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CITY OF LOUDON  
CITY HALL  
P.O. BOX 189  
LOUDON, TENNESSEE 37774

August 16, 1995

Ms. Leah Cox  
MTAS  
600 Henley Street, Suite 120  
Knoxville, TN 37996-4105

Dear Ms. Cox:

Enclosed is a copy of the [option agreement for the sale of industrial property from the City of Loudon to American Honda.] This sale only involved the city as opposed to the agreement I mentioned to you on the phone which included the county and an industrial board.

I hope this will assist you. If you need any further information, please contact me at (615)458-7513.

Sincerely,

Stephanie Putkonen  
City Recorder

Enclosure

STATE OF TENNESSEE

COUNTY OF LOUDON

OPTION FOR THE  
PURCHASE AND SALE OF REAL PROPERTY

THIS OPTION FOR THE PURCHASE AND SALE OF REAL PROPERTY (hereinafter referred to as the "Agreement") is made and entered into as of the Effective Date of this Agreement (as hereinafter defined), by and among The City of Loudon, Tennessee, a Tennessee Municipal Corporation (hereinafter collectively referred to as "Seller"), and American Honda Motor Co, Inc., a corporation (hereinafter referred to as "Purchaser").

W I T N E S S E T H:

WHEREAS, Seller is the fee simple owner of an approximately 118.752 acre parcel of real property located in the Matlock Bend Area of Loudon County, Tennessee, and being more particularly described in Exhibit A attached hereto and by this reference made a part hereof (hereinafter, together with all rights, easements and improvements located thereon or appurtenant thereto, referred to as the "Property"); and

WHEREAS, Seller desires to grant to Purchaser an option to purchase the Property, and Purchaser desires to obtain from Seller an option to Purchase the Property, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises, the payment of Eight Thousand Four Hundred Dollars (\$8,400.00) in hand paid by Purchaser to Seller, the mutual covenants and agreements herein set forth, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by the parties hereto, the parties hereto do hereby covenant and agree as follows:

1. Grant of Option. Seller does hereby grant and convey to Purchaser the exclusive right and option (the "Option") to purchase the Property from Seller, in the manner and upon the terms and conditions hereinafter set forth in this Agreement. The Option shall be exercisable by Purchaser at any time during the Option Period, as hereinafter defined, in the manner provided in paragraph 4 hereafter.

2. Option. Unless terminated as hereinafter provided in this Agreement, the Option may be exercised by Purchaser at any time during the period commencing on the Effective Date of this Agreement, and expiring at midnight Eastern Time Twenty-Four (24) calendar months from and after the Effective Date of this

Agreement; it being understood and agreed by and between Seller and Purchaser that, except as hereinafter provided, if the Option has not been exercised by Purchaser prior to the expiration of the Option Period, the Option will automatically expire and be of no further force or effect and the Option Consideration, as hereinafter defined, shall be retained by Seller for its own account. The date of any such exercise of the Option, in the manner specified in paragraph 4 hereof, is referred to in this Agreement as the "Exercise Date."

3. Option Consideration. At the time of execution of this Agreement by Seller, Purchaser shall deliver to Seller's representative Purchaser's check in the sum of Eight Thousand Four Hundred Dollars (\$8,400.00) as option consideration; said option consideration shall be applied toward the Purchase Price hereafter specified upon the closing hereof.

4. Exercise of Option. In the event Purchaser elects to exercise the Option, Purchaser shall give written notice thereto to Seller prior to the expiration of the Option Period. Upon the giving of such notice and from and after the Exercise Date, this Agreement shall be deemed for all purposes a legally enforceable contract between Seller and Purchaser for the sale and purchase of the Property, upon the terms and conditions herein provided. In the event Purchaser shall fail to exercise the Option in the manner provided in this Agreement prior to the expiration of the Option Period, and except as otherwise provided herein, Seller shall retain the Option Consideration (which Option Consideration, in such event, shall be deemed fully earned by Seller), and this Agreement shall thereafter be null and void and of no further force or effect whatsoever, and no party hereto shall thereafter have any rights, liabilities or obligations whatsoever hereunder.

