

December 14, 2021

MEMORANDUM

To: City of White House Industrial Development Board
Gerald Herman, City Administrator
Valerie Webb, City Attorney

From: Derek Watson, City Recorder

Re: Meeting of the Industrial Development Board

Notice is hereby given that the Industrial Development Board of the City of White House, Tennessee, will meet on Tuesday, January 11, 2022, to consider payment in Lieu of Ad Valorem Taxes for Advanex Americas, Inc and Tate Ornamental.

The meeting will take place at 5:00 pm at the Billy S. Hobbs Municipal Center located at 105 College Street.

If you have any questions or are unable to attend please contact me at 615-672-4350, ext. 2111.

CITY OF WHITE HOUSE
Industrial Development Board Agenda
January 11, 2022
5:00 p.m.

1. Call to Order
2. Roll Call
3. Adoption of the Agenda
4. Approval of Minutes of the February 2, 2021 Industrial Development Board Meeting
5. New Business
 - A. To approve or reject Resolution 21-01 for payment in Lieu of Ad Valorem Taxes for Advanex Americas, Inc.
 - B. To approve or reject payment in Lieu of Ad Valorem Taxes for Tate Ornamental
6. Other Business
7. Adjournment

CITY OF WHITE HOUSE
Industrial Development Board Minutes
February 2, 2021
5:00 p.m.

1. Call to Order

Meeting was called to order at 5:00 pm by President Tim Murphy.

2. Roll Call

Ken Duley - Present; Kris Freeman - Absent; John Mechler - Absent; Tim Murphy - Present; Mark Reid - Present; Michael Wall – Present; John Wilkinson - Present; **Quorum - Present**

3. Adoption of the Agenda

Motion was made by Mr. Reid, second by Mr. Wilkinson. A voice vote was called for with all members voting aye. **Agenda was adopted.**

4. Approval of Minutes of the November 10, 2020 Industrial Development Board Meeting

Motion was made by Mr. Reid, second by Mr. Wilkinson. A voice vote was called for with all members voting aye. **November 10, 2020 minutes were approved.**

5. New Business

A. To approve or reject payment in Lieu of Ad Valorem Taxes for Advanex Americas, Inc.

Ms. Shaun Langley representing Advanex Americas, Inc. was in attendance via Zoom. Mr. Langley, City Administrator Gerald Herman and Robertson County Chief Economic Development Officer Margot Fosnes gave an overview of the development and potential grants associated with the project.

Motion was made by Mr. Wilkinson, second by Mr. Reid to approve the proposed Level 3 Payment in Lieu of Ad Valorem Taxes for Advanex Americas, Inc. **Motion was approved.**

6. Other Business

7. Adjournment

Meeting was adjourned at 5:17 pm

John D. Wilkinson, Secretary

Industrial Development Board

December 2, 2021

Advanex Americas, Inc.

On February 2, 2021 Advanex Americas, Inc. was granted final approval for Level 3 tax abatement by this Board with no stipulations. The project has moved forward with the new building nearly complete. The City has applied for and received a State Industrial Access Program grant to extend Hester Road. The road extension project is in design phase.

Staff Recommendation

Staff would recommend that the Board approve the Resolution as requested by Advanex Americas, Inc.

Tate Ornamental Expansion Project

On June 12, 2018 Mr. Joey Tate, President of Tate Ornamental requested preliminary approval from this Board for a PILOT for a planned expansion of his operations. The expansion was a new 70,000 square foot facility at the north end of Industrial Drive between Interstate 65 and Industrial Drive. This Board approved the preliminary request with the stipulation that the site plan be approved by the Planning Commission. The Planning Commission did approve their site plan on June 11, 2018. The company projected to spend \$5,000,000 in capital investment in the site and has committed to creating 50 new full-time jobs within five years of operation. The City did apply and received a FastTrack Infrastructure Development grant with Tennessee Economic and Community Development for training and water infrastructure. The City also applied and was approved a State Industrial Access Program grant to improve the intersection of SCT and Industrial Drive to create a wider turning radius for trucks. The infrastructure projects in these two grants have been completed. Tate Ornamental has constructed the building.

Staff Recommendation

Staff would recommend final approval for Level 3 tax abatement with no further stipulations:





December 6, 2021

M E M O R A N D U M

To: City of White House Industrial Development Board
Gerald Herman, City Administrator
Valerie Webb, City Attorney

From: Derek Watson, City Recorder

Re: Tate Ornamental

Documents for the payment in Lieu of Ad Valorem Taxes for the Tate Ornamental project will be sitting at your seat. The documents were not ready at the time the agenda packet was sent out.

RESOLUTION 21-01

Resolution authorizing and approving all documents, instruments, actions, and matters, necessary or appropriate for, or pertaining to, **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE** entering into a Tax Agreements and certain documents related thereto in connection with a payment in lieu of tax incentive.

WITNESSETH:

WHEREAS, The Industrial Development Board of the City of White House, Tennessee (the “IDB”), is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of Chapter 53, Title 7, Tennessee Code Annotated, as amended (the “Act”); and

WHEREAS, the purpose of said Act, as stated therein, being to authorize the incorporation in the several municipalities in the State of Tennessee (the “State”) of public corporations to finance, acquire, construct, own, lease, equip and/or dispose of properties to the end that such corporations may be able to, among other things, maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation by inducing manufacturing, industrial, governmental, educational, financial service, commercial, and recreational enterprises to locate or to remain in the State; and

WHEREAS, the IDB is authorized by the Act to, among other things, acquire, construct and equip projects (as defined in the Act), enter into loan agreements and otherwise borrow money for the purpose of carrying out its powers, lease projects to others and to charge and collect rent therefor, sell projects to others through options in leases or otherwise, secure its indebtedness with its interest in projects or any part thereof, with a pledge of the revenues and receipts therefrom, and by a pledge of its interest under the leases relating thereto, and to negotiate and require payments in lieu of ad valorem taxes; and

WHEREAS, the IDB desires to induce Advanex Americas, Inc., a California corporation (together with its successors and assigns, the “Company”) to acquire and construct improvements to a certain manufacturing and office facility (as further defined in the Facility Lease, the “Facility”), located at 514 Hester Drive, in the City of White House, Tennessee (the “City”) and the County of Robertson, Tennessee (the “County”), and to induce the Company to equip said Facility with the Equipment (as defined in the Equipment Lease), which Facility shall be leased by the IDB to the Company pursuant to a certain Facility Lease Agreement (as amended or supplemented from time to time, the “Facility Lease”), and which Equipment is to be acquired and owned by the IDB and leased by the IDB to the Company pursuant to a certain Equipment Lease Agreement (as amended or supplemented from time to time, the “Equipment Lease”); and

WHEREAS, the Board of Directors of the IDB, pursuant to Section 7-53-102 of the Act, has found and determined that the agreement by the IDB to acquire, construct, equip and lease such manufacturing and office facility will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, will alleviate conditions of unemployment and has induced or will induce the Company to acquire and construct the Facility and has induced or will induce the Company to equip and operate the Facility, thereby increasing employment opportunities in the City and the County; and

WHEREAS, the IDB is authorized by law and has deemed it necessary to acquire and construct the Facility and acquire and install the Equipment (the Facility and the Equipment being sometimes referred to as the “Project”) as aforesaid; and

WHEREAS, the IDB is authorized by law and deems it necessary to enter into a certain Deed of Trust, Assignment of Leases and Security Agreement (the “Deed of Trust”) to secure, inter alia, the obligations of the IDB to the Company under the Facility Lease; and

WHEREAS, the IDB is authorized by law and deems it necessary to enter into a certain Security Agreement (the “Security Agreement”) to secure, inter alia, the obligations of the IDB to the Company under the Equipment Lease; and

WHEREAS, in connection with the Facility Lease Agreement and the Equipment Lease Agreement, the IDB is authorized by law and deems it necessary to enter into a certain Tax Agreement (the "Tax Agreement") by and between the IDB and the Company to memorialize their understanding regarding a tax abatement and provisions for certain in lieu of ad valorem tax payments for the Project during the term of such leases; and

WHEREAS, pursuant to its authority under Section 7-53-305 of the Act, the governing body of the City passed Resolution No. 10-14 on August 19, 2010, delegating the authority to negotiate payment in lieu of tax agreements; and

WHEREAS, the following documents have been presented to the IDB for approval in connection with the transactions herein contemplated:

1. The proposed form of the Facility Lease;
2. The proposed form of the Deed of Trust;
3. The proposed form of the Equipment Lease;
4. The proposed form of the Security Agreement; and
5. The proposed form of the Tax Agreement.

WHEREAS, it appears to the IDB that all of such documents are, or will be in due form and that the execution, delivery, and implementation thereof will be necessary and advantageous to the IDB in furthering the purposes of the Act.

NOW, THEREFORE, be it resolved by the Board of Directors of The Industrial Development Board of the City of White House, Tennessee as follows:

Section 1. Findings with Respect to the Project. The IDB hereby finds with respect to the Project that the acquisition, construction, equipping, installation and leasing thereof by means of the Facility Lease, the Deed of Trust, the Equipment Lease, the Security Agreement and the Tax Agreement will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare and will alleviate conditions of unemployment; and that the acquisition, construction, equipping and leasing of the Project, and the tax abatement and payments in lieu of ad valorem taxes under the Tax Agreements, will be necessary and advantageous in furthering the IDB's public purposes under the Act.

Section 2. Approval of the Facility Lease. The general form, content, and provisions of the Facility Lease, as presented to this meeting of the Board of Directors, by and between the IDB and the Company are hereby in all particulars approved, and the Chairman and the Vice Chairman of the IDB, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver said Facility Lease in the name, and on behalf, of the IDB.

Said Facility Lease is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions.

The officers of the IDB are hereby authorized, empowered, and directed, from and after the execution of the Facility Lease, to do all acts and things, and to execute all documents, as may be necessary or convenient to carry out and to comply with the provisions of said Facility Lease.

Section 3. Approval of the Deed of Trust. The general form, content and provisions of the Deed of Trust, as presented to this meeting of the Board of Directors, by the IDB, for the benefit of the holder of the Company, are in all particulars approved, and the Chairman and the Vice Chairman of the IDB, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver said Deed of Trust in the name, and on behalf, of the IDB.

The Deed of Trust is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions.

The officers of the IDB are hereby authorized, empowered, and directed, from and after the execution and delivery of the Deed of Trust, to do all acts and things, and to execute all documents, as may be necessary or convenient to carry out and to comply with the provisions of said Deed of Trust, as executed and delivered.

Section 4. Approval of the Equipment Lease. The general form, content, and provisions of the Equipment Lease, as presented to this meeting of the Board of Directors, by and between the IDB and the Company are hereby in all particulars approved, and the Chairman and the Vice Chairman of the IDB, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver said Equipment Lease in the name, and on behalf, of the IDB.

Said Equipment Lease is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions.

The officers of the IDB are hereby authorized, empowered, and directed, from and after the execution of the Equipment Lease, to do all acts and things, and to execute all documents, as may be necessary or convenient to carry out and to comply with the provisions of said Equipment Lease.

Section 5. Approval of Security Agreement. The general form, content and provisions of the Security Agreement, as presented to this meeting of the Board of Directors, by and between the IDB and the Company are in all particulars approved, and the Chairman and the Vice Chairman of the IDB, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver said Security Agreement in the name, and on behalf, of the IDB.

The Security Agreement is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions.

The officers of the IDB are hereby authorized, empowered, and directed, from and after the execution and delivery of the Security Agreement, to do all acts and things, and to execute all documents, as may be necessary or convenient to carry out and to comply with the provisions of said Security Agreement, as executed and delivered.

Section 6. Approval of the Tax Agreement. The general form, content, and provisions of the Tax Agreement, as presented to this meeting of the Board of Directors, by and between the Company and the IDB, are hereby in all particulars approved, and the Chairman and the Vice Chairman of the IDB, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver said Tax Agreement in the name, and on behalf, of the IDB.

Said Tax Agreement is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the IDB executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions.

The officers of the IDB are hereby authorized, empowered, and directed, from and after the execution and delivery of the Tax Agreement, to do all acts and things, and to execute all documents, as may be necessary or convenient to carry out and to comply with the provisions of said Tax Agreement, as executed and delivered.

Section 7. Miscellaneous Acts. The appropriate officers of the IDB are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, memoranda and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution or any of the documents herein authorized and approved, or for the acquisition, construction and equipping of the Project for the foregoing purposes, including,

without limitation, the execution, delivery and recordation of any deeds, bills of sale, invoices, financing statements, memoranda, certificates or other documents or instruments as they may deem necessary or desirable in connection with the foregoing.

Section 8. Limited Obligation and Liability. Neither the City, the County, nor any other political subdivision thereof, shall be liable for the payment or performance of any pledge, mortgage, obligation, agreement, certification, or agreement of any kind whatsoever of the IDB, and no pledge, mortgage, agreement, obligation or certification of the IDB shall be construed to constitute an indebtedness of the City, the County, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

No recourse shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the IDB (i) under or upon any statement, obligation, covenant, agreement or certification contained in any of the foregoing documents or certifications whatsoever; (ii) under any judgment obtained against the IDB; (iii) by the enforcement of any assessment against the IDB; (iv) by any legal or equitable proceeding; (v) by virtue of any constitution or statute or otherwise, or (vi) under any circumstances, under or independent of the foregoing documents, or any other document or certification whatsoever, either directly or through the IDB, or otherwise. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents.

Section 9. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 10. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereof, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereof, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

[Signature on Following Page]

Approved and adopted this ____ day of December 2021.

ATTEST:

_____, Secretary

ISSUER:

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF WHITE HOUSE, TENNESSEE**

By: _____
_____, Chairman

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF WHITE HOUSE, TENNESSEE**

and

ADVANEX AMERICAS, INC.

FACILITY LEASE AGREEMENT

DATED AS OF DECEMBER ____, 2021

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FACILITY LEASE AGREEMENT

THIS FACILITY LEASE AGREEMENT (as amended or supplemented from time to time, this “Lease”), dated as of December ____, 2021, by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE**, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (together with its successors and assigns, the “IDB”), and **ADVANEX AMERICAS, INC.**, a California corporation (together with its successors and assigns, the “Company”).

W I T N E S S E T H:

WHEREAS, the IDB is a public, nonprofit corporation and a public instrumentality of the City of White House, Tennessee (the “City”), and is authorized under Chapter 53, Title 7, Tennessee Code Annotated, as amended and supplemented from time to time (the “Act”), to enter into lease agreements with manufacturing, industrial, commercial and financial enterprises with respect to one or more projects for such payments and upon such terms and conditions as the Board of Directors of the IDB may deem advisable in accordance with the provisions of the Act in order to maintain and increase employment opportunities by inducing such enterprises to locate in or to remain in the State of Tennessee; and

WHEREAS, to induce the Company to acquire and construct improvements to a certain manufacturing and office facility located at 514 Hester Drive, White House, Tennessee (the Land and Building being referred to as the “Facility”), and to induce the Company to equip said Facility with the Equipment (as defined below), the IDB has agreed to acquire the Facility from the Company, which Facility shall be leased by the IDB to the Company pursuant to this Lease, and to acquire and own the Equipment, which Equipment shall be leased by the IDB to the Company pursuant to a certain Equipment Lease Agreement (as amended or supplemented from time to time, the “Equipment Lease”), dated of even date herewith; and

WHEREAS, the Board of Directors of the IDB, pursuant to Section 7-53-102 of the Act, has found and determined that the agreement by the IDB to acquire, construct, equip and lease such manufacturing and office facility will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, will alleviate conditions of unemployment and has induced or will induce the Company to acquire and construct the Facility and has induced or will induce the Company to equip and operate the Facility, thereby increasing employment opportunities in the City and the County; and

WHEREAS, the IDB has not made and does not intend to make any profit by reason of its business or venture in which it may engage or by reason of its entering into this Lease, and no part of the IDB’s net earnings, if any, will ever inure to the benefit of any person, firm or corporation except the City and/or the County; and

WHEREAS, the IDB has executed a certain Deed of Trust, Assignment of Leases and Security Agreement (the “Facility Deed of Trust”) to secure, inter alia, all of the IDB’s obligations under and pursuant to this Lease, including, without limitation, the Company’s option to purchase the Facility hereunder; and

WHEREAS, the IDB has executed a certain Security Agreement (the “Security Agreement”) to secure, inter alia, all of the IDB’s obligations under and pursuant to the Equipment Lease, including, without limitation, the Company’s option to purchase the Equipment thereunder; and

WHEREAS, the IDB is authorized by law and has deemed it necessary to acquire and construct the Facility and acquire the Equipment (the Facility and the Equipment being sometimes referred to as the “Project”) as aforesaid, which acquisition of the Facility has occurred of even date herewith; and

WHEREAS, the IDB proposes to lease the Facility to the Company and the Company desires to lease the Facility from the IDB upon the terms and conditions set forth herein.

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

ARTICLE I
DEFINITIONS

Section 1.1 Definitions of Terms. In addition to the words and terms defined in the preamble hereto and elsewhere defined in this Lease, the following words and terms as used herein, whether or not the words have initial capitals, shall have the following meaning, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

- (a) “Act” shall have the meaning set forth in the preamble hereto.
- (b) “Additional Rental Payments” means that portion of the Rental Payments described in Section 5.2(b) hereof.
- (c) “Authorized Representative” means, in the case of the IDB, the Chairman, the Vice Chairman, the Secretary or any Assistant Secretary of the IDB; in the case of the Company, the President, any Vice President, the Secretary or the Treasurer; and, in the case of either of them, such additional persons as, at the time, are designated to act on behalf of the IDB or the Company, as the case may be, by written certificate furnished to the IDB, or to the Company, as the case may be, containing the specimen signature of each such person and signed on its behalf by a previously Authorized Representative.
- (d) “Basic Rental Payments” means that portion of the Rental Payments described in Section 5.2(a) hereof.
- (e) “Building” means all buildings, structures, improvements, and fixtures located on the Land.
- (f) “City” shall have the meaning set forth in the preamble hereto.
- (g) “Company” shall have the meaning set forth in the first paragraph hereof.

(h) “Condemnation” means the taking of title to, or the use of, the Facility under the exercise of the power of eminent domain by any governmental entity or any other person acting under governmental authority.

(i) “County” shall have the meaning set forth in the preamble hereto.

(j) “Equipment” means those items of furniture, fixtures, personal property and equipment and related property acquired by the IDB and leased to the Company pursuant to the Equipment Lease, including all such items (i) conveyed to the IDB by the Company upon delivery of an executed Bill of Sale, (ii) acquired by the Company in its capacity as agent for the IDB, and (iii) acquired in substitution therefor and any renewals or replacements thereof.

(k) “Equipment Lease” shall have the meaning set forth in the preamble hereto.

(l) “Equipment Security Documents” means, collectively, the Security Agreement and any financing statements related thereto.

(m) “Event of Default” or “Default” means any of those events defined as Events of Default by Section 10.1 of this Lease.

(n) “Facility” shall have the meaning set forth in the preamble hereto.

(o) “Facility Security Documents” means, collectively, the Facility Deed of Trust and any financing statements related thereto.

(p) “Fiscal Year” means the fiscal year, as such from time to time exists, of the Company.

(q) “IDB” shall have the meaning set forth in the first paragraph hereof.

(r) “Land” means the real estate and interests in real estate described in **Exhibit A**, attached hereto and incorporated herein by this reference, less such real estate and interest in real estate as may be taken by the exercise of the power of eminent domain as provided in Article VII of this Lease and less such real estate and interest in real estate as may be sold to the Company pursuant to Section 8.9 of this Lease.

(s) “Lease” shall have the meaning set forth in the first paragraph hereof.

(t) “Leasehold Estate” means the Company’s interest in this Lease and the leasehold estate created hereby.

(u) “Lien” means any interest in Property securing an obligation owed to anyone, whether such interest is based on the common law, statute, or contract, and including, but not limited to, the security interest arising from a mortgage, security agreement, encumbrance, pledge, conditional sale, trust receipt, lease, consignment, or bailment for security purposes. The term “Lien” also includes reservations, exceptions, encroachments, easements, rights of way,

covenants, conditions, restrictions, leases, and other similar title exceptions and encumbrances, including, but not limited to, mechanics', materialmen's, warehousemen's, carriers', and other similar encumbrances affecting real property. For the purposes of this Lease, one shall be deemed to be the owner of any Property which he, she, or it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in someone else for security purposes.

(v) "Mortgage Lender" shall have the meaning set forth in Section 9.5 hereof.

(w) "Net Proceeds" means so much of the gross proceeds with respect to which that term is used as remains after payment of all expenses, costs, and taxes, including reasonable attorneys' fees and extraordinary expenses, incurred in obtaining such gross proceeds.

(x) "Parties" means the IDB and the Company.

(y) "Permitted Encumbrances" means: (i) all Liens, if any, of record as of the date hereof, together with all future Liens arising out of transactions contemplated by the provisions of Section 4.4 herein; (ii) utility, access, and other easements and rights of way, restrictions, leases and exceptions that do not, in the written opinion of the Authorized Representative of the Company, materially impair the utility or value of the Property affected thereby for the purposes for which it is intended; (iii) mechanics', materialmen's, warehousemen's, carriers', and other similar Liens to the extent permitted by Section 8.5 of this Lease; and (iv) Liens for taxes at the time not delinquent.

(z) "Project" shall have the meaning set forth in the preamble hereto.

(aa) "Property" means any interest in any kind of property or assets, whether real, personal or mixed, tangible or intangible.

(bb) "Rental Payments" means, collectively, the Basic Rental Payments and the Additional Rental Payments.

(cc) "State" means the State of Tennessee.

(dd) "Substitute Facilities" shall have the meaning set forth in Section 7.2 hereof.

(ee) "Tax Agreement" means that certain Tax Agreement of even date herewith entered into by and among the IDB and the Company.

(ff) "Term" shall have the meaning set forth in Section 3.2 hereof.

