

Board Members:

Charley Bible
Shannon Coleman Egle
Paul Fortunato
Tiffany Gardner
Mike George
Terry Henley
Ford Little
Lou Moran, III
Alvin Nance
Lisa Rottmann
Anthony Wise



The Industrial Development Board of the County of Knox

Regular Meeting
Tuesday, October 18, 2022, 4:00 p.m.
17 Market Square, #201
Knoxville, Tennessee 37902

AGENDA

- I. Call to Order
- II. Approval of Minutes from Previous Meeting
 - ACTION** A) Regular Meeting – September 13, 2022
- III. Finance Report
 - ACTION**
- IV. Review and Consideration of a Resolution regarding Lease Agreement for a Payment-In-Lieu-of-Tax (PILOT) transaction with Blueprint Group/Axle Logistics, LLC for the proposed new construction of a 71,000 sq ft corporate office building to be located at 849 N. Central St/0 Bernard St., Knoxville, Tennessee, 37917.
 - ACTION**
- V. Old Business
 - ACTION** A) Consideration of a Resolution Authorizing the Execution of Documents Relating to a Tax Increment Financing of Costs Relating to the Development of the Biddle Farms Farragut Project.
- VI. New Business
- VII. Adjourn

**MINUTES OF THE REGULAR MEETING OF
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**

September 13, 2022, 4:00 p.m.

The regular meeting of the Board of Directors of The Industrial Development Board of the County of Knox (the “Industrial Development Board” or “Board”) was held on Tuesday, September 13, 2022, at 4:00 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held at the offices of the Knoxville Chamber and The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

The following Directors were present at the meeting, Paul Fortunato (Chair), Tiffany Gardner (Vice-Chair), Shannon Coleman Egle (Secretary), Mike George, Dr. Anthony Wise, Alvin Nance, Lisa Rottmann, and Ford Little.

Also, in attendance were Michael Odom (The Development Corporation), Brenda Wilson Spence (The Development Corporation), Mac McWhorter (Knoxville Chamber), Karen Kakanis (Knoxville Chamber), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Katrina Vargas (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), Mark Mamntov (Special Counsel to County), and John Geppi (Covenant Health).

I. Paul Fortunato, the Board’s Chair, called the Industrial Development Board meeting to order. The Agenda of the Industrial Development Board meeting is attached hereto as Exhibit A.

The Industrial Development Board then discussed the following matters and took the following actions as noted:

II. Review/Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the regular meeting held on August 9, 2022.

Upon a motion by Mike George, and a second by Tiffany Gardner, the minutes of the August 9, 2022 meeting were unanimously approved. A copy of the minutes are attached hereto as Exhibit B.

III. Consideration of a Resolution pertaining to the acceptance of real property from Knox County, Tennessee known as Alliance Park and located at 2809 Ball Camp Byington Road, Knoxville, Tennessee and approval of a property transfer agreement pursuant to which The Industrial Development Board of the County of Knox would transfer such property to FC Alliance or an affiliate thereof. This resolution was tabled until the next meeting. Mr. Trump gave a brief description of the matter.

Upon a motion of Dr. Anthony Wise, and seconded by Shannon Coleman Egle, the Board unanimously voted to table the resolution consideration until a later date.

IV. Committee Member Appointments.

The proposed listing of committee positions:

Application Review Committee – Tiffany Gardner, Chair; Shannon Coleman Egle, Vice-Chair; Paul Fortunato; Lisa Rottmann; Lou Moran, III; and Charley Bible.

Performance Review Committee: Mike George, Chair; Terry Henley, Vice Chair; Dr. Anthony Wise; Alvin Nance; and Ford Little.

Upon a motion made by Tiffany Gardner and a second by Shannon Coleman Egle, the Board unanimously voted to approve the committee appointments.

V. Old Business. Mark Mamantov, Special Counsel to Knox County, provided an update and explained the transition process for the properties and contracts of The Development Corporation of Knox County to the IDB. Discussion was had.

VI. New Business.

A) Presentation by Knoxville Chamber. Michael Odom gave a presentation on the strategic plan including the economic development priorities, of the Knox County Chamber partnership. Discussion was had.

B) Discussion Regarding Knox County Code of Ethics and State Conflicts of Interest Requirements. Mr. Trump addressed the Board regarding Tennessee Code Annotated, Title 7, Chapter 53, relative to the Board of Directors of any Industrial Development Corporations and the requirement that all Board members complete and file a conflict of interest statement. Mr. Trump presented the Sample Conflict of Interest Statement prepared by the Tennessee Ethic Commission and asked each Board member to complete the form for the IDB's records. All Board members will comply, and the forms will be on file at the IDB office.

C) Application Review Meeting. The next application review committee meeting of The Industrial Board of the County of Knox is scheduled for September 27, 2022, at 4:00 p.m. at the offices of the Knoxville Chamber and The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

VII. Next Meeting. The next regular meeting of The Industrial Development Board of the County of Knox is scheduled for October 18, 2022, at 4:00 p.m. at the offices of the Knoxville Chamber and The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

VIII. Adjournment. No further business having come before the Board and upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 5:45 p.m.

Dated

Shannon Coleman Egle, Secretary

EXHIBITS

Exhibit A Agenda – September 13, 2022

Exhibit B Meeting Minutes – August 9, 2022

DRAFT

The Industrial Development Board of the County of Knox
Balance Sheet with Prior Year Comparison
As of September 30, 2022

	<u>As of September 30, 2022</u>	<u>As of September 30, 2021</u>
ASSETS		
Current Assets		
Bank Accounts		
100-000 Cash - Regions Bank	128,362.17	113,917.42
100-600 Construction Funds - Grassy Creek	(8,111.55)	392,705.38
100-700 CGI Grant Pass-through	43,000.00	150,000.00
100-800 Workforce Training Funds	75,000.00	-
Total 100-000 Cash - Regions Bank	\$ 238,250.62	\$ 656,622.80
112-000 Grassy Creek - TIF Fund	409.65	11,749.95
113-000 Northshore TC TIF Fund - City	-	1,294,028.76
114-000 Northshore TC TIF Fund - County	77,014.01	76,100.92
Total Bank Accounts	\$ 315,674.28	\$ 2,038,502.43
Accounts Receivable		
125-000 Accounts Receivable (A/R)	451,471.28	497,623.71
Total Accounts Receivable	\$ 451,471.28	\$ 497,623.71
Other Current Assets		
127-000 Prepaid Insurance	1,788.31	1,562.94
128-000 Closing Fee - Historic Knoxville High	-	74,918.54
Total Other Current Assets	\$ 1,788.31	\$ 76,481.48
Total Current Assets	\$ 768,933.87	\$ 2,612,607.62
Other Assets		
170-000 Loan to TDC	450,000.00	450,000.00
Total Other Assets	\$ 450,000.00	\$ 450,000.00
TOTAL ASSETS	\$ 1,218,933.87	\$ 3,062,607.62
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200-000 Accounts Payable	426,993.25	486,923.71
Total Accounts Payable	\$ 426,993.25	\$ 486,923.71
Other Current Liabilities		
246-000 Northshore TC TIF - Liability	76,999.29	1,370,129.68
247-000 Grassy Creek TIF - Liability	409.65	11,749.95
250-000 Grassy Creek Project Fund Liability	5,666.48	392,705.38
251-000 CGI Reimbursement Liability	43,000.00	150,000.00
252-000 Workforce Training Liability	75,000.00	-
Total Other Current Liabilities	\$ 201,075.42	\$ 1,924,585.01
Total Current Liabilities	\$ 628,068.67	\$ 2,411,508.72
Total Liabilities	\$ 628,068.67	\$ 2,411,508.72
Equity		
300-000 Opening Balance Equity	18,400.68	18,400.68
320-000 Retained Earnings	591,668.41	669,177.56
Net Income	(19,203.89)	(36,479.34)
Total Equity	\$ 590,865.20	\$ 651,098.90
TOTAL LIABILITIES AND EQUITY	\$ 1,218,933.87	\$ 3,062,607.62

The Industrial Development Board of the County of Knox Budget Variance Report

For the 6 Periods Ended September 30, 2022

	September 2022			April 2022 - September 2022			April 2022 - March 2023	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	% Remaining
Income								
410-000 Interest Revenue	2	8	(6)	39	50	(11)	100	61%
420-000 Base Rent Revenue	10,700	892	9,808	10,700	5,350	5,350	10,700	0%
435-000 Application Revenue	-	333	(333)	-	2,000	(2,000)	4,000	100%
446-000 Assignment Fee	-	-	-	12,771	-	12,771	-	-
447-000 Approp. from Retained Earnings	-	6,054	(6,054)	-	36,321	(36,321)	72,642	100%
Total Income	\$ 10,702	\$ 7,287	\$ 3,415	\$ 23,510	\$ 43,721	\$ (20,211)	\$ 87,442	73%
Expenses								
502-001 Operating Expenses	68	125	(57)	891	750	141	1,500	41%
503-001 Advertising Expense	161	100	61	704	600	104	1,200	41%
507-001 Insurance Expense	358	358	-	2,146	2,146	-	4,292	50%
509-001 Professional Services	-	83	(83)	-	500	(500)	1,000	100%
511-001 Accounting Expense	-	871	(871)	5,500	5,225	275	10,450	47%
512-001 Legal Expense	1,000	1,667	(667)	8,973	10,000	(1,028)	20,000	55%
519-001 Administrative Expense	4,083	4,083	-	24,500	24,500	-	49,000	50%
Total Expenses	\$ 5,670	\$ 7,287	\$ (1,617)	\$ 42,714	\$ 43,721	\$ (1,007)	\$ 87,442	51%
Net Operating Income	\$ 5,032	\$ -	\$ 5,032	\$ (19,204)	\$ -	\$ (19,204)	\$ -	\$ -

The Industrial Development Board of the County of Knox
Income Statement with Prior Year Comparison
For the 6 Periods Ended September 30, 2022

	<u>April - September 2022</u>	<u>April - September, 2021 (PY)</u>
Income		
410-000 Interest Revenue	38.62	40.07
420-000 Base Rent Revenue	10,700.00	10,700.00
446-000 Assignment Fee	12,771.02	-
Total Income	\$ 23,509.64	\$ 10,740.07
Gross Profit	\$ 23,509.64	\$ 10,740.07
Expenses		
502-001 Operating Expenses	891.31	472.47
503-001 Advertising Expense	703.72	458.98
507-001 Insurance Expense	2,146.02	1,875.48
511-001 Accounting Expense	5,500.00	9,600.00
512-001 Legal Expense	8,972.50	10,312.50
519-001 Administrative Expense	24,499.98	24,499.98
Total Expenses	\$ 42,713.53	\$ 47,219.41
Net Operating Income	\$ (19,203.89)	\$ (36,479.34)
Other Income		
430-000 PILOT Revenue	426,993.25	409,923.71
449-000 Oakwood Rent- Restricted	-	77,000.00
460-000 Grassy Creek Construction Revenue	13,778.03	1,074,755.06
470-000 Workforce Training Funds	75,000.00	-
Total Other Income	\$ 515,771.28	\$ 1,561,678.77
Other Expenses		
560-000 Grassy Greek Construction Expense	13,778.03	1,074,755.06
570-000 Workforce Training Expense	75,000.00	-
587-001 PILOT Payment Expense	426,993.25	409,923.71
950-001 Transfer to TDC - Restricted Funds	-	77,000.00
Total Other Expenses	\$ 515,771.28	\$ 1,561,678.77
Net Other Income	\$ -	\$ -
Net Income	\$ (19,203.89)	\$ (36,479.34)

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL
DEVELOPMENT BOARD OF THE COUNTY OF KNOX
APPROVING THE PILOT APPLICATION OF
BLUEPRINT GROUP, LLC AND AXLE LOGISTICS, LLC**

WHEREAS, THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX (“IDB”) is a nonprofit public corporation organized by Knox County as an industrial development board pursuant to Tenn. Code Ann. §§7-53-301 et seq. (the “Act”) and as such is a public instrumentality of Knox County performing a public function; and

WHEREAS, the IDB’s statutory purposes include financing, owning, and leasing certain real and personal properties, which will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and Knox County, in particular; and

WHEREAS, Tenn. Code Ann. §7-53-305 provides that the IDB and all properties at any time owned by it, and the income and revenues therefrom, and all bonds issued by it, and the income therefrom are exempt from all taxation in the State of Tennessee; and

WHEREAS, pursuant to a Resolution dated January 27, 2003, the Commission of Knox County, Tennessee (the “Commission”) delegated to the IDB the authority to negotiate and accept from lessees payments in lieu of ad valorem taxes, found that such payments are deemed to be in furtherance of the IDB’s public purposes as set forth in the Act, and adopted the IDB’s Property Tax Incentive Program; by a Resolution dated December 20, 2004, the Commission adopted certain amendments to the IDB’s Tax Incentive Program in accordance with the Act (as so amended, the “Tax Incentive Program”); and

WHEREAS, AXLE LOGISTICS, LLC and BLUEPRINT GROUP, LLC (collectively, and together with any applicable affiliates thereof, “Applicant”) has submitted an application (“Application”) to the IDB for A Payment-In-Lieu-of-Taxes Tax Incentive Grant (PILOT) under the Tax Incentive Program in connection with the construction and installation of the Applicant’s new facilities to be located on property located at 849 N. Central Street and 0 Bernard Street in Knox County, Tennessee (“Project”); and

WHEREAS, the Application Review Committee (the “Committee”) of the Board of Directors of the IDB (the “Board”) has considered the Application under the Tax Incentive Program and recommended the Board’s approval of a PILOT for real and personal property having a term-length of fifteen (15) years with the first ten (10) years being a one hundred percent (100%) tax abatement of ad valorem taxes over and above the 2021 ad valorem taxes payable with respect to the Property (“Existing Taxes”), and the remaining five (5) years being a fifty percent (50%) tax abatement of ad valorem taxes over and above the Existing Taxes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE IDB AS FOLLOWS:

1. The Board finds that the Project and grant of tax incentives under the Tax Incentive Program to Applicant by the IDB will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and Knox County, in particular.
2. The Application is hereby approved by the Board.
3. The staff and legal counsel of the IDB are hereby authorized to proceed in the preparation and finalization for presentment to the Board of a Lease Agreement and other documents deemed necessary and convenient by such staff and legal counsel to accomplish the proposed payment in lieu of tax transaction

("Transaction Documents"). Such Transaction Documents shall provide for (a) the acquisition by the IDB and lease to the Applicant of certain real property constituting the Project, with the term of such lease having a term-length of fifteen (15) years; (b) annual payments-in-lieu of tax at an amount approximating (i) for the first ten (10) years, a one hundred percent (100%) tax abatement of ad valorem taxes over and above the Existing Taxes, and (ii) for the remaining five (5) years, a fifty percent (50%) tax abatement of ad valorem taxes over and above the Existing Taxes; and (c) such other terms and conditions set forth in the Application approved by the Board, required by the Property Tax Incentive Program or otherwise deemed necessary and convenient by the staff and legal counsel of the IDB. The PILOT transaction approved hereby must close by December 31, 2022, and upon failure to close by such date (or such later date approved by the Board pursuant to a separate resolution), the approval evidenced hereby shall expire and be of no further force and effect.

[The remainder of this page intentionally left blank.]