5. Purchase Price. The purchase price to be paid by Purchaser to Seller for the Property (herein referred to as the "Purchase Price") during the Option Period shall be the total of (i) Nine Hundred Thirty-Five Thousand Seven Hundred Nineteen Dollars Forty-Four Cents (\$935,719.44) [\$7,400.00 per acre multiplied by the number of acres (calculated to the nearest 1/1000th of an acre) contained within the Property as shown on the Survey, plus all carrying charges and closing costs of Seller in connection with the purchase of the Property (approximately \$479.61 per acre through April 30, 1995)] and (ii) the total of One Hundred Ninety-Six Dollars and Twenty-Six Cents (\$196.26) for each day subsequent to April 30, 1995, and through and including the Closing Date, the calculation of which Purchase Price is more specifically shown on Exhibit B attached hereto and incorporated herein by reference. The Purchase Price, less appropriate prorations and adjustments and less the Option Consideration, shall be paid by cashiers or certified check or wire transfer at Closing.

6. Survey and Engineering.

(a) Purchaser shall at all times before Closing have the privilege of going upon the Property with its agents and engineers as needed to inspect, examine, survey and otherwise do what Purchaser deems necessary in the engineering and planning for development of the Property. Purchaser shall not unreasonably disturb the use and enjoyment of such portions of the Property upon which Seller or Seller's tenants shall be in possession, and Purchaser shall have no right to rents, if any, payable by any such tenants attributable to periods prior to the Closing Date (as hereinafter defined). Purchaser's inspection privilege shall include the right to make surveys, soils tests, borings, percolation tests and tests to obtain other information necessary to determine surface, subsurface, topographic and environmental conditions; provided, however, that Purchaser shall indemnify and hold Seller harmless from any damages incurred by Seller through the exercise of such privilege, except such indemnity shall not extend to (i) a reduction in the value of the Property, (ii) the cost of removal of hazardous substances or remedial measures, (iii) Seller's liability to third persons, not caused by Purchaser, (including governmental entities) or (iv) any other damages, in each circumstance arising from the presence or release of hazardous substances on, from, or about the Property unless such hazardous substances are brought on the Property by Purchaser, its agents, representatives, or engineers. Seller agrees to assist and cooperate with Purchaser, but without cost to Seller, in Purchaser's inspection and study of the Property. In the event Purchaser elects not to exercise the Option due to no default by Seller hereunder, Purchaser agrees to provide Seller, at no cost to Seller, with copies of any and all engineering studies, surveys, environmental reports or audits and title reports concerning the Property which have been obtained by Purchaser.

(b) Within seventy-five (75) days after the Effective Date of this Agreement, Purchaser, at Purchaser's expense, may obtain a current boundary survey of the Property prepared and certified to Purchaser by a Tennessee registered land surveyor (herein referred to as the "Survey"). The Survey shall show the boundary lines of the Property and the locations of all rights-of-way and easements affecting the Property, and shall contain a flood plain certification and a calculation and certification of the exact number of acres (calculated to the nearest 1/1000th of an acre) contained within the boundary lines of the Property (excluding any portion thereof contained within a public right-of-way). If the Survey shows any matters (hereinafter referred to as the "Survey Defects") which are objectionable to Purchaser as rendering title to the Property unmarketable or uninsurable at standard rates or as adversely affecting Purchaser's intended use of the Property, written notice to that effect shall be given to Seller not later than the end of said 75-day period. Seller