Section 1.2 References to Lease. The words "hereof," "herein," "hereunder," and other words of similar import refer to this Lease as a whole.

Section 1.3 References to Articles, Sections, Etc.References to Articles, Sections, and other subdivisions of this Lease are to the designated Articles, Sections, and other subdivisions of this Lease as originally executed.

Section 1.4 Headings. The headings of this Lease are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II
REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section 2.1 Representations, Warranties, and Covenants of the IDB. The IDB hereby represents, warrants, and covenants as follows as the basis for the undertakings on its part herein contained:

(a) That the IDB: (i) was legally created and exists under the provisions of the Act; (ii) has the power under the provisions of the Act to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder; and (iii) has been duly authorized, by proper action, to execute, deliver and perform this Lease and the Facility Security Documents;

(b) That, to the best of the IDB's knowledge, the Project constitutes a "project" within the meaning of the Act, and the IDB is entering into this Lease to accomplish the public purposes of the Act;

(c) That the IDB will undertake the acquisition, construction and improvement of the Facility in accordance with the terms and provisions hereof and of the Equipment Lease in order to induce and cause the Company to operate the Facility, such Facility to be leased to or occupied by (i) industrial, commercial, financial or service enterprises or (ii) similar corporations or enterprises, thereby maintaining and increasing employment opportunities, and furthering the welfare of the residents of the City, the County and the State;

(d) That in order to secure the obligations of the IDB hereunder, it is entering into the Facility Security Documents;

(e) That the IDB will not pledge the rentals and other amounts derived from the Facility other than under the Facility Security Documents and will not mortgage or encumber the Facility except pursuant to Section 4.4 hereof;

(f) That nothing in this Lease shall be construed to require IDB to operate the Project other than as lessor; and

(g) That, to the best of the IDB's knowledge, all requirements of the Act have been complied with.

Section 2.2 Representations, Warranties, and Covenants of the Company. The Company hereby represents, warrants, and covenants as follows as the basis for the undertakings on its part herein contained:

(a) That the Company: (i) is a corporation duly organized and validly existing under the laws of the State of California; (ii) has the power and authority to enter into this Lease; and (iii) has duly authorized the execution, delivery, and performance of this Lease; and

(b) That the execution and delivery of this Lease will be valid and binding on the Company and that neither the execution nor delivery of the foregoing documents, nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, will conflict with or result in a breach of any of the terms, conditions, or provisions of any agreement or instrument to which the Company is now a party or by which it is bound, or constitute a default hereunder or under any of the foregoing, or result in the creation or imposition of any Lien upon any Property of the Company under the terms of any instrument or agreement, other than the respective Liens, if any, under the Facility Security Documents and this Lease; and

(c) Throughout the Term, the Company will use or cause the Facility to be used only for manufacturing and for distribution or warehousing in connection with such manufacturing. Nothing in this Lease shall be construed to require IDB to operate the Project; and

(d) That, to the Company's knowledge, the execution, delivery and performance in accordance with the respective terms of this Lease, the Facility Security Documents (as applicable) and any other documents executed and delivered in connection with this transaction do not and will not (i) violate any applicable law or (ii) conflict with, result in a breach of or constitute a default under any indenture, agreement or other instrument to which the Company is a party or by which the Company or any of the Company's properties may be bound; and

(e) That there is no action, suit, proceeding or, to the Company's knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to the Company's knowledge, threatened against or affecting the Company's Property, wherein an unfavorable decision, ruling or finding would have a material, adverse effect on the validity or enforceability of this Lease or the Facility Security Documents, which has not been previously disclosed.

ARTICLE III **DEMISING CLAUSE; TERM**

Section 3.1 Demise of Facility. The IDB demises and leases to the Company, and the Company leases from the IDB, the Facility, subject only to Permitted Encumbrances, in accordance with the provisions of this Lease, to have and to hold for the Term.

Section 3.2 Lease Term. The Term of this Lease shall commence as of the date hereof and shall terminate on December 31, 2030, unless earlier terminated pursuant to the provisions of Article X or Article XI hereof; PROVIDED, HOWEVER, that in no event shall this Lease be terminated, but the Term hereof shall continue on a month-to-month basis, until the later of: (a) the date the Company provides written notice to the IDB stating that it does not intend to exercise the option to purchase the Facility pursuant to Article XI hereof; (b) the date all liabilities, reasonable costs, and reasonable expenses of the IDB, including those of its legal counsel, incurred

pursuant to, or in connection with, this Lease shall have been fully paid and discharged to the reasonable satisfaction of the IDB; or (c) the date that all other reasonable liabilities, costs, and expenses which the Company herein assumes or agrees to pay shall have been fully paid or satisfactory provision made therefor.

ARTICLE IV
ACQUISITION OF THE FACILITY

Section 4.1 Agreement to Provide the Project. The IDB and the Company agree to the following:

(a) The IDB agrees that it shall acquire the Facility, and the Company agrees that it shall cause the commencement, or will continue if such work shall have theretofore commenced, any construction or improvement of the Building that the Company desires on behalf of itself and the IDB. Such construction, if any, shall be in a good and workmanlike manner. The Company shall have the sole responsibility for, and the IDB hereby appoints the Company as its agent with respect to, the construction and improvement of the Building and may perform the same itself or through its agents, contractors and others selected by it, and may make or issue such contracts, orders, receipts and instructions, and in general do or cause to be done all such other things, as it may in its sole discretion consider requisite or advisable for the construction and improvement of the Building and fulfilling its obligations under this Section 4.1. The Company shall have full authority and the sole right under this Lease to supervise and control, directly or indirectly, all aspects of the construction and improvement of the Building.

(b) In order to effectuate the purposes of this Lease, as and when requested by the Company, the IDB will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for the construction and completion of the Facility, and for evidencing the IDB's ownership thereof.

Section 4.2 Payment of Expenses of Facility Security Documents. The Company agrees to be liable and pay for recording expenses, reasonable legal fees, and other reasonable fees and expenses incurred or to be incurred by or on behalf of the IDB in connection with or as an incident to the Facility Security Documents.

Section 4.3 Amounts Payable by the Company. The Company agrees to pay all reasonable costs and expenses (including reasonable attorneys' fees), not otherwise paid under the terms of this Lease reasonably incurred by the IDB in connection with, or as a direct or indirect result of, or in connection with the administration or enforcement of, and compliance with, this Lease and the Facility Security Documents, or otherwise in regard to the Facility. The Company may, however, without creating a default hereunder, contest in good faith the necessity, and the reasonableness of, any costs, expenses, fees, amounts, liabilities and obligations referred to in this Section 4.3 and in Section 8.3 hereof.

Section 4.4 Further Collateralization. The IDB agrees to, upon the Company's request, subordinate its interest in the fee in the Project and the Land and all improvements located thereon in favor of any lender or financial institution that has taken or that takes a Lien against the

Project and the Land and all improvements located thereon and the IDB agrees to, upon request, grant a non-recourse deed of trust lien in and to the Project, or any or all portions thereof, improvements located thereon in favor of any now existing or future lender or financial institution to secure indebtedness owed by the Company to such lender or financial institution, whether such indebtedness is presently existing or hereafter incurred. The form of any such subordination agreement and deed of trust executed by the IDB shall be in form and substance reasonably satisfactory to such lender or financial institution. The IDB acknowledges that the Company may grant a lien encumbering its interests in the Project under and pursuant to this Lease, including granting one or more leasehold deeds of trust in favor of any existing or future lender or financial institution to secure indebtedness owed by the Company to such lender or financial institution, and the IDB hereby consents to the same.

ARTICLE V
RENTAL PROVISIONS; PREPAYMENT

Section 5.1 Quiet Enjoyment. The IDB hereby covenants and agrees that it will not take any action, other than pursuant to Article X of this Lease, to prevent the Company from having quiet and peaceable possession and enjoyment of the Facility during the Term and will, at the request of the Company, and at the requesting person's cost, to the extent that it may lawfully do so, join in any legal action in which the Company asserts its right to such possession and enjoyment.

Section 5.2 Rental Payments; Basic Rental Payments; and Additional Rental Payments. The Company covenants and agrees to pay, or cause to be paid, as and for rental and for use of the Facility, throughout the Term, the Basic Rental Payments and the Additional Rental Payments as provided in this Section 5.2, in funds which constitute lawful monies of the United States of America for the payment of public and private debts, as at the time of payment:

(a) Basic Rental Payments. The Company shall, throughout the Term, pay, or cause to be paid, as "Basic Rental Payments," in a lump sum on the Effective Date, the amount of One and No/100 Dollars (\$1.00), the payment and receipt of which the parties hereby acknowledge.

(b) Additional Rental Payments. The Company shall from time to time pay, as Additional Rental Payments, within thirty (30) days of receipt of written demand therefor from the person entitled to payment thereof, an amount sufficient to pay the following costs and expenses to the extent such costs and expenses:

(i) All amounts due in respect of the Facility under the Tax Agreement;

(ii) The reasonable fees and other costs incurred for services of such engineers, architects, attorneys, and independent accountants as are employed to make examinations, opinions, and reports required under, or contemplated by, this Lease;

(iii) The reasonable fees and other costs, not otherwise paid under this Lease, incurred by the IDB by reason of its leasing of the Facility or in

connection with its administration and enforcement of, and compliance with, this Lease, or otherwise in connection with the Facility; and

(iv) All amounts advanced by the IDB under authority of this Lease or otherwise and which the Company is obligated to repay.

(c) Payments of Additional Rental Payments shall be made by the Company directly to the persons entitled to such payment.

(d) In the event the Company shall fail to make any payment required by this Section 5.2, the payment so in default shall continue as an obligation hereunder of the Company until the amount in default shall have been fully paid, and the Company shall pay, or cause to be paid, the same with interest thereon from the date of default until so paid at a rate per annum equal to twelve percent (12%) or the maximum rate of interest allowable by applicable law, whichever is less.

(e) The Company shall make the payments required by this Section 5.2 without any further notice thereof except as may be specifically required by this Section 5.2.

Section 5.3 General Obligation; Obligations of the Company Unconditional.

The Company shall pay to or upon the order of the IDB, at or before the time when payable by the IDB, all reasonable costs and liabilities incurred by the IDB in connection with this Lease, under the Facility Security Documents, or otherwise as a result of the transactions contemplated by this Lease.

(a) The obligations of the Company to make the payments required in Section 5.2 hereof, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be a general obligation of the Company and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim which the Company otherwise may have against the IDB. The Company shall not: (i) suspend, discontinue, or abate any payment required by Section 5.2 hereof (except as provided in this Section 5.3); (ii) fail to observe any of its other covenants or agreements in this Lease, or the Facility Security Documents; or (iii) except as provided in Article XI hereof, terminate this Lease for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the Facility; failure of the Company to occupy or use the Facility as contemplated in this Lease or otherwise; any change or delay in the time of availability of the Project; any defect in the title, design, operation, merchantability, fitness, or condition of the Project or in the suitability of the Project for the purposes or needs of the Company; failure of consideration; eviction or constructive eviction; destruction of or damage to the Project; commercial frustration of purpose; the taking by Condemnation of title to or the use of all or any part of the Project; any change in the taxation or other laws of the United States of America or of the State or any political subdivision of either; any declaration or finding that any portion of this Lease is invalid or unenforceable; and any failure of the IDB or the Company to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or in connection with this Lease or otherwise.

(b) Nothing contained in this Section 5.3 shall be construed to release the IDB from the performance of any of the agreements on its part contained in this Lease, and in the event the IDB should fail to perform any such agreement on its part, the Company may institute such action against the IDB, as the Company may deem necessary to compel performance; provided, however, that anything contained herein to the contrary notwithstanding, no such action shall: (i) diminish the amounts required to be paid by the Company pursuant to any provision of this Lease; or (ii) seek to impose any pecuniary liability on the IDB payable from any source other than as provided in the Facility Security Documents, or any personal or pecuniary liability on any officer or director of the IDB. The Company may, at its own cost and expense, and in its own name or in the name of the IDB, prosecute or defend any action or proceeding or take any action involving third persons which the Company deems reasonably necessary in order to secure or protect its right to possession, occupancy, and use of the Project, and in such event the IDB shall, provided the Company shall pay, or cause to be paid, all costs (including attorneys' fees) reasonably incurred by the IDB in connection therewith as such costs accrue, cooperate fully with the Company.

ARTICLE VI

MAINTENANCE, MODIFICATIONS, TAXES, AND INSURANCE

Section 6.1 Maintenance of the Facility. Throughout the Term, the Company shall, at its own expense, keep and maintain the Facility, or cause the Facility to be kept and maintained, in good condition, repair, and working order (ordinary wear and tear excepted), making or causing to be made, all repairs and replacements thereto (whether ordinary or extraordinary, structural or nonstructural, or foreseen or unforeseen), and operate the Facility, or cause the Facility to be operated, as deemed necessary and proper by the Company.

Section 6.2 Modification of the Facility.

(a) The Company, at its own cost and expense, may make such additions, renewals, replacements, or improvements to or alterations of the Facility, or may construct or place on the Facility, such additional or renewal or replacement facilities, furnishings, or equipment, as the Company may deem desirable to attain the purposes herein contemplated, provided that such additions, renewals, replacements, improvements, alterations, facilities, furnishings, or equipment shall not impair the fair market value, structural soundness, or usefulness of the Facility.

(b) At the request of the Company, the IDB shall join in any application for such municipal and other governmental permits and authorizations as the Company may deem necessary or advisable in connection with any such construction, acquisition or installation, provided that the Company shall indemnify and hold the IDB harmless, or cause the IDB to be indemnified and held harmless, against and from all costs and expenses, including attorneys' fees, which may be incurred by the IDB in connection with any such joinder or application.

Section 6.3 Improvements as Part of the Facility. All buildings, structures, improvements, fixtures, accessions and other Property which shall be constructed, placed, or installed in or upon the Facility as a substitute for, or in renewal or replacement of, any buildings,

structures, improvements, fixtures, accessions, or other Property constituting part of the Facility, shall become a part of the Facility.

Section 6.4 Taxes, Assessments, and Utility Charges.

(a) The Company shall cause to be paid, as the same shall respectively become due: (i) all taxes, in lieu of tax payments, regulatory fees, and governmental charges of any kind whatsoever, including ad valorem taxes, that may at any time be lawfully assessed or levied against or with respect to the Facility, excluding, however, any taxes levied upon or with respect to the income or revenues of the IDB from the Facility; (ii) all utility or other charges, including “service charges,” incurred or imposed for the operation, maintenance, use, occupancy, upkeep, and improvement of the Facility; and (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements which are in respect of the Facility or any part thereof.

(b) The Company or any other person may, in good faith and at its own expense, contest any such taxes, in lieu of tax payments, assessments, and other charges, after giving notice of its intention to do so to the IDB; provided that the Company shall pay any amounts that it concedes to be due pending the determination of such contest. In the event of any such contest, the Company or such other person, as applicable, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the IDB shall notify the Company or such other person, as applicable, that by nonpayment of any such items the Facility, or any part thereof, may be imminently subject to loss or forfeiture, in which event such taxes, assessments, or charges shall be paid promptly or secured by posting a bond in form and substance satisfactory to the IDB. The IDB shall, if requested by the Company or such other person, as applicable, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys’ fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with the Company or such other person, as applicable, in any such contest.

Section 6.5 Insurance Required.

(a) At all times throughout the Term, the Company shall cause its tenant to maintain insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums in respect thereto, including but not necessarily limited to:

(i) property insurance with Causes of Loss - Special Form or equivalent “all risk” coverage, including vandalism and malicious mischief insurance;

(ii) commercial general liability insurance with a combined single limit of not less than \$2,000,000 per occurrence; and

(iii) workers’ compensation coverage and any other type of insurance required by the laws of the State.

(b) Any of the insurance required above may provide deductible provisions in amounts not exceeding that in similar policies carried by businesses of a size and character similar to the Company, and the Company shall be a self-insurer to the extent of the amount of the deductible obtained and when the availability of insurance is limited and thus requires the Company to be a self-insurer above the deductible obtained. The Net Proceeds of the insurance carried pursuant to the provisions of this Section 6.5 shall be paid and applied as provided by Section 6.7 hereof.

Section 6.6 Insurers and Policies. Each insurance policy required by Section 6.5 hereof shall be issued by one or more financially responsible insurers. Before the expiration of any such policy, the Company shall cause its tenant to furnish the IDB evidence satisfactory to the IDB that such policy has been renewed or replaced, or is no longer required by this Lease. Without limiting the generality of the foregoing, all insurance policies carried pursuant to Section 6.5 hereof shall name the Company and the IDB as parties insured thereunder as the respective interest of each of such parties may appear, and each policy shall provide that losses thereunder shall be adjusted by the Company, with the insurer on behalf of the insured parties.

Section 6.7 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.5 hereof shall be applied as follows:

(a) The Net Proceeds of the insurance carried pursuant to Section 6.5(a)(i) hereof shall be applied as provided in Section 7.1 hereof; and

(b) The Net Proceeds of the insurance carried pursuant to Section 6.5(a)(ii) and Section 6.5(a)(iii) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.8 Advances by IDB.

(a) In the event the Company shall fail to pay, or fail to cause to be paid, any tax, assessment, or governmental charge required to be paid by the provisions of Section 6.4 hereof, prior to the date upon which such tax, assessment or charge would become delinquent, or maintain, or cause to be maintained, the full insurance coverage required by the provisions of Section 6.5(a) hereof, the IDB, with not less than ten (10) days' prior written notice to the Company, may (but shall be under no obligation to) pay such tax, assessment, or governmental charge or obtain or maintain the required policy of insurance, and pay the premium or premiums on the same.

(b) All amounts so advanced by any person pursuant to subsection (a) of this Section 6.8 shall be promptly reimbursed by the Company to the person making the advance, together with interest thereon from the date of such advance to the date of reimbursement at a rate per annum equal to twelve percent (12%) or the maximum rate of interest allowable by applicable law, whichever is less.

Section 6.9 Obligation of the Company to Maintain Insurance Regardless of Approval. No acceptance or approval of any insurance policy by the IDB shall relieve or release the Company from any liability, duty, or obligation under the provisions of this Lease.

ARTICLE VII
DAMAGE, DESTRUCTION, CONDEMNATION, ETC.

Section 7.1 Damage or Destruction. (a) In the event the Facility shall be damaged or destroyed (in whole or in part) at any time during the Term:

(i) the Company shall promptly give or cause to be given, written notice of such damage or destruction to the IDB;

(ii) all Net Proceeds of insurance resulting from damage to or destruction of the Facility shall be paid to the Company;

(iii) the Company shall, if and to the extent desired by the Company, promptly replace, repair, or restore the Facility to such condition, value, and utility to allow the Facility to operate as it was designed to operate prior to such damage or destruction, with such changes, alterations, and modifications (including the substitution and addition of other Property).

(b) In the event such Net Proceeds of insurance, or the portion thereof, if any, are insufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the Company shall complete such replacement, repair, or restoration if and only if the Company so desires, paying from its own monies that portion of the costs thereof in excess of such Net Proceeds of insurance. All such replacements, repairs, or restoration of the Facility made pursuant to this Section 7.1, whether or not requiring the expenditure of monies of the Company, shall automatically become a part of the Facility the same as if specifically described herein.

(c) The Company shall be entitled to any insurance proceeds, or the applicable portion thereof, resulting from damage to or destruction of any Property that, at the time of such damage or destruction, is not part of the Facility.

Section 7.2 Condemnation.

(a) In the event all or any part of the title to, or the use of, the Facility shall be taken by Condemnation during the Term:

(i) the Company shall promptly give, or cause to be given, written notice of any Condemnation proceedings of, or affecting, the Facility, or any portion thereof, to the IDB;

(ii) all Net Proceeds of any Condemnation award shall be applied by the Company, at the option of the Company, to the restoration of the Facility, and/or to the acquisition of Substitute Facilities, as such term is hereinafter defined;

(iii) the Company may, to the extent that it desires, (A) promptly restore the Facility (excluding any Property taken by Condemnation) to such condition, value, and utility to allow the Facility to operate as it was designed to operate prior to such Condemnation, with such changes, alterations, and

modifications (which do not increase expense, unless the Company pays such additional cost) as may be then be desired by the Company, or (B) acquire, by construction or otherwise, facilities (“Substitute Facilities”), of such nature and value to allow the Facility to operate as it was designed to operate prior to such Condemnation, with such changes, alterations, and modifications as may be then required by the Company.

(iv) In the event that such Net Proceeds are not sufficient to pay in full the costs of such restoration of the Facility or such acquisition of Substitute Facilities, the Company shall complete such restoration or acquisition, or acquire such Substitute Facilities, as applicable, if and only if the Company so desires and shall pay from its own monies that portion of the costs thereof in excess of such Net Proceeds of any Condemnation award.

(v) The restored portions of the Facility, or the Substitute Facilities, whether or not requiring the expenditure of the moneys of the Company, shall automatically become part of the Facility.

(b) The Company shall be entitled to the proceeds of any Condemnation award, or the applicable portion thereof, resulting from damage to, or taking of, any Property which, at the time of such damage or taking, is not part of the Facility.

ARTICLE VIII **SPECIAL COVENANTS**

Section 8.1 No Warranty of Condition or Suitability; Use of Project. The Company acknowledges its full familiarity with the Land and the Building, and it represents that it is solely responsible for the plan under which the Facility will be operated and maintained. The IDB makes no representations or warranties, either express or implied, as to the condition, title, design, operation, merchantability, or fitness of the Project, or that it is, or will be, suitable for the purposes or needs of the Company.