**STATE OF TENNESSEE
COUNTY OF KNOX**

I, Paul M. Fortunato, Chair of The Industrial Development Board of the County of Knox (the “IDB”), do hereby certify that the foregoing is a true and complete extract of the minutes of the Board of Directors of the IDB at a meeting duly called and held on October 18, 2022, and sets forth so much of said minutes as in any way relates to the introduction, consideration and passage of the resolution therein set forth. Public notice of said meeting was given pursuant to and in compliance with all provisions of law.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE COUNTY OF KNOX**

Chair

Dated: October 18, 2022

**Application for PILOT
County of Knox, Tennessee**

Applicant:

Company Name Blueprint Group, LLC / Axle Logistics, LLC
Mailing Address 835 N. Central St.
City Knoxville State TN Zip 37917
Telephone 800-693-1779 Fax _____
Federal Employer Identification Number 45-3721728

Company representative to be contacted:

Name Joe Petre / LawlerWood, LLC - Developer Title Exec. Vice President
Mailing Address 900 S. Gay Street, Suite 1600
City Knoxville State TN Zip 37902
Telephone 865-599-1696 Fax _____

Description of Principle Business Third Party Logistics (3PL)
SIC/NASIC (if known) 473101 Legal Structure Limited Liability Co.
If a corporation, state of incorporation Tennessee
If foreign corporation, is it registered to do business in Tennessee? Yes No

Sponsor: (if applicable):

Company Name N/A
Mailing Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____
Federal Employer Identification Number _____

Company representative to be contacted:

Name _____ Title _____
Mailing Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____

Description of Principal Business _____

SIC/NASIC (if known) _____ Legal Structure _____

If a corporation, state of incorporation _____

If foreign corporation, is it registered to do business in Tennessee? Yes No

Name and address of any of the following involved in the project:

Applicant's Legal Counsel:

Name Long Ragsdale & Waters, P.C., Lee Popkin Title _____

Mailing Address 1111 N. Northshore Drive, Suite S-700

City Knoxville State TN Zip 37919

Telephone 865-584-4040 Fax _____

Project Engineer

Name S&ME. Brent Wood Title Civil Project Engineer

Mailing Address 6515 Nightingale Lane

City Knoxville State _____ Zip _____

Telephone _____ Fax _____

Project Architect

Name Design Innovations Architects, Faris Eid Title President/Principal

Mailing Address 402 S. Gay St., Suite 201

City Knoxville State TN Zip 37919

Telephone 865-637-8540 Fax _____

General Contractor

Name Denark Construction, Steve Lucas Title Chief Operating Officer

Mailing Address 1635 Western Avenue

City Knoxville State TN Zip 37921

Telephone 865-637-1925 Fax _____

Does applicant or sponsor of the project have an application pending or intend to apply for industrial revenue bond financing for this or a similar project with any other board in Knox County?

Yes No *If yes, please attach a detailed explanation*

Does applicant or sponsor have present plans to incur indebtedness or other financial obligations, which would materially affect its financial condition other than the financing applied hereby?

Yes No Applicant will finance a percentage TBD of the construction costs of the new corporate headquarters building.

Does applicant or sponsor of the project know of any proposed or pending tender offers, mergers, or acquisitions by or affecting applicant or sponsor of the project or any other materially significant corporate event in any way affecting application or sponsor of the project?

Yes No *If yes, please attach a detailed explanation.*

Project Location/Ownership:

Street Address: 849 N. Central St. | 0 Bernard St. Knoxville, TN, 37917

Vicinity Map. *Please attach with general location of site shown.*

Attach a copy of deed (or surveyor's description) detailing property's metes and bounds description or other legal description.

Who owns the property at this time? The Blueprint Group, LLC (Same ownership as Axle Logistics)

Does applicant have an option to purchase the property if not already owned by applicant?

Yes No

Are there presently outstanding any options or liens with regard to the property?

Yes No

Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided:

Axle Logistics is a non-asset based, third-party logistics (3PL) company with a focus on facilitating safe, reliable, advanced logistics services – Truckload, LTL, Intermodal, and Warehousing – to a wide variety of customers throughout the continental U.S., Canada, and Mexico.

Current Zoning: C-G-2

Is the property zoned appropriately for intended use by this project? Yes No

Tax Information:

Obtain latest property tax statement from Knox County Assessor's Office (include both real and any existing tangible personal property).

Real Property

Tax parcel ID number(s) 094DQ018 | 094DQ016

Current assessment \$219,280 | \$6,120

Current tax County \$4,648.74, City \$5,402.62 | County \$129.74, City \$150.78

Will this project result in the subdivision of any current tax parcel? Yes No

Is the project located in the City of Knoxville's Central Business Improvement District? Yes No

If so, what is the current CBID tax assessment _____

Tangible Personal Property

Tax parcel ID number(s) 094DQ018 | 094DQ016

Current assessment NONE

Current tax _____

Are there any assessments under appeal? Yes No

If yes, please describe. _____

Capital Investment:

Land: Acreage 1.033 acres | .134 acres Cost \$1,700,006

Site Preparation Cost \$ _____

Real Property (Building): Square Footage 71,062 SF Cost \$27,365,412

Personal Property Cost \$ \$1,500,000

Briefly describe these investments (types of tangible personal property, type of site development planned for this location and other improvements): The building is a 71,000+/- SF corporate office building to be the 2nd building of two to serve as corporate office for Axle Logistics. Whereas the first building was a historic rehab, the 2nd will be new construction which will require demolition of the former Brown Appliance. The new building will house approximately 640 new employees for a total of approximately 1000 employees between the two buildings and to consolidate all Axle employees on one campus in the Broadway Central redevelopment district.

Construction Estimates:

Start Date: Month December Year 2022

Completion Date: Month March Year 2024

Describe any off-site infrastructure that requires new public investments:

Water None

Sanitary Sewer None

Streets None - Central Streetscape was previously completed by the City of Knoxville

Storm Sewer None

Other _____

Have project utility requirements been reviewed by the appropriate local utility providers?

Yes No

Wages/Jobs:

In any event, the wages and jobs set out herein shall be achieved within three (3) years after the commencement of operations. An annual report of achievement is required as December 31 each year for the term of the PILOT agreement.

Complete the forms attached hereto as Exhibits A & B, listing jobs and wages by major employment type category.

Environmental Impacts:

Attach a Phase I Environmental Audit addressed to the Industrial Development Board.

Discuss any environmental impacts created by the project

None

Will this operation require an environmental permit?

Air Yes No
Water Yes No

Justification for PILOT request (substantiate and fully describe the justification for this request):

Axle Logistics, LLC is a homegrown Knoxville | Knox County company founded by two University of Tennessee graduates. The founders/principals grew up in south Knoxville graduating from South Doyle High School before enrolling at the University of Tennessee. Shortly after founding the company, Axle located its corporate office in the Langley Building with 8 employees. Quickly growing out of the Langley office, the principals invested in the North Central area and opened the headquarters building at 835 N. Central in January 2021 with approximately 115 employees. Today, Axle has grown out of space at the 835 building with over 350 employees and is using temporary space to support its continued explosive growth until the second building can be developed next door. Axle has exceeded all employment projections and is a leading employer of Tennessee graduates. With Core Values including People, Process, Technology, Ambition, Determination, and Hustle, Axle has won many awards such as: Knox News Top Work Places, a Transport Topics 2021 Top Brokerage Firm, 2021 SellingPower 50 Best, TASTC Best Broker Award, and ranked consistently for several years on the Inc. 5000 list. Axle Logistics is a non-asset based, third-party logistics (3PL) company with a focus on facilitating safe, reliable, advanced logistics services – Truckload, LTL, Intermodal, and Warehousing – to a wide variety of customers throughout the continental U.S., Canada, and Mexico. The intention of its founders is to stay in Knoxville and continue to grow the company locally and in a redeveloping area with a dynamic corporate office with amenities which will not only serve as a hiring tool for new employees, but as a catalyst in a redeveloping area of Knox County.

Financial Information:

Attach copies of the last two fiscal years' audited financial statements.

If publicly –held corporation, a certified statement of the corporation's net worth with corresponding disclosure notes as provided in the applicant's latest approved/audited financial statement.

Supplemental Information:

All of the following Schedules attached hereto must be completed and submitted with this Application before staff of The Industrial Development Board of the County of Knox, Tennessee will submit your application to the Industrial Development Board of the County of Knox, Tennessee for initial consideration.

Exhibit A – Project Employment - Current Employees

Exhibit B – Project Employment – Additional/New Employment

Exhibit C – Property Tax Incentive Program Affidavit to Application*

*Please note that Exhibit C is required only if staff of The Industrial Development Board of the County of Knox, Tennessee has determined that the Project's primary purpose is one of community redevelopment, i.e. the financial incentives being requested are necessary to make the Project economically viable. If the Applicant is unsure, please check with staff as to whether Exhibit C is required. Notwithstanding any staff determination, The Industrial

Development Board of the County of Knox, Tennessee reserves the right to require that the Affidavit be completed and submitted for the Project as a condition to the grant of any financial incentives under the Property Tax Incentive Program.

Certifications and Signature:

This application is made in order to induce The Industrial Development Board of the County of Knox, Tennessee to grant financial incentives to application and sponsor. Applicant and sponsor represent and warrant that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to the board and its consideration of this application.

Applicant and sponsor have read and agree to comply with all requirements of the application procedures and policies of the Industrial Development Board of the County of Knox, Tennessee. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by the Board in connection with this application, whether or not the financial incentives are granted or this project built.

Applicant and sponsor acknowledge that, if the financial incentives are granted, the Applicant will be required to complete and file annually a PTIP Performance Report Form containing such information as may be required by the Industrial Development Board of the County of Knox, Tennessee, to determine compliance with incentive documentation, accompanied by either (1) audited financial statements of the Applicant covering the period of time inclusive of the immediately preceding tax year and which (i) contains certain supplementary information presenting the PTIP Performance Report Form and (ii) confirms that the Applicant is in compliance with the lease agreement between the Applicant and the Industrial Development Board of the County of Knox, Tennessee, or (2) an agreed upon procedures report of an acceptable independent certified public accountant substantially in the form attached hereto as Exhibit D.



Applicant Jon CLAY COO

8/16/2022
Date

Sponsor

Date

EXHIBIT A

Project Employment – Current Employees

Project Employment - Current Employees

To be completed if project is an expansion of operations in Knox County.

Current Positions <i>(by major</i>	Total Jobs*	Number of Full-Time	Number of Part-Time	Number of Seasonal	Number of Contract	Total Annual
Logistics Consultant – 360 Division	237	237	0	0	0	\$23,036,400
Operations Division	62	62	0	0	0	\$3,946,300
Accounting	50	50	0	0	0	\$2,375,000
Development	5	5	0	0	0	\$562,500
Analytics	3	3	0	0	0	\$313,500
Legal	2	2	0	0	0	\$275,500
Property Management	1	1	0	0	0	\$80,000
Total	360	360	0	0	0	\$30,589,200

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EXHIBIT B

Project Employment – Additional/New Employees

Project Employment - Additional/New Employment

In any event, wages and jobs set out herein must be achieved within three (3) years after commencement of operations.

Current Positions <i>(by major category)</i>	Total Jobs*	Number of Full-Time Jobs	Number of Part-Time Jobs	Number of Seasonal Jobs	Number of Contract Jobs	Annual Wage Per Position	Total Annual Payroll	Number of Positions Transferred from Company's Other Operations
Logistics Consultants -- 360 Division	660	660	0	0	0	\$97,200	\$64,152,000	
Operations Division	175	175	0	0	0	\$63,650	\$11,138,750	
Accounting	136	136	0	0	0	\$47,500	\$6,460,000	
Development	15	15	0	0	0	\$112,500	\$1,687,500	
Analytics	8	8	0	0	0	\$104,500	\$836,000	
Legal	5	5	0	0	0	\$137,750	\$688,750	
Property Management	1	1	0	0	0	\$80,000	\$80,000	
Total	1000	1000	0	0	0		\$85,043,000	

Operation Start Date:	August 15, 2022	-	360 (# Employees)
Full Operation:	March 31, 2027 (month)	(year)	1,000 (# Employees)

*Total Jobs - Total number of the following on an annual average basis:

- (A) Number of full-time jobs
- (B) One-half the number of part-time jobs
- (C) One-fourth the number of seasonal jobs
- (D) Number of contract jobs

Project Type: Business Retention & Expansion
Industry: Distribution & Logistics
Prepared By: Knoxville Chamber

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Knoxville Chamber using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Knoxville Chamber.

This report, generated by the Impact DashBoard application, has been prepared by Knoxville Chamber to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Knoxville Chamber made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Knoxville Chamber and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 15-year period.

Existing & Expanded Operations

The Project under analysis represents the expansion of an existing business. The table below illustrates the economic impact over the next 15 years including both the current and expanded operations.

ECONOMIC IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 15 YEARS IN CITY OF KNOXVILLE			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
JOBS			
Direct	0	648.0	648.0
Spin-off	0	433.6	433.6
Jobs Total	0	1,081.6	1,081.6
SALARIES			
Direct	\$0	\$932.91M	\$932.91M
Spin-off	\$0	\$461.65M	\$461.65M
Salaries Total	\$0	\$1.39B	\$1.39B

The table below summarizes the fiscal impact, the net benefits for local taxing districts, over the next 15 years including both the current and expanded operations.

FISCAL IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 15 YEARS			
NET BENEFITS LESS INCENTIVES			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
City of Knoxville	\$0	\$2,311,361	\$2,311,361
Knox County	\$0	\$2,023,430	\$2,023,430
	\$0	\$4,334,791	\$4,334,791

The remainder of this report will focus on only the economic and fiscal impact associated with the expansion.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 15 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 15 YEARS IN CITY OF KNOXVILLE			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Jobs	648.0	433.6	1,081.6
Annual Salaries/Wages	\$53,946,000	\$26,694,865	\$80,640,865
Salaries/Wages over 15 Years	\$932.91M	\$461.65M	\$1.39B
Taxable Sales/Purchases in City of Knoxville	\$65,706,917	\$28,852,840	\$94,559,756

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 15 YEARS IN CITY OF KNOXVILLE			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to City of Knoxville	77.8	52.0	129.8
New residents in City of Knoxville	202.2	135.3	337.5
New residential properties constructed in City of Knoxville	11.7	7.8	19.5
New students to attend local school district	38.9	26.0	64.9

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 15 years is summarized in the following table.

SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 15 YEARS IN CITY OF KNOXVILLE						
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$663,413	\$0	\$12,800,000	\$0	\$12,800,000	\$13,463,413
2	\$676,681	\$0	\$13,056,000	\$0	\$13,056,000	\$13,732,681
3	\$690,215	\$0	\$13,317,120	\$0	\$13,317,120	\$14,007,335
4	\$704,019	\$0	\$13,583,462	\$0	\$13,583,462	\$14,287,482
5	\$718,100	\$0	\$13,855,132	\$0	\$13,855,132	\$14,573,231
6	\$732,462	\$0	\$14,132,234	\$0	\$14,132,234	\$14,864,696
7	\$747,111	\$0	\$14,414,879	\$0	\$14,414,879	\$15,161,990
8	\$762,053	\$0	\$14,703,177	\$0	\$14,703,177	\$15,465,230
9	\$777,294	\$0	\$14,997,240	\$0	\$14,997,240	\$15,774,534
10	\$792,840	\$0	\$15,297,185	\$0	\$15,297,185	\$16,090,025
11	\$808,697	\$0	\$15,603,129	\$0	\$15,603,129	\$16,411,825
12	\$824,871	\$0	\$15,915,191	\$0	\$15,915,191	\$16,740,062
13	\$841,368	\$0	\$16,233,495	\$0	\$16,233,495	\$17,074,863
14	\$858,195	\$0	\$16,558,165	\$0	\$16,558,165	\$17,416,360
15	\$875,359	\$0	\$16,889,328	\$0	\$16,889,328	\$17,764,688

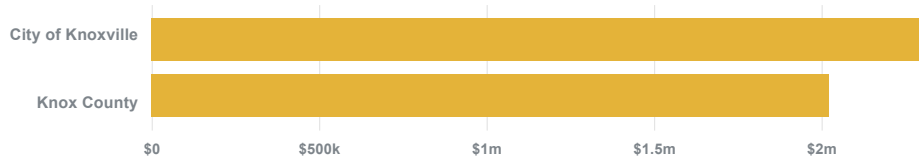
Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 15 YEARS					
	BENEFITS	COSTS	INCENTIVES	NET BENEFITS LESS INCENTIVES	PRESENT VALUE*
City of Knoxville	\$9,500,389	(\$2,735,559)	(\$4,453,468)	\$2,311,361	\$1,455,862
Knox County	\$15,113,109	(\$9,257,650)	(\$3,832,029)	\$2,023,430	\$1,262,569
Total	\$24,613,497	(\$11.99M)	(\$8,285,497)	\$4,334,791	\$2,718,432

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.

Net Benefits Less Incentives Over the Next 15 Years



Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

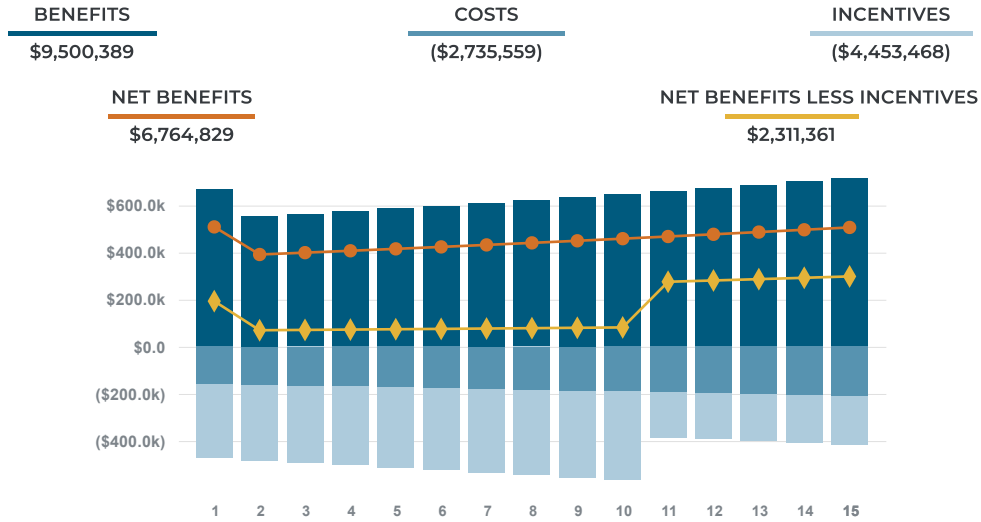
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	PROPERTY TAX INCENTIVE	TOTAL
City of Knoxville	\$4,453,468	\$4,453,468
Knox County	\$3,832,029	\$3,832,029
Total	\$8,285,497	\$8,285,497

City of Knoxville Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Knoxville over the next 15 years of the Project.

NET BENEFITS OVER 15 YEARS: CITY OF KNOXVILLE			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$124,875	\$1,470,821	\$1,595,696
Real Property Taxes	\$5,453,763	\$0	\$5,453,763
FF&E Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$282,664	\$282,664
Hotel Motel Taxes	\$0	\$0	\$0
Building Permits and Fees	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$1,501,622	\$666,644	\$2,168,266
Benefits Subtotal	\$7,080,260	\$2,420,129	\$9,500,389
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$1,893,837)	(\$841,723)	(\$2,735,559)
Costs Subtotal	(\$1,893,837)	(\$841,723)	(\$2,735,559)
Net Benefits	\$5,186,423	\$1,578,406	\$6,764,829
INCENTIVES	PROJECT	HOUSEHOLDS	TOTAL
Property Taxes Abated	(\$4,453,468)	\$0	(\$4,453,468)
Incentives Subtotal	(\$4,453,468)	\$0	(\$4,453,468)
Net Benefits Less Incentives	\$732,955	\$1,578,406	\$2,311,361

Annual Fiscal Net Benefits for City of Knoxville

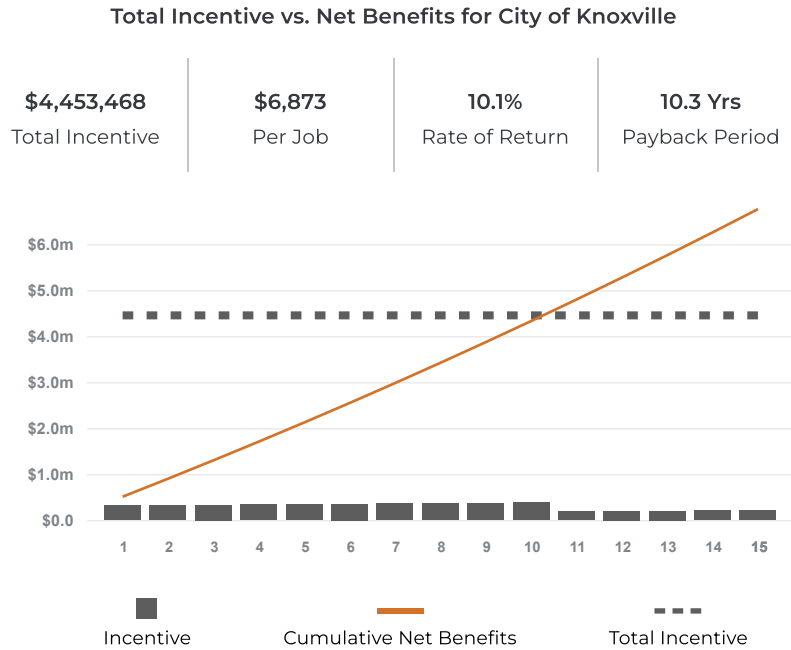


Total Incentives

City of Knoxville is considering the following incentives for the Project.

INCENTIVES UNDER CONSIDERATION		
YEAR	PROPERTY TAX ABATEMENT	TOTAL
1	\$315,366	\$315,366
2	\$321,674	\$321,674
3	\$328,107	\$328,107
4	\$334,669	\$334,669
5	\$341,363	\$341,363
6	\$348,190	\$348,190
7	\$355,154	\$355,154
8	\$362,257	\$362,257
9	\$369,502	\$369,502
10	\$376,892	\$376,892
11	\$192,215	\$192,215
12	\$196,059	\$196,059
13	\$199,980	\$199,980
14	\$203,980	\$203,980
15	\$208,060	\$208,060
Total	\$4,453,468	\$4,453,468

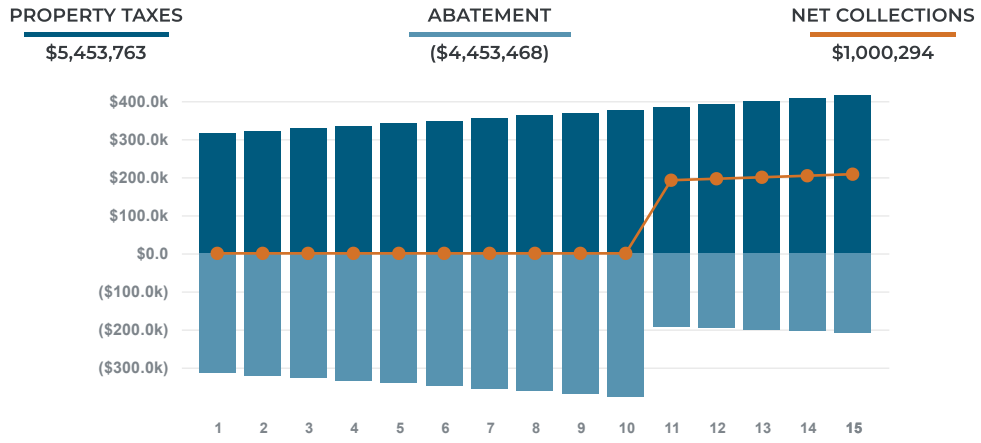
The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to City of Knoxville. The intersection indicates the length of time until the incentives are paid back.



Tax Incentives

The following property tax incentive is modeled for City of Knoxville in this analysis.

Property Tax Analysis for City of Knoxville

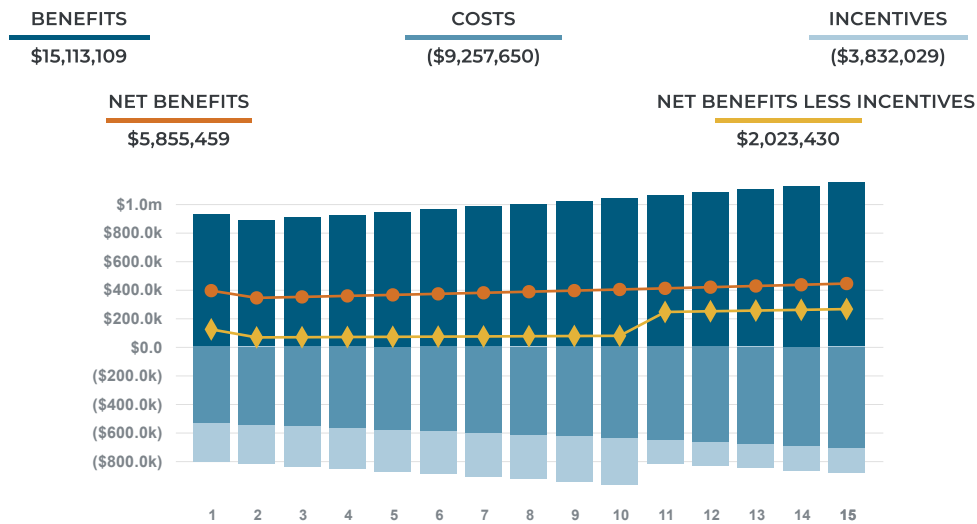


Knox County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Knox County over the next 15 years of the Project.

NET BENEFITS OVER 15 YEARS: KNOX COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$57,375	\$1,135,284	\$1,192,659
Real Property Taxes	\$4,692,742	\$0	\$4,692,742
FF&E Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$521,575	\$521,575
Hotel Motel Taxes	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$571,513	\$444,065	\$1,015,578
Addtl. State & Federal School Funding	\$0	\$7,690,556	\$7,690,556
Benefits Subtotal	\$5,321,629	\$9,791,479	\$15,113,109
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$918,903)	(\$716,233)	(\$1,635,136)
Cost to Educate New Students	\$0	(\$7,622,513)	(\$7,622,513)
Costs Subtotal	(\$918,903)	(\$8,338,747)	(\$9,257,650)
Net Benefits	\$4,402,726	\$1,452,733	\$5,855,459
INCENTIVES	PROJECT	HOUSEHOLDS	TOTAL
Property Taxes Abated	(\$3,832,029)	\$0	(\$3,832,029)
Incentives Subtotal	(\$3,832,029)	\$0	(\$3,832,029)
Net Benefits Less Incentives	\$570,698	\$1,452,733	\$2,023,430

Annual Fiscal Net Benefits for Knox County

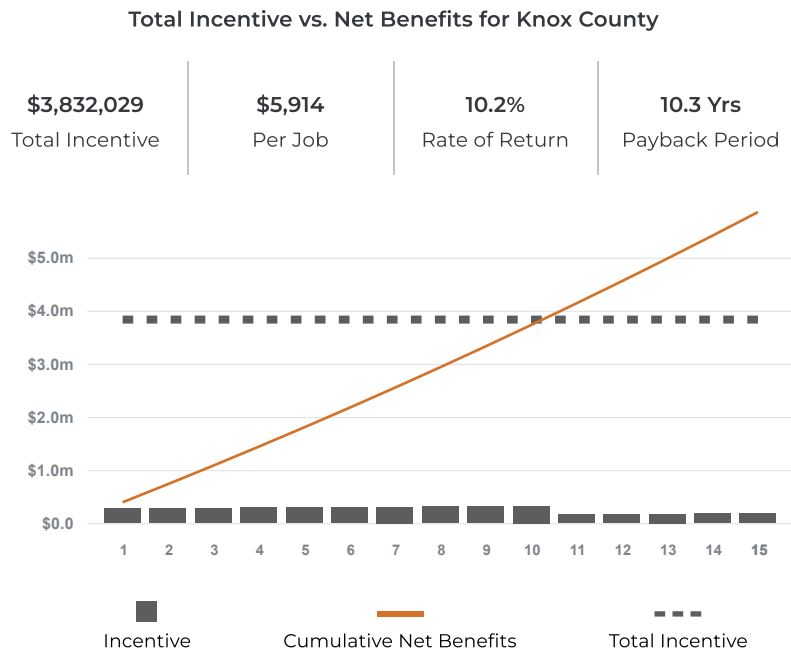


Total Incentives

Knox County is considering the following incentives for the Project.

INCENTIVES UNDER CONSIDERATION		
YEAR	PROPERTY TAX ABATEMENT	TOTAL
1	\$271,360	\$271,360
2	\$276,787	\$276,787
3	\$282,323	\$282,323
4	\$287,969	\$287,969
5	\$293,729	\$293,729
6	\$299,603	\$299,603
7	\$305,595	\$305,595
8	\$311,707	\$311,707
9	\$317,941	\$317,941
10	\$324,300	\$324,300
11	\$165,393	\$165,393
12	\$168,701	\$168,701
13	\$172,075	\$172,075
14	\$175,517	\$175,517
15	\$179,027	\$179,027
Total	\$3,832,029	\$3,832,029

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to Knox County. The intersection indicates the length of time until the incentives are paid back.



Tax Incentives

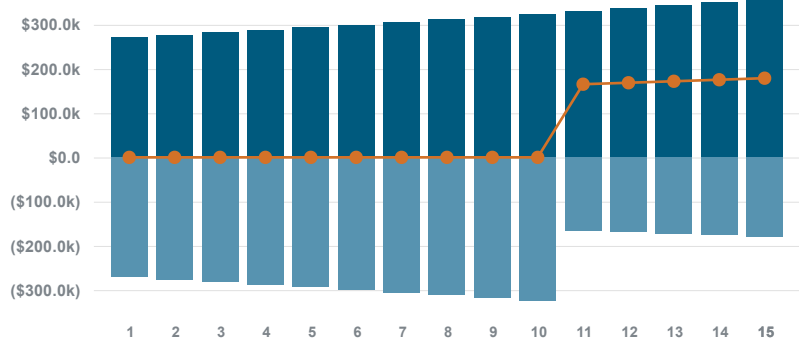
The following property tax incentive is modeled for Knox County in this analysis.