shall have the option until one hundred five (105) days after the Effective Date of this Agreement in which to cure any such Survey Defects. If Seller fails to remove or cure any such Survey Defects within the aforesaid period, then Purchaser may, at its option (i) terminate this Agreement by written notice to Seller given on or before one hundred fifteen (115) days after the Effective Date of this Agreement, in which event the Option Consideration shall be immediately returned by Seller to Purchaser and all rights and liabilities arising hereunder shall terminate, or (ii) accept title to the Property subject to such Survey Defects and close the purchase of the Property in the same manner as if no such Survey Defects had been found. If Purchaser fails to give Seller written notice of its exercise of its rights under item (i) above on or before the date which is one hundred fifteen (115) days after the Effective Date of this Agreement, Purchaser will be deemed to have exercised its rights under item (ii) above as to the particular Survey Defect.

7. Examination of Title. Within seventy-five (75) days after the Effective Date of this Agreement, Purchaser, at Purchaser's expense, may cause the title of the Property to be examined and an Owner's Title Insurance Commitment (hereinafter referred to as the "Commitment") to be issued through a reputable title insurance company acceptable to Purchaser (hereinafter referred to as the "Title Company") in the name of Purchaser or its assigns, pursuant to which the Title Company shall commit to issue to Purchaser or its assigns an ALTA Owner's Policy of Title Insurance on the standard form (Form B-1970) (with standard exceptions to be deleted) for the purpose of insuring fee simple marketable record title to the Property. Not later than the end of said 75-day period, Purchaser shall deliver to Seller a copy of the commitment and shall advise Seller of any of Purchaser's objections to title which render title to the Property unmarketable or uninsurable at standard rates or which adversely affect Purchaser's intended development of the Property as contemplated herein, as disclosed by such examination (said objections are hereinafter collectively referred to as "Title Defects"). Seller shall attempt in good faith to cure any such Title Defects. In the event Seller fails to cure any Title Defects, then Purchaser may, at its option (i) terminate this Agreement by written notice to Seller given on or before one hundred fifteen (115) days after the Effective Date of this Agreement, in which event the Option Consideration shall be immediately refunded by Seller to Purchaser, and this Agreement shall be deemed null and void and of no force or effect, and no party hereto shall have any further rights, obligations or liabilities hereunder; or (ii) accept title to the Property subject to such Title Defects and close the purchase of the Property in the same manner as if no such Title Defects had been found. Purchaser shall be deemed to have elected to terminate this Agreement under item (i) above unless written notice of acceptance of Title under item (ii) is given to Seller before One

Hundred Fifteen (115) days after the Effective Date of this Agreement.

8. Closing and Closing Date. The Closing shall be held on or before the date which is forty-five (45) days after the Exercise Date, in Loudon County, Tennessee, on a date (which date is herein referred to as the "Closing Date") and at a time and place designated by Purchaser to Seller by written notice at least seven (7) days prior to the Closing Date. If no such notice is given, then the closing shall take place on the forty-fifth (45th) day after the Exercise Date unless such day falls on a Saturday or Sunday or a legal holiday, in which event the Closing shall take place on the next business day. At the Closing all real property and valorem taxes applicable to the Property shall be prorated on a calendar year basis as of the Closing Date between Seller and Purchaser, said proration to be based upon the most recently available tax rate and valuation with respect to the Property; provided, however, that upon the issuance of the actual tax bills for such taxes for the year in which the Closing occurs, Purchaser and Seller shall promptly make such adjustments as may be necessary to ensure that the actual amount of such taxes for the year of Closing shall be prorated between Purchaser and Seller as of the Closing Date. Seller shall pay all assessments, whether general or special, including, without limitation, water and sewer rates, charges and assessments, and all charges for public utility improvements or benefits which are levied, assessed, charged or imposed, or which may become a lien or charge against the Property, on or before the Closing Date, and all real estate taxes and agricultural use tax recoupments, if any, for calendar years prior to the Closing; provided, however, that if a special assessment is levied against the property subsequent to the Effective Date, which assessment is for public improvements that enhance the value of the Property, the amount of such assessment shall be apportioned between Seller and Purchaser at Closing on an equitable basis. Purchaser shall pay all ad valorem property taxes and assessments, whether general or special, including, without limitation, water and sewer rates, charges and assessments, and all other charges for public utility improvements or benefits, which are levied, assessed, charged or imposed, or which may become a lien or charge against the Property after the Closing Date. Purchaser shall pay the cost of recordation of the deed. Purchaser shall pay the cost of the examination of title to the property made in connection herewith and the premium cost of the owner's title insurance policy to be issued in favor of Purchaser at the Closing. Purchaser shall pay the cost of the Survey papers provided for herein. Seller and Purchaser agree that such papers as may be legally necessary to carry out the terms of this Agreement shall be executed and/or delivered by such parties at the time of Closing, including without limitation;