Section 8.2 Indemnity and Hold Harmless Provisions. The Company hereby releases the IDB, its members, agents, employees, and consultants from; agrees that the IDB, its members, agents, employees, and consultants shall not be liable for; and agrees to reimburse and indemnify and hold the IDB, its members, agents, employees, and consultants harmless from and against, any and all: (a) liability for loss or damage to Property or any injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project or arising by reason of or in connection with the acquisition, occupation, or use of said Project; (b) liability, loss or expense suffered by the IDB, or its officers or directors for any liability arising from, or expense incurred by reason of, the IDB’s leasing of the Facility, and all causes of action and reasonable attorneys’ fees and any other expense incurred in defending any suits or actions which may arise as a result of any of the foregoing; and (c) costs and expenses of the IDB or the officers, directors, or employees thereof, incurred as a result of carrying out its obligations under this Lease, the Facility Security Documents, or any other document herein contemplated; provided, however, that the foregoing shall not apply to the gross negligence or wanton or willful misconduct of the IDB, its members, agents, consultants and employees.

Section 8.3 Reimbursement of the IDB. It is the intention of the parties that the IDB shall not incur any pecuniary liability by reason of this Lease, or the Facility Security Documents, or by reason of any actions, documents, statutes, ordinances, or regulations pertaining to the foregoing. The Company shall promptly pay any and all reasonable costs and expenses, as such costs and expenses accrue, which may be incurred by, or judgments which may be rendered against, the IDB or any of its officers, employees, or agents at any time or times during, or subsequent to the Term: (a) in enforcing any of the terms, covenants, conditions, or provisions of this Lease or (b) in defending any action, suit, or proceeding brought against the IDB or any of its respective officers, employees, or agents as a result of (i) the violation of, or failure to comply with, any present or future Federal, State, or municipal law, ordinance, regulation, or order or (ii) any alleged failure, neglect, misfeasance, or default on the part of the Company, or any of the employees, servants, agents, or independent contractors of any of the foregoing in connection with, arising from, or growing out of, this Lease or in connection with the Facility Security Documents, or the Facility, or any operations conducted in, or any use or occupancy of, said Facility, or any action pertaining to, or connected with, any of the foregoing.

Section 8.4 Compliance with Orders, Ordinances, Etc.

(a) The Company shall throughout the Term, without expense to the IDB, promptly comply, or promptly cause compliance, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, contract provisions, and requirements of all Federal, State, county, municipal, and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials, and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility, or any part thereof, or to any of the streets, roads, passageways, sidewalks, curbs, gutters adjoining the Facility, or any part thereof, or to any use, manner of use, or condition of the Facility, or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 8.4, the Company or any other person may, in good faith and at his, her, or its own expense, upon prior written notice to the IDB, contest the validity or the applicability of any requirement of the nature referred to in subsection (a) of this Section 8.4. In such event, the Company, or any such person, as applicable, may fail to comply with the requirement or requirements so contested during the period of such contest, and any appeal therefrom, unless the IDB or the Trustee shall notify the Company, or any such person, as applicable, that by failure to comply with such requirement or requirements, the Facility, or any part thereof, may be imminently subject to loss or forfeiture, in which event the Company shall promptly take such action with respect thereto as shall be satisfactory to the IDB. The IDB shall, if requested by the Company or such other person, as applicable, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with the Company or such other person, as applicable, in any such contest.

Section 8.5 Discharge of Liens and Encumbrances.

(a) The Company shall not permit or create or suffer to be permitted or created, any Lien, except for Permitted Encumbrances, upon the Facility or any part thereof, by reason of any labor, materials, or services rendered or supplied, or claimed to be rendered or supplied. The Company shall immediately give notice to the IDB of the filing or assertion of any such Lien of which it has knowledge, and except for Permitted Encumbrances shall, within thirty (30) days after receipt of actual notice of the filing or assertion of any such Lien, satisfy the Lien or cause it to be discharged of record or otherwise prevent the enforcement thereof by payment, deposit, filing the requisite bond, or taking such other action as shall be reasonably satisfactory to the IDB.

(b) Notwithstanding the provisions of subsection (a) of this Section 8.5, the Company or any other person, may, in good faith and at his, her, or its own expense, upon prior written notice to the IDB, contest any such Lien. In such event, the Company or any such person, as applicable, may permit the Lien or encumbrance so contested to remain undischarged and unsatisfied during the period of such contest, and any appeal therefrom. The IDB shall, if requested by the Company or such other person, as applicable, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with the Company or such other persons, as applicable, in any such contest.

Section 8.6 Restriction Against Certain Religious Activities. The Company hereby covenants that, for such period as may be required by law, no part of the Project shall be used for sectarian instruction, or as a place of religious worship, or in connection with any part of a program of a school or department of divinity of any religious denomination. If at any time the applicable law would permit the Project to be used for a purpose prohibited by this Section 8.6, such prohibition shall, to that extent, be of no further force or effect.

Section 8.7 Further Assurances and Corrective Instruments. The IDB and the Company agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Facility hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

Section 8.8 Granting of Easements. The Company may at any time or times, subject to its leasehold interest, grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property or rights included in the Facility, or the Company may release existing easements, licenses, rights of way and other rights and privileges with or without consideration, and the IDB agrees that it shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant or release, and (ii) a written application signed by the Authorized Representative of the Company requesting such instrument and stating that such grant or release is not detrimental to the proper conduct of the business of the Company, and that such grant or release will not impair the effective use or interfere with the operation of the Facility.

Section 8.9 Release of Certain Land. Notwithstanding any other provisions of this Lease, the parties hereto reserve the right, at any time and from time to time, to amend this

Lease for the purpose of effecting the release of or removal from this Lease and the leasehold estate created hereby of any unimproved part of the Land (on which no part of the Building or other building or equipment owned by the Company and essential to the continued operation of the Project is situated), or any part of the Land with respect to which the Company proposes to convey fee title or an easement to a railroad, public utility or public body in order that railroad service, utility services or roads may be provided for the Project.

ARTICLE IX
ASSIGNMENT; REMOVAL OF FIXTURES; ETC.

Section 9.1 Assignment and Subleasing.

(a) This Lease may be assigned and the Facility subleased, as a whole or in part, by the Company without the necessity of obtaining the consent of the IDB, subject, however, to each of the following conditions:

(i) no assignment shall relieve the Company from primary liability for any obligations under this Lease, and in the event of any such assignment, the Company shall continue to remain primarily liable for payment of the amounts specified in this Lease and for performance and observance of the other agreements on its part provided to be performed and observed by the Company to the same extent as though no assignment had been made;

(ii) the assignee or sublessee shall assume the obligations of the Company hereunder to the extent of the interest assigned or subleased; and

(iii) the Company shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the IDB a true and complete copy of each assignment and assumption of obligations or sublease, as the case may be.

(b) The Company may contract for the performance by others of operations or services on, or in connection with, the Facility, or any part thereof, for any lawful purpose; provided, however, that any such contract shall not be inconsistent with the provisions of this Lease or the Facility Security Documents and that the Company shall remain fully obligated and responsible under this Lease, to the same extent as if such contract had not been executed.

Section 9.2 Restrictions on Mortgage or Sale of Facility by IDB. The IDB agrees that, except for any assignment, mortgage or pledge of its interest in the rentals hereunder to the Company pursuant to the Facility Security Documents, it will not mortgage, sell, assign, transfer or convey the Facility or any portion thereof during the Term, except as otherwise permitted or required herein.

Section 9.3 Removal of Fixtures. In the event the Company determines from time to time that any item of fixtures or improvements constituting a part of the Facility has become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Company may remove such item constituting a part of the Facility, and may sell, trade-in, exchange, or otherwise dispose of the same, as a whole or in part. The IDB shall promptly execute any and all instruments deemed

necessary by the Company, in its sole discretion, to fully effectuate the provisions of this Section 9.3.

Section 9.4 Installation of the Company's Own Machinery. The Company may, from time to time, in its sole discretion and at its own expense, install machinery, equipment and other tangible and movable property in the Facility. All such machinery, equipment and other tangible and movable property shall remain the sole property of the Company in which the IDB shall have no interest.

Section 9.5 Leasehold Mortgages. The Company shall have the right to mortgage, pledge, encumber, hypothecate or assign as security the Leasehold Estate, without obtaining the IDB's consent, provided that the loan is made by a Mortgage Lender. A "Mortgage Lender" is any one (1) lender or an agent for a syndicate of lenders that is the owner and holder of a promissory note, the indebtedness evidenced by which is secured by a mortgage lien on the Leasehold Estate, that is disclosed in a written notice given to the IDB containing the name, notice address, contact Person, telephone number, and facsimile transmission number of the Mortgage Lender to which the Leasehold Estate has been or will be mortgaged, pledged, encumbered, hypothecated or assigned as security. The provisions of this Section 9.5 are for the benefit of each Mortgage Lender and may be relied upon and shall be enforceable by each Mortgage Lender. In the event that there is more than one Mortgage affecting the Leasehold Estate, the most senior Mortgage Lender (determined by the order of recordation of its Mortgage in the Register's Office for the County) shall have priority in terms of exercising the rights of a Mortgage Lender pursuant to the provisions of this Section 9.5. A lender that has qualified as a Mortgage Lender shall continue in such status for purposes hereof until such time as the lender notifies the IDB, in writing, that it has released its lien on the Leasehold Estate or has recorded such an instrument of record. Within ten (10) business days after the Company's written request, the IDB will acknowledge, in writing, the receipt of any such notice delivered by a Mortgage Lender to the IDB.

(a) Whenever the IDB shall send the Company any written notice related to this Lease, the IDB shall also send a duplicate copy of such notice to each Mortgage Lender. If this Lease is terminated due to the occurrence of an Event of Default or the rejection or disaffirmance of this Lease pursuant to Section 365(a) of the Bankruptcy Code, 11 U.S.C. §365(a), as amended, the IDB shall send Mortgage Lender a notice of termination ("Termination Notice") whether or not the IDB is required to send such Termination Notice to the Company. The IDB shall not be obligated to send a Termination Notice to anyone at the expiration of the Term.

(b) Upon a Mortgage Lender's receipt of written notice of an Event of Default hereunder (a "Default Notice"), the Mortgage Lender shall have the right, but not the obligation, to cure such Event of Default on behalf of the Company, and the IDB shall not have the right to terminate this Lease in the event that the Mortgage Lender completes the cure of such Event of Default on or before the later to occur of (i) ninety (90) days following Mortgage Lender's receipt of the Default Notice and (ii) the expiration of the Company's cure period hereunder (including any additional time permitted the Company to cure an Event of Default which may not reasonably be cured within the allotted time); provided, however, that if such Event of Default cannot be cured within the time permitted, then Mortgage Lender shall be permitted such additional time thereafter as is reasonably necessary to cure such Event of Default, provided that Mortgage Lender is proceeding to cure such default continuously and diligently and in a manner

reasonably satisfactory to Landlord (the “Mortgage Lender’s Cure Period”). Mortgage Lender’s Cure Period shall be tolled during any period of time during which action against the Company is stayed by any proceeding in bankruptcy, injunction or other judicial process. The IDB agrees to accept any Mortgage Lender’s cure of an Event of Default. The IDB acknowledges that the Mortgage Lender is relying upon the Company’s interest in this Lease and in the Facility as collateral, so the IDB agrees to give the Mortgage Lender the opportunity to realize on such collateral before any termination of this Lease due to an Event of Default by the Company. In furtherance of the foregoing, the Mortgage Lender’s Cure Period to cure an Event of Default by the Company that reasonably requires the Mortgage Lender to be in possession of the Facility, or the time for the Mortgage Lender to obtain the Company’s interest under this Lease in order to elect to enter into a new lease with the IDB as provided in Section 9.5(c) hereof, shall be deemed extended to include the period of time reasonably required by Mortgage Lender to obtain possession of the Facility or obtain the Company’s interest under this Lease by foreclosure or otherwise with due diligence; provided, however, that (i) Mortgage Lender shall have delivered to the IDB its written covenant to cure all outstanding Events of Defaults which the Mortgage Lender (in its reasonable discretion) requires possession of the Facility to cure other than those defaults which cannot be cured by the payment of money or taking of possession (such as the Company’s bankruptcy); (ii) during such period, all other obligations of the Company under this Lease are being duly performed to the extent that the Mortgage Lender can do so without possession; (iii) the Mortgage Lender shall have cured any other Events of Default, not requiring possession to cure; and (iv) the Mortgage Lender is diligently attempting to obtain possession by foreclosure or otherwise. Nothing in this Section 9.5(b) shall preclude the IDB from terminating this Lease with respect to any additional Event of Default which may occur during the aforesaid period of forbearance which is not remedied within the Mortgage Lender’s Cure Period applicable to any such additional Event of Default, provided that the Mortgage Lender shall have the same rights specified in this Section 9.5(b) with respect to any such additional Event of Default.

(c) If this Lease is terminated as a result of (i) the Company’s Event of Default, or (ii) rejection or disaffirmance of this Lease pursuant to Section 365(a) of the Bankruptcy Code, 11 U.S.C. § 365(a), as amended, then, upon the Mortgage Lender’s request made within sixty (60) days after the Mortgage Lender’s receipt of a written Termination Notice from the IDB of such termination, the IDB shall enter into a new lease with the Mortgage Lender upon terms and conditions identical to those of this Lease for what would have been the full remaining Term of this Lease had the same not been so terminated, with all remaining extension or renewal rights, so long as the Mortgage Lender (or the Successor Company, as hereinafter defined) pays all of the Rent and other sums then due and owing under this Lease and cures any other Events of Default not requiring possession to cure (other than those defaults which cannot be cured by the payment of money or taking of possession (such as the Company’s bankruptcy or the Company’s exclusion from any Federal Healthcare Program)), and such new lease shall have the same priority as this Lease. Except for the cure of Events of Default as aforesaid, the Successor Company under any such new lease shall be liable to perform the obligations imposed by such new lease only during the period the Successor Company has ownership of the leasehold estate created thereby. Upon the execution of such new lease, the IDB shall allow the Successor Company, to offset against the sums paid under this Section 9.5(c) for the cure of Events of Default under this Lease, an amount equal to the net income in fact derived after the termination of this Lease by the IDB from the Facility (i.e. income from Space Tenants during such time period, less operating expenses, including without limitation lease commissions, attorney fees incurred by the

IDB in connection with any Event of Default or entering into the new lease and costs to relet spaces to tenants, during such time period) during the period from the date of termination of this Lease to the date of the beginning of the term of the new lease. In addition, the IDB shall execute and deliver (in recordable form) to such Successor Company or its nominee, a memorandum of lease (with respect to such new lease) as well as such deeds, bills of sale, assignments and other instruments whereby the IDB conveys to the Successor Company or its nominee, without warranty of any kind including, without limitation, warranty of title but with confirmation of no prior assignment by the IDB, all of the IDB's right, title and interest, in, to and under any portion of the Leasehold Estate and the Company's rights and interest in and to the Facility that may have reverted to the IDB on account of such termination of this Lease (other than at the expiration of the Term). As used herein, "Successor Company" shall mean any Mortgage Lender or its designee or nominee, together with its successors and assigns, including any purchaser at a foreclosure sale or under a deed-in-lieu thereof, and such purchaser's successors and assigns who succeed to the Company's Leasehold Estate in the Facility on account of the foreclosure of the Company's Mortgage or a deed-in-lieu thereof.

(d) Any sale of the Leasehold Estate in any foreclosure proceedings instituted by a Mortgage Lender (or the assignment or transfer of this Lease and the Leasehold Estate by the Company in lieu of any such foreclosure) shall be deemed to be a permitted assignment of the Leasehold Estate, and the IDB shall recognize the Person acquiring the Leasehold Estate pursuant to the foregoing as the Company hereunder with all of the rights and estate of the Company.

(e) If any agreement between a Mortgage Lender and the Company shall so require, and if the IDB has previously been provided a copy thereof, no voluntary amendment, cancellation, termination, surrender or modification of this Lease shall be effective as to such Mortgage Lender unless it has consented thereto, in writing.

(f) No Mortgage Lender, simply by virtue of its lien on the Leasehold Estate, shall be deemed to have assumed any of the obligations or liabilities of the Company hereunder. The responsibility of a Mortgage Lender (or its assignee or affiliate who takes title to the Leasehold Estate or enters into a new lease with the IDB pursuant to this Section 9.5 shall terminate upon its sale, transfer or assignment of this Lease or such new lease, as applicable. Except as provided in this Lease, neither a Mortgage Lender (or its assignee or affiliate) who takes title to the Leasehold Estate or enters into a new lease with the IDB pursuant to Section 9.5(c) nor a purchaser of the Leasehold Estate at a foreclosure sale shall be responsible for pre-existing liabilities arising hereunder unless and to the extent that such obligations are continuing and have not been performed; provided nothing in this Section 9.5 shall be deemed to release the Company from its obligations and liabilities under this Lease.

(g) The IDB shall not be liable for the payment of the sum secured by any Mortgage, nor for any expenses in connection with the same, and neither the Mortgage instrument nor any instrument or document related thereto shall contain any covenant or other obligation on the IDB's part to pay such debt, or any part thereof, or to take any affirmative action of any kind whatsoever, except as the IDB may deem necessary or desirable to protect its interest hereunder. Furthermore, such mortgage shall expressly provide that the Mortgage Lender

thereunder shall not seek a judgment against the IDB based upon such mortgage or any instrument or document related thereto.

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Each of the following shall be an “Event of Default” under this Lease, and the terms “Event of Default” or “Default” shall mean, whenever they are used in such Lease, any one or more of the following events:

(a) The failure by the Company to pay, or cause to be paid, within thirty (30) days of when due, the Basic Rental Payments or Additional Rental Payments, or any part thereof, specified to be paid under Section 5.2 hereof;

(b) The filing by the Company of a voluntary petition in bankruptcy or any petition or other pleading seeking any reorganization, composition, readjustment, liquidation, or similar relief under any present or future law or regulation, or the seeking of or consent to or acquiescence in the appointment of any trustee, receiver, or liquidator of all or any substantial part of its assets or of its interest in the Facility, or the making of a general assignment for the benefit of creditors, or the admission in writing of the inability by the Company to pay its debts generally as the same shall become due;

(c) The adjudication of the Company to be bankrupt or insolvent, or the filing of a petition or other pleading against the Company seeking an adjudication of bankruptcy, reorganization, composition, readjustment, liquidation, or similar relief under any present or future law or regulation, which shall remain undismissed or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or the entry of an order or decree by a court of competent jurisdiction, without the consent or acquiescence of the Company, appointing a trustee in bankruptcy or reorganization or a receiver or liquidator of the Company, of all or any substantial part of its Property, or of the Facility, which order or decree shall continue unvacated or unstayed on appeal or otherwise and in effect for a period of ninety (90) days (whether consecutive or not);

(d) The occurrence of a “default” or an “event of default” by the Company under the Tax Agreement, that is not cured within any applicable cure period as provided therein;

(e) Subject to Section 10.2(d), the failure by the Company to observe and perform any covenant, condition, or agreement hereunder on its part to be observed or performed (except obligations referred to in paragraphs (a), (b) or (c) of this Section 10.1 for which no such notice must be given) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company the IDB, unless the IDB shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the IDB will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Company within the applicable period and diligently pursued until the default is corrected.

Section 10.2 Remedies on Default.

(a) Whenever an Event of Default shall have occurred and be continuing, the IDB may take any one or more of the following remedial steps:

(i) Declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become due and payable: (A) all unpaid Rental Payments payable pursuant to Section 5.2 hereof; and (B) all other payments due or to become due under this Lease;

(ii) Withhold any or all further performance under this Lease (except that the Company may, nevertheless, exercise any option granted pursuant to ARTICLE XI hereof, in which event, IDB shall perform its obligations thereunder);

(iii) Re-enter and take possession of the Facility without terminating this Lease, and sublease the Facility for the account of the Company, holding the Company liable for the difference in the rent and other amounts payable by such sublessee in such subleasing and the Rental Payments and other amounts payable by the Company hereunder;

(iv) Terminate this Lease and convey the Facility to the Company by Quitclaim Deed; and/or

(v) Take any other action or proceeding permitted by the terms of this Lease.

(b) Whenever any Event of Default shall have occurred and be continuing, the IDB may take, in addition to the above and the following, whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, warranty or covenant of the Company under this Lease.

(c) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligation to make all payments required under Section 5.2 hereof.

(d) Notwithstanding the foregoing provisions of this Section 10.2, until final action pursuant to this Section 10.2 shall have been taken which would preclude any of the foregoing actions, the Company may (i) pay all accrued unpaid Rental Payments (exclusive of such Rental Payments accrued solely by virtue of acceleration thereof as provided in Section 10.2(a)(i) hereof), in which event, this Lease shall be fully reinstated as if an Event of Default had not occurred and otherwise fully cure all Events of Default, and/or (ii) exercise any option granted pursuant to ARTICLE XI hereof.

Section 10.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the IDB is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often

as may be deemed expedient. In order to entitle the IDB to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Lease.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Company shall default under any of the provisions of this Lease, and the IDB shall employ attorneys or incur other expenses for the collection of amounts payable hereunder, or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the IDB the reasonable fees of such attorneys and such other expenses so incurred.

Section 10.5 Delay or Omission Not a Waiver. No delay or omission of the IDB to exercise any right or power accruing upon any breach of any covenant or agreement contained herein, or upon the happening of any other Default hereunder, shall impair any such right or power, or shall be construed to be a waiver of any such right or power, or shall be construed to be a waiver of any other Default hereunder, or any acquiescence therein; and every such power, right, or remedy contained herein of the IDB may be exercised from time to time and as often as may be deemed expedient by the IDB. Any waiver, permit, consent, or approval of any form or character on the part of the IDB of any breach of, or default under, this Lease, or any waiver on the part of the IDB of any provision or condition herein, must be in writing and shall be effective only to the extent specifically set forth in such writing.

ARTICLE XI **OPTIONS; PURCHASE OF FACILITY; ETC.**

Section 11.1 Options to Terminate. The Company shall have, and is hereby granted, the option to terminate this Lease at any time by (i) paying to the appropriate person the amounts required by Section 11.4 hereof, and (ii) giving the IDB notice in writing of such termination.