Property Tax Analysis for Knox County

PROPERTY TAXES
\$4,692,742

ABATEMENT
(\$3,832,029)

NET COLLECTIONS
\$860,713



Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 15-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

541614 PROCESS, PHYSICAL DISTRIBUTION, AND LOGISTICS CONSULTING SERVICES		CITY OF KNOXVILLE
Employment Multiplier	(Type II Direct Effect)	1.6692
Earnings Multiplier	(Type II Direct Effect)	1.4948

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website www.impactdatasource.com

CITY OF KNOXVILLE PROPERTY TAX ABATEMENT					
YR.	LAND	BUILDINGS...	FF&E	TOTAL	
1	\$0	\$315,366	\$0	\$315,366	
2	\$0	\$321,674	\$0	\$321,674	
3	\$0	\$328,107	\$0	\$328,107	
4	\$0	\$334,669	\$0	\$334,669	
5	\$0	\$341,363	\$0	\$341,363	
6	\$0	\$348,190	\$0	\$348,190	
7	\$0	\$355,154	\$0	\$355,154	
8	\$0	\$362,257	\$0	\$362,257	
9	\$0	\$369,502	\$0	\$369,502	
10	\$0	\$376,892	\$0	\$376,892	
11	\$0	\$192,215	\$0	\$192,215	
12	\$0	\$196,059	\$0	\$196,059	
13	\$0	\$199,980	\$0	\$199,980	
14	\$0	\$203,980	\$0	\$203,980	
15	\$0	\$208,060	\$0	\$208,060	
Total	\$0	\$4,453,468	\$0	\$4,453,468	

CITY OF KNOXVILLE PROPERTY TAX ABATEMENT SCHEDULE			
YR.	LAND	BUILDINGS...	FF&E
1	0.0%	100.0%	0.0%
2	0.0%	100.0%	0.0%
3	0.0%	100.0%	0.0%
4	0.0%	100.0%	0.0%
5	0.0%	100.0%	0.0%
6	0.0%	100.0%	0.0%
7	0.0%	100.0%	0.0%
8	0.0%	100.0%	0.0%
9	0.0%	100.0%	0.0%
10	0.0%	100.0%	0.0%
11	0.0%	50.0%	0.0%
12	0.0%	50.0%	0.0%
13	0.0%	50.0%	0.0%
14	0.0%	50.0%	0.0%
15	0.0%	50.0%	0.0%

KNOX COUNTY PROPERTY TAX ABATEMENT

YR.	LAND	BUILDINGS...	FF&E	TOTAL
1	\$0	\$271,360	\$0	\$271,360
2	\$0	\$276,787	\$0	\$276,787
3	\$0	\$282,323	\$0	\$282,323
4	\$0	\$287,969	\$0	\$287,969
5	\$0	\$293,729	\$0	\$293,729
6	\$0	\$299,603	\$0	\$299,603
7	\$0	\$305,595	\$0	\$305,595
8	\$0	\$311,707	\$0	\$311,707
9	\$0	\$317,941	\$0	\$317,941
10	\$0	\$324,300	\$0	\$324,300
11	\$0	\$165,393	\$0	\$165,393
12	\$0	\$168,701	\$0	\$168,701
13	\$0	\$172,075	\$0	\$172,075
14	\$0	\$175,517	\$0	\$175,517
15	\$0	\$179,027	\$0	\$179,027
Total	\$0	\$3,832,029	\$0	\$3,832,029

KNOX COUNTY PROPERTY TAX ABATEMENT SCHEDULE

YR.	LAND	BUILDINGS...	FF&E
1	0.0%	100.0%	0.0%
2	0.0%	100.0%	0.0%
3	0.0%	100.0%	0.0%
4	0.0%	100.0%	0.0%
5	0.0%	100.0%	0.0%
6	0.0%	100.0%	0.0%
7	0.0%	100.0%	0.0%
8	0.0%	100.0%	0.0%
9	0.0%	100.0%	0.0%
10	0.0%	100.0%	0.0%
11	0.0%	50.0%	0.0%
12	0.0%	50.0%	0.0%
13	0.0%	50.0%	0.0%
14	0.0%	50.0%	0.0%
15	0.0%	50.0%	0.0%



21020

2022-09-01

AERIAL VIEW

AXLE LOGISTICS CAMPUS

849 N CENTRAL STREET, KNOXVILLE, TN 37917

DIA
DesignInnovation
ARCHITECTS + INTERIORS + PLANNING

402 S. Gay Street, Suite 201, Knoxville, TN 37902
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EAST ELEVATION - CENTRAL

AXLE LOGISTICS CAMPUS

849 N CENTRAL STREET, KNOXVILLE, TN 37917

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NORTHWEST ELEVATION - BERNARD & ALLEY

AXLE LOGISTICS CAMPUS

849 N CENTRAL STREET, KNOXVILLE, TN 37917

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21020

09/01/22

SOUTH ELEVATION - PRUETT

AXLE LOGISTICS CAMPUS

849 N CENTRAL STREET, KNOXVILLE, TN 37917

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402 S. Gay Street, Suite 201, Knoxville, TN 37902
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**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF
KNOX AUTHORIZING THE EXECUTION OF DOCUMENTS
RELATING TO TAX INCREMENT FINANCING OF COSTS
RELATING TO THE BIDDLE FARMS FARRAGUT PROJECT**

WHEREAS, The Industrial Development Board of the County of Knox (the “Board”) is the industrial development authority created by Knox County, Tennessee (the “County”) and is duly incorporated pursuant to Sections 7-53-301, *et seq.*, Tennessee Code Annotated; and

WHEREAS, the Board has previously approved that certain Economic Impact Plan for Biddle Farms Farragut Project (the “Economic Impact Plan”) for an area generally located adjacent to Kingston Pike and Concord Road in the County (the “Plan Area”); and

WHEREAS, the development of the Plan Area would include the Biddle Farms Farragut Project to be developed by one of more developers as described in the Economic Impact Plan (collectively, the “Developer”); and

WHEREAS, the Economic Impact Plan would permit certain tax increment financing (“Tax Increment Financing”) for infrastructure improvements in the Plan Area (the “Project”) to be provided through the issuance of the Board’s bonds, notes; and other obligations in the total principal amount not to exceed \$7,100,000; and

WHEREAS, the Board desires to authorize the execution of the documents necessary to implement such Tax Increment Financing pursuant to Section 7-53-312, Tenn. Code Ann., in the maximum principal amount not to exceed \$7,100,000; and

WHEREAS, there have been submitted to the Board the forms of the following instruments (collectively, the “Documents”) which the Board proposes to execute to carry out the transactions described above, copies of which Documents shall be filed with the records of the Board:

(a) Loan Agreement (the “Loan Agreement”) between the Board and Pinnacle Bank (the “Lender”), providing for a loan not to exceed \$7,100,000 (the “Loan”) to the Board;

(b) The form of the Board’s \$7,100,000 Tax Increment Revenue Note, Series A (Biddle Farms Farragut Project) (the “Tax Increment Note”) that will evidence the Board’s obligation to repay the Loan on the terms set forth therein;

(c) Assignment of Tax Increment Revenues (the “Assignment”) from the Board for the benefit of the Lender, assigning tax increment revenues to secure the Tax Increment Note; and

(d) Development and Financing Agreement (the “Development Agreement”) between the Board and the Developer relating to the development of the Project.

WHEREAS, such Tax Increment Financing will further the public purposes of the Board by promoting development in the Plan Area.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Board of the County of Knox, as follows:

1. It is hereby found and determined that the financing of the Project will promote the economy and development in the State of Tennessee, Knox County, Tennessee, and the welfare of the citizens thereof.

2. The Chair or Vice Chair of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Loan Agreement to the Lender in substantially the form filed of record with the Board and with such changes as are approved by counsel to the Board.

3. The Chair or Vice Chair of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Tax Increment Note to the Lender in substantially the form filed of record with the Board and with such changes as are approved by counsel to the Board.

4. The Chair or Vice Chair of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Assignment to the Lender in substantially the form filed of record with the Board and with such changes as are approved by counsel to the Board.

5. The Chair or Vice Chair of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Development Agreement to the Developer in substantially the form filed of record with the Board and with such changes as are approved by counsel to the Board.

6. The Chair or Vice Chair of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver any and all other instruments, documents and agreements deemed necessary or desirable by the Lender in order to evidence and secure the Tax Increment Financing properly in accordance with the requirements of the Lender, including without limitation, security agreements, certificates, affidavits, and any other instruments of any kind or nature whatsoever, all in the form required by the Lender.

7. Any authorization herein to execute any document shall include authorization to record such document where appropriate and to make any changes and completions to any such document as may be required by the Lender that do not materially change the obligations of the Board under such document, with such changes and completions approved by the authorized officers executing same in consultation with counsel to the Board, the execution of same by such authorized officers to constitute conclusive evidence of the approval of same.

8. All other acts of the officers of the Board which are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project are hereby approved and confirmed.

Approved this 18th day of October, 2022

Chair

ATTEST:

33912237.1

PINNACLE BANK

and

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX

LOAN AGREEMENT

RELATING TO BIDDLE FARMS FARRAGUT PROJECT

**\$7,100,000 Tax Increment Revenue Note, Series A
(Biddle Farms Farragut Project)**

Dated as of October __, 2022

LOAN AGREEMENT

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Exhibit A - TIF Note Form

LOAN AGREEMENT

THIS LOAN AGREEMENT (the “Loan Agreement”) is made and entered into as of October __, 2022, between PINNACLE BANK, a state banking corporation (the “Lender”), and THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq. (the “Board”).

RECITALS:

WHEREAS, the Board has previously prepared and approved an Economic Impact Plan for Biddle Farms Farragut Project (the “Economic Impact Plan”); and

WHEREAS, the Economic Impact Plan was approved by the County Commission of the County of Knox (the “Commission”), on [date], on behalf of Knox County (the “County”); and

WHEREAS, the Board and Biddle Farms Residential, LLC, a Tennessee limited liability company (the “Developer”) have entered into a Development and Financing Agreement, dated as of the date hereof (the “Development Agreement”), regarding the development of a mixed-use development, expected to include apartment and townhouse residential spaces, commercial retail space, and restaurants on certain parcels of real property generally located adjacent to Kingston Pike and Concord Road in Farragut, Knox County, Tennessee, as further described in the Economic Impact Plan as the “Plan Area”; and

WHEREAS, under Tenn. Code Ann. §§ 7-53-301, et seq., and the Economic Impact Plan, the Board is authorized to issue and secure the TIF Note (as herein defined) to finance certain Costs (as herein defined); and

WHEREAS, the Board has established a special fund (the “Biddle Farms Farragut Project Tax Increment Fund”) into which Tax Increment Revenues (as herein defined) will be deposited, and from which debt service on the TIF Note will be paid in accordance with Tenn. Code Ann. § 7-53-312.

TERMS:

NOW, THEREFORE, in consideration of the Recitals above, the premises and the mutual covenants and undertakings below, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

In addition to the terms defined above, the following words and phrases shall have the following meanings:

“Administrative Fee” shall mean the fee to the Board for each Tax Year equal to 25 basis points (0.25%) of the Loan that is payable in accordance with Section 7.3(a) hereof.

“Allocation Period” shall mean, with respect to each Parcel, the twenty (20) Tax Years designated in a notice from the Board to the County in accordance with Section 6.2(c) hereof. The Allocation Period shall be, with respect to each Parcel, the twenty (20) year period of time permitted under the Economic Impact Plan and under applicable law that the Tax Increment Revenues from such Parcel in the Tax Increment Area will be allocated to the Board to be applied to the payment of debt service on the TIF Note. Any Tax Increment Revenues collected with respect to the Allocation Period for a Parcel shall be

available to pay debt service on the TIF Note even if such Tax Increment Revenues are collected after the end of the Allocation Period as long as such Tax Increment Revenues relate to taxes imposed during the Allocation Period for such Parcel. As permitted by the Economic Impact Plan, no Tax Increment Revenues shall be allocated to the Board from the Tax Increment Area prior to the first Tax Year of the Allocation Period.

“Applicable Interest Rate” means the greater of (a) the SOFR Rate (as hereinafter defined), plus two and 59/100 percent (2.59%) or (b) three and 25/100 percent (3.25%) per annum.

“Assignment” means the Assignment of Tax Increment Revenues executed by the Board and delivered in accordance with Article III hereof and any amendments thereto from time to time.

“Business Day” means any day other than a Saturday, Sunday or federal holiday.

“Closing Date” means the date on which the TIF Note is issued by the Board to the Lender.

“Costs” means the Eligible Development Costs and Transaction Costs.

“Deed of Trust” means that certain Second Deed of Trust, Assignment of Rents and Security Agreement dated as of the date hereof from Developer for the benefit of Lender.

“Default” means any Default under this Loan Agreement as specified in and defined in Article VIII hereof.

“Development Agreement” shall have the meaning given to such term in the Recitals of this Agreement.

“Economic Impact Plan” shall have the meaning given to such term in the Recitals of this Agreement.

“Eligible Development Costs” means costs incurred to pay for the Public Infrastructure and other costs relating thereto, including capitalized interest on the Note until the completion of the Public Infrastructure, that are permitted to be financed under the Economic Impact Plan.

“Guarantors” means, collectively, the Developer, Joseph A. Fielden, Sr., Joseph A. Fielden, Jr., and Miles E. Cullom, Jr., as joint and several guarantors.

“Guaranty” means, collectively, the Guaranty Agreements, each of even date herewith, from each of the Guarantors, as referred to in Section 2.8(d) hereof.

“Interest-only Period” shall mean the three-year period commencing on the November 1, 2022 and continuing through October 31, 2025.

“Loan” means the loan made under this Loan Agreement and evidenced by the TIF Note.

“Loan Documents” mean, collectively, the TIF Note, this Loan Agreement, the Assignment, and the other documents required by or delivered in connection with any of the foregoing.

“Maturity Date” means October 30, 2045.

“Note Payment Date” shall have the meaning given to such term in Section 2.5.

“Parcel” means a tax parcel in the Tax Increment Area.

“Plan Area” shall have the meaning given to such term in the Recitals of this Agreement.

“Public Infrastructure” shall have the meaning given to such term in Tenn. Code Ann. § 9-23-102.

“SOFR Rate” means the thirty-day average Secured Overnight Financing Rate of interest (rounded upward to the next whole multiple of one-sixteenth of one percent (1/16 of 1%)) published daily by the Federal Reserve Bank of New York at 8:00 am EST.

“State” means the State of Tennessee.

“Tax Increment Area” means all of those parcels of property within the Plan Area listed or shown on Exhibit B attached hereto.

“Tax Increment Fund” shall mean Biddle Farms Farragut Project Tax Increment Fund created under Section 7.1 of this Loan Agreement.

“Tax Increment Revenues” means, with respect to each Parcel, the lesser of (a) 75% of (i) all ad valorem property taxes assessed annually in respect of such Parcel by the County which are payable to the County with respect to any Tax Year during the Allocation Period for such Parcel, less (ii) the amount of ad valorem taxes that were payable with respect to such Parcel to the County for the year prior to the date the Economic Impact Plan was approved by the County and (b) all ad valorem property taxes assessed annually in respect of such Parcel by the County which are payable to the County with respect to any Tax Year during the Allocation Period for such Parcel, less the amount of ad valorem taxes that were payable with respect to such Parcel to the County for the year prior to the date the Economic Impact Plan was approved by the County, less any portion of such incremental tax revenues designated by the County to pay debt service on the County's obligations that is required to be excluded from the Tax Increment Revenues pursuant to Tenn. Code Ann. § 7-53-312 and the Economic Impact Plan.

“Tax Year” shall mean each calendar year as to which property taxes are payable with respect to the Plan Area.

“TIF Note” or “Note” means the Tax Increment Revenue Note issued pursuant to Article II hereof.