(a) A Limited Warranty Deed executed by Seller conveying fee simple marketable record title to the Property to Purchaser, free and clear of all liens, special assessments, easements, reservations, restrictions and encumbrances whatsoever, excepting only real estate property taxes for the current year which are not due and payable, and matters shown on the Survey and the Commitment which are accepted by Purchaser (herein the "Permitted Exceptions"). The legal description of the Property contained in the said Deed shall be based upon and conform to the Survey;

(b) An owner's affidavit or affidavits in form acceptable to the Title Company for deletion of the standard exceptions in the Commitment without insertion of special exceptions in lieu thereof;

(c) Either certificates duly executed by Seller and certifying that Seller is not a foreign person for the purposes of the Foreign Investment in Real Property Tax Act (FIRPTA), as revised by the Tax Reform Act of 1986, which certificate shall include Seller's taxpayer identification number or social security number and address, or a withholding certificate from the Internal Revenue Service to the effect that Seller is exempt from withholding tax on the Purchase Price under FIRPTA (if neither of the above certificates is delivered, the closing agent shall deduct and withhold at Closing a tax equal to either ten percent (10%) of the Purchase Price or such reduced amount as may be authorized by a withholding certificate from the Internal Revenue Service); and

(d) Such documentation as may be required by Purchaser's title insurer to evidence Seller's authority to convey the Property to Purchaser, including but not limited to a certified resolution by Seller's governing body, and such other documentation as may be reasonably required by Seller to comply with the terms and intent of this Agreement.

9. Warranties and Representations of Seller. To induce Purchaser to enter into this Agreement and to purchase the Property as herein provided, Seller does hereby expressly warrant and represent to Purchaser the following:

(a) That Seller owns fee simple marketable record title to the Property, free and clear of all liens, special assessments, easements, reservations, restrictions and encumbrances, except as shown on Exhibit B;

(b) That Seller has not received any notice, and has no knowledge, that the Property or any portion or portions thereof is or will be subject to or affected by (i) any special assessments, whether or not presently a lien thereon, or (ii) any

condemnation, eminent domain, change in grade or public streets, or similar proceeding, except as shown on Exhibit C;

(c) There are no actions, suits or proceedings of any kind or nature whatsoever, legal or equitable, affecting the Property or any portion or portions thereof or relating to or arising out of the ownership of the Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality, and there is no proceeding pending for the reduction of the assessed valuation of the Property or any portion or portions thereof;

(d) That Seller has the full right, power and authority to enter into and deliver this Agreement and to consummate the purchase and sale of the Property in accordance herewith and to perform all covenants and agreements of Seller hereunder. A certified resolution by Seller's governing body authorizing the execution of this option agreement and the consummation of the transaction contemplated herein shall be provided upon the execution of this option agreement;

(e) That Seller has no knowledge or notice that any present material default or breach exists under any covenants, conditions, restrictions, rights-of-way or easements which may affect the property or any portion or portions thereof which are to be performed or complied with by the owner of the Property, and that to the best of Seller's knowledge, no condition or circumstance exists which, with the passage of time and/or the giving of notice, or otherwise, would constitute a default or breach under any such covenants, conditions, restrictions, rights-of-way or easements;

