

CONTRACT FOR SALE OF REAL PROPERTY AND INCENTIVES

THIS INDENTURE made and entered into on this the 31st day of July, 2014, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY AND THE CITIES OF ALCOA AND MARYVILLE, TENNESSEE, hereinafter referred to as "Board", and KOIDE TENNESSEE, INC., a Tennessee Corporation, hereinafter referred to as "Koide".

WITNESSETH:

WHEREAS, Board is the owner of a certain tract or parcel of property more particularly described on Exhibit A attached hereto; and

Board has agreed to convey said property to Koide based upon the consideration as hereinafter provided.

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

1. Board shall convey the property described on Exhibit A attached hereto to Koide free and clear of all encumbrances except for the conditions, restrictions, limitations and easements as shown by survey of the property described on Exhibit A and the restrictive covenants applicable to Stock Creek Development Centre of record in the Register's Office for Blount County, Tennessee, as amended. Said conveyance from Board to Koide shall occur on or before thirty days after the execution of the contract by both of the parties hereto.

2. Board shall be responsible for the costs of preparation of the Warranty Deed. Koide shall be responsible for the costs of recording the Warranty Deed and for any title examination or title insurance which Koide deems necessary.

3. The parties hereto recognize and agree that the property described on Exhibit A has been graded and readied for future development. The parties further agree that said property has a fair cash market value of Four Hundred Forty-Three Thousand Dollars (\$443,000.00).

The parties agree that Koide shall not be required to pay any money to Board for the transfer of the property, but that the consideration for the transfer of the property from Board to Koide is the obligation of Koide to perform the obligations as set forth in paragraphs 4 and 5.

4. Koide agrees to construct a 72,000 square foot building on the property described on Exhibit A, and further agrees to expend the sum of Nine Million Six Hundred Fifty Thousand Dollars (\$9,650,000.00) for the construction of said building and other appurtenant improvements, and to purchase certain personal property to be used in the operations of Koide on the property described on Exhibit A. The capital improvements and personal property purchases are more particularly described on Exhibit B attached hereto. Koide agrees to make the total capital improvements and personal property purchases in the amount of Nine Million Six Hundred Fifty Thousand Dollars (\$9,650,000.00) within the time frame outlined on Exhibit B.

In the event that Koide does not make total capital improvements and personal property purchases with the time frame outlined on Exhibit B, then Koide shall be required to pay to Board a pro rata percentage of the stipulated value of the property (Four Hundred Forty-Three Thousand Dollars \$443,000.00). To determine the amount owed by Koide to Board, the parties shall establish a fraction with the denominator being Nine Million Six Hundred Fifty Thousand Dollars (\$9,650,000.00), and the numerator being Nine Million Six Hundred Fifty Thousand Dollars (\$9,650,000.00) less the actual amount of capital improvement and personal property expenditures made by Koide to the property described on Exhibit A. This fraction shall then be multiplied by the sum of Four Hundred Forty-Three Thousand Dollars (\$443,000.00) and the resulting amount shall be owed by Koide to Board.

5. Koide agrees to hire and employ and retain at least thirty new employees with an average pay scale ranging from \$10.00 to \$15.00 per hour including benefits within five years of the date of the delivery of the Warranty Deed from Board to Koide. An employee shall be considered retained if said employee completes 180 days as an employee of Koide. If two employees remain employed with Koide for a period of 90 days, this shall satisfy the requirement of one retained employee.

If at any time during the five year period hereinabove referred to there is a 30% reduction in original equipment manufacturer (OEM) sales of Koide's customers, then Koide's obligation for employing and retaining thirty new employees shall be extended for one year. Koide shall be required to provide to Board adequate documentation satisfactory to Board of the 30% reduction in OEM sales of Koide's customers.

In the event Koide does not employ said employees, Koide shall pay to Board a pro rata percentage of the stipulated value of the property (Four Hundred Forty-Three Thousand Dollars \$443,000.00). The parties shall establish a fraction with a denominator being thirty, and the numerator being thirty minus the actual number of new employees employed by Koide with an average pay scale ranging from \$10.00 to \$15.00 per hour including benefits. Said fraction shall then be multiplied by Four Hundred Forty-Three Thousand Dollars (\$443,000.00) and the resulting sum shall be due and payable from Koide to Board.

6. The parties hereto agree that Board is transferring the real property to Koide as is where is without any warranty, either expressed or implied, as to the condition of the property or the improvements thereon, nor any warranty that the property is fit for the particular purpose for which Koide intends to use the property. Prior to the execution and delivery of the Warranty Deed from Board to Koide, Koide shall have the right to inspect and perform any testing on the property and improvements. In the event Koide is not satisfied with the results of said inspections or testing, then Koide shall have the right to terminate this Contract.

IN WITNESS WHEREOF, Board and Koide have caused this instrument be executed by the proper person thereunto duly authorized, all on the day and date first above written.

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

By: B. S. O. J.
Title: President & CEO

BOARD

KOIDE TENNESSEE, INC.

By: [Signature]
Title: PRESIDENT

KOIDE