

CONTRACT FOR SALE OF REAL PROPERTY AND INCENTIVES

THIS INDENTURE made and entered into on this the 5th day of April, 2017, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY AND THE CITIES OF ALCOA AND MARYVILLE, TENNESSEE, hereinafter referred to as "Board", the CITY OF MARYVILLE, TENNESSEE, hereinafter referred to as "City", BLOUNT COUNTY, TENNESSEE, hereinafter referred to as "County", and SCCY INDUSTRIES, INC., a Florida Corporation, hereinafter referred to as "SCCY".

WITNESSETH:

WHEREAS, City and County are the owners of a certain tract or parcel of property more particularly described on Exhibit A ("The Property") attached hereto; and

City and County have agreed to convey The Property to SCCY based upon the consideration as hereinafter provided.

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

1. City and County shall convey The Property described on Exhibit A attached hereto to SCCY free and clear of all encumbrances except for the conditions, restrictions, limitations and easements as shown by survey of The Property described on Exhibit A and the restrictive covenants applicable to Big Springs Industrial Park of record in the Register's Office for Blount County, Tennessee, as amended. Said conveyance from City and County to SCCY shall occur on a date mutually agreeable to both parties. SCCY shall have the option of deferring taking title to The Property until after the payment in lieu of the tax period as set forth in Paragraph 10 has expired.

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

3. In the event SCCY requests City and County to convey The Property to SCCY prior to the time that SCCY has received a letter of commitment and construction loan from its Lender to fully fund the construction of the improvements and purchase of equipment as

hereinafter provided, then in that event, the deed from City and County to SCCY shall contain the following restrictions:

- (a) A restriction prohibiting SCCY from selling The Property without the express prior signed written consent of both the City and County; and
- (b) A restriction prohibiting SCCY from mortgaging or otherwise encumbering The Property except for a construction loan to finance construction of the capital improvements.

The deed shall contain a reversionary clause wherein The Property shall revert to City and County if either of these restrictions is violated. The above referenced deed restrictions and the reversionary language which are to be placed in the deed conveying The Property to SCCY shall contain on their face self-executing termination provisions providing that at such time as the certificate of occupancy has been issued with respect to the 75,000 square foot building constructed by SCCY on The Property, then the deed restrictions and the Board's reversionary rights shall automatically terminate and be void and unenforceable without the need of any additional steps or actions.

At the time SCCY receives title of The Property, SCCY shall pay into a trust account controlled by The City, County and Board, the total purchase price of One Million Seven Hundred Three Thousand Fifty Dollars (\$1,703,050.00) at closing. City, County and Board shall refund the entire purchase price back to SCCY within ten (10) days after closing as a grant for the construction of roads and utilities to service the improvements to be constructed by SCCY as hereinafter provided and for construction of the improvements themselves. In the event SCCY elects to participate in the pilot program as set forth in Section 10 of this Contract and in the event SCCY does not take title to The Property until after the pilot program is complete, then this sub-paragraph shall be null and void and of no further force and effect.

4. The parties hereto agree that The Property has a fair cash market value of One Million Seven Hundred Three Thousand Fifty Dollars (\$1,703,050.00) which is Twenty-Five Thousand Dollars (\$25,000.00) per acre.

5. After a certificate of occupancy is issued for SCCY's facility that is to be constructed as provided herein, SCCY shall have the opportunity to participate in either an employee training grant program or in a two (2) year pilot program for the abatement in full

of property taxes relating to The Property and SCCY's equipment located thereon. These incentive programs are more fully set out in Section 10 of this Contract.

6. The parties hereto agree and recognize that the consideration for the conveyance of The Property as herein provided and the grant from City, County and Board to SCCY is the obligation of SCCY to perform the obligations as set forth in Paragraphs 7 and 8.

7. SCCY agrees to construct a 75,000 square foot building for light manufacturing on The Property described on Exhibit A during the time period set forth herein.