“Transaction Costs” mean all legal fees, recording fees, fees of the Board and other similar fees and expenses incurred by the Board, the Lender or the Developer in connection with and attributable to the issuance of the TIF Note and the transactions directly related thereto.

ARTICLE II THE LOAN AND TIF NOTE

Section 2.1 Designation. The TIF Note shall be designated “The Industrial Development Board of the County of Knox \$7,100,000.00 Tax Increment Revenue Note, Series A (Biddle Farms Farragut Project).”

Section 2.2 Loan. Subject to completion of the conditions precedent set forth in Sections 2.8(a) and 2.8(b) hereof, Lender agrees to make a term loan to the Board in an amount equal to Seven

Million One Hundred Thousand and No/100 Dollars (\$7,100,000.00) (the “Loan”). The proceeds of the Loan may not be repaid or reborrowed.

Section 2.3 Interest Rate. Outstanding principal under the TIF Note shall bear interest at the Applicable Interest Rate; provided, however, that the Lender may determine to change the Applicable Interest Rate upon Lender’s review of the TIF Note on October 31, 2027, and thereafter on each sixty-month anniversary from the Closing Date during the Term.

Section 2.4 Maturity. The TIF Note shall mature on the Maturity Date, unless prepaid earlier as provided herein and in the TIF Note; provided, however, that the TIF Note shall become immediately due and payable if the Lender determines to demand prepayment of all principal and interest under the TIF Note by the Board upon the Lender’s review of the Note on October 31, 2027, and thereafter on each sixty-month anniversary from the Closing Date during the Term. Notwithstanding the Maturity Date of the Note, any Tax Increment Revenues with respect to taxes imposed during the Allocation Period but received after the Maturity Date of the Note shall be applied to the payment of the Note if the Note has not been paid in full upon the receipt by the Board of any such amount.

Section 2.5 Interest Payments. During the Interest-Only Period, monthly payments of accrued interest on the outstanding principal of the TIF Note shall be made as provided herein. The sources for the payment of accrued interest, and the order in which amounts shall be paid therefrom, shall be as follows: first, from Tax Increment Revenues available therefor (if any) deposited in the Tax Increment Fund; and second, from amounts payable by the Developer under the Development Agreement; and third, from amounts payable under the Guaranty Agreements. Interest shall be calculated based on a 365/366-day year at the interest rate specified above based on the actual number of days elapsed since the last interest payment. In addition, upon request, the Lender shall provide to the Board and the Developer a current statement of payments of interest and any principal reductions as provided in Section 2.6 hereof. In the event adequate funds, from the sources described above, are not available on any Note Payment Date or any Maturity Date during the term of the TIF Note to pay the interest accrued thereon and such amount is not paid from funds provided by the Guarantors, the amount of unpaid interest shall be added, to the extent permitted by law, to the principal amount of the TIF Note and shall bear interest at the Applicable Interest Rate.

Section 2.6 Principal Payments. [Beginning on June 1, 2026], principal on the TIF Note shall be payable on each Note Payment Date, with all unpaid principal coming due on the Maturity Date or such earlier date on which the TIF Note shall become due and payable. All Tax Increment Revenues that are on deposit in the Tax Increment Fund on each Note Payment Date, after the payment of accrued interest on the TIF Note and the Administrative Fee payable to the Board pursuant to Section 7.3 (a), shall be applied to the payment of the principal on the TIF Note as a prepayment thereof. All of the sources of payment as described in Section 2.5 as to interest payments shall also be available to make each such principal payment.

Section 2.7 Prepayments. In addition to the principal payments required by Section 2.6 hereof, the Board shall have the right to prepay the TIF Note, at the direction of the Developer, with available amounts in the Tax Increment Fund or from such other amounts as otherwise are available to the Board, without premium or penalty, at any time upon three (3) days’ notice to the Lender.

Section 2.8 Conditions Precedent to Agreement and the Loan. In connection with the delivery of the TIF Note, there shall be delivered to or deposited with the Lender, in form and substance satisfactory to the Lender:

- (a) the amount of any reasonable costs related to the documentation and closing of the Loan Documents, including, but not limited to, title insurance premiums and costs, Lender's legal fees, appraisal and appraisal review fees, environmental inspection fees, survey fees and recording fees;
- (b) copies, certified by the Secretary of the Board, of the Charter and Bylaws of the Board and the resolutions authorizing the issuance of the TIF Note and the execution, delivery and performance of this Loan Agreement and the TIF Note;
- (c) copies, certified by an authorized officer of Developer, of the organizational documents of Developer and any resolutions authorizing the execution, delivery, and performance of the Development Agreement, its Guaranty, and the Deed of Trust;
- (d) copies of closing certificates and documentation required in connection with the execution and delivery of this Agreement and the Development Agreement, all in form and substance satisfactory to Lender's counsel;
- (e) the executed Guaranty of each of the Guarantors regarding the repayment of the TIF Note, in form and substance satisfactory to Lender;
- (f) a Tennessee certificate of existence for the Board and the Developer indicating that each is in good standing;
- (g) originally executed complete counterparts of this Loan Agreement, the Assignment, the Development Agreement, the Deed of Trust, and all other documents that may be required by Lender;
- (h) an opinion of counsel to the Board in form and substance satisfactory to the Lender;
- (i) an opinion of bond counsel acceptable to the Lender as to the enforceability of the TIF Note and the pledge of the Tax Increment Revenues and, if requested by Lender, as to the tax-exempt status of the TIF Note; and
- (j) the TIF Note, duly executed and issued by the Board, in an aggregate principal amount not to exceed \$7,100,000.00.

By its execution and delivery of this Loan Agreement, the Lender hereby acknowledges that each of the deliveries in this Section 2.8 has been satisfied.

Section 2.9 Execution, Limited Obligations. The TIF Note shall be executed on behalf of the Board with the manual signature of the Chair and attested by the Secretary or other duly authorized officer of the Board. The TIF Note, and the obligations of the Board under this Loan Agreement and the other Loan Documents, shall not constitute an indebtedness of the County within the meaning of the Constitution and statutes of the State or the charter or ordinances of the County. The obligations of the Board under this Agreement, the TIF Note or any other Loan Documents are not general obligations of the Board but are limited obligations payable solely out of the Tax Increment Revenues pledged to and designated for the payment of such obligations and made available to the Board. In the event that a Default occurs under this Loan Agreement, no judgment for any deficiency for the obligations of the Board under the TIF Note, this Loan Agreement or any other Loan Documents shall be sought or obtained against the Board, except to the extent payable solely from the Tax Increment Revenues pledged to and

designated for the payment of such obligations. Nothing contained in this Section 2.9 shall (x) be deemed to be a release or impairment of the indebtedness evidenced by the TIF Note or the lien of this Loan Agreement or any of the other Loan Documents except for the nonrecourse provisions of the immediately preceding sentence, or impair the indebtedness recoverable under the Guaranty, or (y) preclude the Lender from realizing on the collateral described in the Loan Documents in the event of a Default. Amounts deposited in the Tax Increment Fund and the Tax Increment Revenues shall be used for no purpose other than to pay the principal of, interest on and any other amounts due under the TIF Note and this Agreement until they are paid in full. For the avoidance of doubt, and notwithstanding the foregoing or anything to the contrary in this Loan Agreement or in any of the other Loan Documents, the Board is not personally liable for the repayment of the Loan outside of the Tax Increment Revenues pledged to and designated for the payment of such obligations and is not obligated to make up any shortfall in Tax Increment Revenues to pay debt service on the TIF Note.

Section 2.10 Form of TIF Note. The TIF Note is to be in substantially the form set forth in Exhibit A attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Loan Agreement, with such changes being conclusively approved by execution of the TIF Note by the Board and acceptance of the TIF Note by the Lender.

Section 2.11 Conditions. The obligation of Lender to fund the TIF Note is subject to the following condition precedent: Lender shall have received the items set forth in Section 2.8.

ARTICLE III COLLATERAL SECURING THE TIF NOTE

Section 3.1 Assignment of Tax Increment Revenues. As a source of and security for the payment of the TIF Note and all amounts due hereunder, the Board has assigned and pledged to the Lender, pursuant to the Assignment, all Tax Increment Revenues, except the Administrative Fees payable to the Board pursuant to Section 7.3.

Section 3.2 Pledge of Tax Increment Fund. To the extent of any interest of the Board therein, all moneys in the Tax Increment Fund, including, without limitation, any earnings thereon and proceeds thereof, except the Administrative Fee payable to the Board pursuant to Section 7.3, are hereby pledged to the payment of the principal of and interest on the TIF Note, and the Board hereby grants to the Lender a security interest therein. The Tax Increment Fund shall be maintained with the Lender, at the expense of the Developer, in an account designated by the Lender, with interest earnings thereon being deposited into such Tax Increment Fund.

Section 3.3 Right of the Lender to Receive Collateral and Proceeds. The Lender is hereby authorized to receive and hold all the collateral described in this Article III as security for the TIF Note and all amounts due hereunder.

Section 3.4 Waiver of Other Rights. Other than as provided in this Loan Agreement or as subsequently provided in a separate written instrument and other than a right of set-off against the Tax Increment Fund, the Lender shall not have any right of set-off against any funds of the Board maintained in an account with the Lender and the Lender expressly waives all such rights.

ARTICLE IV PREPAYMENT OF THE TIF NOTE BEFORE MATURITY

Section 4.1 Extraordinary Prepayment. The TIF Note is subject to prepayment upon the demand of the Lender, in whole, at a redemption price equal to 100% of the principal amount outstanding thereof plus accrued interest to the redemption date, but only from any Tax Increment Revenues available therefor or amounts payable by the Developer or by any guarantor of the Developer's obligations, or by the Guarantors pursuant to the Guaranty, in the event that:

(a) The Developer fails to pay when due (or within any grace period therein provided) any amount required of any Guarantor under the terms of the Development Agreement;

(b) Any Guarantor fails to pay when due (or within any grace period therein provided) any amount required of any Guarantor under the terms of any Guaranty as it relates to the TIF Note;

(c) Tax Increment Revenues cease to be available for principal or interest payments on the TIF Notes; or

(d) This Loan Agreement or any of the Loan Documents becomes void, unenforceable, or impossible of performance as a result of any changes in law or administrative, legislative or judicial action.

Section 4.2 Payment Due. The payment due to the Lender as a result of any prepayment of the TIF Note pursuant to this Article IV shall be paid in full within ten (10) days after the occurrence of the event pursuant to which the TIF Note must be prepaid hereunder.

ARTICLE V REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1 Representations and Warranties of the Board. The Board represents and warrants that:

(a) The Board is a duly established, organized and existing public corporation under the laws of the State of Tennessee.

(b) The Board has all requisite power, authority and legal right to execute and deliver the Loan Documents and all other instruments and documents to be executed and delivered by the Board pursuant hereto or thereto, to perform and observe the provisions hereof and thereof and to carry out the transactions contemplated hereby and thereby. All corporate action on the part of the Board which is required for the execution, delivery, performance and observance by the Board of the Loan Documents has been duly authorized and effectively taken, and such execution, delivery, performance, and observation by the Board do not contravene applicable law or any contractual restriction binding on or affecting the Board.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by the Board of, and performance by the Board of its obligations under, the Loan Documents other than the notices and filings required under the Act and Tenn. Code Ann. § 9-23-101, et seq.

(d) The Loan Documents, when delivered, will be legal, valid, and binding special obligations of the Board enforceable against the Board in accordance with their respective terms.

(e) There is no default of the Board in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of the Loan Documents or the ability of the Board to perform its obligations hereunder or thereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes or, with the lapse of time or the giving of notice, or both, would constitute such a default.

(f) There is no pending or, to the knowledge of the undersigned officers of the Board, threatened, action or proceeding before any court, governmental agency or arbitrator (i) to restrain or enjoin the issuance or delivery of the TIF Note or the collection of any revenues pledged under this Loan Agreement or the Assignment, (ii) in any way contesting or affecting the validity, authorization or enforceability of this Loan Agreement, the TIF Note or Assignment, the availability of Tax Increment Revenues to pay and secure this Loan Agreement, the TIF Note, or the Assignment, or (iii) in any way contesting the existence or powers of the Board which could have an adverse effect on the validity, authorization, or enforceability of this Loan Agreement, the TIF Note, or the Assignment with respect to the Board or on the ability of the Board to carry out its obligations hereunder or thereunder.

(g) In connection with the authorization, issuance and sale of the TIF Note, the Board has complied with all provisions of the Act and Sections 8-44-104, et seq., of Tenn. Code Ann.

(h) The Board has not assigned or pledged and will not assign or pledge its interest in the Tax Increment Revenues with respect to the period prior to payment in full of the indebtedness evidenced by the TIF Note for any purpose other than to secure the TIF Note under this Loan Agreement.

(i) Other than as expressly provided in this Loan Agreement, the Tax Increment Fund is not subject to any lien, security interest or right of set-off in favor of any lender, creditor or claimant of the Board.

(j) The Board is not in default under any provision of its Charter or Bylaws and is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in Section 5.1(b) hereof.

Section 5.2 Covenants of the Board. The Board covenants with the Lender as follows:

(a) The Board will not allow the Tax Increment Fund to become subject to any lien, security interest or right of set-off in favor of any lender, creditor or claimant of the Board, other than the Lender pursuant to this Loan Agreement and the Assignment.

(b) The Board will not enter into any agreement or instrument which might in any way prevent or materially impair its ability to perform its obligations hereunder or under the Loan Documents.

(c) So long as the TIF Note shall remain outstanding, the Board will, upon the reasonable request of the Lender:

(i) take all action and do all things which it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under the Loan Documents; and

(ii) execute, acknowledge where appropriate, and deliver from time to time, promptly at the request of the Lender, all such instruments and documents as in the reasonable opinion of the Lender are necessary or desirable to carry out the intent and purpose of the Loan Documents, but at all times, the Loan shall remain non-recourse to the Board, except to the extent payable solely from the Tax Increment Revenues as described herein.

(d) So long as the TIF Note shall remain outstanding, the Board will not, without the prior written consent of the Lender:

(i) take any action, or fail to take any required action, that, directly or indirectly, adversely affects its existence or status as a public corporation under the laws of the State;

(ii) take any action, or fail to take any required action, that would cause or permit the County not to collect and pay to the Board (or deposit into the Tax Increment Fund) the Tax Increment Revenues; or

(iii) take any action, or fail to take any required action, that would have the effect of materially reducing the expected Tax Increment Revenues, including, without limitation, entering into a payment in lieu of tax transaction in accordance with Tenn. Code. Ann. § 7-53-305 with respect to any parcel in the Tax Increment Area.

ARTICLE VI DISBURSEMENTS OF PROCEEDS

On the Closing Date, at the direction of the Developer and with approval of the Lender, the Lender shall deposit all proceeds of the Loan into the Project Fund, as defined herein. The proceeds of the Loan shall be used solely to pay or to reimburse the Developer for Eligible Development Costs and Transaction Costs, all as detailed on a Borrowing Certificate delivered to the Board and the Lender. The proceeds of the Loan may not be repaid and reborrowed.

ARTICLE VII PROJECT FUND AND TAX INCREMENT FUND

Section 7.1 Establishment of Funds. There are hereby established by the Board (a) a special fund to be held in a segregated account with the Lender called the “Biddle Farms Residential Project Fund,” that is not commingled with funds and loan proceeds not related to the construction of the Public Infrastructure, into which shall be deposited all proceeds of the TIF Note prior to their disbursement to pay Transaction Costs and Eligible Development Costs and any interest earnings thereon and (b) a special fund to be held in a segregated account with Lender called the “Biddle Farms Residential Project Tax Increment Fund,” into which shall be deposited all Tax Increment Revenues and any interest earnings thereon.