Section 11.2 Option to Purchase the Facility. Subject to compliance with Section 11.3, the Company shall have, and is hereby granted, the option to purchase all or any portion of the Facility at any time; provided that if all of the Additional Rental Payments under Section 5.2(b) have not been paid in full, the Company shall also pay so much thereof as the IDB may require, in writing. The purchase price payable by the Company in the event of its purchase pursuant to this Section shall be a sum equal to One Hundred Dollars (\$100).

Section 11.3 Conveyance on Exercise of Option to Purchase the Facility. At the closing of any purchase pursuant to this Lease, the IDB shall upon receipt of the purchase price deliver to the Company the following: documents (including, without limitation, a quitclaim deed) conveying to the Company good and marketable title to the Facility as it then exists, subject to the following: (i) those Liens (if any) to which title to said Property was subject when conveyed to the IDB; (ii) those Liens created by the Company or to the creation or suffering of which the Company consented; (iii) those Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances; and (v) any Lien other than a Lien resulting from the action or inaction of the IDB.

Section 11.4 Payments Upon, and Conditions For, Early Termination. Termination by the Company of this Lease pursuant to Section 11.1 hereof or the purchase of the Facility pursuant to Section 11.2 hereof shall not be effective until the Company shall have made the following payments:

(a) To the IDB, an amount certified by the IDB sufficient to pay all unpaid fees and expenses (including attorneys' fees) of the IDB due and payable under Section 4.2, Section 4.3 and Section 5.2(b) hereof; and

(b) To the appropriate person, an amount sufficient to pay all other fees, expenses, or charges, if any, due and payable or to become due and payable under this Lease or the Facility Security Documents and not otherwise paid or provided for.

Section 11.5 Lessor Option to Re-Convey. The IDB may reconvey the Facility to the Company and terminate this Lease at any time after the end of the Term hereof, and the Company hereby agrees to accept the same.

Section 11.6 Continuation of Certain Provisions. Upon termination of this Lease, the liabilities of the Company under such Lease shall terminate, except that its liabilities and obligations under Section 8.2, Section 8.3 and Section 12.2 of this Lease, and as otherwise herein expressly provided, shall nevertheless survive.

ARTICLE XII **MISCELLANEOUS**

Section 12.1 Certificates and Opinions. Any certificate or opinion made or given by an officer or director of the IDB may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer or director knows that the certificate or representations with respect to the matter upon which his or her certificate or opinion may be based are erroneous; and any certificate or opinion made or given by counsel may be based (insofar as it relates to factual matters, information with respect to which is in the possession of the IDB) upon the certificate or opinion of, or representation by, an officer or director of the IDB, unless such counsel knows that the certificate or representations with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous.

Section 12.2 Limitation of Liability. Anything in this Lease to the contrary notwithstanding, the performance by the IDB of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements, and promises made by it hereunder, or in the Facility Security Documents or any other document, and the liability of the IDB for all warranties and other covenants hereunder, or in the Facility Security Documents or any other document shall be limited solely to the IDB's interest in the Facility and this Lease, including, without limitation, revenues and receipts derived from the sale or leasing by it of the Project (as defined in the Facility Lease) and the IDB shall not be required to effectuate any of its duties, obligations, powers or covenants hereunder except to the extent of its interest in the Premises and such revenues and receipts.

No recourse under or upon any obligation, covenant or agreement contained in this Lease, the Facility Security Documents or in any other document, whether hereby secured or otherwise, under or upon any statement, obligation, covenant, agreement or certification contained, or under any judgment obtained against the IDB, or by the enforcement of any assessment against the IDB, or by any legal or equitable proceeding, or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of this Lease, shall be had against any incorporator, member, employee, agent, director or officer, as such, past, present or future, of the IDB, either directly or through the IDB, or otherwise, for the payment or performance, or the failure of performance by the IDB, of any sum or action that may be due and unpaid by the IDB secured hereby. 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, agent, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment or performance by the IDB or any receiver thereof, is hereby expressly waived and released as a condition of and in consideration for the execution of this Lease.

Neither the County, nor any other political subdivision thereof, shall in any event be liable for the payment or for the performance of any pledge, mortgage, obligation, certification or agreement of any kind whatsoever herein by the IDB, and no pledge, mortgage, agreement, obligation or certification of the IDB herein or otherwise shall be construed to constitute an indebtedness of the County or any other political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever.

Section 12.3 Notices. All notices, consents, approvals, deliveries and other communications hereunder shall be properly given only if made in writing and sent by hand delivery, U.S. Certified Mail, Return Receipt Requested, or nationally recognized overnight delivery service (such as Federal Express or UPS), with all delivery charges paid by the sender and addressed as follows:

To the IDB: The Industrial Development Board of the
City of White House, Tennessee
105 College Street
White House, TN 37188
Attn: Chairman

With a copy to: Valerie M. Webb, Esq.
Webb Sanders, PLLC
3037A Highway West
White House, TN 37188

To the Company: Advanex Americas, Inc.
514 Hester Drive
White House TN 37188
Attn: Shaun Langley, VP Production/
General Mgr.

With a copy to: Bradley Arant Boult Cummings LLP

1600 Division Street
Suite 700
Nashville, TN 37203
Attn: J. Thomas Trent, Jr.

Section 12.4 Binding Effect. This Lease shall run with the land and inure to the benefit of and shall be binding upon the IDB, the Company, and the respective heirs, executors, successors, administrators, and assigns of the foregoing.

Section 12.5 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.6 Limitation of Rights. Except as otherwise expressly provided herein, nothing in this Lease, express or implied, shall be construed to confer upon any person, other than the IDB and the Company, any right, remedy or claim, legal or equitable, under or by reason of this Lease or any provisions hereof.

Section 12.7 Execution of Counterparts. This Lease 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 12.8 Applicable Law. This Lease has been executed and delivered in the State of Tennessee. The Parties intend that this Lease shall be construed and governed exclusively by the applicable laws of the State of Tennessee and the United States of America.

Section 12.9 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Sections in this Lease have been prepared for convenience of reference only and shall not control, affect the meaning, or be taken as an interpretation of any provision of this Lease.

Section 12.10 No Liability of the 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 contained by or of the IDB and neither the Facility Security Documents nor any of the IDB's agreements or obligations herein or otherwise shall be construed to constitute an indebtedness of the County within the meaning of any constitutional or statutory provision whatsoever.

Section 12.11 Net Lease. This Lease shall be deemed and construed to be a fully "net lease," and the Company shall pay absolutely net during the Term, the rent and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff, other than those herein expressly provided.

Section 12.12 Not Partners. Nothing contained herein or in any other document shall be deemed to render the IDB or the Company partners or venturers for any purpose.

Section 12.13 Conflicting Provisions. In the event of a conflict between the provisions of this Lease and the Equipment Lease, the provisions hereof shall prevail as to matters related to the Facility, and the provisions of the Equipment Lease shall prevail as to matters related to the Equipment.

Section 12.14 Entire Agreement. This Lease, the Facility Security Documents, the Equipment Lease, the Equipment Security Documents, the Tax Agreement and the other written agreements signed by the IDB, Chewy and/or the Company of even date herewith related to the transactions contemplated herein constitute the final, complete and entire understanding of such parties and supersede all prior agreements and negotiations with respect to the matters herein or therein contained. Except as may be otherwise expressly provided herein, this Lease may not be amended except by a written instrument signed by the Parties.

Section 12.15 Schedules/Exhibits. All schedules and exhibits referenced in this Lease are attached hereto and incorporated herein by reference.

Section 12.16 Business Days. If any date specified in this Lease for the performance of an obligation, the giving of a notice or the expiration of a time period falls on a day other than a business day, then this Lease shall be automatically revised so that such date falls on the next occurring business day.

[Signatures on Following Page]

IN WITNESS WHEREOF, the IDB has caused this Lease to be executed in its corporate name and on its behalf by its authorized officer, and the Company has caused this Lease to be executed in its name and on its behalf by its authorized officer, all as of the date first above written.

IDB:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF WHITE HOUSE,
TENNESSEE**

By: _____
_____, Chair

COMPANY:

ADVANEX AMERICAS, INC.

By: _____
Name: Shaun Langley
Title: VP Production/ General Mgr.

EXHIBIT A
DESCRIPTION OF LAND

This Instrument Prepared by:
Bradley Arant Boult Cummings LLP (JTT)
1600 Division Street, Suite 700
Nashville, Tennessee 37203

MEMORANDUM OF FACILITY LEASE

THIS MEMORANDUM OF FACILITY LEASE is made and entered into as of December _____, 2021 (the “Effective Date”), by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE**, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (“Landlord”), and **ADVANEX AMERICAS, INC.**, a California corporation (“Tenant”).

W I T N E S S E T H:

Landlord, for and in consideration of the rents to be paid and of the other covenants and agreements to be kept and performed by Tenant, does hereby lease to Tenant, and Tenant does hereby take and hire from Landlord, all that certain piece or parcel of land, together with all appurtenances thereto, situated, lying and being in Robertson County, Tennessee, being more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “Demised Premises”).

TO HAVE AND TO HOLD the same subject to all the provisions and conditions contained in that certain Facility Lease Agreement, dated as of December _____, 2021, by and between Landlord and Tenant (as amended or supplemented from time to time, the “Lease”), which Lease is incorporated herein by this reference.

1. The rate of rental and all terms of Tenant’s occupancy of the Demised Premises are set forth in the Lease.

2. The term of the Lease shall commence on the Effective Date, and shall terminate on December 31, 2030, unless extended or earlier terminated pursuant to the provisions of the Lease.

3. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic’s or other liens for such labor or materials shall attach to or affect the estate or interest of Landlord in and to the Demised Premises. Landlord’s interest in the Demised Premises shall not be subject to any mechanic’s or other liens, on account of such labor or materials.

4. The sole purpose of this instrument is to give notice of said Lease and all of its terms, covenants and conditions to the same extent as if the same were fully set forth herein.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and date first above written.

LANDLORD:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF WHITE HOUSE,
TENNESSEE**

By: _____
_____, Chairman

STATE OF TENNESSEE

COUNTY OF ROBERTSON

Personally appeared before me, _____, Notary Public, _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that s/he executed the foregoing instrument for the purposes therein contained and who further acknowledged that s/he is Chair of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee, the within named bargainer, and that s/he is authorized to execute this instrument on behalf of said corporation.

WITNESS my hand, at office, this ___ day of December, 2021.

Notary Public

My Commission Expires

SIGNATURE PAGE TO THE MEMORANDUM OF FACILITY LEASE

COMPANY:

ADVANEX AMERICAS, INC.

By: _____

Name: Shaun Langley

Title: VP Production/ General Mgr.

STATE OF TENNESSEE

COUNTY OF ROBERTSON

Personally appeared before me, _____, Notary Public, Shaun Langley, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the foregoing instrument for the purposes therein contained and who further acknowledged that he is the VP Production/ General Mgr. of ADVANEX AMERICAS, INC., a corporation organized and existing under the laws of the State of California, the within named bargainer, and that he is authorized to execute this instrument on behalf of said company.

WITNESS my hand, at office, this __ day of December, 2021.

Notary Public

My Commission Expires

SIGNATURE PAGE TO THE MEMORANDUM OF FACILITY LEASE

EXHIBIT A
DESCRIPTION OF LAND

**DEED OF TRUST, ASSIGNMENT
OF LEASES AND SECURITY AGREEMENT**

Made By

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF WHITE HOUSE, TENNESSEE**

In Favor of

J. Thomas Trent, Jr., Trustee

For the Benefit of:

ADVANEX AMERICAS, INC.

DATED AS OF DECEMBER ____, 2021

PREPARED BY:

MAXIMUM PRINCIPAL INDEBTEDNESS
FOR TENNESSEE RECORDING TAX
PURPOSES IS [EXEMPT]

BRADLEY ARANT BOULT CUMMINGS LLP (JTT)
1600 DIVISION STREET, SUITE 700
NASHVILLE, TENNESSEE 37203

**DEED OF TRUST, ASSIGNMENT
OF LEASES AND SECURITY AGREEMENT**

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT (the “Deed of Trust”) is made as of December ____, 2021, by **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE**, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (together with its successors and assigns, the “IDB”), in favor of **J. Thomas Trent, Jr.**, as Trustee (“Trustee”), for the benefit of **ADVANEX AMERICAS, INC.**, a California corporation (together with its successors and assigns, the “Company”).

W I T N E S S E T H:

WHEREAS, the IDB is a public, nonprofit corporation and a public instrumentality of the City of White House, Tennessee (the “City”), and is authorized under Chapter 53, Title 7, Tennessee Code Annotated, as amended and supplemented from time to time (the “Act”), to enter into lease agreements with manufacturing, industrial, commercial and financial enterprises with respect to one or more projects for such payments and upon such terms and conditions as the Board of Directors of the IDB may deem advisable in accordance with the provisions of the Act in order to maintain and increase employment opportunities by inducing such enterprises to locate in or to remain in the State of Tennessee; and

WHEREAS, to induce the Company to acquire and construct improvements to a certain manufacturing and office facility (as further defined in the Facility Lease, the “Facility”) located in the City and Robertson County, Tennessee (the “County”), and to induce the Company to equip the Facility with the Equipment (as defined in the Equipment Lease), the IDB has agreed to acquire the Facility from the Company, which Facility shall be leased by the IDB to the Company pursuant to a certain Facility Lease Agreement (as amended or supplemented from time to time, the “Facility Lease”), dated of even date herewith, and to acquire and own the Equipment, which Equipment shall be leased by the IDB to the Company pursuant to a certain Equipment Lease Agreement (as amended or supplemented from time to time, the “Equipment Lease”), dated of even date herewith; and

WHEREAS, the IDB desires to enter into this Deed of Trust to secure, inter alia, all of the IDB’s obligations under and pursuant to the Facility Lease.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00), the Facility Lease, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the IDB hereby grants, sells, bargains and conveys unto Trustee, his successors and assigns, the real estate described in Exhibit A, which is attached hereto and is incorporated herein by reference, less such real estate and interests in real estate as may be taken by the exercise of the power of eminent domain and less such real estate and interest in real estate as may be sold to the Company as provided in the Facility Lease (the “Land”), and all of the buildings, structures, improvements, fixtures, accessions and other facilities owned by the IDB which are now or hereafter located on the Land (collectively the “Building”), together with all insurance payments, awards, products and proceeds of the Land and the Building (said Land, Building and all insurance payments, awards, products and proceeds being collectively referred to herein as the “Property”);

TOGETHER with all the IDB’s right, title, present and future interest, and claim to the

Property; and

TOGETHER with all easements and appurtenances belonging to the Land and those owned by the IDB that are beneficial to the Land, and with all tenements, emblements, and hereditaments thereto appertaining.

TO HAVE AND TO HOLD the Property unto Trustee, his successors and assigns forever in trust, to secure all obligations and indebtedness of the IDB to the Company, whether arising by contract, tort, guaranty or otherwise, including but not limited to the Facility Lease and any extensions or renewals thereof, including without limitation, the IDB's obligation to convey the Property to the Company upon the Company's exercise of the purchase option granted to it under said Facility Lease. Without limiting the foregoing, the obligations and indebtedness of the IDB to the Company secured hereby shall include all court costs, attorneys' fees, and expenses of whatever kind incident to the enforcement or collection of such obligations and indebtedness thereunder or hereunder (collectively the "Secured Indebtedness").

Subject to Paragraph 9 below, the IDB warrants that the IDB is lawfully seized of the Property and has good right to convey the same, and that the IDB will forever warrant and defend the title thereto unto Trustee, his successors and assigns, against the claims of all persons whomsoever. The IDB further warrants that the Property is unencumbered except as disclosed by instruments of record.

IDB FURTHER COVENANTS AND AGREES WITH TRUSTEE AND COMPANY AS FOLLOWS:

(1) Security Agreement. The IDB hereby grants to the Company a security interest in those items of furnishings, fixtures and accessions and related property of the IDB, which are now or hereafter located or installed on the Land, and any item of furnishings, fixtures and accessions acquired and installed in the Building or elsewhere on the Land in substitution therefor and renewals and replacements thereof pursuant to the provisions of the Facility Lease, together with all products and proceeds of the foregoing, including insurance proceeds (collectively the "Personalty"). Subject to Paragraph 9 below, the IDB warrants, to its knowledge, that it has good and marketable title to the Personalty, that it has the right to grant a security interest therein as hereby granted and that the Personalty is unencumbered. This Instrument shall serve as a financing statement with respect to the Personalty. The original of this Instrument or a copy hereof may be recorded by the Company as a financing statement in any appropriate public office, at the Company's option and at the Company's expense (the Property and the Personalty are collectively referred to herein as the "Premises").

Reference is made to the provisions of the Facility Lease whereby the Company may withdraw certain items of the Personalty referred to in this Deed of Trust and forming a part of the Premises upon compliance with certain terms and conditions contained in the Facility Lease. The Company shall at the request of the IDB release and confirm that any such Personalty is no longer subject to this Deed of Trust upon compliance with the applicable provisions of the Facility Lease.

(2) Assignment of Leases; Covenants Regarding Leases. To secure the obligations and payment of the Secured Indebtedness, the IDB hereby grants, transfers and assigns to the Company all of the right, title and interest of the IDB in and to any and all present and future leases and licenses of the Premises (collectively the "Leases"), together with all renewals, modifications or extensions thereof; together with all rents, income and profits arising therefrom;

together with all options or other rights pertaining thereto; and together with all present or future policies of lease insurance and guarantees, if any, of the obligations of the lessee or licensee under any Lease. This assignment does not impair any restriction on leasing, licensing or sale of the Premises provided elsewhere herein. Additionally, this assignment shall not be construed as subordinating the Company's rights hereunder to any of the Leases.

Subject to Paragraph 9 below, the IDB covenants with the Company as follows:

(a) Faithful and Diligent Lessor. The IDB will observe and perform all of its obligations under the Leases, and will not cause or allow a default on its part thereunder, and shall diligently enforce or secure the performance of all obligations of the lessees under each Lease (the "Lessees").

(b) No Further Assignment. The IDB will not further assign any of the Leases, or any interest therein, without the prior written approval of the Company. Any attempted assignment in breach of this section shall be void.

(c) Collection of Rent. The IDB will not collect any of the rent or other amounts arising under any of the Leases more than one month in advance. The Company may elect at any time to have Lessees make payments under the Leases directly to the Company for application to the Secured Indebtedness.

(d) No Amendment or Waiver. The IDB will not amend or waive any of the terms of any of the Leases without the prior written consent of the Company; and the IDB will not engage in any formal or informal agreement with any of the Lessees and will not engage in any course of dealing with any of the Lessees with regard to any of the Leases as to impair the enforceability of any obligations of Lessees as set forth therein.

(e) No Termination or Consent. The IDB will not terminate any of the Leases or accept a surrender of the Premises subject thereto or consent to any assignment or subletting under any of the Leases, without the prior written consent of the Company.

(f) Subordination, Nondisturbance and Attornment. Upon request by the Company, the IDB shall execute and deliver to the Company subordination, nondisturbance and attornment agreements, in form and substance reasonably acceptable to the Company and any tenant of the IDB.

(3) Title. Subject to Paragraph 9 below, the IDB covenants that it has, and so long as the obligations secured hereby have not been performed or paid in full will retain, good title to the Premises.

(4) No Other Encumbrances or Sale Without Consent. The IDB shall not create or suffer to be created any lien or security interest in any or all of the Premises, whether by mortgage, deed of trust, or otherwise, without first obtaining the written consent of the Company. The IDB shall not directly or indirectly lease, transfer, sell, convey or mortgage any legal or equitable interest in the Premises, or agree to do any of the foregoing, without first obtaining the written consent of the Company. Specifically prohibited without written consent, but not to the limitation of the foregoing, are (a) the granting of junior encumbrances on the Premises, (b) the transfer of any interest in the Premises to produce a "wraparound" financing arrangement, or (c) the transfer of any interest in the Premises whether or not accompanied by the purported

assumption by the grantee of the IDB's obligations under the Secured Indebtedness.

(5) Defense of the Company's Interest. If the Company, in its discretion, should deem it necessary to bring or defend any action to exercise, protect or establish any of its rights hereunder, the IDB agrees to participate in such action in good faith and to the extent requested by the Company and the Company shall reimburse the IDB for the IDB's reasonable expenses, including reasonable attorneys' fees.

(6) Further Assurances of Obligation and Title. Upon demand, the IDB shall execute and deliver to the Company any further instrument or instruments, including, but not limited to, deeds of trust, security agreements, extensions of any liens created herein, financing statements, assignments, and renewal and substitution notes, as to reaffirm, to correct and to perfect the evidence of the obligation hereby secured, the legal title of Trustee to the Property, and the security interest arising under this Instrument. The IDB hereby irrevocably appoints the Company as the IDB's attorney-in-fact to execute any documents necessary to perfect or extend the Company's rights hereunder.

The IDB, forthwith upon the execution and delivery of this Deed of Trust and thereafter from time to time, will, at the request of the Company, and at the Company's expense, cause this Deed of Trust or a memorandum thereof, each supplement hereto, and all financing statements, continuation statements and other instruments required by applicable law to be filed, registered and recorded and refiled, re-registered and re-recorded upon the Premises in such manner and in such places as may be required by any present or future law in order to publish notice of and fully protect the lien hereof, and the title and/or security interest of the Trustee and the Company to the Premises, and in order to entitle the Company or the Trustee to the benefits and security of this Deed of Trust, and will cause the Facility Lease or a memorandum thereof and any supplement thereto, to be filed, registered or recorded and re-filed, re-registered or re-recorded in such manner and in such places as may be required by law in order to publish notice and fully protect the validity thereof, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all further instruments which may be necessary for such publication, protection and entitlement. The Company will pay or cause to be paid all filing, re-filing, registration, re-registration, recording and re-recording fees and all expenses incidental to the preparation, execution and acknowledgment of this Deed of Trust, the Facility Lease, any instrument of further assurance and any supplements to any of said instruments and all federal or state stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Deed of Trust, the Facility Lease, any instrument of further assurance, and any supplements to any of said instruments.