SCCY further agrees to acquire equipment within five years of the date that SCCY receives its certificate of occupancy on the building to be used in the operation of SCCY on The Property described in Exhibit A.

SCCY agrees to make capital improvements and equipment acquisitions in the total aggregate amount of Fifteen Million Dollars (\$15,000,000.00). SCCY shall provide proof to Board of the expenditures made by SCCY for improvements to The Property and acquisition of equipment. SCCY shall annually report to Board the amount which SCCY has spent in the aggregate on capital improvements and equipment purchases within ninety days after the end of each year.

The parties agree that the capital improvement cost obligation of SCCY shall include normal and customary soft costs for soil borings, detailed site plan, architectural design, etc., and shall further include all costs of road and utility construction. The parties further agree that SCCY's obligation to acquire equipment shall include the current depreciated value of all SCCY equipment, as reflected on the books of SCCY, which become located upon The Property.

SCCY agrees that it will begin construction of the 75,000 square foot building within three years and six months of the date of the execution of this Contract and shall complete the construction of the 75,000 square foot building within twenty-four months from the date of commencement of construction. The obligation to complete construction within twenty-four months from commencement is subject to *force majeure*. The twenty-four month period shall be extended for any eventuality beyond the control of SCCY, such as any force of nature, bankruptcy or insolvency of the general contractor or any of its large subcontractors.

In the event SCCY has acquired The Property from City and County and SCCY does not commence construction of the 75,000 square foot building within three years and six months of the date of execution of this Contract, then SCCY, within sixty days, will reconvey The Property to City and County free and clear of all encumbrances.

In the event that SCCY does not make the capital improvements and acquire the equipment as set forth herein within the time frames set forth herein, then SCCY shall be required to make a one-time payment to Board equal to a pro rata percentage of the stipulated value of The Property (One Million Seven Hundred Three Thousand Fifty Dollars (\$1,703,050.00)). To determine the amount owed by SCCY to Board, the parties shall establish a fraction with the denominator being Fifteen Million Dollars (\$15,000,000.00), and the numerator being Fifteen Million Dollars (\$15,000,000.00) less the actual amount of capital improvements and equipment acquisitions made by SCCY to The Property described on Exhibit A. This fraction shall then be multiplied by One Million Seven Hundred Three Thousand Fifty Dollars (\$1,703,050.00) and the resulting amount shall be owed by SCCY to Board.

In the event SCCY makes a refund to the Board pursuant to Section 8 of this Contract prior to the time a refund under this Section 7, paragraph 8 of this Contract, is calculated, then the amount of that payment shall be deducted from One Million Seven Hundred Three Thousand Fifty Dollars (\$1,703,050.00) for the calculations set forth in this Section 7, paragraph 8 of this Contract.

The City, County and Board shall assist SCCY with getting all land use approvals, including but not limited to building permits, as needed to construct the building for light manufacturing as designed by SCCY for its particular manufacturing purposes.

8. SCCY agrees to hire and employ and retain at least 250 new employees with a pay scale of at least \$17.00 per hour including benefits. An employee shall be considered retained if said employee completes 180 days as an employee of SCCY. SCCY shall hire at least 150 new employees within a three year period from the date SCCY obtains the certificate of occupancy for the building as set forth herein. SCCY shall hire at least 100 additional employees within a five year period from the date SCCY obtains the certificate of occupancy for the building as set forth herein (for a total of 250 new employees). In the event

that during the total five year period as set forth herein, the number of employee applicants who fail the federally mandated job screening criteria exceeds ten percent of the total applicants during said five year period, then in that event, SCCY shall have one additional year to hire and employ and retain the total 250 new employees as required by this paragraph. SCCY shall provide proof to the Board of the hiring of said employees.

