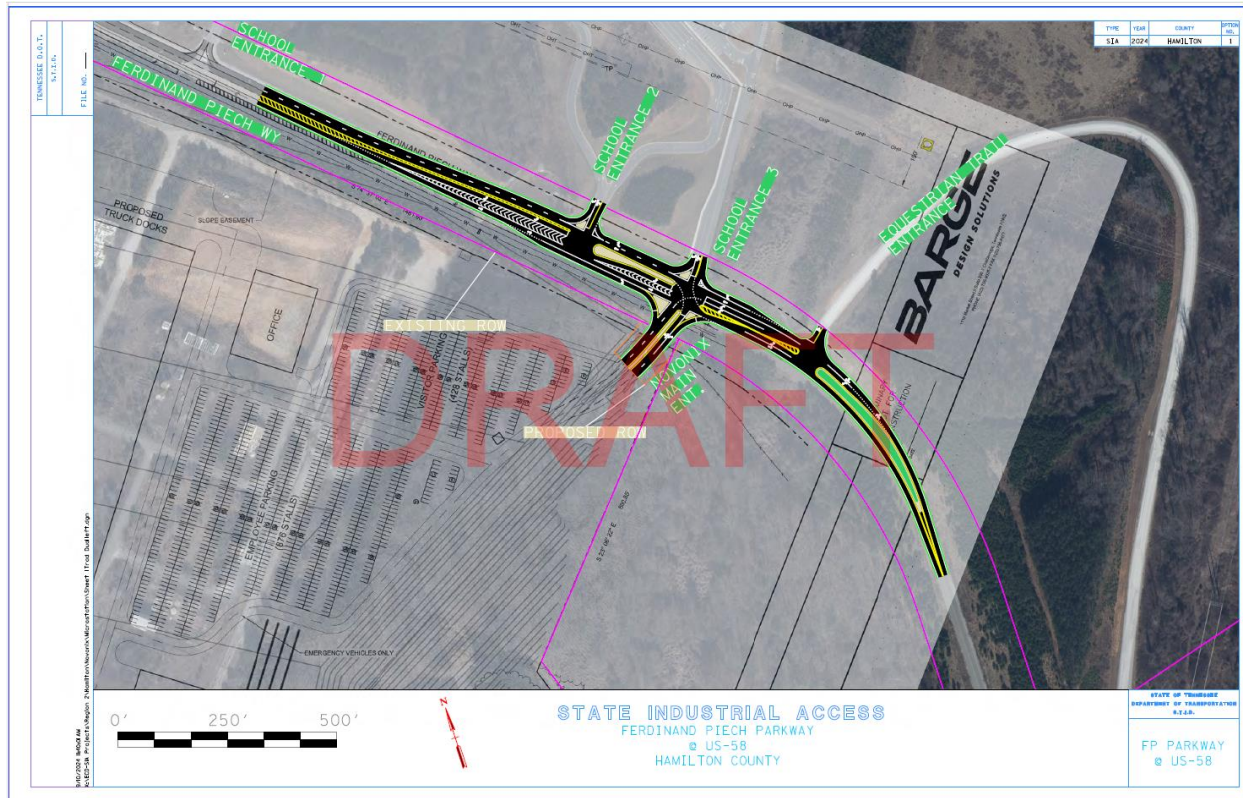
### **Scope of Work Included in the Clearing and Grading**

Building and foundation demolition, including asbestos, foundry sand and lead paint abatement and removal, universal waste handling and disposal, clearing of the entire Property including select hand clearing, grubbing only the areas necessary for earthwork operations, pavement demolition, power demolition, substation demolition, water line demolition, sewer line demolition, earthwork for the initial sediment basins and diversion ditches including fill placement in the non-jurisdictional drainage valleys with underdrains, initial erosion control measures including construction exits and concrete washout, silt fencing, installation of the outlet control structures, emergency overflows, forebay berms and all other appurtenances for the sediment basins, outlet protection, erosion control channel matting and temporary and permanent seeding of all disturbed areas on the Property.

# EXHIBIT "F"

## FERDINAND PEICH ROAD IMPROVEMENTS





**EXHIBIT “G”**  
**PILOT AGREEMENT**



**EXHIBIT “H”**  
**PILOT LEASES**