(7) Default Defined. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Instrument, and the terms "Event of Default" or "Default" shall mean, where used herein, any one or more of the following events:

(a) Monetary Default. The failure of the IDB to timely pay when due any amount included in the Secured Indebtedness and such failure continues uncured for ten (10) days following written notice by the Company to the IDB and to the Company; or

(b) Event of Default By the IDB under Other Document. The occurrence of an Event of Default by the IDB under the Facility Lease and the expiration of any applicable cure period; or

(c) Other Default. The failure by the IDB to observe and perform any covenant, condition, or agreement hereunder on its part to be observed or performed [except obligations referred to in paragraphs (a) or (b) of this Section for which only such notice, if any, as is referred to in such paragraphs must be given] for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given by the Company to the IDB, unless the Company shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Company will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the IDB within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice is given to the IDB under the provisions of this Paragraph, the IDB hereby grants the Company full authority for account of the IDB to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the IDB with full power to do any and all things and acts to the same extent that the IDB could do and perform any such things and acts with power of substitution.

(8) Remedies Upon Default. Whenever an Event of Default shall have occurred and be continuing, Trustee and/or the Company (as indicated below) may, at their discretion and without any notice to the IDB except as specified below, do any one or more of the following:

(a) Acceleration. The Company may accelerate any and all debts and obligations included in the Secured Indebtedness.

(b) Rights Under Uniform Commercial Code. The Company may exercise any or all rights it may have with respect to the Personalty under the Uniform Commercial Code as adopted in Tennessee (the "UCC"). The IDB agrees that the sale of any Personalty pursuant to the UCC may be performed at public or private sale; that notice of such a sale shall be deemed commercially reasonable if given ten (10) days prior to such sale; that the Company may adjourn any public sale to a different time or place by notice at the announced time and place but without further advertisement or notice; that the Company may sell the Personalty in such lots as it may deem appropriate; and that any advertisement of such a sale shall be sufficiently descriptive of the Personalty if it describes the same by item or type. In addition to the remedies elsewhere provided herein, the Company may, upon default, at its election, sell some or all of the Personalty together with the Property by complying with the provisions hereof and applicable law regarding the sale of the Property, in which case the provisions of applicable real estate law, rather than the UCC, shall control as to all aspects of the sale, and the sale shall be conclusively determined to be commercially reasonable if conducted in accordance with such provisions. Any sale of the Property pursuant to the power of sale provided for herein shall be presumed to include all fixtures then included with the Property unless the Company advertises to the contrary.

(c) Exercise of the IDB's Rights under Leases. The Company may instruct any or all Lessees to send all payments of rent and other amounts due under any of the Leases directly to the Company or its designated agent and to regard the Company as the owner of all of the rights (but not the obligations) of the IDB under such Leases. After receipt of such notice from the Company, Lessees shall make all such payments directly to the Company or its agent, and, if the Company so requests, shall direct to the Company or its agent all requests and notices under such Leases, including, but not limited to, requests to sublet or alter the Premises. The IDB hereby directs Lessees to comply with any such instructions received from the Company, without any

inquiry on Lessee's part and without any further direction from the IDB. The Company may exercise the rights of the IDB under any of the Leases including, but not limited to, the collection of rent in the manner and to the extent that it deems appropriate, including, but not limited to, the institution of legal or administrative proceedings for the collection of rent thereunder. Without limiting the foregoing, the Company is specifically authorized to consent to any subletting or alteration of the Premises or to take any other action requested by any Lessee, in the Company's discretion, without the joinder or approval of the IDB.

(d) Performance of the IDB's Obligations Under Leases. The Company may, but shall not be obligated to, perform or have performed any or all obligations of the IDB under the Leases; provided, however, the Company's performance of such obligations shall not be deemed an assumption by it of the IDB's obligations under any Lease, unless the Company specifically so agrees with any given Lessee in writing.

(e) Possession. The Company may, at its option, enter upon and take possession of the Premises without the appointment of a receiver, or an application therefor; obtain the appointment of a receiver to exercise any remedies of the Company or Trustee hereunder; employ a managing agent of the Premises and lease the same, either in its own name, or in the name of the IDB; and collect the rents, incomes, issues and profits of the Premises.

(f) Foreclosure by Power of Sale. Trustee, at the request of the Company, and after publishing notice of the time and place of sale at least three (3) different times in some newspaper published in a county in which the Land is located, the first of which publications shall be at least twenty (20) days prior to said sale, shall proceed to sell the Premises, at public auction for cash. The Trustee shall apply the proceeds from such sale(s) as provided in subparagraph (i) below.

(g) Judicial Foreclosure. Trustee and/or the Company may, at its option, institute appropriate proceedings of foreclosure in equity or at law.

(h) Attorney-in-Fact. Any legal proceeding, contractual obligation, further assignment or other action taken by the Company in the course of exercising its remedies hereunder may be entered into or initiated by the Company either in its own name as the IDB's assignee or in the name of the IDB. The IDB hereby irrevocably appoints the Company as the IDB's attorney-in-fact for the purpose of taking any such action upon default hereunder.

(i) Application of Proceeds of Foreclosure and Other Remedies. All amounts received by the Company pursuant to the exercise of remedies hereunder shall be applied first to expenses due the Company or Trustee including, but not limited to, expenses of foreclosure and all expenses incurred in leasing the Premises, retaining a managing agent therefor, or fulfilling the IDB's obligations under any Lease, including attorneys' fees; second, to the payment of all claims and amounts due, to become due, owing, or to become owing or to enforce the performance of the IDB under the Facility Lease; and the surplus, if any, shall be paid to the party or parties entitled thereto.

(j) Agreements Relating to Sale and Default. In the event of any sale under this Instrument or pursuant to any order in any judicial proceedings or otherwise, the Premises or any part thereof may be sold, in one parcel or in such parcels, manner or order as the Company, in its sole discretion, may direct. At the Company's option, a sale may be conducted alternately as a single parcel and in tracts, to be closed under whichever method yields a greater total price. If the

Property is located in two or more counties, it may all be sold in one of the counties if Trustee so elects. Otherwise, the sale shall occur in the county in which the Property is located unless Trustee, in his reasonable discretion, elects to conduct the sale elsewhere. The sale shall be held at such location in the county as the foreclosure notice may specify. One or more exercises of the power of sale provided for herein shall not extinguish or exhaust said power until the entire Premises has been sold or the Secured Indebtedness has been paid in full. Trustee is hereby released from all obligations imposed by statute which can be waived, including any requirement of qualification or bond. It is agreed that the Company, in the event of any sale of the Premises, may bid and buy as any third person might, but the Company shall not be required to present cash at the sale except to the extent, if any, by which the Company's bid exceeds the amount of the Secured Indebtedness, including all expenses of collection and sale provided for herein. Trustee may delegate, in his sole discretion, any authority possessed under this Instrument, including the authority to conduct a foreclosure sale. Without limiting the foregoing, Trustee may retain a professional auctioneer to preside over the bidding, and the customary charge for the auctioneer's services shall be paid from sale proceeds as an expense of sale. If prior to or at any foreclosure sale a third party represents to the Trustee in writing that such party holds the next junior lien to this Instrument (whether by judgment lien, junior deed of trust, or otherwise), the Trustee may disburse surplus proceeds to such third party in an amount not to exceed the amount of lien alleged by the third party in its written statement to the Trustee. A foreclosure sale may be adjourned by Trustee and may be reset at a later time and/or date by announcement at the time and place of the originally advertised sale and without any further publication. The foreclosure sale of the Premises shall be conducted for cash to be tendered upon the conclusion of the bidding; provided, however, Trustee may accept a check issued or certified by a local bank as consideration for the sale and if, in his sole discretion, Trustee announces before or after bidding that, upon the failure of the high bidder to complete the sale for cash within one (1) hour, the Premises may be sold to the second highest bidder, and if the high bidder should subsequently fail to complete the purchase within that time, then Trustee may, at his option, close the sale of the Premises to the second highest bidder. The IDB further agrees that, in the event of any sale hereunder, it will at once surrender possession of the Premises, will from the moment of sale be the tenant at will of the purchaser, will be removable by process and will be liable to pay said purchaser the reasonable rental value of said Premises after such sale. The Company or Trustee may, after default, advise third parties of the amount (or estimated amount) of principal, interest and expenses that will be outstanding as of the date of any foreclosure sale and may share any other available information regarding the Premises. Following the occurrence of a default hereunder, any "release" provision included herein or in any other document whereby the Company agreed to release all or part of the Premises upon the payment of less than all of the Secured Indebtedness shall become void and the Company shall no longer be obligated to release any of the Premises until the Secured Indebtedness has been paid in full. The IDB agrees that the IDB will not bid at any sale hereunder and will not allow others to bid on the IDB's behalf unless, at the time of sale, the IDB has cash sufficient to pay at the sale the amount of its bid.

(9) Limitation of Liability. Anything in this Deed of Trust to the contrary notwithstanding, the performance by the IDB of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements, and promises made by it hereunder, and the liability of the IDB for all warranties and other covenants hereunder, shall be limited solely to the IDB's interest in the Premises, including, without limitation, revenues and receipts derived from the sale or leasing by it of the Project (as

defined in the Facility Lease) and the IDB shall not be required to effectuate any of its duties, obligations, powers or covenants hereunder except to the extent of its interest in the Premises and such revenues and receipts.

No recourse under or upon any obligation, covenant or agreement contained in this Deed of Trust hereby secured, under or upon any statement, obligation, covenant, agreement or certification contained, or under any judgment obtained against the IDB, or by the enforcement of any assessment against the IDB, or by any legal or equitable proceeding, or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of this Deed of Trust, shall be had against any incorporator, member, employee, agent, director or officer, as such, past, present or future, of the IDB, either directly or through the IDB, or otherwise, for the payment or performance, or the failure of performance by the IDB, of any sum or action that may be due and unpaid by the IDB secured hereby. 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, agent, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment or performance by the IDB or any receiver thereof, is hereby expressly waived and released as a condition of and in consideration for the execution of this Deed of Trust.

Neither the County, nor any other political subdivision thereof, shall in any event be liable for the payment or for the performance of any pledge, mortgage, obligation, certification or agreement of any kind whatsoever herein by the IDB, and no pledge, mortgage, agreement, obligation or certification of the IDB herein or otherwise shall be construed to constitute an indebtedness of the County or any other political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever.

(10) Trustee Compensation. Trustee shall be entitled to reasonable compensation for all services rendered, whether or not a foreclosure is held hereunder, and shall be reimbursed for all reasonable expenses, charges and attorneys' fees, including fees for legal advice concerning his duties and rights in the Premises and title examinations.

(11) Removal of Trustee. The Company shall at all times have the irrevocable right to remove Trustee without notice or cause and to appoint Trustee's successor by a recorded instrument. If Trustee dies or resigns, the Company shall have the right to appoint its successor by recorded instrument. Any successor Trustee appointed pursuant to this paragraph shall be vested with title to the Property and shall possess all the powers, duties and obligations herein conferred on Trustee in the same manner and to the same extent as though he were named herein as Trustee.

(12) Secured Indebtedness Not Limited by Statements for Tax and Registration Authorities. Any legend appearing on the face hereof and any affidavit that may be submitted to recording authorities herewith pursuant to any requirement of taxation or registration authorities is included for the benefit of such authorities only and does not affect the terms of the Company's agreement with the IDB as provided by this Instrument and by other documents pertaining to the Secured Indebtedness or the priority of the lien of this Instrument or any advances made hereunder.

(13) Information From Other Lienholders. The IDB hereby irrevocably authorizes the Company to obtain a statement from the owner of any other presently existing or future obligation secured by any or all of the Premises, at any time and without notice to the IDB,

as to the amount of principal, interest, and expenses secured thereby and as to the existence of a default thereunder. The owner of each such obligation, including, but not limited to, the owner of any obligation secured by a deed of trust on any or all of the Premises, is hereby directed to provide the Company with such information upon request by the Company, without making any inquiry of the IDB whatsoever, and the IDB agrees that all such owners of other obligations (and their servicing agents) shall incur no liability for providing such information to the Company.

(14) No Subordination to Contractors. The Company has not consented to any priority of a contractor's lien for construction of any improvements to the Property, and any such lien hereafter arising shall be subordinate to the lien of this Instrument.

(15) Choice of Security; No Third Party Beneficiaries. If the Secured Indebtedness, or any part thereof, is now or hereafter further secured by other deeds of trust, security interests, contracts of guaranty, assignments of leases or of other collateral, the Company may at its option pursue recovery from any one or more thereof, in such order as it may determine, and the Company shall not be required to marshal assets. This Instrument has been executed for the exclusive benefit of the Company and there are no third party beneficiaries hereof.

(16) Waiver of Redemption Rights, Exemptions, etc. Any sale of any or all of the Premises pursuant to the power of sale or judicial sale provided for herein or in realization of the security interest granted herein shall be made free from the equity of redemption, statutory right of redemption, homestead, dower, curtesy, exemption rights, and all other rights and interests of the IDB, all of which are hereby expressly waived.

(17) Indulgence not Waiver. Any indulgence in the IDB's departure from the terms of this Instrument shall not prejudice the Company's or Trustee's rights to require strict compliance herewith and to exercise any rights they possess under this Instrument, including the right to declare a default and proceed with any remedy available under this Instrument.

(18) Gender and Number. The pronouns used herein shall include, when appropriate, either gender and both singular and plural. The word "Premises," whenever used herein, is not used in a strictly collective sense, but includes parts and fractions of the property herein conveyed as well as the aggregate of such property.

(19) Severability. Should any provision or clause of this Instrument be held invalid for any reason, the remaining provisions of this Instrument shall be given effect to the extent possible absent the invalid provision. To this end, the provisions of this Instrument are declared to be severable.

(20) Amendment. Any amendment to or modification of this Instrument may be made by and between the IDB and the Company without necessity of joinder therein by Trustee. Any such amendment or modification, to be valid, must be made in writing, signed by the IDB and the Company, and duly recorded.

(21) Nonexclusive Powers and Remedies. The rights of Trustee and the Company arising under this Instrument are in addition to all rights that Trustee or the Company may have at law or in equity. Without limiting the foregoing, all provisions of this Instrument that

pertain to the rights and duties of Trustee upon foreclosure of the Premises shall be regarded as cumulative with the rights of Trustee otherwise available at law. No act of Trustee or the Company, including the institution of suit to recover any part of the Secured Indebtedness, shall be construed as an election to proceed under any one provision herein to the exclusion of any others or as an election of remedies to the bar of any other remedy allowed at law or in equity.

(22) Irrevocability of Power of Attorney. Whenever in this Instrument the Company is appointed as attorney-in-fact of the IDB, such power of attorney is coupled with an interest and is irrevocable and shall not be affected by the death, disability, or incapacity of the IDB. Additionally, all such powers are granted with full power of substitution.

(23) Scope of Definitions; Acting in Concert. The words “the IDB,” “the Company,” and “Trustee,” whenever used herein, shall include the respective parties originally entering into this Instrument and their respective heirs, executors, administrators, legal representatives, successors and assigns, and all those holding under any of them. This paragraph should not be construed as limiting any other provisions hereof restricting the transfer of the Premises or the IDB’s assignment hereof.

(24) Time of Essence. Time is of the essence of this Instrument.

(25) Governing Law. The validity, construction, and enforcement of this Instrument shall be governed by the laws of the State of Tennessee applicable to contracts executed and performed entirely within that state.

(26) Captions Not Controlling. Captions to the paragraphs of this Instrument have been included for convenience only and do not limit or control the contents of the respective paragraphs.

(27) Notices. All notices, consents, approvals, deliveries and other communications hereunder shall be properly given only if made in writing and sent by hand delivery, U.S. Certified Mail, Return Receipt Requested, or nationally recognized overnight delivery service (such as Federal Express or UPS) with all delivery charges paid by the sender and addressed as follows:

To the IDB: The Industrial Development Board of the
City of White House, Tennessee
105 College Street
White House, TN 37188
Attn: Chairman

With a copy to: Valerie M. Webb, Esq.
Webb Sanders, PLLC
3037A Highway West
White House, TN 37188

To the Company: Advanex Americas, Inc.
514 Hester Dr

White House TN 37188
Attn: Shaun Langley, VP Production/
General Mgr.

With a copy to: Bradley Arant Boult Cummings LLP
1600 Division Street
Suite 700
Nashville, TN 37203
Attn: J. Thomas Trent, Jr.

Any party may by notice given hereunder, change its address for receipt of subsequent notices, certificates and other communications. Third parties making inquiries with respect to this Instrument may do so by contacting the IDB and the Company at the above addresses.

(28) Street Address. The street address has been assigned to the Premises, which is located 514 Hester Drive, White House TN 37188 – see Exhibit A.

[Signatures on Following Page]

Executed as of the date first written above.

IDB:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF WHITE HOUSE,
TENNESSEE**

By: _____
_____, Chair

STATE OF TENNESSEE

COUNTY OF ROBERTSON

Personally appeared before me, _____, Notary Public,
_____, with whom I am personally acquainted (or proved to me on the basis
of satisfactory evidence), and who acknowledged that s/he executed the foregoing instrument for
the purposes therein contained and who further acknowledged that s/he is Chair of The Industrial
Development Board of the City of White House, Tennessee, a public, nonprofit corporation
organized and existing under the laws of the State of Tennessee, the within named bargainer, and
that s/he is authorized to execute this instrument on behalf of said corporation.

WITNESS my hand, at office, this ___ day of December, 2021.

Notary Public

My Commission Expires

EXHIBIT A
DESCRIPTION OF LAND

**THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE,
TENNESSEE**

and

ADVANEX AMERICAS, INC.

EQUIPMENT LEASE AGREEMENT

DATED AS OF DECEMBER __, 2021

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EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT (as amended or supplemented from time to time, this “Lease”), dated as of December ___, 2021, by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE**, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (together with its successors and assigns, the “IDB”), and **ADVANEX AMERICAS, INC.**, a California corporation (together with its successors and assigns, the “Company”).

W I T N E S S E T H:

WHEREAS, the IDB is a public, nonprofit corporation and a public instrumentality of the City of White House, Tennessee (the “City”), and is authorized under Chapter 53, Title 7, Tennessee Code Annotated, as amended and supplemented from time to time (the “Act”), to enter into lease agreements with manufacturing, industrial, commercial and financial enterprises with respect to one or more projects for such payments and upon such terms and conditions as the Board of Directors of the IDB may deem advisable in accordance with the provisions of the Act in order to maintain and increase employment opportunities by inducing such enterprises to locate in or to remain in the State of Tennessee; and

WHEREAS, to induce the Company to acquire and construct improvements to a certain manufacturing and office facility located at 514 Hester Drive, White House, Tennessee (the Land and Building being referred to as the “Facility”), and to induce the Company to equip said Facility with the Equipment (as defined below), the IDB has agreed to acquire the Facility from the Company, which Facility shall be leased by the IDB to the Company pursuant to a certain Facility Lease Agreement (as amended or supplemented from time to time, the “Facility Lease”), dated of even date herewith, and to acquire and own the Equipment, which Equipment shall be leased by the IDB to the Company pursuant to this Lease; and

WHEREAS, the Board of Directors of the IDB, pursuant to Section 7-53-102 of the Act, has found and determined that the agreement by the IDB to acquire, construct, equip and lease such manufacturing and office facility will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, will alleviate conditions of unemployment and has induced or will induce the Company to acquire and construct the Facility and has induced or will induce the Company to equip and operate the Facility, thereby increasing employment opportunities in the City and the County; and

WHEREAS, the IDB has not made and does not intend to make any profit by reason of its business or venture in which it may engage or by reason of its entering into this Lease, and no part of the IDB’s net earnings, if any, will ever inure to the benefit of any person, firm or corporation except the City and/or the County; and

WHEREAS, the IDB has executed a certain Deed of Trust, Assignment of Leases and Security Agreement (the “Facility Deed of Trust”) to secure, inter alia, all of the IDB’s obligations under and pursuant to the Facility Lease, including, without limitation, the Company’s option to purchase the Facility thereunder; and

WHEREAS, the IDB has executed a certain Security Agreement (the “Security Agreement”) to secure, inter alia, all of the IDB’s obligations under and pursuant to this Lease, including, without limitation, the Company’s option to purchase the Equipment hereunder; and

WHEREAS, the IDB is authorized by law and has deemed it necessary to acquire the Facility and acquire the Equipment (the Facility and the Equipment being sometimes referred to as the “Project”) as aforesaid, which acquisition of the Facility has occurred of even date herewith; and

WHEREAS, the IDB proposes to lease the Equipment to the Company and the Company desires to lease the Equipment from the IDB upon the terms and conditions set forth herein.

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

ARTICLE I
DEFINITIONS

Section 1.1 Definitions of Terms. In addition to the words and terms defined in the preamble hereto and elsewhere defined in this Lease, the following words and terms as used herein, whether or not the words have initial capitals, shall have the following meaning, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

- (a) “Act” shall have the meaning set forth in the preamble hereto.
- (b) “Additional Rental Payments” means that portion of the Rental Payments described in Section 5.2(b) hereof.
- (c) “Basic Rental Payments” means that portion of the Rental Payments described in Section 5.2(a) hereof.
- (d) “Building” means all buildings, structures, improvements, and fixtures located on the Land.
- (e) “City” shall have the meaning set forth in the preamble hereto.
- (f) “Company” shall have the meaning set forth in the first paragraph hereof.
- (g) “Condemnation” means the taking of title to, or the use of, the Equipment under the exercise of the power of eminent domain by any governmental entity or any other person acting under governmental authority.
- (h) “County” shall have the meaning set forth in the preamble hereto.

(i) “Equipment” means those items of furniture, fixtures, personal property and equipment and related property acquired by the IDB and leased to the Company pursuant to this Lease, including all such items (i) conveyed to the IDB by the Company upon delivery of an executed Bill of Sale in the form attached as **Exhibit B**, (ii) acquired by the Company in its capacity as agent for the IDB pursuant to Article IV hereof, and (iii) acquired in substitution therefor and any renewals or replacements thereof pursuant hereto.