Section 7.2 Disbursements from Project Fund. All proceeds of the TIF Note shall be deposited in the Project Fund. Amounts deposited in the Project Fund shall be disbursed in accordance with Article VI hereof.

Section 7.3 Disbursements from Tax Increment Fund.

(a) On each Note Payment Date, the Board shall disburse to itself its Administrative Fee from the Tax Increment Revenues deposited in the Tax Increment Fund on such date, but only to the extent available therefrom and only to the extent the Administrative Fee has not already been received by the Board for the Tax Year during which such date occurs. After such disbursement, all remaining Tax Increment Revenues on deposit in the Tax Increment Fund shall be applied to the payment of the interest and principal due under the TIF Note as provided in Sections 2.5 and 2.6 hereof and in the TIF Note. The Board shall also disburse Tax Increment Revenues received from delinquent tax payments as provided in Section 2.5 hereof. Amounts deposited in the Tax Increment Fund shall not be invested. [provide for initial payments of interest only and then P&I payments]

(b) In the event of prepayment in whole of the TIF Note under Article IV hereof, the entire amount of the Tax Increment Fund (less the Administrative Fee payable to the Board pursuant to Section 7.3(a)) shall be disbursed to pay the TIF Note.

ARTICLE VIII
DEFAULTS AND REMEDIES

Section 8.1 Defaults. Each of the following events shall constitute a “Default” hereunder:

(a) default in the due and punctual payment of interest on or principal of the TIF Note on any Note Payment Date to the extent required by Sections 2.5 and 2.6 hereof after ten (10) days’ written notice thereof to the Board and the Developer;

(b) the occurrence of a breach under or failure to comply with terms of the Development Agreement, the Assignment, the Deed of Trust, any Guaranty, or any of the other Loan Documents, and the passage of the period, if any, allowed thereunder for the remedying or curing of such breach or failure of compliance;

(c) the occurrence of a breach under or failure to comply with terms of any other of the covenants, agreements or conditions on the part of the Board or any Guarantors contained in this Loan Agreement or any of the other Loan Documents (except as described in Sections 8.1(a) - (b) hereof) and the failure to remedy the same within thirty (30) days after written notice thereof to the Board and the Developer; provided, however, that if any such breach or failure to comply (i) is such that it cannot be cured or remedied within such thirty (30) day period, (ii) does not involve the payment of any monetary sum, and (iii) does not place any rights or interest in collateral of the Lender in immediate jeopardy, then such breach or failure to comply shall not constitute a Default if corrective action is instituted by the Board or the Developer to the reasonable satisfaction of the Lender within such thirty (30) day period and diligently pursued until such breach or failure to comply is corrected; provided, further, however, that in no event shall any such cure period exceed ninety (90) days without the express written consent of the Lender, which shall not be unreasonably withheld, conditioned or delayed. If the Board or the Developer on behalf of the Board shall fail to correct or cure such breach or failure to comply within such ninety (90) day period (as the same may be extended pursuant to the foregoing sentence), a Default shall be deemed to have occurred hereunder without further notice or demand of any kind being required;

(d) Tax Increment Revenues cease to be available for principal and interest payments on the TIF Note;

(e) Developer fails to pay when due (or within any grace period therein provided) any amount required of it under the terms of the Development Agreement;

(f) any Guarantor fails to pay when due (or within any grace period therein provided) any amount required of Guarantor under the terms of any Guaranty as it relates to the TIF Note;

(g) this Loan Agreement or any of the other Loan Documents becomes void, unenforceable, or impossible of performance as a result of any changes in law or administrative, legislative or judicial action;

(h) the filing by or against any Guarantor of a voluntary or involuntary petition in bankruptcy or the filing against any Guarantor of a complaint or petition seeking the appointment of a trustee, receiver, liquidator, or examiner of any Guarantor, the Public Infrastructure or any Guarantor's assets; or any Guarantor's adjudication as a bankrupt or insolvent; or the filing by any Guarantor of any petition or answer seeking or acquiescing in any reorganization, receivership, arrangement, composition, readjustment, liquidation, dissolution, or similar relief for any Guarantor, or the Public Infrastructure, or any Guarantor's assets under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency, receivership or other relief for debtors; or any Guarantor's seeking or consenting to or acquiescing in the appointment of any trustee, receiver, liquidator or examiner of any Guarantor, or all or any part of the Public Infrastructure, including, but not limited to, rents, issues, profits or revenues thereof; or the making by any Guarantor, of any general assignment for the benefit of creditors; or the admission in writing by any Guarantor, of its inability to pay its debts generally as they become due; or the commission by any Guarantor, of an act of bankruptcy; execution, levy, garnishment, or the commencement of attachment, seizure, foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, administrative proceeding or any other method against any collateral securing the Loan;

(i) should a material adverse change occur in the financial condition of any Guarantor, or the value of the Public Infrastructure or any Loan Document is impaired or is limited including, without limitation, the assertion of any offset, cancellation, termination, limitation, revocation, dispute, claim, unenforceability, invalidity, or loss of priority of the Note or any Loan Document or the commencement of any legal or equitable proceeding challenging the execution, liability, enforceability, validity, perfection and priority of the Note or any Loan Document given with respect to or in connection with the Loan; or

(j) any consolidation, reorganization, restructure or dissolution of any Guarantor which is an entity, or the; liquidation or any revocation or any termination of existence which is not cured within sixty (60) days after such event (regardless of whether election to continue is made); or any expiration, revocation or other termination of its charter, bylaws, organizational agreement, certificate of authority, good standing, or authorization to do business which is not cured within sixty (60) days after such event; or merger with another entity when the Guarantor is not the surviving entity.

Section 8.2 Acceleration. Upon the occurrence of any Default hereunder and the expiration of any applicable cure period without cure, the Lender may declare the principal of the TIF Note and all accrued and unpaid interest thereunder to be immediately due and payable.

Section 8.3 Other Remedies.

(a) Upon the occurrence of a Default, and subject to the provisions of Section 2.9 hereof, the Lender may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on the outstanding TIF Note and to enforce the Deed of Trust, Assignment, the Guaranty Agreements and all rights derived therefrom.

(b) No remedy conferred upon or reserved to the Lender by the terms of this Loan Agreement, the Deed of Trust, the Guaranty Agreements, or the Assignment is intended to be exclusive of any other remedy, but subject to the provisions of Section 2.9 each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Lender hereunder or now or hereafter existing at law or in equity.

(c) No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver of any such Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

(d) No waiver of any Default hereunder, whether by the Lender or by any holder of the TIF Note, shall extend to or shall affect any subsequent Default or shall impair any rights or remedies consequent thereon.

Section 8.4 Waiver. Upon the occurrence of a Default, to the extent that such rights may then lawfully be waived, neither the Board nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay or extension laws of any jurisdiction now or hereafter in force, in order to prevent or hinder the collection of the TIF Note or the enforcement of this Loan Agreement, the Development Agreement, the Assignment, the Deed of Trust, or any of the other Loan Documents, and the Board, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

By written notice to the Board provided in accordance with Section 9.2 hereof, the Lender shall have the right to waive any breach of any promise made in the TIF Note, or any Default under Section 8.1 hereof, or any default under the Assignment or other documents relating to, securing or otherwise executed in connection with the TIF Note, and its consequences. In case of any such waiver or rescission, then and in every such case the Board and the Lender shall be restored to their former positions and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other breach, Default or default or impair any right consequent thereon.

Section 8.5 Application of Moneys. All moneys received by the Lender pursuant to any right given or action taken under the provisions of this Article VIII shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and expenses, liabilities and advances incurred or made by, the Lender, be allocated to and applied first to accrued interest and then to principal due on the TIF Note.

Section 8.6 Board Obligations. Upon the occurrence and continuance of a Default, the Board hereby grants to the Lender the full authority for the account of the Board to perform any covenant or obligation of the Board under this Loan Agreement, in the name and stead of the Board, with full power to do any and all things and acts to the same extent that the Board could do and perform any such things and acts and with power of substitution.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Term of Loan Agreement. This Loan Agreement shall remain in full force and effect from the date hereof to and including such time as all of the TIF Note and the fees and expenses of the Lender relating to this Loan Agreement, the TIF Note and the Assignment shall have been fully paid.

Section 9.2 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand-delivered or mailed by registered or certified mail, postage prepaid, or delivered by courier (such as Federal Express), all charges prepaid, addressed as follows:

If to the Board:

The Industrial Development Board of the County of Knox
17 Market Square, Suite 201
Knoxville, Tennessee 37902
Attention: Chair

With a copy to:

Egerton, McAfee, Armistead & Davis, P.C.
1400 Riverview Tower
900 S. Gay Street
Knoxville, Tennessee 37902
Attention: R. Christopher Trump

With a copy to:

Biddle Farms Residential, LLC
814 Woodland Avenue
Knoxville, Tennessee 37917
Attention: [person]

If to the Lender:

Pinnacle Bank
1111 Northshore Dr.
Suite S-800
Knoxville, Tennessee 37919
Attention: Eric Schmittou

With a copy to:

Long, Ragsdale & Waters, P.C.
1111 Northshore Drive
Suite S-700
Knoxville, Tennessee 37919
Attention: Dennis B. Ragsdale

The Board and the Lender may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 9.3 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Board and the Lender and their respective successors and assigns.

Section 9.4 Severability. In any event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or thereof.

Section 9.5 Amendments, Changes and Modifications. This Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Lender, the Board and the Developer.

Section 9.6 Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.7 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State, and the venue of any litigation with respect hereto shall be exclusively in state court in Knox County, Tennessee or federal court in the U.S. District Court for the Eastern District of Tennessee.

Section 9.8 Captions. The captions and headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

Section 9.9 Payment or Performance on Business Days. If the date for any payment hereunder, or the last date for performance of any act or the exercising of any right as provided in this Loan Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day.

Section 9.10 No Liability of Officers. No recourse under or upon any obligation, covenant, or agreement herein, in the TIF Note or in the Assignment, or under any judgment obtained against the Board or the Developer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator, member, employee, director or officer, as such, past, present, or future, of the Board or the Developer, as applicable, either directly or through the Board or the Developer, as applicable, or otherwise, for the payment for or to the Board or the Developer, as applicable, or any receiver thereof, or for or to the holder of the TIF Note, of any sum that may be due and unpaid by the Board or the Developer, as applicable, upon the TIF Note or the Assignment to which any such party is a party. 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, employee, director or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Board or the Developer, as applicable, or any receiver thereof, or for or to the holder of the TIF Note, of any sum that may remain due and unpaid upon the TIF Note or the Assignment, is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the issuance of the TIF Note.

Section 9.11 No Liability of County. The County shall not, in any event, be liable for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein or

indebtedness by the Board, and neither the TIF Note nor any of the agreements or obligations of the Board contained in any other document relating thereto or otherwise shall be construed to constitute an indebtedness of the County within the meaning of any constitutional or statutory provision whatsoever, provided, however, that the terms of this Section 9.11 shall in no way limit or affect the obligation of the County to remit the Tax Increment Revenues for the benefit of the Lender and the Board.

Section 9.12 Interest and Charges. Notwithstanding any provision herein to the contrary, it is the intent of the Lender and the Board that neither the Lender nor any subsequent holder of the indebtedness evidenced by this Loan Agreement or the TIF Note shall be entitled to receive, collect, reserve or apply, as interest or other charges, any amounts in excess of the maximum amounts legally permitted to be charged under applicable law or regulations. In the event this Loan Agreement or the TIF Note requires a payment of interest or other charges that exceeds the maximum amounts legally permitted to be charged under applicable law or regulations, such interest or other charges, as the case may be, shall not be received, collected, charged or reserved until such time as such interest or other charges, as the case may be, together with all other interest and other charges then payable, fall within the maximum amounts legally permitted to be charged under applicable law and regulations. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the amount provided by application of the maximum lawful rate of interest, the Board and the Lender, to the greatest extent permitted under applicable law, (a) shall exclude voluntary prepayments and the effects thereof, and (b) shall amortize, prorate, allocate and spread, in equal parts, the total amount of interest throughout the entire term hereof; provided, however, that if the principal indebtedness evidenced hereby is paid in full prior to the end of the full contemplated term hereof, and if the interest received for the actual period of existence hereof exceeds the amount provided by application of the maximum lawful rate of interest, the Lender shall refund to the Board the amount of such excess or credit the amount of such excess against the principal portion of the principal indebtedness hereunder as of the date it was received, and, in such event, the Lender shall not be subject to any penalties provided by any laws for contracting for, charging, reserving, collecting or receiving interest in excess of the amount provided by application of the maximum lawful rate of interest. The term "maximum lawful rate of interest" as used herein shall mean a rate of interest equal to the maximum lawful rate of interest permitted to be charged under the applicable laws and regulations of the State of Tennessee.

[Signatures to follow on next page]

IN WITNESS WHEREOF, the Board has caused this Loan Agreement to be executed in its name and the Lender has caused this Loan Agreement to be executed in its name, all as of the date first above written.

BOARD:

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF KNOX

By: _____
Chair

ATTEST:

Secretary

LENDER:

PINNACLE BANK

By: _____
Title: _____

EXHIBIT A

TIF Note Form

**THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
\$7,100,000.00 TAX INCREMENT REVENUE NOTE, SERIES A
(Biddle Farms Farragut Project)**

\$7,100,000.00

October __, 2022

FOR VALUE RECEIVED, THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq. (the “Board”), promises and agrees to pay to the order of PINNACLE BANK (the “Lender”), in lawful money of the United States of America, the principal sum of Five Million and 00/100 Dollars (\$7,100,000.00) or such lesser amount as is advanced hereunder pursuant to the Loan Agreement, as hereinafter defined, together with interest from the date hereof on the unpaid principal balance outstanding from time to time, at such rate(s) as are provided in the Loan Agreement. Interest shall be computed based upon a year of 365/366 days and based upon the actual number of days elapsed. This Note is issued pursuant to that certain Loan Agreement, dated as of the date hereof (as it may be amended, modified, extended, or removed from time to time, the “Loan Agreement”), by and between the Lender and the Board. Any capitalized term used in this Note that is not otherwise defined herein shall have the meaning given to it in the Loan Agreement.

The Board may prepay all or any portion of the outstanding balance under this Note at any time without penalty or premium.

The proceeds hereunder shall be disbursed in accordance with Article VI of the Loan Agreement.

This Note shall mature on the Maturity Date, as defined in the Loan Agreement, unless earlier paid pursuant to the terms of the Loan Agreement.

On each Note Payment Date or as is otherwise provided in the Loan Agreement, all available Tax Increment Revenues, if any, shall be applied to the payment of accrued interest and principal of this Note until paid in full as provided in the Loan Agreement.

All payments hereunder, including any prepayments, will be applied first to accrued interest, and any remaining funds will be applied as a principal reduction on the indebtedness evidenced by this Note.

