

**AGREEMENT FOR PAYMENTS IN LIEU  
OF AD VALOREM TAXES**

**THIS AGREEMENT** (the "Agreement") is made and entered into as of this the 23rd day of April, 2014, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **COCA-COLA BOTTLING COMPANY UNITED, INC.**, an Alabama corporation (the "Company"); the **CITY OF CHATTANOOGA** (the "City"); and **HAMILTON COUNTY** (the "County") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by **WILLIAM F. HULLANDER** and his successors, acting in the capacity of **HAMILTON COUNTY TRUSTEE** (the "Trustee"), and by **WILLIAM C. BENNETT** and his successors, acting in the capacity of **HAMILTON COUNTY ASSESSOR OF PROPERTY** (the "Assessor").

**WITNESSETH:**

**WHEREAS**, the Company is contemplating (i) the acquisition of certain real property in Chattanooga, Hamilton County, Tennessee, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Existing Property"); (ii) the construction of a new facility and other real property improvements on the Existing Property (the "Real Property Improvements") (the Real Property Improvements and the Existing Property shall be collectively referred to as the "Real Property"); and (iii) the acquisition of machinery, equipment and other personal property, as more particularly described on Exhibit B attached hereto and incorporated herein (the "Personal Property") (the Personal Property and the Real Property shall be collectively referred to as the "Property") for use as a distribution facility and related purposes (the Real Property Improvements and the Personal Property shall be referred to as the "Project"), resulting in an investment of at least \$62,000,000, the creation of at least 43 full-time jobs, and the retention of at least 270 full-time jobs by the Company, which jobs shall have an average

annual wage (excluding benefits) equal to at least \$45,000.00 between April 23, 2014 and April 23, 2017 (collectively the "Investment, Jobs and Wage Projection"), and has requested the Board's assistance with the Project; and

**WHEREAS**, substantial economic benefits to the City and County economies will be derived from the Project; and

**WHEREAS**, the Board has agreed to take title to the Property, together with all additions thereto, replacements thereof, and substitutions therefor and to lease the Property to the Company pursuant to that certain Lease Agreement (the "Lease"), dated of even date herewith, between the Board and the Company; and

**WHEREAS**, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, § 7-53-101, *et seq.*, the Property will be exempt from ad valorem property taxes ("property taxes") normally paid to the City and to the County, so long as the Property is owned by the Board, pursuant to the provisions of Tennessee Code Annotated, § 7-53-305; and

**WHEREAS**, for the public benefit of the citizens of the City and the County, the Board has requested that the Company make certain payments to the Board in lieu of the payment of property taxes that would otherwise be payable on the Property; and

**WHEREAS**, the Company has agreed to make such payments to the Board in lieu of the property taxes otherwise payable on the Property (the "In Lieu Payments"), as more particularly set forth hereinafter; and

**WHEREAS**, the Board has been authorized to receive the In Lieu Payments in lieu of property taxes by resolutions adopted by the City and the County, acting through their duly elected Council and Commission, respectively, which resolutions delegate to the Board the

authority to accept the In Lieu Payments upon compliance with certain terms and conditions, including, without limitation, the requirement that the Board collect and expend such payments in furtherance of the public purposes for which the Board was created; and

**WHEREAS**, the Company and the Board have agreed that all In Lieu Payments made to the Board by the Company shall be paid to the Trustee, who shall disburse such amounts to the City and the County in accordance with the requirements specified herein; and

**WHEREAS**, the Board wishes to designate the Assessor as its agent to appraise the Property and assess a percentage of its value in the manner specified herein; and

**WHEREAS**, the Board wishes to designate the Trustee as its agent to receive the In Lieu Payments in accordance with the terms of this Agreement;

**NOW, THEREFORE, IN CONSIDERATION OF** the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee as though the Property were subject to property taxes. The Assessor shall give the Trustee, the City Treasurer, the Board, and the Company written notice of any changes in appraisals of the Property in the same manner that notices are given to owners of taxable property. The Assessor shall make available to the Board and the Company all records relating to the appraisal and assessment of the Property.

2. Designation of Trustee; Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Trustee as its agent to compute the amounts of the In Lieu Payments, to receive such payments from the Company and to disburse such payments to

the City and the County. On or about October 1 of each year during the term of this Agreement, the Trustee shall compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send the Board and the Company bills for appropriate amounts of In Lieu Payments (the "Tax Bill").

3. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Company shall pay to the Trustee the amounts indicated on the Tax Bill which amounts shall be determined in accordance with the provisions set forth below in Paragraph 4. The In Lieu Payments shall be made by the Company in lieu of the property taxes which would otherwise be payable on the Property if it were subject to property taxes.

4. Amount of Payments by the Company. For the twelve (12) year period covering and inclusive of years 2016 through 2027 (the "Tax Abatement Period"), the Company shall make In Lieu Payments with respect to the Project in an amount, as determined by the Assessor and the Trustee, equal to the following percentage of the taxes that would have been payable on the Project if it were subject to property taxes for the respective years shown:

<u>Year</u>	<u>City General</u> <u>Fund</u>	<u>County General</u> <u>Fund</u>	<u>County School</u> <u>Fund</u>
2016	0%	0%	100%
2017	0%	0%	100%
2018	20%	20%	100%
2019	20%	20%	100%
2020	35%	35%	100%
2021	35%	35%	100%
2022	45%	45%	100%
2023	45%	45%	100%
2024	45%	45%	100%
2025	45%	45%	100%
2026	45%	45%	100%
2027	45%	45%	100%

For the avoidance of doubt, the parties intend that the Company shall make (i) In Lieu Payments in an amount equal to one hundred percent (100%) of all ad valorem taxes that would be dedicated to the support of the County school system, which the parties acknowledge and agree currently equates to twenty-seven and one tenth percent (27.1%) of the amount of the total City and County taxes that would have been payable on the Project if it were subject to property taxes (the "School Portion"), and (ii) In Lieu Payments in an amount equal to the above graduated amounts for all other ad valorem taxes of the City and the County, excluding the educational portion of the County ad valorem taxes.

For any portion of the Property other than the Project, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on such portion of the Property if it were subject to property taxes. For the avoidance of doubt, the parties intend that the reduced In Lieu Payments shall only apply to new investment in the Property that is undertaken pursuant to this Agreement.

For any periods before the Tax Abatement Period or after the Tax Abatement Period that the Property is owned by the Board and leased to the Company, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property if it were subject to property taxes.

Notwithstanding the above, any amounts assessed as property taxes against the Property shall be credited against any In Lieu Payments due under this Agreement.

5. Penalties and Late Charges. The Company shall make the In Lieu Payments for each year during the term before March 1 of the following year. All In Lieu Payments shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If the Company fails to make any In Lieu Payment when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non-payment has been provided to the Company, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1-1/2%) of the owed amount. Additional late charges of one and one-half percent (1-1/2%) of the amount shall accumulate and become immediately due and payable upon the expiration of each subsequent thirty (30) day period when there remains any outstanding unpaid amount.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County may bring suit against the Company in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees.

(c) If the Company fails to achieve the Investment, Jobs and Wage Projection in connection with the Project by April 23, 2017, then the City and the County reserve the right but are not obligated to adjust the terms and conditions of the tax abatement granted to the Company under this Agreement for the Tax Abatement Period by requiring the Company to pay an additional amount of the In Lieu Payments on the Property based upon the actual jobs, wages and investment associated with the Project as compared to the Investment, Jobs and Wage Projection. If the City and the County elect to consider making an adjustment to the terms and conditions of the tax abatement for the Tax Abatement Period, the Assessor and Trustee shall confer with the Chattanooga Area Chamber of Commerce and shall make a reasonable determination of the terms and conditions of the tax abatement for the Tax Abatement Period by applying the policies, practices and procedures in effect as of January 1, 2014 to the actual jobs, wages and investment associated with the Project as of April 23, 2017. The Assessor and Trustee shall provide this determination to the City and the County. The City and the County may then require the Company to pay an amount up to the difference between the amounts of the In Lieu Payments required pursuant to Paragraph 3 of this Agreement and the amounts that the Company would have paid using the actual jobs, wages and investment associated with the Project.

(d) If the Company fails to maintain at least 235 full time jobs in connection with the Project between April 23, 2017 and April 23, 2020, then the City and the County reserve the right but are not obligated to adjust the terms and conditions of the tax abatement granted to the Company under this Agreement for the Tax Abatement Period in the same manner and to the same extent as provided under subsection (c), immediately above,

based upon the actual jobs, wages and investment associated with the Project as of April 23, 2020.