(j) “Equipment Security Documents” means, collectively, the Security Agreement and any financing statements related thereto.

(k) “Event of Default” or “Default” means any of those events defined as Events of Default by Section 10.1 of this Lease.

(l) “Facility” shall have the meaning set forth in the preamble hereto.

(m) “Facility Lease” shall have the meaning set forth in the preamble hereto.

(n) “Facility Security Documents” means, collectively, the Facility Deed of Trust and any financing statements related thereto.

(o) “Fiscal Year” means the fiscal year, as such from time to time exists, of the Company.

(p) “IDB” shall have the meaning set forth in the first paragraph hereof.

(q) “Land” means the real estate and interests in real estate described in **Exhibit A**, attached hereto and incorporated herein by this reference, less such real estate and interest in real estate as may be taken by the exercise of the power of eminent domain as provided in Article VII of the Facility Lease and less such real estate and interest in real estate as may be sold to the Company pursuant to Article XI of the Facility Lease.

(r) “Lease” shall have the meaning set forth in the first paragraph hereof.

(s) “Lien” means any interest in Property securing an obligation owed to anyone, whether such interest is based on the common law, statute, or contract, and including, but not limited to, the security interest arising from a mortgage, security agreement, encumbrance, pledge, conditional sale, trust receipt, lease, consignment, or bailment for security purposes. The term “Lien” also includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases, and other similar title exceptions and encumbrances, including, but not limited to, mechanics’, materialmen’s, warehousemen’s, carriers’, and other similar encumbrances affecting real property. For the purposes of this Lease, one shall be deemed to be the owner of any Property which he, she, or it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in someone else for security purposes.

(t) “Net Proceeds” means so much of the gross proceeds with respect to which that term is used as remains after payment of all expenses, costs, and taxes, including reasonable attorneys’ fees and extraordinary expenses, incurred in obtaining such gross proceeds.

(u) “Parties” means the IDB and the Company.

(v) “Permitted Encumbrances” means: (i) all Liens, if any, of record as of the date hereof, together with all future Liens arising out of transactions contemplated by the provisions of Section 4.4 herein; (ii) mechanics’, materialmen’s, warehousemen’s, carriers’, and other similar Liens to the extent permitted by Section 8.4(b) of this Lease; and (iii) Liens for taxes at the time not delinquent.

(w) “Project” shall have the meaning set forth in the preamble hereto.

(x) “Property” means any interest in any kind of property or assets, whether real, personal, or mixed, tangible or intangible.

(y) “Rental Payments” means, collectively, the Basic Rental Payments and the Additional Rental Payments.

(z) “Security Agreement” shall have the meaning set forth in the preamble hereto.

(aa) “State” means the State of Tennessee.

(bb) “Substitute Equipment” shall have the meaning set forth in Section 7.2 hereof.

(cc) “Tax Agreement” means that certain Tax Agreement of even date herewith entered into by and among the IDB and the Company.

(dd) “Term” shall have the meaning set forth in Section 3.2 hereof.

Section 1.2 References to Lease. The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Lease as a whole.

Section 1.3 References to Articles, Sections, Etc. References to Articles, Sections, and other subdivisions of this Lease are to the designated Articles, Sections, and other subdivisions of this Lease as originally executed.

Section 1.4 Headings. The headings of this Lease are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II **REPRESENTATIONS, WARRANTIES, AND COVENANTS**

Section 2.1 Representations, Warranties, and Covenants of the IDB. The IDB hereby represents, warrants, and covenants as follows as the basis for the undertakings on its part herein contained:

(a) That the IDB: (i) was legally created and exists under the provisions of the Act; (ii) has the power under the provisions of the Act to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder; and (iii) has been duly authorized, by proper action, to execute, deliver and perform this Lease and the Equipment Security Documents;

(b) That, to the best of the IDB's knowledge, the Project constitutes a "project" within the meaning of the Act, and the IDB is entering into this Lease to accomplish the public purposes of the Act;

(c) That the IDB will undertake the acquisition, construction and improvement of the Facility in accordance with the terms and provisions of the Facility Lease, in order to induce and cause the Company to provide the Facility and the Company to operate the Facility, such Facility to be leased to or occupied by (i) industrial, commercial, financial or service enterprises or (ii) similar corporations or enterprises, thereby maintaining and increasing employment opportunities, and furthering the welfare of the residents of the City, the County and the State;

(d) That the IDB will not pledge the rentals and other amounts derived from the Equipment other than to secure those obligations secured by the Security Agreement and will not mortgage or encumber the Equipment except pursuant to Section 4.4 hereof;

(e) That nothing in this Lease shall be construed to require IDB to operate the Project other than as lessor; and

(f) That, to the best of the IDB's knowledge, all requirements of the Act have been complied with.

Section 2.2 Representations, Warranties, and Covenants of the Company. The Company hereby represents, warrants, and covenants as follows as the basis for the undertakings on its part herein contained:

(a) That the Company: (i) is a corporation duly organized and validly existing under the laws of the State of California; (ii) has the power and authority to enter into this Lease; and (iii) has duly authorized the execution, delivery, and performance of this Lease; and

(b) That the execution and delivery of this Lease and the Equipment Security Documents will be valid and binding on the Company and that neither the execution nor delivery of the foregoing documents, nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, will conflict with or result in a breach of any of the terms, conditions, or provisions of any agreement or instrument to which the Company is now a party or by which it is bound, or constitute a default

hereunder or under any of the foregoing, or result in the creation or imposition of any Lien upon any Property of the Company under the terms of any instrument or agreement, other than the respective Liens, if any, under the Equipment Security Documents and this Lease; and

(c) That the Project constitutes a “project” within the meaning of the Act, and throughout the Term, the Company will not take, permit to be taken, fail to take, or permit to fail to be taken, any action which would cause the Project not to constitute a “project” within the meaning of the Act; and

(d) That the reduction in property taxes as set forth in the Tax Agreement has induced and caused the Company to provide said Project; and

(e) That, to the Company’s knowledge, the execution, delivery and performance in accordance with the respective terms of this Lease, the Equipment Security Documents (as applicable) and any other documents executed and delivered in connection with this transaction do not and will not (i) violate any applicable law or (ii) conflict with, result in a breach of or constitute a default under any indenture, agreement or other instrument to which the Company is a party or by which the Company or any of the Company’s properties may be bound; and

(f) That there is no action, suit, proceeding or, to the Company’s knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to the Company’s knowledge, threatened against or affecting the Company’s Property, wherein an unfavorable decision, ruling or finding would have a material, adverse effect on the validity or enforceability of this Lease or the Equipment Security Documents, which has not been previously disclosed.

ARTICLE III **DEMISING CLAUSE; TERM**

Section 3.1 Demise of Equipment. The IDB demises and leases to the Company, and the Company leases from the IDB, the Equipment, subject only to Permitted Encumbrances, in accordance with the provisions of this Lease, to have and to hold for the Term.

Section 3.2 Lease Term. The Term of this Lease shall commence as of the date hereof and shall terminate on December 31, 2025, unless earlier terminated pursuant to the provisions of Article X or Article XI hereof; PROVIDED, HOWEVER, that in no event shall this Lease be terminated, but the Term hereof shall continue on a month-to-month basis, until the later of: (a) the date the Company provides written notice to the IDB stating that it does not intend to exercise the option to purchase the Equipment pursuant to Article XI hereof; (b) the date all liabilities, reasonable costs, and reasonable expenses of the IDB, including those of its legal counsel, incurred pursuant to, or in connection with, this Lease shall have been fully paid and discharged to the reasonable satisfaction of the IDB; or (c) the date all other reasonable liabilities, costs, and expenses which the Company herein assumes or agrees to pay shall have been fully paid or satisfactory provision made therefor.

ARTICLE IV
ACQUISITION OF THE EQUIPMENT

Section 4.1 Agreement to Equip the Project. The IDB and the Company agree to the following:

(a) The IDB agrees that it shall acquire any Equipment presently owned by the Company at the Facility, and the Company agrees that it shall commence, or will continue if such work shall have theretofore commenced, the acquisition and installation, in or about the Building and wholly within the boundary lines of the Land, of the Equipment on behalf of itself and the IDB. Such installation shall be in a good and workmanlike manner. The Company shall have the sole responsibility for, and the IDB hereby appoints the Company as its agent with respect to, the acquisition and installation of the Equipment, and may perform the same itself or through agents, contractors and others selected by it, and may make or issue such contracts, orders, receipts and instructions, and in general do or cause to be done all such other things, as it may in its sole discretion consider requisite or advisable for the acquisition of the Equipment, installing the Equipment and fulfilling its obligations under this Section 4.1. The Company shall have full authority and the sole right under this Lease to supervise and control, directly or indirectly, all aspects of the acquisition and the installation of the Equipment.

(b) In order to effectuate the purposes of this Lease, as and when requested by the Company, the IDB will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for equipping and completing the Project, and for evidencing the IDB's ownership thereof.

Section 4.2 Payment of Expenses of Equipment Security Documents. The Company agrees to be liable and pay for recording expenses, reasonable legal fees, and other reasonable fees and expenses incurred or to be incurred by or on behalf of the IDB in connection with or as an incident to the Equipment Security Documents.

Section 4.3 Other Amounts Payable by The Company. The Company agrees to pay all reasonable costs and expenses (including reasonable attorneys' fees), not otherwise paid under the terms of this Lease reasonably incurred by the IDB in connection with, or as a direct or indirect result of, or in connection with the administration or enforcement of, and compliance with, this Lease and the Equipment Security Documents, or otherwise in regard to the Equipment. The Company may, however, without creating a default hereunder, contest in good faith the necessity, and the reasonableness of, any costs, expenses, fees, amounts, liabilities and obligations referred to in this Section 4.3 and in Section 8.1 hereof.

Section 4.4 Further Collateralization. The IDB agrees to subordinate its interest in the Equipment in favor of any lender or financial institution that has taken or that takes a Lien against the Equipment and the IDB agrees to grant a non-recourse security interest in and to the Equipment in favor of any now existing or future lender or financial institution to secure indebtedness owed by the Company to such lender or financial institution, whether such

indebtedness is presently existing or hereafter incurred. The form of subordination agreement and security agreement executed by the IDB shall be in form and substance reasonably satisfactory to such lender or financial institution.

ARTICLE V
RENTAL PROVISIONS; PREPAYMENT

Section 5.1 Quiet Enjoyment. The IDB hereby covenants and agrees that it will not take any action, other than pursuant to Article X of this Lease, to prevent the Company from having quiet and peaceable possession and enjoyment of the Equipment during the Term and will, at the request of the Company, and at the requesting person's cost, to the extent that it may lawfully do so, join in any legal action in which the Company asserts its right to such possession and enjoyment.

Section 5.2 Rental Payments; Basic Rental Payments; and Additional Rental Payments. The Company covenants and agrees to pay, or cause to be paid, as and for rental and for use of the Equipment, throughout the Term, the Basic Rental Payments and the Additional Rental Payments as provided in this Section 5.2, in funds which constitute lawful monies of the United States of America for the payment of public and private debts, as at the time of payment:

(a) Basic Rental Payments. The Company shall, throughout the Term, pay, or cause to be paid, as "Basic Rental Payments," in a lump sum on the Effective Date, the amount of One and No/100 Dollars (\$1.00), the payment and receipt of which the parties hereby acknowledge.

(b) Additional Rental Payments. The Company shall from time to time pay, as Additional Rental Payments, within thirty (30) days of receipt of written demand therefor from the person entitled to payment thereof, an amount sufficient to pay the following costs and expenses:

- (i) All amounts due in respect of the Equipment under the Tax Agreement;
- (ii) The reasonable fees and other costs incurred for services of such engineers, architects, attorneys, and independent accountants as are employed to make examinations, opinions, and reports required under, or contemplated by, this Lease;
- (iii) The reasonable fees and other costs, not otherwise paid under this Lease, incurred by the IDB by reason of its leasing of the Equipment or in connection with its administration and enforcement of, and compliance with, this Lease, or otherwise in connection with the Equipment; and

(iv) All amounts advanced by the IDB under authority of this Lease or otherwise and which the Company is obligated to repay.

(c) Payments of Additional Rental Payments shall be made by the Company directly to the persons entitled to such payment.

(d) In the event the Company shall fail to make any payment required by this Section 5.2, the payment so in default shall continue as an obligation hereunder of the Company until the amount in default shall have been fully paid, and the Company shall pay, or cause to be paid, the same with interest thereon from the date of default until so paid at a rate per annum equal to twelve percent (12%) or the maximum rate of interest allowable by applicable law, whichever is less.

(e) The Company shall make the payments required by this Section 5.2 without any further notice thereof except as may be specifically required by this Section 5.2.

Section 5.3 General Obligation; Obligations of the Company Unconditional.

The Company shall pay to or upon the order of the IDB, at or before the time when payable by the IDB, all reasonable costs and liabilities incurred by the IDB in connection with this Lease, under the Equipment Security Documents, or otherwise as a result of the transactions contemplated by this Lease.

(a) The obligations of the Company to make the payments required in Section 5.2 hereof, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be a general obligation of the Company and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim which the Company otherwise may have against the IDB. The Company shall not: (i) suspend, discontinue, or abate any payment required by Section 5.2 hereof (except as provided in this Section 5.3); (ii) fail to observe any of its other covenants or agreements in this Lease or the Equipment Security Documents; or (iii) except as provided in Article XI hereof, terminate this Lease for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the Project; failure of the Company to use the Equipment as contemplated in this Lease or otherwise; any change or delay in the time of availability of the Project; any defect in the title, design, operation, merchantability, fitness, or condition of the Project or in the suitability of the Project for the purposes or needs of the Company; failure of consideration; eviction or constructive eviction; destruction of or damage to the Project; commercial frustration of purpose; the taking by Condemnation of title to or the use of all or any part of the Project; any change in the taxation or other laws of the United States of America or of the State or any political subdivision of either; any declaration or finding that any portion of this Lease is invalid or unenforceable; and any failure of the IDB or the Company to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or in connection with this Lease or otherwise.

(b) Nothing contained in this Section 5.3 shall be construed to release the IDB from the performance of any of the agreements on its part contained in this Lease, and in

the event the IDB should fail to perform any such agreement on its part, the Company may institute such action against the IDB, as the Company may deem necessary to compel performance; provided, however, that anything contained herein to the contrary notwithstanding, no such action shall: (i) diminish the amounts required to be paid by the Company pursuant to any provision of this Lease; or (ii) seek to impose any pecuniary liability on the IDB payable from any source other than as provided in the Equipment Security Documents, or any personal or pecuniary liability on any officer or director of the IDB. The Company may, at its own cost and expense, and in its own name or in the name of the IDB, prosecute or defend any action or proceeding or take any action involving third persons which the Company deems reasonably necessary in order to secure or protect its right to possession, occupancy, and use of the Project, and in such event the IDB shall, provided the Company shall pay, or cause to be paid, all costs (including attorneys' fees) reasonably incurred by the IDB in connection therewith as such costs accrue, cooperate fully with the Company.

ARTICLE VI **MAINTENANCE, MODIFICATIONS, TAXES, AND INSURANCE**

Section 6.1 Maintenance of the Equipment. Throughout the Term, the Company shall, at its own expense, keep and maintain the Equipment, or cause the Equipment to be kept and maintained, in good condition, repair, and working order (ordinary wear and tear excepted), making, or causing to be made, all repairs and replacements thereto (whether ordinary or extraordinary, structural or nonstructural, or foreseen or unforeseen), and operate the Equipment, or cause the Equipment to be operated, as deemed necessary and proper by the Company.

Section 6.2 Modification of the Equipment.

(a) The Company, at its own cost and expense, may make such additions, renewals, replacements, or improvements to or alterations of the Equipment, or may construct or place on the Facility, such additional or renewal or replacement facilities, furnishings, or equipment, as the Company may deem desirable to attain the purposes herein contemplated, provided that such additions, renewals, replacements, improvements, alterations, facilities, furnishings, or equipment shall not impair the fair market value, structural soundness, or usefulness of the Facility.

(b) At the request of the Company, the IDB shall join in any application for such municipal and other governmental permits and authorizations as the Company may deem necessary or advisable in connection with any such construction, acquisition or installation, provided that the Company shall indemnify and hold the IDB harmless, or cause the IDB to be indemnified and held harmless, against and from all costs and expenses, including attorneys' fees, which may be incurred by the IDB in connection with any such joinder or application.

Section 6.3 Improvements as Part of the Equipment. All improvements, fixtures, accessions and other Property which shall be constructed, placed, or installed in or upon the Equipment as a substitute for, or in renewal or replacement of, any improvements, fixtures,

accessions, or other Property constituting part of the Equipment, shall become a part of the Equipment.

Section 6.4 Taxes, Assessments, and Utility Charges.

(a) The Company shall pay, or cause to be paid, as the same shall respectively become due: (i) all taxes, in lieu of tax payments, regulatory fees, and governmental charges of any kind whatsoever, including ad valorem taxes, that may at any time be lawfully assessed or levied against or with respect to the Equipment, excluding, however, any taxes levied upon or with respect to the income or revenues of the IDB from the Equipment; (ii) all utility or other charges, including “service charges,” incurred or imposed for the operation, maintenance, use, occupancy, upkeep, and improvement of the Equipment; and (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements which are in respect of the Equipment or any part thereof.

(b) The Company or any other person may, in good faith and at its own expense, contest any such taxes, in lieu of tax payments, assessments, and other charges, after giving notice of its intention to do so to the IDB; provided that the Company shall pay any amounts that it concedes to be due pending the determination of such contest. In the event of any such contest, the Company or such other person, as applicable, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the IDB shall notify the Company or such other person, as applicable, that by nonpayment of any such items the Equipment, or any part thereof, may be imminently subject to loss or forfeiture, in which event such taxes, assessments, or charges shall be paid promptly or secured by posting a bond in form and substance satisfactory to the IDB. The IDB shall, if requested by the Company or such other person, as applicable, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys’ fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with the Company or such other person, as applicable, in any such contest.

Section 6.5 Insurance Required.

(a) At all times throughout the Term, the Company shall maintain insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums in respect thereto, including but not necessarily limited to:

- (i) property insurance with Causes of Loss – Special Form or equivalent “all risk” coverage, including vandalism and malicious mischief insurance;
- (ii) commercial general liability insurance with a combined single limit of not less than \$2,000,000 per occurrence; and
- (iii) workers’ compensation coverage and any other type of insurance required by the laws of the State.

(b) Any of the insurance required above may provide deductible provisions in amounts not exceeding that in similar policies carried by businesses of a size and character similar to the Company, and the Company shall be a self-insurer to the extent of the amount of the deductible obtained and when the availability of insurance is limited and thus requires the Company to be a self-insurer above the deductible obtained. The Net Proceeds of the insurance carried pursuant to the provisions of this Section 6.5 shall be paid and applied as provided by Section 6.7 hereof.

Section 6.6 Insurers and Policies. Each insurance policy required by Section 6.5 hereof shall be issued by one or more financially responsible insurers. Before the expiration of any such policy, the Company shall furnish the IDB evidence satisfactory to the IDB, that such policy has been renewed or replaced, or is no longer required by this Lease. Without limiting the generality of the foregoing, all insurance policies carried pursuant to Section 6.5 hereof shall name the Company and the IDB as parties insured thereunder as the respective interest of each of such parties may appear, and each policy shall provide that losses thereunder shall be adjusted by the Company, with the insurer on behalf of the insured parties.

Section 6.7 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.5 hereof shall be applied as follows:

(a) The Net Proceeds of the insurance carried pursuant to Section 6.5(a)(i) hereof shall be applied as provided in Article VII hereof; and

(b) The Net Proceeds of the insurance carried pursuant to Section 6.5(a)(ii) and Section 6.5(a)(iii) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.8 Advances by IDB.

(a) In the event the Company shall fail to pay, or fail to cause to be paid, any tax, assessment, or governmental charge required to be paid by the provisions of Section 6.4 hereof, prior to the date upon which such tax, assessment or charge would become delinquent, or maintain, or cause to be maintained, the full insurance coverage required by the provisions of Section 6.5 hereof, the IDB, with not less than ten (10) days' prior written notice to the Company, may (but shall be under no obligation to) pay such tax, assessment, or governmental charge or obtain or maintain the required policy of insurance, and pay the premium or premiums on the same.

(b) All amounts so advanced by any person pursuant to subsection (a) of this Section 6.8 shall be promptly reimbursed by the Company to the person making the advance, together with interest thereon from the date of such advance to the date of reimbursement at a rate per annum equal to twelve percent (12%) or the maximum rate of interest allowable by applicable law, whichever is less.

Section 6.9 Obligation of the Company to Maintain Insurance Regardless of Approval. No acceptance or approval of any insurance policy by the IDB shall relieve or release the Company from any liability, duty, or obligation under the provisions of this Lease.

ARTICLE VII
DAMAGE, DESTRUCTION, CONDEMNATION, ETC.

Section 7.1 Damage or Destruction.

(a) In the event the Equipment shall be damaged or destroyed (in whole or in part) at any time during the Term:

- (i) The Company shall promptly give, or cause to be given, written notice of such damage or destruction to the IDB;
- (ii) All Net Proceeds of insurance resulting from damage to or destruction of the Equipment shall be paid to the Company;
- (iii) The Company shall, if and to the extent desired by the Company, promptly replace, repair, or restore the Equipment to such condition, value, and utility to allow the Equipment to operate as it was designed to operate prior to such damage or destruction, with such changes, alterations, and modifications (including the substitution and addition of other Property), and the IDB may convey any damaged or destroyed Equipment that is not repaired to the Company by quitclaim bill of sale.

(b) All such replacements, repairs, or restoration of the Equipment made pursuant to this Article VII, whether or not requiring the expenditure of monies of the Company, shall automatically become a part of the Equipment the same as if specifically described herein upon delivery by the Company to the IDB of an executed Bill of Sale with respect thereto in the form attached as **Exhibit B**.