Notwithstanding any provision herein to the contrary, it is the intent of the Lender, the Board and all parties liable on this Note that neither the Lender nor any subsequent holder shall be entitled to receive, collect, reserve or apply, as interest or other charges, any amounts in excess of the maximum amounts legally permitted to be charged under applicable law or regulations. In the event this Note requires a payment of interest or other charges that exceeds the maximum amounts legally permitted to be charged under applicable law or regulations, such interest or other charges, as the case may be, shall not be received, collected, charged or reserved until such time as such interest or other charges, as the case may be, together with all other interest and other charges then payable, fall within the maximum amounts legally permitted to be charged under applicable law and regulations. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the amount provided by application of

the maximum lawful rate of interest, the Board and the Lender, to the greatest extent permitted under applicable law, (a) shall exclude voluntary prepayments and the effects thereof, and (b) shall amortize, prorate, allocate and spread, in equal parts, the total amount of interest throughout the entire term hereof; provided, however, that if the principal indebtedness evidenced hereby is paid in full prior to the end of the full contemplated term of this Note, and if the interest received for the actual period of existence hereof exceeds the amount provided by application of the maximum lawful rate of interest, the holder shall refund to the Board the amount of such excess or credit the amount of such excess against the principal portion of the principal indebtedness hereunder as of the date it was received, and, in such event, the Lender shall not be subject to any penalties provided by any laws for contracting for, charging, reserving, collecting or receiving interest in excess of the amount provided by application of the maximum lawful rate of interest.

Principal and unpaid interest shall bear interest following any default in payment of principal of or interest on this Note and the expiration of the cure period provided in the Loan Agreement at the maximum lawful rate of interest until paid. In case of suit, or if this obligation is placed in an attorney's hands for collection, or to protect the security for its payment, the Board will pay, but only from any Tax Increment Revenues that may be available to it to the holder hereof, all costs of collection and litigation, including reasonable attorneys' fees, incurred by the holder hereof.

This Note and all obligations relating hereto or hereunder shall not be general obligations of the Board and shall in any event be payable only from Tax Increment Revenues as provided in the Loan Agreement. Nothing contained in this paragraph shall (x) be deemed to be a release or impairment of the indebtedness evidenced by this Note or the lien of the Loan Agreement or any Loan Documents, or (y) preclude the Lender from (1) realizing on the collateral described in the Loan Documents, or (2) enforcing any other rights of the Lender against third parties other than the Board, including any remedies the Lender may have under the Loan Agreement or the Loan Documents.

The makers, endorsers and all parties to this Note and all who may become liable for the same, jointly and severally waive presentment for payment, protest, notice of protest, notice of nonpayment of this Note, demand and all legal diligence in enforcing collection, and hereby expressly agree that the lawful owner or holder of this Note may defer or postpone collection of the whole or any part hereof, either principal and/or interest, or may extend or renew the whole or any part hereof, either principal and/or interest, or may accept additional collateral or security for the payment of this Note, but only if such collateral or security is affirmatively pledged by the Board, or may release the whole or any part of any collateral security and/or liens given to secure the payment of this Note, or may release from liability on account of this Note any one or more of the makers, endorsers, and/or other parties hereto, all without notice to them or any of them; and such deferment, postponement, renewal, extension, acceptance of additional collateral or security and/or release shall not in any way affect or change the obligation of any such maker, endorser or other party to this Note, or of any who may become liable for the payment hereof.

The term "maximum lawful rate of interest" as used herein shall mean a rate of interest equal to the higher or greater of the following: (a) the "applicable formula rate" defined in Tenn. Code Ann. § 47-14-102(2), or (b) such other rate of interest as may be legally charged under other applicable laws or regulations.

This Note is secured by an Assignment of Tax Increment Revenues dated as of the date hereof from the Board to the Lender. It is the intent of the parties that all Tax Increment Revenues shall be made available for and applied to debt service on this Note or other obligations created under the Loan Agreement, and to no other purpose or use until the indebtedness evidenced by this Note has been paid in full.

The validity, interpretation, enforcement and effect of this Note shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

This Note may not be changed or terminated without the prior written approval of the holder hereof and the Board. No waiver of any term or provision hereof shall be valid unless in writing signed by the holder.

[Signature page follows]

Executed as of the date first written above.

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF KNOX

By: _____
Chair

Attest:

Secretary

EXHIBIT B

Parcels within Tax Increment Area

Tax Parcel	Base Taxes – City	Base Taxes – County	Base Taxes – Total
143 00319			
143 00302			
143 00303			
143 00310			

Base Tax Year: [2020?]

33749802.1

**DEVELOPMENT AND FINANCING AGREEMENT
RELATING TO BIDDLE FARMS FARRAGUT PROJECT**

This DEVELOPMENT AND FINANCING AGREEMENT (this “Agreement”) is entered into as of October __, 2022, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq. (the “Board”), and BIDDLE FARMS RESIDENTIAL, LLC, a Tennessee limited liability company (the “Developer”).

W I T N E S S E T H:

WHEREAS, the Board has prepared and approved an Economic Impact Plan for Biddle Farms Farragut Project (the “Economic Impact Plan”) regarding the development of a mixed-use development, expected to include apartment and townhouse residential spaces, commercial retail space, and restaurants (the “Project”) on certain parcels of real property generally located adjacent to Kingston Pike and Concord Road in Farragut, Knox County, Tennessee, as further described in the Economic Impact Plan and as more particularly described in Exhibit A attached hereto (“Plan Area”); and

WHEREAS, the Developer is the owner of property located within the Plan Area; and

WHEREAS, the Economic Impact Plan authorizes tax increment financing (“Tax Increment Financing”) to finance a portion of the cost of the Project; and

WHEREAS, in order to accomplish such tax increment financing, Pinnacle Bank, a Tennessee banking corporation (the “Lender”), has agreed to extend a loan to the Board in the principal amount not to exceed \$7,100,000.00 (the “TIF Loan”), evidenced by a tax increment revenue note issued by the Board (the “TIF Note”) with such TIF Note being issued pursuant to the terms of a Loan Agreement between the Lender and the Board (the “Loan Agreement”); and

WHEREAS, the TIF Loan and the TIF Note are guaranteed pursuant to the terms of Guaranty Agreements executed by each of the Developer, Joseph A. Fielden, Sr., Joseph A. Fielden, Jr., and Miles E. Cullom, Jr., individually and as joint and several guarantors (collectively, the “Guarantors”); and

WHEREAS, the proceeds of the Tax Increment Financing would be used to pay a portion of the costs of Public Improvements, as defined in the Loan Agreement, and other related costs associated with the Project; and

WHEREAS, certain incremental property tax revenues (the “Tax Increment Revenues”) that result from the development of the Plan Area under the Economic Impact Plan will be allocated to the Board to be used to pay debt service of the Tax Increment Financing; and

WHEREAS, for the purpose of establishing the rights and obligations of the parties with respect to the development of the designated portion of the Plan Area and certain terms related to the Tax Increment Financing, the parties have entered into this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereafter set forth in detail, the parties do hereby mutually agree as follows:

1. Designation as Developer. The Board hereby designates the Developer as developer of the Project and, in furtherance thereof, grants to the Developer, during the term of this Agreement, the

exclusive right to develop the Project substantially in accordance with this Agreement and the Economic Impact.

2. The TIF Loan. On the date hereof, the Board and the Lender have closed the TIF Loan pursuant to the terms of the Loan Agreement and the following documents have been executed, accepted and/or delivered in connection therewith (collectively, with the Loan Agreement, the “Loan Documents”):

- (a) the TIF Note;
- (b) Assignment of Tax Increment Revenues, dated as of the date hereof, between the Board and the Lender (the “TIF Assignment”), assigning the Tax Increment Revenues to the Lender to secure the TIF Note; and
- (c) One or more guaranty agreements from the Guarantors to the Lender (individually, a “Guaranty” and collectively, the “Guaranties”) (the “Guaranty Agreements”).

The Developer consents to the disbursement of the proceeds of the TIF Loan in accordance with the Loan Documents and this Agreement and acknowledges that it has approved the terms of the Loan Documents in all respects. The Board agrees to comply with the terms of the Loan Documents to which it is a party. The Board also agrees that it will not agree or consent to any amendment, modification or change in the Loan Documents without the prior written consent of Developer, provided the Developer is not in default in the performance of its obligations hereunder.

3. Use of Proceeds of TIF Loan. The Board hereby agrees to commit the proceeds of the TIF Loan, less the payment of Administrative Fees, to the payment of Eligible Development Costs and Transaction Costs with respect to the Project in the amount up to \$7,100,000.00 in accordance with the terms and conditions of the Loan Agreement and this Agreement. In the event the Eligible Development Costs and Transaction Costs exceed the proceeds of the TIF Loan, the Developer shall pay all such excess costs. The Developer agrees that the Board shall have no obligation to undertake any activities, which would cause the Board to incur costs or expenses in excess of the proceeds of the TIF Loan available therefor.

4. Developer Obligations. The Developer has already undertaken or agrees to undertake the following development activities in connection with the Project (the “Development Activities”):

- (a) Prepare and submit to the Board a site plan for phase 1 of the Project. The Board hereby acknowledges and agrees that the Developer has prepared and submitted a site plan attached hereto as Exhibit A for phase 1 of the Project (the “Site Plan”) and the Board has approved the Site Plan.
- (b) Make no Material Alterations to the Site Plan without the prior consent of the Board, which shall not be unreasonably withheld, conditioned or delayed. As used herein, a “Material Alteration” to the Site Plan shall mean any change that would decrease the Tax Increment Revenues.
- (c) Diligently pursue the construction of the Project and complete the construction of phase 1 of the Project in accordance with the Site Plan on or before [date] (the “Completion of Construction”).
- (d) Cause the construction of the Project to be performed in a good and workmanlike manner by the general contractors for the Project (collectively, the “General Contractors”). Subject to Section 3 above, as between the Developer and the Board, the Developer shall be solely responsible for the amount of any costs, fees and expenses incurred by the General

Contractors and the Developer in performance of the terms of all construction contracts with the General Contractors (collectively, the “Construction Contracts”).

(e) Cause the construction of the Project to be in accordance with good construction industry practice and cause the Project to be safe for the general public and to have appropriate amenities consistent with the Site Plan.

(f) Cause the Project and the design and construction of the Project to comply with all applicable permits, laws, regulations, codes and periodic inspections of all governmental and quasi-governmental local, state and federal agencies and authorities having jurisdiction over the Project. The Developer will also arrange for the appropriate municipal and public utility bodies to provide utility and related services to the Project.

(g) Secure or cause to be secured all structural, mechanical, environmental, soils and other tests which are normally and customarily performed in accordance with good construction industry practice in the state of Tennessee, and/or to comply with the Construction Contracts, and/or which are necessary to comply with applicable law. The costs of such tests shall be the responsibility of the Developer.

(h) Pay the General Contractors the amount due under the Construction Contracts and use commercially reasonable efforts to cause the General Contractor to pay each subcontractor, laborer and materialman the amount due under its subcontract on account of its service or work. Until Completion of Construction has occurred, the Developer shall keep, and cause to be kept, the Project free from liens, claims and encumbrances of the General Contractors, subcontractors, materialmen, laborers and others, other than liens, claims or encumbrances that may arise in the ordinary course of construction and which do not materially adverse impact the ability of the Developer to perform its obligations hereunder; provided, however, the Developer shall not be in default under this subsection to the extent that Developer in good faith is disputing any such lien, claim or encumbrance.

(i) Cause all legally or contractually required permits, licenses and certificates of occupancy to be obtained and paid for and cause all laws, rules, regulations and codes of federal, state and local governments to be observed with respect to all work and operations performed pursuant to this Agreement.

(j) Provide updates to the Board on the status of the Development Activities and the Project reasonably requested by the Board.

5. Obligations of the Developer with Respect to the TIF Loan. The Developer agrees to the following obligations with respect to the TIF Loan:

(a) The Developer shall pay on behalf of the Board, directly to the Lender, in connection with the annual payments of debt service on the TIF Notes as specified therein (irrespective of the limitation in the TIF Notes that such payments are limited to Tax Increment Revenues) and that are due on each Note Payment Date through and including the maturity of the TIF Notes, an amount equal to the difference, if any, between the amount of interest and principal then due with respect to the TIF Notes and the Tax Increment Revenues then available therefor, if any.

(b) In the event the Developer is required to make any payment pursuant to subsection (a) of this Section 5, the Developer shall be deemed to have made a loan to the Board on a non-recourse basis to enable the Board to meet its obligations with respect to the TIF Loan.

Any such loan shall bear interest at the rate then charged under the TIF Loan and shall have a maturity date on the date that is six (6) months after the expiration of the latest occurring Allocation Period. Any such loans from the Developer to the Board pursuant to this subsection shall be paid solely from the Tax Increment Revenues, provided, however, that no portion of any such loan from the Developer to the Board shall be repaid, and no interest thereon or other amounts due with respect thereto shall be paid, so long as any amounts are owed to the Lender under the TIF Notes, the TIF Loan or otherwise with respect to the TIF Notes or the TIF Loan, regardless of whether such amounts owed to the Lender under the TIF Notes, the TIF Loan or otherwise with respect to the TIF Notes or the TIF Loan are due and payable. The repayment of any loans from the Developer by the Board is expressly junior and subordinate in all respects to the full and complete payment to the Lender of the TIF Notes, the TIF Loan and any other amounts otherwise due with respect to the TIF Notes or the TIF Loan, and the Board shall not be required to make any payments pursuant to this subsection after the last date than an allocation of Tax Increment Revenues is payable to the Board under the Plan from the designated portion of the Plan Area. The Developer shall give the Board written notice of any loans made by the Developer pursuant to this Section 5 within thirty (30) days of such loan, and the Board shall, based upon such notices, keep a record of all amounts due to the Developer hereunder. At the request of the Board or the Developer, any such loan from the Developer shall be evidenced by a non-recourse promissory note payable solely from Tax Increment Revenues. The Board shall not be required to repay any amounts loaned by the Developer hereunder of which the Board has not received notice pursuant to this Section.

(c) The TIF Notes and any interest accruing thereon and any loan from the Developer described above are to be repaid solely out of the Tax Increment Revenues except as to the TIF Notes, such TIF Notes shall be additionally payable from amounts payable hereunder or under any Guaranty.

(d) Notwithstanding the subsequent sale of all or any portion of the property on which the Project is to be located, absent an express and explicit release agreement in favor of the Developer and/or Guarantors executed and delivered by the Lender (which release shall be binding upon the Lender and the Board), the Developer and Guarantors shall remain fully liable for their respective obligations under the Loan Documents, notwithstanding the assumption of any or all obligations by any buyer of such property.

(e) On or prior to [March 15] of each year, commencing [March 15, 2023], the Developer shall provide to the Lender and the Board a list of all properties located in the Plan Area and the status of the payment of the property taxes with respect to each such property.

(f) To the extent not financed as Transaction Costs, the Developer shall pay the Board's Administrative Fee and all other fees and expenses of the Board incurred in connection with the issuance of the TIF Note.

6. Disbursement of Loan Proceeds. All proceeds of the TIF Loan shall be disbursed by the Lender in accordance with the provisions of the Loan Agreement and such other terms as may be agreed upon by the Lender and the Developer.

7. Future Pledges. The Board covenants and agrees not to pledge the Tax Increment Revenues (other than the Administrative Fee payable to the Board pursuant to Section 7.3(a) of the Loan Agreement) to the payment of any indebtedness other than the TIF Notes or to apply the Tax Increment Revenues (other than the Administrative Fee payable to the Board pursuant to Section 7.3(a) of the Loan Agreement) for any purpose other than the payment of the principal and interest on the TIF Notes or the

repayment to the Developer of any loans hereunder prior to the date on which the TIF Notes and any indebtedness from the Board to the Developer hereunder has been repaid in full.