(f) That no other person, firm or other legal entity whatsoever has any right or option whatsoever to acquire the property or any portion or portions thereof or any interest or interests therein;

(g) That to the best of Seller's knowledge the execution and delivery of this Agreement and the consummation of the transaction contemplated herein shall not and do not constitute a material violation or breach by Seller of any provision of any agreement or other instrument to which Seller is a part or to which Seller may be subject although not a party, nor result in or constitute a material violation or breach of any judgment, order, writ, injunction or decree issued against Seller;

(h) Seller, to the best of Seller's knowledge, warrants and represents that Hazardous Substances have not been used, treated, stored, or disposed of on all or any portion of the Property in any manner. The term "Hazardous Substances" include the following: "hazardous substances" and "pollutants and



contaminants" as those terms are defined by the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C.S. 9601, et seq.; petroleum and petroleum products; "source," "special nuclear," or "byproduct" material, as defined by the Atomic Energy Act of 1954, 42 U.S.C. 2011, et seq.; "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, 42 U.S.C.S. 6901, et seq.; mixtures of hazardous waste and source, special nuclear or byproduct material (i.e., "mixed waste"); and any substances listed by any other federal, state, or local law affecting Property as toxic or hazardous. The term "Contamination" is defined to mean the release or presence of Hazardous Substances;

(i) That Seller is not a "foreign person" for purposes of the withholding rules of the Deficit Reduction Act of 1984;

(j) That to the best of Seller's knowledge the Property is presently zoned M-2/Heavy Industrial under the applicable zoning regulations of the City of Loudon, Tennessee;

(k) That to the best of Seller's knowledge domestic water, natural gas and electricity are available at the boundary line of the Property, and that sanitary sewage treatment is available to the Property from a sewer line on the south side of State Highway 72;

(l) That to the best of Seller's knowledge no portion of the Property is located within the 100-year flood plain as depicted on the U.S. Army Corps of Engineers geodetic maps of such flood plain areas, and no environmentally sensitive areas (such as wetlands) are located within any portion of the Property; and

(m) That to the best of Seller's knowledge there are no mechanic's or materialman's liens with regard to the Property.

Notwithstanding the foregoing, the parties acknowledge that, as of the date hereof, the Property is subject to the liens and exceptions described on Exhibit C provided, however, that said liens and exceptions will be satisfied and released to Purchaser's satisfaction at or prior to the Closing hereunder.

10. Warranties and Representations of Purchaser. Purchaser does hereby expressly warrant and represent that Purchaser has the full right, power and authority to enter into and deliver this Agreement and to consummate the purchase and sale of the Property in accordance herewith and to perform all covenants and agreements of Purchaser hereunder.

11. Covenants and Agreements of Seller. Seller hereby covenants and agrees that:

(a) From and after the date hereof until the Closing Date, Seller shall not, without the prior written consent of Purchaser, grant or otherwise create or consent to the creation of any easement, restriction, lien, assessment, encumbrance, lease, occupancy agreement or use restrictions affecting the Property or any portion or portions thereof;

(b) Seller shall, within fifteen (15) days after the Effective Date of this Agreement, deliver to Purchaser copies of all plans, plats, surveys, title insurance policies, leases, engineering studies, engineering agreements, soil test results, inspection reports, environmental studies and certificates and any other information and materials which Seller has relative to the Property and any portion thereof, all of which shall be returned to Seller if the Property is not purchased by Purchaser;

(c) Prior to the Closing, and until physical possession of the Property has been delivered unto Purchaser, Seller will keep and maintain, or shall cause to be kept and maintained, all of the Property in good order and condition, and will not permit any waste with respect thereto; and

(d) During the tendency of this Agreement, Seller shall fully cooperate with Purchaser, but without cost to Seller, with regard to any permits or approvals sought by Purchaser in connection with the development of the Property for the use contemplated herein.