In the event SCCY does not employ and retain 250 new employees as defined herein during the time frame set forth herein, SCCY shall make a one-time payment to Board equal to a pro rata percentage of the stipulated value of the property One Million Seven Hundred Three Thousand Fifty Dollars (\$1,703,050.00). To determine the amount owed by SCCY to Board, the parties shall establish a fraction with a denominator being 250, and the numerator being 250 minus the actual number of new employees employed by SCCY with a pay scale of at least \$17.00 per hour including benefits. Said fraction shall then be multiplied by One Million Seven Hundred Three Thousand Fifty Dollars (\$1,703,050.00) and the resulting sum shall be due and payable from SCCY to Board.

In the event SCCY makes a refund payment to the Board under Section 7, paragraph 8 of this Contract prior to the calculation of the refund in this Section 8, then the amount of that payment shall be deducted from One Million Seven Hundred Three Thousand Fifty Dollars (\$1,703,050.00) for the calculations set forth in the Section 8 of this Contract.

9. The parties hereto agree that City and County are transferring The Property to SCCY as is where is without any warranty, either expressed or implied, as to the condition of the property or the improvements thereon, nor any warranty that The Property is fit for the particular purpose for which SCCY intends to use The Property. Prior to the execution and delivery of the Warranty Deed from City and County to SCCY, SCCY shall have the right to inspect and perform any testing on The Property and improvements. In the event SCCY is not satisfied with the results of said inspections or testing, then SCCY shall have the right to terminate this Contract. SCCY shall indemnify City, County and Board against any property damages or personal injuries arising out of SCCY's inspection and testing on The Property. SCCY shall complete its due diligence investigation within six months of the date of the execution of this Contract. SCCY shall have the right to terminate this Contract during said

six month period. SCCY's right to terminate this Contract shall expire at the end of said six month period.

10. The parties hereto agree that the Board shall enter into with SCCY either a Four Hundred Thousand Dollar (\$400,000.00) employee training grant program or, in the alternative, enter into with SCCY a pilot program for the abatement of real and personal property taxes for a period of two (2) years, with such tax abatement to commence only after the certificate of occupancy is issued on the 75,000 square foot building to be constructed by SCCY and title to The Property and SCCY's equipment located therein is held by the Board.

In the event SCCY elects to participate in the employee training grant program, then SCCY shall so notify the Board in writing. Thereafter, the Board and SCCY shall enter into such documentation (the "Employee Training Grant Documentation") as is necessary or appropriate to implement the employee training grant program. The employee training grant program would be structured so that for every new employee hired by SCCY, as the term "new employee" is defined in Section 8 of this Contract, the Board would pay SCCY One Thousand Six Hundred Dollars (\$1,600.00) which would be used to defray any cost in training the employee (such grant shall include classroom training, vendor training and on the job training). The grant would be payable on July 15th of each year until SCCY realizes the full Four Hundred Thousand Dollar (\$400,000.00) funding for the grant. SCCY would be required to produce an employment report of how many new employees were hired the previous fiscal year (July 1-June 30) to meet the terms of the grant. This Four Hundred Thousand Dollar (\$400,000.00) employee training grant program is totally separate from and independent of any grant which may be provided to SCCY by the State of Tennessee Department of Economic and Community Development.

In the event SCCY does not elect to participate in the above described employee training grant program, and provided SCCY has not defaulted in any of its obligations hereunder, at any time after the conveyance of The Property to SCCY or at such time when the conveyance of The Property would otherwise occur under this Contract, then the Board, at the request of SCCY, shall enter into such documentation (the "Tax Abatement Documentation") as is necessary or appropriate to provide for the abatement in full of property taxes relating to The Property and SCCY's equipment located thereon, such

abatement to be for a period of two (2) years after a certificate of occupancy is issued for SCCY's facility to be constructed as provided herein.

The parties acknowledge that to accomplish such tax abatement under applicable Tennessee law, the Tax Abatement Documentation will require the Board to hold title to all property subject to tax abatement and for such property to be leased back to SCCY. The Tax Abatement Documentation shall provide SCCY the option to purchase all or any portion of the property held by the Board at any time for a nominal amount and will provide for the Board to cooperate with SCCY in connection with any financing to finance SCCY's building and equipment on The Property, including mortgaging or otherwise pledging the Board's interest in such property, subject to the other terms of this Contract. The Tax Abatement Documentation shall also provide that if SCCY's leasehold interest in The Property and/or the improvements thereon is taxed after the certificate of occupancy is issued for SCCY's building that the tax abatement period will be extended until SCCY shall receive the benefit of the tax abatement intended to be provided thereby.