(c) The Company shall be entitled to any insurance proceeds, or the applicable portion thereof, resulting from damage to or destruction of any Property that, at the time of such damage or destruction, is not part of the Equipment.

Section 7.2 Condemnation.

(a) In the event all or any part of the title to, or the use of, the Equipment shall be taken by Condemnation during the Term:

- (i) The Company shall promptly give, or cause to be given, written notice of any Condemnation proceedings of, or affecting, the Equipment, or any portion thereof, to the IDB;
- (ii) All Net Proceeds of any Condemnation award shall be paid to the Company;

- (iii) The Company may if it desires, (A) promptly restore the Equipment (excluding any Property taken by Condemnation) to such condition, value, and utility to allow the Equipment to operate as it was designed to operate prior to such Condemnation, with such changes, alterations, and modifications (which do not increase expense as the Company desires, at no cost to the IDB), or (B) acquire, by construction or otherwise, equipment (“Substitute Equipment”), of such nature and value to allow the Equipment to operate as it was designed to operate prior to such Condemnation, with such changes, alterations, and modifications as may be then required by the Company.
- (iv) The restored portions of the Equipment, or the Substitute Equipment, whether or not requiring the expenditure of the moneys of the Company, shall automatically become part of the Equipment upon delivery by the Company to the IDB of an executed Bill of Sale with respect thereto in the form attached as **Exhibit B**.

(b) The Company shall also be entitled to the proceeds of any Condemnation award, or the applicable portion thereof, resulting from damage to, or taking of, any Property which, at the time of such damage or taking, is not part of the Equipment.

ARTICLE VIII **SPECIAL COVENANTS**

Section 8.1 No Warranty of Condition or Suitability; Use of Project. The Company acknowledges its full familiarity with the Equipment, and it represents that it is solely responsible for the plan under which the Equipment will be operated and maintained. The IDB makes no representations or warranties, either express or implied, as to the condition, title, design, operation, merchantability, or fitness of the Project, or that it is, or will be, suitable for the purposes or needs of the Company.

Section 8.2 Indemnity and Hold Harmless Provisions. The Company hereby releases the IDB, its members, agents, employees, and consultants from; agrees that the IDB, its members, agents, employees, and consultants shall not be liable for; and agrees to reimburse and indemnify and hold the IDB, its members, agents, employees, and consultants harmless from and against, any and all: (a) liability for loss or damage to Property or any injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project or arising by reason of or in connection with the acquisition, occupation, or use of said Project; (b) liability, loss or expense suffered by the IDB, or its officers or directors for liability arising from, or expense incurred by reason of, the IDB’s leasing of the Equipment, and all causes of action and reasonable attorneys’ fees and any other reasonable expense incurred in defending any suits or actions which may arise as a result of any of the foregoing; and (c) costs and expenses of the IDB or the officers,

directors, or employees thereof, incurred as a result of carrying out its obligations under this Lease, the Equipment Security Documents, or any other document herein contemplated; provided, however, that the foregoing shall not apply to the gross negligence or wanton or willful misconduct of the IDB, its members, agents, consultants and employees.

Section 8.3 Reimbursement of the IDB. It is the intention of the parties that the IDB shall not incur any pecuniary liability by reason of this Lease, or the Equipment Security Documents, or by reason of any actions, documents, statutes, ordinances, or regulations pertaining to the foregoing. The Company shall promptly pay any and all reasonable costs and expenses, as such costs and expenses accrue, which may be incurred by, or judgments which may be rendered against, the IDB or any of its officers, employees, or agents at any time or times during, or subsequent to the Term: (a) in enforcing any of the terms, covenants, conditions, or provisions of this Lease or (b) in defending any action, suit, or proceeding brought against the IDB or any of its respective officers, employees, or agents as a result of (i) the violation of, or failure to comply with, any present or future Federal, State, or municipal law, ordinance, regulation, or order or (ii) any alleged failure, neglect, misfeasance, or default on the part of the Company, or any of the employees, servants, agents, or independent contractors of any of the foregoing in connection with, arising from, or growing out of, this Lease or in connection with the Equipment Security Documents, or the Equipment, or any operations conducted in, or any use of, said Equipment, or any action pertaining to, or connected with, any of the foregoing.

Section 8.4 Compliance with Orders, Ordinances, Etc.

(a) The Company shall throughout the Term, without expense to the IDB, promptly comply, or promptly cause compliance, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, contract provisions, and requirements of all Federal, State, county, municipal, and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials, and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Equipment, or any part thereof, or to any of the streets, roads, passageways, sidewalks, curbs, gutters adjoining the Equipment, or any part thereof, or to any use, manner of use, or condition of the Equipment, or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 8.4, the Company or any other person may, in good faith and at his, her, or its own expense, upon prior written notice to the IDB, contest the validity or the applicability of any requirement of the nature referred to in subsection (a) of this Section 8.4. In such event, the Company, or any such person, as applicable, may fail to comply with the requirement or requirements so contested during the period of such contest, and any appeal therefrom, unless the IDB or the Trustee shall notify the Company, or any such person, as applicable, that by failure to comply with such requirement or requirements, the Equipment, or any part thereof, may be imminently subject to loss or forfeiture, in which event the Company shall promptly take such action with respect thereto as shall be satisfactory to the IDB. The IDB shall, if requested by the Company, or such other person, as applicable, and provided that the IDB shall be indemnified and held harmless against and from all

costs and expenses (including attorneys' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with the Company, or such other person, as applicable, in any such contest.

Section 8.5 Discharge of Liens and Encumbrances.

(a) The Company shall not permit or create, or suffer to be permitted or created, any Lien, except for Permitted Encumbrances, upon the Equipment or any part thereof, by reason of any labor, materials, or services rendered or supplied, or claimed to be rendered or supplied. The Company shall immediately give notice to the IDB of the filing or assertion of any such Lien of which it has knowledge, and except for Permitted Encumbrances shall, within thirty (30) days after receipt of actual notice of the filing or assertion of any such Lien, satisfy the Lien or cause it to be discharged of record or otherwise prevent the enforcement thereby by payment, deposit, filing the requisite bond, or taking such other action as shall be reasonably satisfactory to the IDB.

(b) Notwithstanding the provisions of subsection (a) of this Section 8.4(b), the Company, or any other person, may, in good faith and at his, her, or its own expense, upon prior written notice to the IDB, contest any such Lien. In such event, the Company, or any such person, as applicable, may permit the Lien or encumbrance so contested to remain undischarged and unsatisfied during the period of such contest, and any appeal therefrom. The IDB shall, if requested by the Company, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with the Company, or such other persons, as applicable, in any such contest.

Section 8.6 Restriction Against Certain Religious Activities. The Company hereby covenants that, for such period as may be required by law, no part of the Project shall be used for sectarian instruction, or as a place of religious worship, or in connection with any part of a program of a school or department of divinity of any religious denomination. If at any time the applicable law would permit the Project to be used for a purpose prohibited by this Section 8.6, such prohibition shall, to that extent, be of no further force or effect.

Section 8.7 Further Assurances and Corrective Instruments. The IDB and the Company agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

ARTICLE IX
ASSIGNMENT; REMOVAL OF EQUIPMENT; ETC.

Section 9.1 Assignment and Subleasing.

(a) This Lease may be assigned, and the Equipment subleased, as a whole or in part, by the Company without the necessity of obtaining the consent of the IDB, subject, however, to each of the following conditions:

- (i) No assignment shall relieve the Company from primary liability for any obligations under this Lease, and in the event of any such assignment, the Company shall continue to remain primarily liable for payment of the amounts specified in this Lease and for performance and observance of the other agreements on its part provided to be performed and observed by the Company to the same extent as though no assignment had been made;
- (ii) The assignee or sublessee shall assume the obligations of the Company hereunder to the extent of the interest assigned or subleased; and
- (iii) The Company shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the IDB a true and complete copy of each assignment and assumption of obligations or sublease, as the case may be.

(b) The Company may contract for the performance by others of operations or services on, or in connection with, the Equipment, or any part thereof, for any lawful purpose; provided, however, that any such contract shall not be inconsistent with the provisions of this Lease or the Equipment Security Documents and that the Company shall remain fully obligated and responsible under this Lease, to the same extent as if such contract had not been executed.

Section 9.2 Restrictions on Mortgage or Sale of Equipment by IDB. The IDB agrees that, it will not mortgage, sell, assign, transfer or convey the Equipment or any portion thereof during the Term, except as otherwise permitted or required herein.

Section 9.3 Removal of the Equipment. In the event the Company determines from time to time that any item constituting a part of the Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Company may remove such item constituting a part of the Equipment, and may sell, trade-in, exchange, or otherwise dispose of the same, as a whole or in part. The IDB shall promptly execute any and all instruments deemed necessary by the Company, in its sole discretion, to fully effectuate the provisions of this Section 9.3.

Section 9.4 Installation of the Company's Own Machinery. The Company may, from time to time, in its sole discretion and at its own expense, install machinery, equipment and other tangible and movable property in the Building or on the Land. All such machinery, equipment and other tangible and movable property shall remain the sole property of the Company in which the IDB shall have no interest.

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Each of the following shall be an “Event of Default” under this Lease, and the terms “Event of Default” or “Default” shall mean, whenever they are used in such Lease, any one or more of the following events:

(a) The failure by the Company to pay, or cause to be paid, within thirty (30) days of when due, the Basic Rental Payments or Additional Rental Payments, or any part thereof, specified to be paid under Section 5.2 hereof.

(b) The filing by the Company of a voluntary petition in bankruptcy or any petition or other pleading seeking any reorganization, composition, readjustment, liquidation, or similar relief under any present or future law or regulation, or the seeking of or consent to or acquiescence in the appointment of any trustee, receiver, or liquidator of all or any substantial part of its assets or of its interest in the Equipment, or the making of a general assignment for the benefit of creditors, or the admission in writing of the inability by the Company to pay its debts generally as the same shall become due;

(c) The adjudication of the Company to be bankrupt or insolvent, or the filing of a petition or other pleading against the Company seeking an adjudication of bankruptcy, reorganization, composition, readjustment, liquidation, or similar relief under any present or future law or regulation, which shall remain undismissed or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or the entry of an order or decree by a court of competent jurisdiction, without the consent or acquiescence of the Company, appointing a trustee in bankruptcy or reorganization or a receiver or liquidator of the Company, of all or any substantial part of its Property, or of the Equipment, which order or decree shall continue unvacated or unstayed on appeal or otherwise and in effect for a period of ninety (90) days (whether consecutive or not);

(d) The occurrence of a “default” or an “event of default” by the Company under the Tax Agreement, that is not cured within any applicable cure period as provided therein;

(e) Subject to Section 10.5, the failure by the Company to observe and perform any covenant, condition, or agreement hereunder on its part to be observed or performed (except obligations referred to in paragraphs (a), (b) or (c) of this Section 10.1 for which no such notice must be given) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the IDB, unless the IDB shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the IDB will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Company within the applicable period and diligently pursued until the default is corrected.

Section 10.2 Remedies on Default.

(a) Whenever an Event of Default shall have occurred and be continuing, the IDB may take any one or more of the following remedial steps:

- (i) Declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become due and payable: (A) all unpaid Rental Payments payable pursuant to Section 5.2 hereof; and (B) all other payments due or to become due under this Lease;
- (ii) Withhold any or all further performance under this Lease (except that the Company may, nevertheless, exercise any option granted pursuant to Article XI hereof, in which event, IDB shall perform its obligations thereunder);
- (iii) Re-enter and take possession of the Equipment without terminating this Lease, and sublease the Equipment for the account of the Company, holding the Company liable for the difference in the rent and other amounts payable by such sublessee in such subleasing and the Rental Payments and other amounts payable by the Company hereunder;
- (iv) Terminate this Lease and convey the Equipment to the Company by quitclaim bill of sale; and/or
- (v) Take any other action or proceeding permitted by the terms of this Lease.

(b) Whenever any Event of Default shall have occurred and be continuing, the IDB may take, in addition to the above and the following, whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, warranty or covenant of the Company under this Lease.

(c) No action taken pursuant to this Section 10.1(e) shall relieve the Company from its obligation to make all payments required under Section 5.2 hereof.

(d) Notwithstanding the foregoing provisions of this Section 10.1(e), until final action pursuant to this Section 10.1(e) shall have been taken which would preclude any of the foregoing actions, the Company may (i) pay all accrued unpaid Rental Payments (exclusive of such Rental Payments accrued solely by virtue of acceleration thereof as provided in Section 10.2(a)(i) hereof), in which event, this Lease shall be fully reinstated as if an Event of Default had not occurred and otherwise fully cure all Events of Default, and/or (ii) exercise any option granted pursuant to Article XI hereof.

Section 10.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the IDB is intended to be exclusive of any other available remedy, but each and every

such remedy shall be cumulative and in addition to every other remedy given under this Lease, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the IDB to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Lease.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Company shall default under any of the provisions of this Lease, and the IDB shall employ attorneys or incur other expenses for the collection of amounts payable hereunder, or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the IDB the reasonable fees of such attorneys and such other expenses so incurred.

Section 10.5 Delay or Omission Not a Waiver. No delay or omission of the IDB to exercise any right or power accruing upon any breach of any covenant or agreement contained herein, or upon the happening of any other Default hereunder, shall impair any such right or power, or shall be construed to be a waiver of any such right or power, or shall be construed to be a waiver of any other Default hereunder, or any acquiescence therein; and every such power, right, or remedy contained herein of the IDB may be exercised from time to time and as often as may be deemed expedient by the IDB. Any waiver, permit, consent, or approval of any form or character on the part of the IDB of any breach of, or default under, this Lease, or any waiver on the part of the IDB of any provision or condition herein, must be in writing and shall be effective only to the extent specifically set forth in such writing.

Section 10.6 Force Majeure Provision. The provisions of Section 10.1(e) are subject to the following limitations: if, by reason of force majeure, the Company is unable in whole or in part to carry out the agreements of the Company on its part herein contained, the Company shall not be deemed in default during the continuance of such inability and for the duration of any delay caused by such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders of any kind of any governmental body, including the government of the United States or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides, lightning; earthquake; fire; hurricane; storms; floods; washouts; droughts; arrests; restraint of government and people, civil disturbances; explosions, breakage or accident to machinery, transmission pipes, or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company (but not an inability due to the lack of funds), in each case which has the effect of making it impossible (as distinguished from impracticable) for the Company to perform, it being agreed that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts, and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Company, unfavorable to the Company.

Notwithstanding the foregoing, nothing in this Section 10.5 shall excuse the Company from timely making the payments required under Section 5.2 hereof or under the Tax Agreement.

ARTICLE XI
OPTIONS; PURCHASE OF EQUIPMENT; ETC.

Section 11.1 Option to Terminate. The Company shall have, and is hereby granted, the option to terminate this Lease at any time by (i) paying to the appropriate person the amounts required by Section 11.3 hereof; and (ii) giving the IDB notice in writing of such termination.

Section 11.2 Option to Purchase the Equipment. Subject to compliance with Section 11.4, the Company shall have, and is hereby granted, the option to purchase all or any portion of the Equipment; provided that if all of the Additional Rental Payments under Section 5.2(b) have not been paid in full, the Company shall also pay so much thereof as the IDB may require, in writing. The purchase price payable by the Company in the event of its purchase pursuant to this Section shall be a sum equal to One Hundred Dollars (\$100).

Section 11.3 Conveyance on Exercise of Option to Purchase the Equipment. At the closing of any purchase pursuant to this Lease, the IDB shall upon receipt of the purchase price deliver to the Company the following: documents (including, without limitation, a quitclaim bill of sale) conveying to the Company good and marketable title to the Equipment as it then exists, subject to the following: (i) those Liens (if any) to which title to said Property was subject when conveyed to the IDB; (ii) those Liens created by the Company or to the creation or suffering of which the Company consented; (iii) those Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances; and (v) any Lien other than a Lien resulting from the action or inaction of the IDB.

Section 11.4 Payments Upon, and Conditions For, Early Termination. Termination by the Company of this Lease pursuant to Article XI hereof or the purchase of the Equipment pursuant to Section 11.1 hereof shall not be effective until the Company shall have made the following payments:

(a) To the IDB, an amount certified by the IDB sufficient to pay all unpaid fees and expenses (including attorneys' fees) of the IDB due and payable under Section 4.2, Section 4.3 and Section 5.2(b) hereof; and

(b) To the appropriate person, an amount sufficient to pay all other fees, expenses, or charges, if any, due and payable or to become due and payable under this Lease or the Equipment Security Documents and not otherwise paid or provided for.

Section 11.5 Continuation of Certain Provisions. Upon termination of this Lease, the liabilities of the Company under such Lease shall terminate, except that its liabilities and obligations under Section 8.1, Section 8.2 and Section 12.1 of this Lease, and as otherwise herein expressly provided, shall nevertheless survive.

Section 11.6 Lessor Option to Re-Convey. The IDB may reconvey the Equipment to the Company and terminate this Lease at any time after the end of the Term hereof, and the Company hereby agrees to accept the same.

ARTICLE XII **MISCELLANEOUS**

Section 12.1 Certificates and Opinions. Any certificate or opinion made or given by an officer or director of the IDB may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer or director knows that the certificate or representations with respect to the matter upon which his or her certificate or opinion may be based are erroneous; and any certificate or opinion made or given by counsel may be based (insofar as it relates to factual matters, information with respect to which is in the possession of the IDB) upon the certificate or opinion of, or representation by, an officer or director of the IDB, unless such counsel knows that the certificate or representations with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous.

Section 12.2 Limitation of Liability. Anything in this Lease to the contrary notwithstanding, the performance by the IDB of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements, and promises made by it hereunder, or in the Equipment Security Documents or any other document, and the liability of the IDB for all warranties and other covenants hereunder, or in the Equipment Security Documents or any other document shall be limited solely to the IDB's interest in the Equipment and this Lease, including, without limitation, revenues and receipts derived from the sale or leasing by it and the IDB shall not be required to effectuate any of its duties, obligations, powers or covenants hereunder except to the extent of its interest in the Equipment or this Lease and such revenues and receipts.

No recourse under or upon any obligation, covenant or agreement contained in this Lease, the Facility Security Documents or in any other document, whether hereby secured or otherwise, under or upon any statement, obligation, covenant, agreement or certification contained, or under any judgment obtained against the IDB, or by the enforcement of any assessment against the IDB, or by any legal or equitable proceeding, or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of this Lease, shall be had against any incorporator, member, employee, agent, director or officer, as such, past, present or future, of the IDB, either directly or through the IDB, or otherwise, for the payment or performance, or the failure of performance by the IDB, of any sum or action that may be due and unpaid by the IDB secured hereby. 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, agent, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment or performance by the IDB or any receiver thereof, is hereby expressly waived and released as a condition of and in consideration for the execution of this Lease.

Neither the City, the County, nor any other political subdivision thereof, shall in any event be liable for the payment or for the performance of any pledge, mortgage, obligation, certification or agreement of any kind whatsoever herein by the IDB, and no pledge, mortgage, agreement, obligation or certification of the IDB herein or otherwise shall be construed to constitute an indebtedness of the City, the County or any other political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever.

Section 12.3 Notices. All notices, consents, approvals, deliveries and other communications hereunder shall be properly given only if made in writing and sent by hand delivery, U.S. Certified Mail, Return Receipt Requested, or nationally recognized overnight delivery service (such as Federal Express or UPS), with all delivery charges paid by the sender and addressed as follows:

To the IDB: The Industrial Development Board of the
City of White House, Tennessee
105 College Street
White House, TN 37188
Attn: Chairman

With a copy to: Valerie M. Webb, Esq.
Webb Sanders, PLLC
3037A Highway West
White House, TN 37188

To the Company: Advanex Americas, Inc.
514 Hester Drive
White House TN 37188
Attn: Shaun Langley, VP Production/
General Mgr.

With a copy to: Bradley Arant Boult Cummings LLP
1600 Division Street
Suite 700
Nashville, TN 37203
Attn: J. Thomas Trent, Jr.

Section 12.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the IDB, the Company and the respective heirs, executors, successors, administrators, and assigns of the foregoing.

Section 12.5 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.6 Limitation of Rights. Except as otherwise expressly provided herein, nothing in this Lease, express or implied, shall be construed to confer upon any person, other than the IDB and the Company, any right, remedy or claim, legal or equitable, under or by reason of this Lease or any provisions hereof.

Section 12.7 Execution of Counterparts. This Lease 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 12.8 Applicable Law. This Lease has been executed and delivered in the State of Tennessee. The Parties intend that this Lease shall be construed and governed exclusively by the applicable laws of the State of Tennessee and the United States of America.

Section 12.9 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Sections in this Lease have been prepared for convenience of reference only and shall not control, affect the meaning, or be taken as an interpretation of any provision of this Lease.

Section 12.10 No Liability of the City or the County. Neither the City nor the County shall, in any event, be liable for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein contained by or of the IDB and neither the Equipment Security Documents, nor any of the IDB's agreements or obligations herein or otherwise shall be construed to constitute an indebtedness of the City or the County within the meaning of any constitutional or statutory provision whatsoever.

Section 12.11 Net Lease. This Lease shall be deemed and construed to be a fully "net lease," and the Company shall pay absolutely net during the Term the rent and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff, other than those herein expressly provided.

Section 12.12 Not Partners. Nothing contained herein or in any other document shall be deemed to render the IDB or the Company partners or venturers for any purpose.

Section 12.13 Conflicting Provisions. In the event of a conflict between the provisions of this Lease and the Facility Lease, the provisions hereof shall prevail as to matters related to the Equipment, and the provisions of the Facility Lease shall prevail as to matters related to the Facility.

Section 12.14 Entire Agreement. This Lease, the Equipment Security Documents, the Facility Lease, the Facility Security Documents, the Tax Agreement, and the other written agreements signed by the IDB, the Company and/or the Company of even date herewith related to the transactions contemplated herein constitute the final, complete and entire understanding of such parties and supersede all prior agreements and negotiations with respect to the matters herein or therein contained. Except as may be otherwise expressly provided herein, this Lease may not be amended except by a written instrument signed by the Parties.