## 12. Defaults.

(a) In the event Seller breaches any warranty or representation contained in this Agreement or fails to comply with or perform any of the conditions to be complied with or any of the covenants, agreements or obligations to be performed by Seller under the terms and provisions of this Agreement, at Purchaser's option (i) Purchaser shall be entitled to exercise any and all rights and remedies available to Purchaser at law or in equity, including without limitation the right of specific performance; and/or (ii) Purchaser shall be entitled, upon giving written notice to Seller as herein provided, to terminate this Agreement. Upon any such termination, the Option Consideration shall be immediately refunded by Seller to Purchaser.

Seller waives the right to assert the defense of lack of mutuality in any action for specific performance instituted by the Purchaser.

(b) In the event Purchaser fails to consummate the purchase of the Property as a result of its failure to comply with or perform any of the conditions to be complied with or any of the covenants, agreements or obligations to be performed by Purchaser under the terms and provisions of this Agreement

required to be performed from and after the Exercise Date, Seller shall be entitled, upon giving written notice to Purchaser to terminate this Agreement, to retain the Option Consideration as liquidated damages or at Seller's option shall have any and all rights and remedies available to Seller at law or in equity.

13. Assignment. Purchaser's rights and obligations under this Agreement shall be fully transferable and assignable to any entity or person, including, without limitation, the right to assign the right to purchase portions of the Property to no more than two (2) entities.

14. Possession of Property. Seller shall deliver to Purchaser full and exclusive possession of the Property on the Closing Date, free and clear of the right of any tenants-in-possession of the Property, all such rights having been fully terminated at or before Closing.

15. Condemnation. In the event the Property or any portion or portions thereof shall be taken or condemned or be the subject of a bona fide threat of condemnation by any governmental authority or other entity prior to the Closing Date which, in the sole judgment of Purchaser, reasonably exercised, materially affects Purchaser's planned use of the Property, Purchaser shall have the option of either (i) terminating this Agreement by giving written notice thereof to Seller whereupon the Option Consideration shall be immediately refunded by Seller to Purchaser, and this Agreement and all rights and obligations created hereunder shall be null and void and of no further force or effect, or (ii) requiring Seller to convey the remaining portion or portions of the Property to Purchaser pursuant to the terms and provisions hereto (and without a reduction in the Purchase Price) and to transfer and assign to Purchaser at the Closing all of the right, title and interest of Seller in and to any award made or to be made by reason of such condemnation.

16. Conditions to Purchaser's Obligations. The obligations of Purchaser under this Agreement shall be conditioned upon the satisfaction of the following conditions (any of which may be waived by Purchaser by giving notice of such waiver to Seller):

(a) The warranties of Seller contained in this Agreement shall be true and correct as of the Closing Date, and a certificate by Seller to such effect shall be delivered to Purchaser at Closing.

(b) Seller shall have performed and complied with all covenants and agreements contained herein which are to be performed and complied with by Seller at or prior to the Closing.

(c) Purchaser shall be able to obtain from the Title Company at standard rates an ALTA Owner's Policy of Title Insurance (Form B-1970) (with all standard exceptions deleted) in the amount of the Purchase Price insuring fee simple marketable record title to the Property to be in the name of Purchaser or its assigns subject only to the Permitted Exceptions.

(d) Purchaser may cause the Property to be inspected for purposes of determining whether or not the Property is free of any Hazardous Substance or Contaminations, the removal of which is required, or the maintenance of which is prohibited, penalized or regulated by any local, state or federal agency, authority or government unit. In the event that such inspection discloses the existence of any such Hazardous Substance, or Contamination, Purchaser shall give Seller written notice thereof and Seller shall thereupon remove and clean up such Hazardous Substances and Contamination to Buyer's reasonable satisfaction within a reasonable time after such notice. Subsequent to such removal and clean up, the closing shall proceed provided, however, that Purchaser may, at its election by notice to Seller given on or before the expiration of the Option Period, terminate this Agreement and receive a full refund of the Option Consideration, whereupon this Agreement shall be deemed null and void and no party hereto shall have any further rights or obligations hereunder. Seller shall indemnify and hold Purchaser harmless from any liability for Hazardous Substances or Contamination existing on the Property as of the date of Closing.