The Tax Abatement Documentation shall be in such form as has been typically utilized by the Board in the past for similar transactions and shall be subject to the reasonable approval of both the Board and SCCY. If the Tax Abatement Documentation is entered into prior to the date the certificate of occupancy for SCCY's building is issued, the Tax Abatement Documentation shall provide that SCCY shall make a payment in lieu of tax in an amount equal to the current taxes on The Property until such time as the certificate of occupancy is issued.

11. In the event litigation occurs between the parties for breach of obligations contained herein, the losing party shall be responsible for the reasonable attorney fees incurred by the prevailing party.

12. SCCY shall not assign this Contract or transfer the real property described herein to any third party (other than Board) until it has met all of its obligations under this Contract. Further, the corporate entity of SCCY shall be maintained in good standing until it has met all of its obligations as set forth herein.

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

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

By: [Signature]
Title: Chairman

BOARD

CITY OF MARYVILLE, TENNESSEE

By: [Signature]
Title: MAYOR

CITY

BLOUNT COUNTY, TENNESSEE

By: [Signature]
Title: Mayor

COUNTY

SCCY INDUSTRIES, INC.

By: [Signature]
Title: Founder / CEO

SCCY

STATE OF TENNESSEE)
 SS
COUNTY OF BLOUNT)

Before me, the undersigned authority, a Notary Public in and for said county, personally appeared Fred R. Lawson, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be Chair of THE INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY AND THE CITIES OF ALCOA AND MARYVILLE, TENNESSEE, the within named bargainor, and that he as such Chair, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the bargainor by himself as Chair.

Witness my hand and seal at office on this the 10th day of April, 2017. ^{BSF}

Brenda S. Farmer
NOTARY PUBLIC

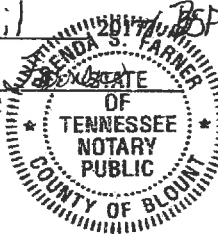


My commission expires: 2/26/2018

STATE OF TENNESSEE)
SS
COUNTY OF BLOUNT)

Before me, the undersigned authority, a Notary Public of said state and county, personally appeared Thomas W. Taylor, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Mayor of the CITY OF MARYVILLE, TENNESSEE, the within named bargainor, a political subdivision of the State of Tennessee, and that he, as such Mayor, being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of the bargainor by himself as Mayor.

Witness my hand and seal at office this the 6th day of April, 2017. BSF

Brenda S. Farmer
NOTARY PUBLIC


My commission expires:
2/26/2018

STATE OF TENNESSEE)
SS
COUNTY OF BLOUNT)

Before me, the undersigned authority, a Notary Public of said state and county, personally appeared Ed Mitchell, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Mayor of BLOUNT COUNTY, TENNESSEE, the within named bargainor, a political subdivision of the State of Tennessee, and that he, as such Mayor, being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of the bargainor by himself as Mayor.

Witness my hand and seal at office this the 6th day of April, 2017. BSF

Brenda S. Farmer
NOTARY PUBLIC


My commission expires:
2-26-2018

STATE OF FLORIDA)
SS
COUNTY OF VOLUSIA)

Before me, the undersigned authority, a Notary Public in and for said county, personally appeared JOE ROEBUCK, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be FOUNDER/CEO of SCCY INDUSTRIES, INC., the within named bargainor, a corporation, and that he as such FOUNDER/CEO, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as FOUNDER/CEO.

Witness my hand and seal at office on this the 5th day of APRIL, 2017. LEL

Laurie E. LaFavor
NOTARY PUBLIC

My commission expires:
06/01/2020