8. Other Tax Increment Financing. The Board represents, warrants and certifies to the Developer that the Board currently does not have outstanding any bonds, notes or other obligations payable from or secured by Tax Increment Revenues derived from the Plan Area other than the TIF Notes.

9. Maintenance of Special Fund. The Board covenants and agrees to establish and, as long as the indebtedness evidenced by the TIF Note remains outstanding and unpaid, maintain a separate and special fund of the Board to be known as Biddle Farms Farragut Project Tax Increment Fund, as more fully described in the Loan Agreement, to be kept separate and apart from all other funds of the Board, pursuant to the requirements of Tenn. Code Ann. § 7-53-312, into which will be deposited all Tax Increment Revenues. The fund shall consist of a separate account into which all Tax Increment Revenues shall be deposited as received. The Developer shall pay all costs and expenses of establishing and maintaining such account.

10. Assignment. The Developer may not assign or transfer this Agreement, or any interest of the Developer hereunder, without the consent of the Lender and the Board. Any such assignment shall not relieve the Developer of the Developer's liability for the performance of its duties and obligations hereunder unless the Lender and the Board consent in writing to such release. The Board may not assign or transfer this Agreement or any interest of the Board hereunder without the consent of the Developer.

11. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and the permitted successors and assigns of the parties.

12. Notices. Any notice, request, demand, tender or other communication under this Agreement shall be in writing, and shall be deemed to have been duly given at the time and on the date when personally delivered, or upon the Business Day following delivery to a nationally recognized commercial courier for next day delivery, to the address for each party set forth below, or upon the third Business Day after being deposited in the United States Mail, Certified Mail, Return Receipt Requested, with all postage prepaid, to the address for each party set forth below.

If to the Developer to:

Biddle Farms Residential, LLC
814 Woodland Avenue
Knoxville, Tennessee 37917
Attention: []

If to the Lender to:

Pinnacle Bank
1111 Northshore Drive
Suite S-800
Knoxville, Tennessee 37919
Attn: Eric Schmittou

With copy to:

Long, Ragsdale & Waters, P.C.
1111 Northshore Drive

Suite S-700
Knoxville, Tennessee 37919
Attention: Dennis B. Ragsdale

If to the Board to:

The Industrial Development Board of the County of Knox
17 Market Square, Suite 201
Knoxville, Tennessee 37902
Attention: Chair

With copy to:

Egerton, McAfee, Armistead & Davis, P.C.
1400 Riverview Tower
900 S. Gay Street
Knoxville, Tennessee 37902
Attention: R. Christopher Trump

Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of such communication. By giving prior notice to all other parties, any party may designate a different address for receiving notices. No such notice, demand, tender or other communication under this Agreement shall be valid unless the Lender receives a copy thereof as provided above.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. Venue for any action arising out of this Agreement shall be exclusively in Knox County, Tennessee.

14. Entire Agreement. This Agreement supersedes all prior discussions and agreements between the Board and the Developer with respect to the TIF Loan. This Agreement contains the sole and entire understanding between the Board and the Developer with respect to the transactions contemplated by this Agreement, and all promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the parties.

15. Amendment. This Agreement shall not be modified or amended in any respect except by written agreement executed by or on behalf of the parties to this Agreement in the same manner as this Agreement is executed; provided, however, that no modification or amendment of this Agreement shall be effective unless the Lender shall have provided its prior written consent to such modification or amendment.

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

17. Captions. All captions, headings and section and paragraph numbers and letters and other reference numbers or letters are solely for the purpose of facilitating reference to this Agreement and shall not supplement, limit or otherwise vary in any respect the text of this Agreement. All references to particular sections, paragraphs or subparagraphs by number refer to the particular section, paragraph or subparagraph so numbered in this Agreement unless reference to another document or instrument is specifically made.

18. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same Agreement.

19. Definitions. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

20. Expenses; Inspection Rights. The Developer shall pay promptly all costs of closing and administering the TIF Loan and all expenses of the Lender and the Board with respect thereto, including, without limitation, fees of the Board and the Lender, fees for consultants and attorneys of the Lender and the Board incurred in connection with the closing of the TIF Loan and the Loan Documents on or about the date hereof and legal fees incurred by the Lender and the Board subsequent to the closing of the TIF Loan in connection with the administration and enforcement of this Agreement, the TIF Loan or any modification of the terms of the Loan Documents. Upon reasonable notice, the Board or its designated representatives may inspect the Improvements to assure that the terms of this Development Agreement are being satisfied by the Developer.

21. Reliance By the Lender. The Board and the Developer acknowledge and agree that the Lender may rely on all of the representations, warranties and covenants set forth in this Agreement, that the Lender is an intended third-party beneficiary of such representations, warranties and covenants and that the Lender shall have all rights and remedies available at law or in equity as a result of a breach of such representations, warranties and covenants, including to the extent applicable, the right of subrogation. Notwithstanding any other terms of this Agreement, the Board shall not, without the prior written consent of the Lender, while the Lender is the holder of the TIF Notes, consent or agree to any modification of, or grant any consent or approval under, this Agreement, or waive compliance with any of the terms hereof. While the Lender is the holder of the TIF Notes, any attempt by the Board to grant any such consent, approval or waiver without the prior written consent of the Lender shall be void and of no force and effect.

22. Term. Unless terminated earlier as provided herein, this Agreement shall be effective as of the date hereof and shall remain in effect until the date that is six (6) months after the expiration of the latest occurring Allocation Period or until terminated upon default or by mutual agreement of the parties and the Lender or their successors and assigns. The expiration date of this Agreement may be extended by written mutual consent of the parties hereto.

23. No Government Limitation. This Agreement between the Developer and the Board shall not be construed to bind any other agency or instrumentality of federal, state or local government in the enforcement of any regulation, code or law under its jurisdiction.

24. Time of the Essence. Time shall be of the essence in the performance of the terms and conditions of this Agreement.

25. Business Days. For purposes of this Agreement, "Business Day" shall have the same meaning herein as in the Loan Agreement. If any date on which performance or notice is due under this Agreement is not a Business Day, performance or notice shall not be due until the next Business Day.

[Signatures to follow on next page]

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

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF KNOX

By: _____
Chairman

ATTEST:

Secretary

BIDDLE FARMS RESIDENTIAL, LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

Site Plan

33936455.2

ASSIGNMENT OF TAX INCREMENT REVENUES

This ASSIGNMENT OF TAX INCREMENT REVENUES (the “Assignment”) is entered into as of October __, 2022, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et seq. (the “Board”), and PINNACLE BANK, and its successors and assigns (collectively, the “Lender”).

RECITALS:

A. The Lender and the Board have entered into a Loan Agreement, dated as of the date hereof (as it may be amended from time to time, the “Loan Agreement”). Any capitalized terms not otherwise defined hereunder shall have the meanings given them in the Loan Agreement.

B. One condition to the Lender’s agreement to extend credit under the Loan Agreement to the Board is the execution and delivery of this Assignment of the Board’s rights to receive the Tax Increment Revenues.

C. The Board has agreed to cause to be deposited all of the Tax Increment Revenues into the Tax Increment Fund established under the Loan Agreement.

NOW, THEREFORE, in consideration of the above Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

TERMS:

1. Definition of Secured Indebtedness. As used in this Assignment, “Secured Indebtedness” shall mean all of the obligations of the Board under the documents and instruments described in Exhibit A hereto, and all modifications, extensions and renewals thereof.

2. Assignment; Lien and Pledge. To secure the payment and performance of the Secured Indebtedness, the Board hereby pledges and assigns to the Lender and grants to the Lender a first priority lien upon, pledge of and security interest in the Board’s right to receive the Tax Increment Revenues (less the Administrative Fees payable to the Board pursuant to Section 7.3(a) in the Loan Agreement).

3. No Assumption of Obligations. Neither the Lender’s execution hereof nor its exercise of any remedies hereunder shall cause the Lender to assume any obligations of the Board under the Loan Agreement or any document relating thereto.

4. Representations and Warranties. The Board represents and warrants to the Lender as follows:

(a) Validity of Rights. The Board is duly entitled to receive the Tax Increment Revenues with respect to tax revenues that relate to the Allocation Period, has complied with all applicable laws and regulations relating thereto and has full power and authority to segregate such Tax Increment Revenues and pledge them to the Lender for the repayment of the Secured Indebtedness.

(b) No Other Lien. The Tax Increment Revenues are not subject to any lien, assignment, pledge, security interest or encumbrance other than the lien and pledge of this Assignment in favor of the Lender.

(c) No Conflicts. The Board is not a party to any contract or agreement and is not subject to any contingent liability that does or may impair the Board's ability to perform under the terms of this Assignment.

(d) No Defaults. The execution and performance of this Assignment will not cause a default under any other contract or agreement to which the Board is a party or any property of the Board is subject, and will not result in the imposition of any charge, penalty, lien or other encumbrance against any of the Board's property, except in favor of the Lender.

(e) Legal and Binding Agreement. The execution and performance of this Assignment will not violate any judicial or administrative order or governmental law or regulation, and this Assignment is valid, binding and enforceable in every respect according to its terms.

(f) No Consent Required. The execution and performance of this Assignment by the Board do not require the consent of or the giving of notice to any third party including, without limitation, any other lender, governmental body or regulatory authority.

(g) Valid Assignment and Lien. This Assignment provides the Lender with a valid assignment of and lien upon and pledge of the Tax Increment Revenues.

5. Covenants. The Board covenants with the Lender as follows:

(a) Performance of Contract Obligations. The Board shall continue to duly comply with all requirements in order to continue to be entitled to receive the Tax Increment Revenues.

(b) No Amendment Without Consent. The Board shall not reduce, cancel or waive any right of the Board to receive the Tax Increment Revenues without the prior written approval of the Lender and the Developer. Any attempted reduction, cancellation or waiver without such prior written approval of the Lender and the Developer shall be void.

(c) Tax Increment Fund. The Board will cause all Tax Increment Revenues to be deposited in the Tax Increment Fund.

(d) No Other Lien. The Board shall not grant nor allow any security interest or lien to attach to the Tax Increment Revenues, except for the pledge and lien in favor of the Lender provided for herein.

(e) Further Assurances. The Board agrees to execute any and all necessary financing statements or other documents in order to perfect the lien and pledge granted herein or otherwise to complete and/or perfect this Assignment. The Board authorizes the Lender to file Uniform Commercial Code financing statements (and any financing statement amendments and correction statements thereto deemed necessary by the Lender) at any time deemed necessary or desirable by the Lender, covering the Lender's lien against the Tax Increment Revenues and containing such legends, descriptions or statements as the Lender shall deem necessary or desirable to protect the Lender's interest. The Board shall not file any amendments, correction statements or termination statements relating to this Assignment or the Lender's rights hereunder without the prior written consent of the Lender.

6. Lender's Rights. The Lender shall be entitled to avail itself of all rights and remedies as may now or hereafter exist, at law or in equity, for the collection of the Secured Indebtedness or any part thereof and the enforcement of the lien and pledge created hereby. The resort to any remedy provided hereunder, under the Loan Agreement or provided by the Uniform Commercial Code as adopted in the State of Tennessee, or by any other applicable law, shall not prevent the concurrent employment of any other appropriate remedy or remedies. The subsequent taking of additional collateral, pursuant to the Loan Agreement, for the Secured Indebtedness or any part thereof shall not effect a release or termination of this Assignment or any terms or provisions hereof. No failure or delay on the part of the Lender in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies hereunder are cumulative and may be exercised by the Lender either independently of or concurrently with any other right, power or remedy of the Lender contained herein or otherwise. The Lender shall have the right, but without the obligation so to do, to take any such action that the Lender may deem necessary to prevent the material impairment of the lien and pledge of the Tax Increment Revenues provided by this Assignment, including, without limitation, the right to appear in and defend any action or proceeding purporting to affect the lien and pledge of this Assignment or the rights or powers of the Lender.

7. Recitals. The Board warrants and agrees that the recitals set forth at the beginning of this Assignment are true.

8. No Default. The Board warrants that, as of the execution of this Assignment, no default exists hereunder.

9. Default Defined. A "Default" as defined under the Loan Agreement shall constitute a default under this Assignment.

10. Remedies Upon Default. Upon the occurrence of a default hereunder, the Lender may pursue any or all remedies available under the Loan Agreement or any other document evidencing or securing the Secured Indebtedness or otherwise available at law or in equity, without any notice to the Board except as otherwise required by law.

11. Indulgence Not Waiver. The Lender's indulgence in the existence of a default hereunder or any other departure from the terms of this Assignment shall not prejudice the Lender's rights to declare a default or otherwise demand strict compliance with this Assignment.

12. Cumulative Remedies. The remedies provided the Lender in this Assignment are not exclusive of any other remedies that may be available to the Lender under any other document or at law or in equity.

13. Amendment and Waiver in Writing. No provision of this Assignment can be amended or waived, except by a statement in writing signed by the party against which enforcement of the amendment or waiver is sought.

14. Assignment. This Assignment shall be binding upon and inure to the benefit of the respective successors and assigns of the Board and the Lender, except that the Board shall not assign any rights or delegate any obligations arising hereunder without the prior written consent of the Lender. Any attempted assignment or delegation by the Board without the required prior written consent of the Lender shall be void.

15. Entire Agreement. This Assignment, the Loan Agreement and the other written agreements between the Board and the Lender regarding the Tax Increment Revenues represent the entire agreement between the parties concerning the subject matter hereof, and all oral discussions and prior agreements are merged herein and therein.

16. Severability. The provisions of this Assignment shall be deemed severable. If any part of this Assignment shall be held unenforceable, the remainder shall remain in full force and effect, and such unenforceable provision shall be reformed by such court so as to give maximum legal effect to the intention of the parties as expressed herein.

17. Time of Essence. Time is of the essence of this Assignment, and all dates and time periods specified herein shall be strictly observed, except that the Lender may permit specific deviations therefrom by its written consent.

18. Applicable Law. The validity, construction and enforcement of this Assignment shall be determined according to the laws of Tennessee, in which state this Assignment has been executed and delivered.

19. Notices. All notices required or permitted to be given under this Assignment shall be in writing and shall be given in the manner and to the addresses specified for notices pursuant to the Loan Agreement, and the effectiveness of each such notice shall be determined as provided in the Loan Agreement for a notice given thereunder.

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

[Signatures to follow on next page]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first stated above.

BOARD:

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF KNOX

By: _____
Chair

ATTEST:

Secretary

LENDER:

PINNACLE BANK

By: _____
Title: _____

Exhibit A

List of TIF Documents

1. The Industrial Development Board of the County of Knox \$7,100,000.00 Tax Increment Revenue Note, Series A (Biddle Farms Farragut Project), dated the date hereof, issued by The Industrial Development Board of the County of Knox and payable to Pinnacle Bank in the original principal amount of \$7,100,000, as it may be amended, modified, extended or renewed from time to time;
2. The Loan Agreement, dated the date hereof, by and between The Industrial Development Board of the County of Knox and Pinnacle Bank, as it may be amended, modified, extended or renewed from time to time;
3. This Assignment of Tax Increment Revenues, dated the date hereof, by and between The Industrial Development Board of the County of Knox and Pinnacle Bank;
4. The Development and Financing Agreement, dated as of the date hereof, by and between The Industrial Development Board of the County of Knox and Biddle Farms Residential, LLC, as it may be amended, modified, extended or renewed from time to time; and