Notwithstanding anything to the contrary contained in this Agreement, in the event that the aforesaid conditions (a) - (d) are not satisfied, then Purchaser may (i) terminate this Agreement with a refund of the Option Consideration by Seller to Purchaser whereupon no party shall have any further rights or obligations hereunder; or (ii) waive such unsatisfied condition(s) and consummate the purchase of the Property in accordance with the terms hereof; provided, however, that if any of the conditions are not satisfied as a result of any action or failure to act on the part of Seller, Purchaser may also pursue any and all other remedies available to it pursuant to the terms of this Agreement or otherwise.

17. Notices. Any notices which may be permitted or required hereunder shall be in writing and shall be deemed to have been duly given as of the date and time the same are personally delivered, when consigned to a reputable overnight courier service, when sent by overnight delivery service, or when received if deposited with the United States Postal Service, postage prepaid, to be mailed by registered or certified United State Mail, return receipt requested, and addressed to the Seller as follows:

City of Loudon  
201 Alma Place  
Loudon, Tennessee 37774  
Attention: W. Barry Baker, City Manager

and to Purchaser at the following address:

American Honda Motor Co., Inc.  
1919 Torrance Boulevard  
Torrance, California 90501-2746  
Attention: Thomas Fromdahl

or to such other address as either party hereto shall from time to time designate to the other party by notice in writing as herein provided; provided, that any notice of change of address shall be effective only per receipt thereof.

18. General Provisions. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any option contained in prior agreements between Seller, Buyer, Haynes International, Inc., and/or the Loudon County Industrial Committee of 100, Incorporated, with regard to the Property is replaced by this Agreement. Any amendment to this Agreement shall not be binding upon any of the parties hereto unless such amendment is in writing and executed by all parties hereto. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and assigns. Time is of the essence of this Agreement. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement. The headings inserted at the beginning of each paragraph are for convenience only, and do not add to or subtract from the meaning of the contents of each paragraph. Seller and Purchaser do hereby covenant and agree that such documents as may be legally necessary or otherwise appropriate to carry out the terms of this Agreement shall be executed and delivered by each party at the Closing. This Agreement shall be interpreted under the laws of the State of Tennessee.

19. Survival of Provisions. The warranties and representations set forth in paragraph 9 of this Agreement shall survive the Closing of the transaction contemplated hereby and

shall survive the execution or delivery of any and all deeds and other documents at any time executed or delivered under, pursuant to or by reason of this Agreement, and shall survive the payment of all monies made under, pursuant to or by reason of this Agreement.

20. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

21. Real Estate Commission. Seller hereby indemnifies Purchaser and agrees to hold Purchaser free and harmless from and against any and all liability, loss, cost, damage and expense (including, but not limited to, attorney's fees and costs of litigation) Purchaser shall ever suffer or incur because of any claim by any agent, broker or finder, whether or not meritorious, for any fee, commission or other compensation with respect to this Agreement or to the sale and purchase of the Property contemplated hereby. Purchaser hereby indemnifies Seller and agrees to hold Seller free and harmless from and against any and all liability, loss, cost, damage and expense (including, but not limited to, attorney's fees and costs of litigation) Seller shall ever suffer or incur because of any claim by any agent, broker or finder, whether or not meritorious, for any fee, commission or other compensation with respect to this Agreement or to the sale and purchase of the Property contemplated hereby.

22. Use And Design Restrictions. The parties agree that, in the event Purchaser does not exercise the Option, the parties shall execute and record an agreement which provides for design and use restrictions on the Property that are reasonably satisfactory to Purchaser and for a period of time reasonably satisfactory to Purchaser.

