

## INCENTIVES AGREEMENT

THIS INCENTIVES AGREEMENT (this "Agreement") made and entered into on this the 19 day of October, 2015, by and among THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY AND THE CITIES OF MARYVILLE AND ALCOA, TENNESSEE (the "IDB"), a Tennessee public, non-profit corporation and BLOUNT PARTNERSHIP ("Partnership"), a Tennessee non-profit corporation, and AMI INVESTMENT HOLDINGS L.L.C. ("AMI"), a Nevada limited liability company.

### WITNESSETH:

WHEREAS, AMI desires to construct a headquarters, manufacturing, research and development facility (the "Facility") in the City of Alcoa, Blount County, Tennessee, on certain property commonly known as Partnership Park North that is owned by the IDB consisting of approximately 235 acres more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, AMI has agreed to employ new employees for the operations of said Facility; and

WHEREAS, the IDB and/or the Partnership have agreed to provide certain incentives to AMI in connection therewith.

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. The IDB agrees to convey the Property by quitclaim deed to AMI or an AMI Designee (as defined herein) on October 15, 2015, or such other date as may be agreed upon by the parties hereto for a purchase price of \$1.00. The IDB and the Partnership (collectively, the "Blount Parties"), confirm that the governing body of each Blount Party has taken any and all action necessary to approve and authorize this Agreement and the conveyance of the Property to AMI, and to approve in concept the transactions described herein. Following the conveyance of the Property and at the request of AMI, the Blount Parties will request their respective governing bodies to take such actions as are required to approve and authorize (a) the reacquisition of the Property by the IDB from AMI, (b) the acquisition by the IDB of the equipment necessary to equip the Facility as AMI or an AMI Designee (as defined below) may convey to the IDB by a bill of sale from time to time, (c) the issuance of one or more industrial development revenue notes ("Note"), by the IDB to AMI or an AMI Designee to evidence the payments for the cost of the improvements and buildings to be constructed on the Property constituting the Facility, (d) the leasing of the Property and the Facility by the IDB to AMI or an AMI Designee pursuant to a lease (the "Facility Lease"), with a nominal (\$1.00) purchase option (plus any other amounts then due under the Facility Lease) exercisable at any time by AMI upon the

are being implemented as to Phase 1. The Blount Parties acknowledge that it is their intent to offer comparable incentives relating to Phase 2 provided expected employment and capital investment goals of AMI are met. Pursuant to the Facility Lease and Equipment Lease (collectively, the "Lease Agreements"), the IDB will agree that the AMI or an AMI Designee shall make annual in lieu of ad valorem tax payments (the "In Lieu of Tax Payments") to Blount County ("County") and to the City of Alcoa ("City") for each calendar year, expressed as a percentage of the Applicable Ad Valorem Taxes, as set forth below.

(a) **Facility.** AMI or an AMI Designee shall make In Lieu of Tax Payments under the Facility Lease in accordance with the following:

<u>Applicable Year</u>	<u>Percentage of Applicable Ad Valorem Taxes:</u>
Facility Year 1	40%
Facility Year 2	50%
Facility Year 3	60%
Facility Year 4	70%
Facility Year 5	80%
Facility Year 6	90%
Facility Year 7 and thereafter	100%

(b) **Equipment.** AMI or an AMI Designee shall make In Lieu of Tax Payments for the property leased under the Equipment Lease in accordance with the following:

<u>Applicable Year:</u>	<u>Percentage of Applicable Ad Valorem Taxes:</u>
Effective Date until the beginning of Operations Year 1	0%
Operations Year 1	40%
Operations Year 2	50%
Operations Year 3	60%
Operations Year 4	70%
Operations Year 5	80%
Operations Year 6	90%
Operations Year 7 and thereafter	100%

(c) **Special Provisions Regarding In Lieu of Tax Payments.** Notwithstanding the provisions of this Section, if AMI or an AMI Designee is required to pay ad valorem taxes by reason of its leasehold interest in the property leased pursuant to the Facility Lease ("Leasehold Taxes"), then the amount of Leasehold Taxes actually paid by

reimburse AMI or Python Meteor for the cost of constructing the Facility or other eligible costs in the full amount of the ECD Grant as expeditiously as reasonably possible.

5. To assist AMI Python Meteor, in paying for the cost of the Facility, ORNL has approved making a \$125,000 grant to AMI or Python Meteor as set forth in a certain letter, dated October 15, 2015 (the "ORNL Grant"). The Blount Parties agree to take all additional steps that may reasonably be required of them to access such ORNL Grant funds and to use the proceeds thereof to pay for the cost of or reimburse AMI or Python Meteor for the cost of constructing the Facility or other eligible costs in the full amount of the ORNL Grant as expeditiously as reasonably possible.

6. To assist AMI or Python Meteor in paying for the cost of the Facility, TVA has approved making an investment credit grant to AMI or Python Meteor in the project amount of \$6,769,224 as set forth in a certain letter, dated October 15, 2015, (the "TVA Grant"). The Blount Parties agree to take all additional steps that may reasonably be required of them to enable AMI or an AMI Designee to access such TVA Grant funds.

7. In the event that AMI does not meet or exceed its employment and capital expenditure obligations as will be set forth in the Lease Agreements, which obligations will be consistent with the employment and capital expenditure obligations relating to the acquisition of the Property as are set forth below, then AMI shall be required to reimburse the City and the County for a pro rata portion of the taxes which were abated on such terms as will be set forth in the Lease Agreements. The Lease Agreements shall provide that the amount of any reimbursement shall be determined as of the end of each year based upon a formula pursuant to which employment and capital expenditure commitments are weighted equally, and if employment or capital expenditure commitments have not been met, the tax abatement will be reduced for such year based upon a proportionate amount that the applicable employment and capital expenditure commitments were not satisfied as of the end of that year. For example, if the capital expenditure commitment was met as of the end of a calendar year, but only 80% of the employment commitment was met as of the end of a calendar year, AMI will reimburse 10% of the taxes that were abated (being 20% of the commitment not met multiplied by 50%, being the portion of the abatement attributable to employment goals).

8. AMI agrees to invest at least the total sum of \$200,000,000 in site work, building construction and equipment purchases on the property by December 31, 2020. In the event that AMI does not invest a total of \$200,000,000 by December 31, 2020, in site work, building construction and equipment during such period on the property, AMI shall pay to the IDB a percentage of the value of the Property. The parties agree that the value of the Property is \$11,325,000. The percentage shall be determined by a fraction with the numerator being the actual amount expended by AMI in site work, building

the roads providing access to the Facility as set forth in that certain letter from TDoT, dated October 9, 2015, but the Blount Parties shall not be required to pay any costs in connection with the installation thereof.

13. The Blount Parties further agree to use their best efforts to cause the Metropolitan Knoxville Airport Authority to restrict the property in the 10<sup>th</sup> District of the County designated as Map 35, Parcel 41.05 and part of Map 356, Parcel 39 as set forth on the proposed Imposition of Restrictive Covenants provided by the Partnership to AMI against being used in a manner that it will be occupied by people (unoccupied structures are permitted).

14. The Blount Parties will request the City and will use their best efforts to cause the City to amend its zoning ordinances to make the changes set forth in Exhibit B hereto.