Section 12.15 Schedules/Exhibits. All schedules and exhibits referenced in this Lease are attached hereto and incorporated herein by reference.

Section 12.16 Business Days. If any date specified in this Lease for the performance of an obligation, the giving of a notice or the expiration of a time period falls on a day other than a business day, then this Lease shall be automatically revised so that such date falls on the next occurring business day.

[Signatures on Following Page]

IN WITNESS WHEREOF, the IDB has caused this Lease to be executed in its corporate name and on its behalf by its authorized officer, and the Company has caused this Lease to be executed in its name and on its behalf by its authorized officer, all as of the date first above written.

IDB:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF WHITE HOUSE,
TENNESSEE**

By: _____
_____, Chair

COMPANY:

ADVANEX AMERICAS, INC.

By: _____
Name: Shaun Langley
Title: VP Production/ General Mgr.

EXHIBIT A
DESCRIPTION OF LAND

EXHIBIT B

BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **ADVANEX AMERICAS, INC.**, is a corporation duly organized and validly existing under the laws of the State of California (the "Company"), by these presents hereby TRANSFERS, CONVEYS, BARGAINS AND SELLS all of its right, title and interest in and to the personal property and equipment set forth on **Schedule 1**, attached hereto and incorporated herein by this reference (the "Equipment"), to **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE** (the "IDB"). The Equipment is conveyed to the IDB on an AS-IS, WHERE-IS basis.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of _____, 20____

COMPANY:

ADVANEX AMERICAS, INC.

By: _____

Name: Shaun Langley

Title: VP Production/ General Mgr.

TAX AGREEMENT

THIS TAX AGREEMENT (this “Agreement”) is made and entered into as of December ____, 2021 (the “Effective Date”), by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE**, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (together with its successors and assigns, the “IDB”), and **ADVANEX AMERICAS, INC.**, a California corporation (together with its successors and assigns, the “Company”).

WITNESSETH:

WHEREAS, the IDB is a public, nonprofit corporation and a public instrumentality of the City of White House, Tennessee (the “City”), and is authorized under Chapter 53, Title 7, Tennessee Code Annotated, as amended and supplemented from time to time (the “Act”), to enter into lease agreements with manufacturing, industrial, commercial and financial enterprises with respect to one or more projects for such payments and upon such terms and conditions as the Board of Directors of the IDB may deem advisable in accordance with the provisions of the Act in order to maintain and increase employment opportunities by inducing such enterprises to locate in or to remain in the State of Tennessee; and

WHEREAS, to induce the Company to acquire and construct improvements to a certain manufacturing and office facility (as further defined in the Facility Lease, the “Facility”) located in the City and Robertson County, Tennessee (the “County”), and to induce the Company to equip the Facility with the Equipment (as defined in the Equipment Lease), the IDB has agreed to acquire the Facility from the Company, which Facility shall be leased by the IDB to the Company pursuant to a certain Facility Lease Agreement (as amended or supplemented from time to time, the “Facility Lease”), dated of even date herewith, and to acquire and own the Equipment, which Equipment shall be leased by the IDB to the Company pursuant to a certain Equipment Lease Agreement (as amended or supplemented from time to time, the “Equipment Lease”), dated of even date herewith; and

WHEREAS, the Board of Directors of the IDB, pursuant to Section 7-53-102 of the Act, has found and determined that the agreement by the IDB to acquire, construct, equip and lease such manufacturing and office facility will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, will alleviate conditions of unemployment and has induced or will induce the Company to acquire and construct the Facility and has induced or will induce the Company to equip and operate the Facility, thereby increasing employment opportunities in the City and the County; and

WHEREAS, the IDB is authorized by law and has deemed it necessary to acquire the Facility and acquire the Equipment (the Facility and the Equipment being sometimes referred to as the “Project”) as aforesaid, which acquisition of the Facility has occurred of even date herewith; and

WHEREAS, the City has delegated authority to the IDB to enter into payment in lieu of tax incentives such as that set forth in this Agreement pursuant to Resolution No. 10-14 adopted at a meeting held on August 19, 2010; and

WHEREAS, the IDB and the Company now desire to enter into this Agreement governing payments in lieu of ad valorem taxes with respect to the property leased to the Company pursuant to the Facility Lease and the Equipment leased to the Company under the Equipment Lease.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, it is agreed as follows:

1. Definitions. In addition to the words and terms elsewhere defined in this Agreement, the following terms as used herein shall have the following meaning:

(a) “Applicable Ad Valorem Taxes” means any ad valorem taxes on the Facility or the Equipment, as applicable, that, but for ownership of the Facility or the Equipment by the IDB, would have been due and payable by the Company to the County pursuant to T.C.A. § 67-5-102 or to the City pursuant to T.C.A. § 67-5-103.

(b) “Equipment” shall have the meaning set forth in the Equipment Lease.

2. In Lieu of Tax Payments. The Company shall make, in addition to any and all other payments required under the Facility Lease or the Equipment Lease, in lieu of ad valorem tax payments (the “In Lieu of Tax Payments”) to the City and the County for each calendar year, expressed as a percentage of the Applicable Ad Valorem Taxes, as set forth below and in accordance with the following:

(a) Facility. The Company shall make In Lieu of Tax Payments for the property leased under the Facility Lease in accordance with the following:

<u>Applicable Year</u>	<u>Percentage of City Applicable Ad Valorem Taxes:</u>	<u>Percentage of County Applicable Ad Valorem Taxes:</u>
Effective Date through December 31, 2021	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)
January 1, 2022 through December 31, 2023	0%	0%
January 1, 2024 through December 31, 2024	40%	0%
January 1, 2025 through December 31, 2025	50%	0%
January 1, 2026 through December 31, 2026	60%	0%
January 1, 2027 through December 31, 2027	70%	0%

January 1, 2028 through December 31, 2028	80%	10%
January 1, 2029 through December 31, 2029	90%	20%
January 1, 2030 through December 31, 2030	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)	50%
Thereafter	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)

(b) Equipment. The Company 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 City Applicable Ad Valorem Taxes:</u>	<u>Percentage of County Applicable Ad Valorem Taxes:</u>
Effective Date through December 31, 2021	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)
January 1, 2022 through December 31, 2024	0%	0%
January 1, 2025 through December 31, 2025	0%	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)
January 1, 2026 and thereafter	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)	100% - (a PILOT payment equal to all Applicable Ad Valorem Taxes shall be paid)

3. Special Provisions Regarding In Lieu of Tax Payments. Notwithstanding the provisions of Sections 1 and 2, although changes in applicable law are expected to have eliminated the potential taxation of the leasehold interests in the Project, if for some unforeseen reason the Company is required to pay ad valorem taxes by reason of their leasehold interests in the Equipment or the Facility, as applicable (“Leasehold Taxes”), then the amount of Leasehold Taxes actually paid by the Company shall be deducted from the In Lieu of Tax Payments with respect to the Applicable Ad Valorem Taxes next due from the Company until such time as the full amount of Leasehold Taxes actually paid by the Company during the term of the Facility Lease or the full amount of Leasehold Taxes actually paid by the Company during the term of the Equipment Lease

shall have been deducted from In Lieu of Tax Payments for the Applicable Ad Valorem Taxes. Notwithstanding the foregoing or anything else contained in the Facility Lease or the Equipment Lease, in the event that the Company determines, in its reasonable discretion, that the Company possesses or may possess a positive leasehold value in its leasehold interest in the Facility Lease or the Equipment Lease, as applicable, as calculated pursuant to Tenn. Code Ann. § 67-5-605, the Company shall have the continuing option to require the IDB to take all reasonable steps, at no additional cost to the IDB, to restructure the Facility Lease and the Equipment Lease to eliminate the potential positive leasehold value. Such options may include, but are not limited to, an arrangement by which the IDB issues and the Company receives an industrial revenue bond or note to finance all or a portion of the Project, and to repay the same through the payment of rent under the Facility Lease and/or the Equipment Lease, as applicable, provided that such bond or note shall be a limited obligation of the IDB payable only from such rent and without recourse to the IDB, the City and the County. However, the Company shall pay all of IDB's reasonable attorney's fees and expenses related to the restructure of the transaction to utilize such a bond or note structure.

4. Performance Criteria.

(a) PILOT Program. The Company acknowledges that the IDB has established a PILOT Program that uses an applicant's estimated capital investment, jobs created and average wages to determine the payment in lieu of tax incentive for which the applicant's project is eligible. With respect to its initial acquisition and construction of the Facility and the acquisition and installation of the Equipment, the Company estimated it would create approximately 100 jobs by December 31, 2026, at an average annual wage of \$55,000 and invest approximately \$17,500,000 (the "Original Projections"). Based on those Original Projections, the IDB and the Company acknowledge and agree that the Company qualifies for the level of incentive reflected in Section 2 above.

(b) Performance Report. On or before January 31 of each calendar year, starting with January 31, 2023, and ending with January 31, 2030, the Company shall provide written notice (a "Performance Report") to the IDB stating (a) the number of full-time equivalent employees at the Facility employed either by the Company, an affiliate of the Company or a third-party employee leasing company, as of December 31 of the preceding calendar year ("Reported Jobs"); (b) the Company's total capital investment in the Project as of December 31 of the preceding calendar year; and (c) the average annual wage for the Reported Jobs.

(c) Potential Incentive Modification for Original Investment. If the Performance Report indicates that the Company's employment level, average annual wage or investment are significantly less than the Original Projections as determined by the IDB, the IDB reserves the right to modify the In Lieu of Tax Payment schedule in Section 2 of this Agreement for future tax years after the year for which the applicable Performance Report was issued.

5. Permitted Contests. It is agreed and understood that the Company or any other person (a "Contesting Party"), may, in good faith at its own expense, contest the Applicable Ad Valorem Taxes, or the amount of any In Lieu of Tax Payments based thereon, after giving notice of its intention to do so to the IDB. In the event of any such contest, the Contesting Party may

permit the taxes or the In Lieu of Tax Payments so contested to remain unpaid during the period of such contest and any appeal therefrom unless the IDB shall notify the Contesting Party, that by non-payment of such items the Project, or any part thereof, may be imminently subject to loss or forfeiture, in which event such taxes, In Lieu of Tax Payments, assessments or charges shall be promptly paid or secured by the Contesting Party's posting a bond in form and substance satisfactory to the IDB. The IDB shall, if requested by the Contesting Party, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with the Contesting Party in any such contest.

6. Reports and Document Filing.

- (a) **Tax Reporting – Personal Property.** As required by Tennessee law, on or before the first (1st) day of each March, the Company shall, on behalf of itself, file a Tangible Personal Property Schedule (State Form) with respect to any personal property owned by the Company that is in service on first (1st) day of the immediately preceding January and that is not “Equipment” leased to the Company under the Equipment Lease and is, therefore, subject to ad valorem taxation or In Lieu of Tax Payments equal to one-hundred percent (100%) of the Applicable Ad Valorem Taxes. In addition, on or before the first (1st) day of each March, the Company shall, on behalf of itself, file with the IDB a Tangible Personal Property Schedule (State Form), with the words “EXEMPT PERSONAL PROPERTY” typed above the name of the document, with respect to all Equipment that is in service on the first (1st) day of the immediately preceding January, that is leased by the IDB under the Equipment Lease and that is, therefore, not subject to ad valorem taxation, but with the form completed and the Applicable Ad Valorem Taxes calculated based thereon as if the Equipment had been owned by the Company and disclosing the date that the Equipment was placed in service. The Applicable Ad Valorem Taxes for the Equipment leased under the Equipment Lease shall be abated, and an In Lieu of Tax Payment shall thereafter be made as set forth in the manner described in Section 3 of this Agreement.
- (b) **Annual Report Pursuant to the Act.** Annually, the Company shall file the report required to be filed pursuant to Section 7-53-305(e) of the Act on or before October 1 of each year. A copy of this report shall also be filed with the Robertson County Assessor of Property. This form can be filed online at <https://smartfile.cot.tn.gov/Filing/FilingType/Info/PILOTS>, if desired.
- (c) **Cost Versus Benefits Analysis.** The Company hereby submits the “Cost Versus Benefits Analysis For Payment In Lieu of Ad Valorem Tax” forms, attached hereto as **Schedule 1** and incorporated herein by this reference, as required by Section 7-53-305(b) of the Act.

(d) **Tax Bill to be Sent by City and County.** IDB and the Company shall endeavor in good faith to cause the County Trustee to send to the Company and the IDB bills for the In Lieu of Tax Payments on or before the first (1st) day of November of each year, and the payment thereof shall be made by the Company on or before the last day of February for In Lieu of Tax Payments for the immediately preceding year.

7. Miscellaneous. This Agreement shall be construed in accordance with the laws of the State of Tennessee, and if any one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, legality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein.

8. Agreement to Pay In Lieu of Tax Payments to the City. The Company and the IDB acknowledge and agree that the City does not currently impose an ad valorem property tax on real property inside the city limits. The Company agrees that if the City enacts an ad valorem property tax on real property prior to the PILOT Date, the Company shall pay an In Lieu of Tax Payment to the City in proportion to the same abatement schedule.

9. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

[Signatures on Following Pages]

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

IDB:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF WHITE HOUSE,
TENNESSEE**

By: _____
_____, Chair

COMPANY:

ADVANEX AMERICAS, INC., a California
corporation

By: _____

Name: Shaun Langley

Title: VP Production/ General Mgr.

SIGNATURE PAGE TO TAX AGREEMENT

SCHEDULE 1

**COST VERSUS BENEFIT ANALYSIS FOR PAYMENT IN LIEU OF AD VALOREM
TAX FORM**

[SEE ATTACHED]

BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **ADVANEX AMERICAS, INC.**, is a corporation duly organized and validly existing under the laws of the State of California (the "Company"), by these presents hereby TRANSFERS, CONVEYS, BARGAINS AND SELLS all of its right, title and interest in and to the personal property and equipment set forth on **Schedule 1**, attached hereto and incorporated herein by this reference (the "Equipment"), to **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TENNESSEE** (the "IDB"). The Equipment is conveyed to the IDB on an AS-IS, WHERE-IS basis.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of December ____, 2021.

COMPANY:

ADVANEX AMERICAS, INC.

By: _____

Name: Shaun Langley

Title: VP Production/ General Mgr.

Schedule 1

Qty	Item and Model	Value individually	Total
Spring Form Machines			
2	CLS-10	\$ 80,000	\$ 160,000
2	CSC-580	\$ 140,000	\$ 280,000
3	FX-20	\$ 140,000	\$ 420,000
3	HSM3	\$ 150,000	\$ 450,000
2	HTC10CF	\$ 80,000	\$ 160,000
1	HTC16CF	\$ 120,000	\$ 120,000
1	MCS15G (MCS20)	\$ 110,000	\$ 110,000
1	MCS30E (MX30)	\$ 250,000	\$ 250,000
1	MCS8G (MX10)	\$ 130,000	\$ 130,000
1	MCX-20 (MX20)	\$ 145,000	\$ 145,000
2	NDT1 (MCS10)	\$ 115,000	\$ 230,000
2	NDT2 (MCS20)	\$ 110,000	\$ 220,000
2	4-slide (HSM3)	\$ 150,000	\$ 300,000
3	SC4 (CX6)	\$ 65,000	\$ 195,000
3	SC8 (CX8)	\$ 80,000	\$ 240,000
1	SH16 (CX15)	\$ 90,000	\$ 90,000
1	SH8 (CX8)	\$ 80,000	\$ 80,000
2	VF712 (PCX12)	\$ 10,500	\$ 21,000
1	VF720 (PCX20)	\$ 100,000	\$ 100,000
1	VF730 (PCX40)	\$ 180,000	\$ 180,000
1	VRS23 (MCS20)	\$ 110,000	\$ 110,000
1	VRS10 (MCS10)	\$ 115,000	\$ 115,000
1	Wafios FUL26 Compressions spring machine	\$ 255,000	\$ 255,000
2	Elipta spring machine	\$ 185,000	\$ 370,000

Support Equipment			
2	Pyro 106E heat treat oven for Elipta	\$ 50,000	\$ 100,000
5	Coil master CS50 Heat treat oven	\$ 9,000	\$ 45,000
13	Coil master CS100 Heat treat oven	\$ 14,000	\$ 182,000
1	Wisconson Heat Treat oven	\$ 90,000	\$ 90,000
1	Sanyo heat treat furnace	\$ 168,500	\$ 168,500
3	End Grinding machine	\$ 39,500	\$ 118,500
1	Ingersoll Rand 75 HP Air compressor	\$ 85,000	\$ 85,000
1	dust collector	\$ 8,500	\$ 8,500
2	Gasden Ro ovens	\$ 46,000	\$ 92,000
1	Bridgeport Mill	\$ 10,000	\$ 10,000
1	Office furniture	\$ 115,000	\$ 115,000

RESOLUTION 10-14

A RESOLUTION OF THE CITY OF WHITE HOUSE, TENNESSEE, REGARDING ECONOMIC INCENTIVE GUIDELINES AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF WHITE HOUSE, TN TO NEGOTIATE AND ACCEPT PAYMENTS IN LIEU OF AD VALOREM TAXES.

WHEREAS, the Board of Mayor and Aldermen desire to confirm their approval of guidelines for economic incentives in order to create an environment that is valued by existing companies that are expanding and to attract new prospective employers to the City; and

WHEREAS, the Board of Mayor and Aldermen would like to be able to offer an incentive program to make our city a more viable candidate in competing with similar cities for economic growth; and

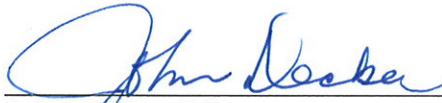
WHEREAS, the Board of Mayor and Aldermen desire to authorize and approve the delegation to The Industrial Development Board of the City of White House, Tennessee (the "IDB"), of authority to negotiate and accept from the IDB's lessees payments in lieu of ad valorem tax agreements in accordance with T.C.A. Section 7-53-305(b).

NOW THEREFOR, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of White House, Tennessee as follows:

RESOLVED: the Board of Mayor and Aldermen desire to authorize and approve the delegation to The Industrial Development Board of the City of White House, Tennessee (the "IDB"), of authority to negotiate and accept from the IDB's lessees payments in lieu of ad valorem tax agreements in accordance with T.C.A. Section 7-53-305(b).

BE IT FURTHER RESOLVED: the Board of Mayor and Aldermen hereby approve the Economic Incentive Guidelines to be used by the IDB in its consideration of the negotiation and acceptance of payment in lieu of tax incentives attached hereto as **Exhibit A**, with the understanding that these are guidelines and not binding rules or requirements.

Adopted this 19th day of August, 2010.



John Decker, Mayor

ATTEST:



Amanda Priest, City Recorder

Exhibit A

Economic Incentive Guidelines City of White House, Tennessee

The Board has adopted the guidelines set forth herein based on a Company's investment, projected employment, and other factors as the Board may determine. These are guidelines and not binding rules or requirements. The Board can and should feel free to alter the Level assigned to any Project, or to increase or decrease the benefits within that level, in its sole and absolute discretion, based upon whatever subjective factors that it determines to be applicable, including, without limitation, whether the applicant is providing employment in an industry that the Board determines should be a priority or should not be a priority for the community, whether the project is in a growing or declining industry, whether the industry is environmentally sustainable or deleterious, whether the project is likely to enhance the image of the community, attract additional business, is a site in a location that the community desires be redeveloped, is a brown field, or is otherwise particularly well suited or poorly suited for the prospective project, etc. These guidelines are designed to attract new business to the City. In the case of an existing industry or business expansion, the number of jobs and capital expenditure requirement created is at the discretion of the Board of Directors.

Investment Report – The Company shall on or before June 30 of each year, beginning June 30 of the year following the commitment to the project, certify to the Board the amount of investment it has made in the real property and equipment comprising part of the project during the preceding 12 months (the "Annual Investment").

Guidelines. Subject to the foregoing, the guidelines for granting tax abatements and payment in lieu of tax agreements are as follows:

Level 1 - Companies investing at least \$500,000 and hiring at least 25 full time equivalent (FTE) employees:

Real Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	50%
Year 3	50%
Year 4	80%
Year 5	100% (Abatement ends)

Personal Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	50%
Year 3	100% (Abatement ends)

Level 2 - Companies investing at least \$2,000,000 and hiring at least 50 full time equivalent (FTE) employees:

Real Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	0%
Year 3	50%
Year 4	60%
Year 5	70%
Year 6	80%
Year 7	80%
Year 8	100% (Abatement ends)

Personal Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	0%
Year 3	70%
Year 4	100% (Abatement ends)

Level 3 - Companies investing at least \$5,000,000 and hiring at least 100 full time equivalent (FTE) employees:

Real Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	0%
Year 3	40%
Year 4	50%
Year 5	60%
Year 6	70%
Year 7	80%
Year 8	90%
Year 9	100% (Abatement ends)

Personal Property:

	Percentage of the property tax that would otherwise have been payable:
Year 1*	0%
Year 2	0%
Year 3	0%
Year 4	0%
Year 5	100% (Abatement ends)

* The Company may elect to make an in lieu of tax payment equal to the CIP ad valorem tax prior to placement of the applicable component of the Project in service, and make Year 1 the first year in which the full ad valorem tax would have been applicable thereto.

The Board may request that the Company meet certain performance standards related to the amount of the capital investment and job creation in connection with the Project in order to continue the tax abatement (for example, the Company shall make at least 85% of the capital

investment and create at least 85% of the indicated jobs in order to receive the requisite abatement, or else there will be a proportionate reduction in the incentive). These performance criteria will be considered on a case by case basis.

In the event that a leasehold estate with respect to any part of the Project (or any interest therein) which is owned by the Board and leased to the Company is ever subject to ad valorem taxation, the amount of any such ad valorem taxes shall be a credit against any in-lieu-of-tax payments due from said Company.

All in-lieu-of-tax payments for any year shall be due and payable to the Board on or before the last day of February of the next succeeding year.