23. Effective Date. The effective date of this Agreement shall be dated the same as executed by the last party hereto ("Effective Date").

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 1995.

SELLER:

THE CITY OF LOUDON

By: Bernie R. Swiney

Printed Name: BERNIE R. SWINEY

Title: Mayor

Date Executed: \_\_\_\_\_

PURCHASER:

AMERICAN HONDA MOTOR CO., INC

By: [Signature]

Printed Name: Anthony P. Piazza  
Senior Manager

Title: Facilities/Corporate Procurement

Date Executed: 4/12/95

STATE OF TENNESSEE

COUNTY OF   London  

Before me,   Cindy Evans  , of the state and county aforesaid personally appeared   Bernie R. Swiney  , with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the   MAYOR   of THE CITY OF LOUDON, TENNESSEE, the within named bargainer, a municipal corporation, and that he as such   MAYOR   executed the foregoing instrument for the purpose therein contained, by signing the name of the municipal corporation by himself.

WITNESS my hand and notarial seal at office in said county and state this   24   day of   April  , 1995.

  Cindy Evans    
Notary Public

My Commission Expires:

  9-16-97



STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

Before me, ORAETTA R. MINOR, of the state and county aforesaid personally appeared ANTHONY PIAZZA N/A, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the SR. MGR FACILITIES of AMERICAN HONDA MOTOR CO., INC., the within named bargainor, a corporation, and that he as such HAS executed the foregoing instrument for the purpose herein contained, by signing the name of the corporation by himself.

WITNESS my hand and notarial seal at office in said county and state this 13TH day of APRIL, 1995.

Oraetta R. Minor  
Notary Public

My Commission Expires:

Jan 8, 1999



EXHIBIT A

BEING, a parcel of land located in the First Civil District of Loudon County, Tennessee, and being a portion of the property in W.D. 182, Page 156 and a portion of Parcel 4 of CLT Tax Map 43 and being more particularly described as follows:

BEGINNING, at an iron rod set in the westerly right-of-way line of Corporate Park Drive and being north 35 deg. 27 min. 07 sec. east, 1,695.67 feet from the right-of-way intersection of State Highway 72 and Corporate Park Drive;

THENCE, north 58 deg. 28 min. 25 sec. west, 2,299.30 feet to an existing iron rod in the common line of AMFAC property;

THENCE, north 00 deg. 15 min. 45 sec. east, 821.14 feet to an existing iron rod;

THENCE, north 00 deg. 24 min. 50 sec. west, 545.00 feet to an existing angle iron common corner to Matlock Bend Development, Inc.;

THENCE, along the common line of Matlock Bend Development, Inc. north 89 deg. 22 min. 30 sec. east, 2,535.86 feet to an iron rod set in the west right-of-way line of Corporate Park Drive, and passing two iron rod set at 735.00 feet and 710.00 feet;

THENCE, the following calls along the west right-of-way of Corporate Park Drive, south 04 deg. 47 min. 05 sec. west, 460.89 feet to an iron rod set;

THENCE, south 11 deg. 28 min. 10 sec. east, 203.96 feet to an iron rod set;

THENCE south 00 deg. 09 min. 35 sec. east, 908.01 feet to an iron rod set;

THENCE, 879.85 feet along a curve to the right having a radius of 1,096.00 feet and a chord bearing of south 22 deg. 50 min. 20 sec. west, and a chord distance of 856.41 feet to an iron rod set;

THENCE, south 45 deg. 53 min. 50 sec. west, 345.15 feet to the point of Beginning;

Containing 5,172,846 square feet or 118.752 acres more or less and being shown on a survey titled "Boundary Survey, Loudon County Industrial Committee," File No. 13956-23 dated June 2, 1994, bearings based on Tennessee State Grid north.