

INCENTIVES CONTRACT

THIS INDENTURE made and entered into on this the 10th day of September, 2015, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY AND THE CITIES OF MARYVILLE AND ALCOA, TENNESSEE, and BLOUNT PARTNERSHIP, hereinafter collectively referred to as "Blount;" and DENSO TENNESSEE, INC., hereinafter referred to as "Denso."

WITNESSETH:

WHEREAS, Denso has agreed to construct a Logistics Facility adjacent to Denso's 203 Facility, to construct a Rail Transfer Station, and to expand production lines in its existing manufacturing facilities, all to be located in Blount County, Tennessee; and

WHEREAS, Denso has agreed to employ additional employees for said Logistics Facility, Rail Transfer Station, and existing manufacturing facilities; and

WHEREAS, Blount has agreed to provide certain incentives to Denso in connection therewith.

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

1. Blount agrees to lease approximately thirty (30) acres to Denso for the construction of a Logistics Facility, which thirty (30) acres is adjacent to Denso's 203 Facility. The term of said Lease Agreement shall be commensurate with the term of the Pilot Program as hereinafter described. Blount agrees to grant to Denso in the formal Lease Agreement, an option to purchase said 30-acre tract at the end of the Lease for the sum of One Dollar (\$1.00). The thirty (30) acres shall be surveyed by Blount, at Blount's expense, and a formal Lease Agreement shall be entered into between Blount and Denso.

2. Blount agrees to lease an additional five (5) acres to Denso for use as a Rail Transfer Station. The 5-acre tract shall be surveyed by Blount at Blount's expense. Said 5-acre tract will be included in the Lease Agreement for the 30-acre tract as hereinabove provided in Paragraph 1 upon the same terms and conditions.

3. Blount agrees to enter into a Lease Agreement for equipment purchased by Denso for use in the Logistics Facility, Rail Transfer Station, and existing manufacturing facilities. Denso shall execute a Bill of Sale to Blount, and Blount shall lease the equipment to Denso commensurate with the terms of the Lease Agreement as provided in Paragraph 1 above.

4. Blount agrees to make all infrastructure improvements to the two (2) tracts of property hereinabove described. The parties estimate that the total infrastructure improvement cost shall be Seven Million Three Hundred Thousand Dollars (\$7,300,000.00). The parties have previously agreed upon the specific infrastructure improvements to be constructed, which is incorporated herein by reference.

Blount agrees to apply for a Tennessee Fast Track Grant in the amount of Five Million Dollars (\$5,000,000.00) to be used on behalf of Denso for the infrastructure improvements. In addition to the application for the Tennessee Fast Track Grant, Blount agrees to be responsible for approximately thirty-one percent (31%) of the total infrastructure cost for the necessary infrastructure for the Logistics Facility and Rail Transfer Station. The parties agree that Blount's total obligation for out-of-pocket funds from Blount's monies shall total Two Million Two Hundred Eighty Eight Thousand Two Hundred Dollars (\$2,288,200.00). Blount's obligations under this paragraph shall be contingent on Blount's ability to successfully procure a Tennessee Fast Track Grant in the amount of Five Million Dollars (\$5,000,000.00).

5. Blount and Denso agree to enter into a Payment in Lieu of Tax Agreement ("Pilot Program") for the two (2) tracts of real property hereinabove described and the equipment hereinabove described. The Pilot Program for the personal property shall commence in 2016. The Pilot Program for the real property shall commence when DENSO takes possession of the buildings located on said real property. Said Pilot Program(s) shall be for a period of six (6) years upon the following schedule: (a) the first year, sixty percent (60%) of the real and personal property taxes shall be abated; (b) the second year, fifty percent (50%) of the real and personal property taxes shall be abated; (c) the third year, forty percent (40%) of the real and personal property taxes shall be abated; (d) the fourth year, thirty percent (30%) of the real and personal property taxes shall be abated; (e) the fifth year,

twenty percent (20%) of the real and personal property taxes shall be abated; and (f) the sixth year, ten percent (10%) of the real and personal property taxes shall be abated.

In the event that Denso does not meet or exceed its obligations pursuant to Paragraphs 6 and 7 hereafter, then Denso shall be required to reimburse the taxing entities for a pro rata portion of the taxes which were abated. The formula for Denso's reimbursement to the taxing entities shall be set forth in detail in the Pilot Program agreement between Denso and Blount.

6. Denso agrees to invest the total sum of Four Hundred Million Dollars (\$400,000,000.00) in building construction and new equipment purchases within five (5) years of the execution of the Lease Agreement hereinabove referred to. In the event Denso does not invest a total of Four Hundred Million Dollars (\$400,000,000.00) for building improvements and new equipment within five (5) years of the date of the Lease Agreement between the parties, Denso shall pay to Blount a percentage of the money paid by Blount solely from Blount's monies for the infrastructure improvements as set forth in Paragraph 4 above. The percentage shall be determined by a fraction with the numerator being the total amount of Denso's investment in buildings and new equipment subtracted from \$400,000,000.00, and the denominator being \$400,000,000.00. This fraction shall be multiplied by the total investment made by Blount solely from Blount's monies, and the resulting amount shall be owed by Denso to Blount.

As an example, if Denso invests only Three Hundred Million Dollars (\$300,000,000.00) in buildings and new equipment within the three-year period, then the numerator of the fraction would be \$400,000,000.00 minus \$300,000,000.00, which would equal \$100,000,000.00, and the denominator would be \$400,000,000.00, so the resulting fraction would be one-fourth (1/4th). This fraction shall then be multiplied by the total investment made by Blount solely from Blount's monies. Denso shall furnish to Blount invoices for Denso's expenditures for buildings and new equipment, so that Blount may determine what the total investment made by Denso for building construction and new equipment purchases.

7. Within five (5) years of the execution of the Lease Agreement hereinabove referred to, Denso will employ five hundred (500) new employees at an average salary of \$25.00 per hour. In the event Denso does not employ at least five hundred (500) new

employees at an average hourly salary of \$25.00 per hour within the five-year period, then Denso shall pay to Blount a percentage of the money paid by Blount solely from Blount monies for the infrastructure improvements as set forth in Paragraph 4 above. The percentage shall be determined by a fraction with the numerator being the actual number of new employees hired by Denso within five (5) years at an average salary of \$25.00 per hour, subtracted from 500, and the denominator shall be 500. This fraction shall then be multiplied by the total investment made by Blount solely from Blount monies for the infrastructure improvements, and the resulting amount shall be owed by Denso to Blount. Denso shall furnish to Blount documentation of the new employees hired by Denso to comply with this obligation.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by the proper persons thereunto duly authorized, all on the date first above written.

THE INDUSTRIAL DEVELOPMENT BOARD
OF BLOUNT COUNTY AND THE CITIES OF
MARYVILLE AND ALCOA, TENNESSEE

By: And R. Lawson

Title: Chairman

BLOUNT PARTNERSHIP

By: By Call

Title: Chairman

DENSO TENNESSEE, INC.

By: Michael D. Brantley

Title: SENIOR VICE PRESIDENT & TREASURER