(e) If the Company fails to maintain at least 235 full time jobs in connection with the Project between April 23, 2020 and April 23, 2023, then the City and the County reserve the right but are not obligated to terminate the benefits of this Agreement for any years remaining hereunder.

(f) In the event the Project closes or moves from the County during the term of this Agreement, the City and the County reserve the right to immediately terminate the tax abatements provided by this Agreement and require the partial repayment of amounts that would have been payable on the Property as if it were subject to property taxes.

(g) The remedies under paragraphs (c) – (f) shall be the sole remedy for any shortfall in the Investment, Jobs and Wage Projection during the Tax Abatement Period.

6. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 3 for the benefit of the City and County general funds shall be disbursed to the general funds of the City and the County in accordance with this paragraph and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All such sums received shall be divided into two (2) accounts, one for the use and benefit of the City and the other for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the County. All sums received by the Trustee pursuant to Paragraph 3 for the benefit of the



County school system shall be disbursed to the County and thereafter deposited into an account for the educational use and benefit of the County schools. All disbursements to the general funds of the City and County shall be made by the Trustee subject to the requirement that all funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated, § 7-53-102.

7. Economic Development Fee. For each year beginning with 2018, the Company shall pay an economic development fee (an "Economic Development Fee") that equals 5% of the difference between (1) the property taxes that would otherwise be payable for such year on the Project if it were subject to property taxes as calculated by the Trustee pursuant to Paragraph 2 above, and (2) the amount of the School Portion with respect to the Project for such year as calculated pursuant to Paragraph 4 above. Beginning in 2018, this Economic Development Fee will be paid for each year that the Project is owned by the Board through and including 2027. If the Board's ownership ceases during any calendar year, then that year's Economic Development Fee will be prorated. The Trustee shall add the Economic Development Fee as a separate line item on the Tax Bill, and the Company shall pay the Economic Development Fee for each such year during the term before March 1 of the following year.

The Trustee shall disburse all such funds received pursuant to this Paragraph 7 to the Board, and the Board shall hold such funds to be used for economic development purposes, as directed by the City and the County in accordance with the following sentence. The City may, acting by and through its Mayor, direct the use of the proportionate amount of the Economic Development Fee that is attributable to property taxes which would otherwise be owed to the City, and the County may, acting by and through its Mayor, direct the use of the proportionate amount of the Economic Development Fee that is attributable to property taxes which would

otherwise be owed to the County. Upon direction of the City and County, the Board shall thereafter disburse such funds for the specified economic development purposes.

8. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor, the computation by the Trustee of the amount of the In Lieu Payment and the calculation of the Economic Development Fee. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. If the In Lieu Payments, or the Economic Development Fee, as applicable, being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith for a period not to exceed sixty (60) days to resolve any disputes as to appraisal, assessment or computation of the In Lieu Payment or the Economic Development Fee, as applicable. If the Company and the Assessor or the Trustee, as the case may be, are unable to resolve a dispute, then the Company may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

9. Lien on the Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

10. Term. This Agreement shall become effective on the date that the Board leases the Property to the Company and shall continue for so long as the Board holds title to any

of the Property and leases such property to the Company or the Company has made all payments required hereunder, whichever shall later occur.

11. Leasehold Taxation. The Board, the City, the County, the Trustee and the Assessor acknowledge and agree that the Company's personal property leasehold interest in the Personal Property under the Lease shall not be subject to assessment for ad valorem tax purposes. The Board, the City, the County, the Trustee and the Assessor further acknowledge and agree that the Company's real property leasehold interest in the Real Property under the Lease is not expected to be subject to assessment for ad valorem tax purposes, as all amounts paid by the Company, including without limitation, rent under the Lease, costs for maintenance, insurance, utilities, infrastructure, site preparation, acquisition, construction, and other costs for or in connection with the Project, cost of capital for or in connection with the Project, and obligations of the Company under the Lease would, at the present time, be considered as rent payable under the Lease for purposes of determining the Company's leasehold interest. As a result, the actual or imputed rent for the real property portion of the Property is expected to equal or exceed the fair market rent for purposes of Tenn. Code Ann. § 67-5-605. If the leasehold interest of the Company in the Property should be subject to ad valorem taxation for any year hereunder, then any amounts assessed as taxes thereon shall be credited against any In Lieu of Tax Payments and Economic Development Fees paid under this Agreement and carried forward from year to year until fully utilized. Additionally, in the event the Company determines, in the exercise of reasonable discretion, that there is a possibility, notwithstanding the foregoing agreement, of a positive taxable leasehold interest in the Property, the Company shall have the continuing option to require the Board take all reasonable steps, at no additional cost to the Board, to restructure this Agreement and the related Lease to eliminate the positive leasehold

value and to deliver the same economic benefit to the Company as is contemplated under this Agreement without the imposition of any ad valorem taxes on such leasehold value. Such options may include, but are not limited to, an arrangement by which the Board issues and the Company purchases industrial revenue bonds to finance all or a portion of the Property, provided that such bonds shall be limited obligations of the Board and non-recourse to the City and the County.

12. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered addressed as follows:

Board or to the City:	Wade A. Hinton City Attorney City of Chattanooga Suite 200, 100 E. 11 <sup>th</sup> Street Chattanooga, Tennessee 37402
The County:	Rheubin M. Taylor County Attorney Hamilton County Government Room 204, County Courthouse Chattanooga, Tennessee 37402
Company:	Coca-Cola Bottling Company United, Inc. 4600 E. Lake Boulevard Birmingham, Alabama 35217 Attention: Stanley Ellington
With a Copy to:	Miller & Martin PLLC 832 Georgia Avenue Suite 1000 Chattanooga, Tennessee 37402 Attn: Mark W. Smith
The Trustee:	Hamilton County Trustee Hamilton County Courthouse Chattanooga, Tennessee 37402

The Assessor

Hamilton County Assessor of Property  
Hamilton County Courthouse  
Chattanooga, Tennessee 37402

Any such person may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communication shall be sent. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

13. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

14. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

15. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. 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, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

17. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

18. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

19. Annual Report. On or before January 31 of each year this Agreement is in effect, the Company shall provide a report to the Mayor of the City and the Mayor of the County summarizing its investment in the Property and the development and operation of the Project for purposes of analyzing the Company's progress in achieving the Investment, Jobs and Wage Projection.

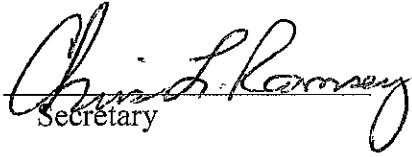
20. Stormwater Fees. The Company shall be responsible for all stormwater fees assessed by the City against the Property.

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

ATTEST:

**THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF CHATTANOOGA**

By:

  
Secretary

By:

  
Chairman

**COCA-COLA BOTTLING COMPANY  
UNITED, INC., an Alabama corporation**

By: Stanley C. Ellington  
Name: Stanley C. Ellington  
Title: Vice President



**CITY OF CHATTANOOGA, TENNESSEE**

By:           Aly Baul            
          Mayor

**HAMILTON COUNTY, TENNESSEE**

By: Jim M. Copping  
County Mayor

**WILLIAM F. HULLANDER**

By: William F. Hullander  
Hamilton County Trustee

**WILLIAM C. BENNETT**

By: William C. Bennett  
Hamilton County Assessor of Property

**EXHIBIT "A"**  
**TO PILOT AGREEMENT**

**REAL PROPERTY**

ALL THE TRACTS OF LAND

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE AND AS DESCRIBED IN DEED BOOK 9424, PAGE 893, DEED BOOK 6279, PAGE 774, DEED BOOK 6976, PAGE 824 AND DEED BOOK 9640, PAGE 633, IN THE REGISTER'S OFFICE OF HAMILTON COUNTY, TENNESSEE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A REBAR, FOUND ON THE NORTHWESTERLY RIGHT OF WAY OF WEST SHEPHERD ROAD (70' R.O.W.) AND THE NORTHEASTERN CORNER OF LOT 26B, LILAH POPE SHEPHERD ESTATE SUBDIVISION, PLAT BOOK 60, PAGE 48, IN THE REGISTER'S OFFICE OF HAMILTON COUNTY, TENNESSEE (R.O.H.C.T.) THENCE ALONG SAID LOT 26B NORTH 66 DEGREES 27 MINUTES 52 SECONDS WEST 649.00 FEET TO A POINT; THENCE SOUTH 25 DEGREES 34 MINUTES 13 SECONDS WEST 227.23 FEET TO A CONCRETE R.O.W. MONUMENT, FOUND ON THE RIGHT OF WAY HIGHWAY 153 (RIGHT OF WAY VARIES); THENCE ALONG SAID RIGHT OF WAY OF HIGHWAY 153 THE FOLLOWING COURSES AND DISTANCES: NORTH 17 DEGREES 42 MINUTES 28 SECONDS WEST 878.85 FEET TO A CONCRETE R.O.W. MONUMENT, FOUND, NORTH 73 DEGREES 59 MINUTES 22 SECONDS EAST 10.23 FEET TO A CONCRETE R.O.W. MONUMENT, FOUND, NORTH 17 DEGREES 50 MINUTES 16 SECONDS WEST 520.45 FEET TO A POINT, NORTH 17 DEGREES 50 MINUTES 16 SECONDS WEST 302.26 FEET TO A POINT, NORTH 13 DEGREES 03 MINUTES 50 SECONDS WEST 114.33 FEET TO A POINT IN THE CENTERLINE OF FRIAR BRANCH; THENCE LEAVING SAID RIGHT OF WAY OF HIGHWAY 153 AND ALONG THE MEANDERING CENTERLINE OF FRIAR BRANCH WITH A CHORD BEARING OF NORTH 47 DEGREES 26 MINUTES 02 SECONDS EAST 954.36 FEET TO A POINT ON THE SOUTH PROPERTY LINE OF LOT 2, SHALLOWFORD @ 153 BUSINESS DEVELOPMENT SUBDIVISION, PLAT BOOK 69, PAGE 66 (R.O.H.C.T.); THENCE ALONG SAID LOT 2 SOUTH 53 DEGREES 08 MINUTES 42 SECONDS EAST 257.76 FEET TO A POINT; THENCE SOUTH 62 DEGREES 09 MINUTES 50 SECONDS EAST 267.00 FEET TO A POINT; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 462.39 FEET AND AN ARC LENGTH OF 42.14 FEET AND A CHORD BEARING OF NORTH 41 DEGREES 08 MINUTES 42 SECONDS EAST 42.12 FEET TO A POINT ON THE RIGHT OF WAY OF OLAN MILLS DRIVE (R.O.W. VARIES); THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING COURSES AND DISTANCES: WITH A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET AND AN ARC LENGTH OF 222.37 FEET AND A TANGENT OF 65.37 FEET TO A POINT, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND AN ARC LENGTH OF 29.11 FEET AND A TANGENT OF 16.46 FEET TO A POINT, WITH A CURVE TO THE LEFT HAVING A RADIUS OF 512.39 FEET AND AN ARC LENGTH OF 77.34 FEET AND A TANGENT OF 38.74 FEET TO A

POINT, NORTH 22 DEGREES 12 MINUTES 05 SECONDS EAST 171.02 FEET TO A POINT, SOUTH 67 DEGREES 33 MINUTES 49 SECONDS EAST 12.88 FEET TO A 1.5" IRON ROD, FOUND; THENCE LEAVING SAID RIGHT OF WAY AND ALONG THE SOUTH PROPERTY LINE OF LOT 3, BUSINESS ROW AT SHALLOWFORD SUBDIVISION, PLAT BOOK 47, PAGE 63 (R.O.H.C.T.) SOUTH 67 DEGREES 33 MINUTES 49 SECONDS EAST 186.88 FEET TO A REBAR, FOUND; THENCE ALONG THE WESTERN PROPERTY LINE OF CHARLES PRESSLEY, DEED BOOK 9640, PAGE 633, PETTY ALEXANDER, DEED BOOK 2199, PAGE 147, ARLENE HEIGHTS SUBDIVISION, PLAT BOOK 21, PAGE 15, LOTS 13-16, ARLENE HEIGHTS SUBDIVISION, PLAT BOOK 21, PAGE 15 AND PART OF LOTS 41-42, LILAH POPE SHEPHERD ESTATE SUBDIVISION, PLAT BOOK 13, PAGE 6 (R.O.H.C.T.) SOUTH 23 DEGREES 03 MINUTES 59 SECONDS WEST 785.73 FEET TO A POINT; THENCE ALONG PART OF LOT 41 AND LOTS 39-40, LILAH POPE SHEPHERD ESTATE SUBDIVISION, PLAT BOOK 13, PAGE 6, AND LOT 38, LILAH POPE SHEPHERD ESTATE SUBDIVISION, PLAT BOOK 80, PAGE 4 AND LOTS 31-36, LILAH POPE SHEPHERD ESTATE SUBDIVISION, PLAT BOOK 13, PAGE 6 (R.O.H.C.T.) SOUTH 23 DEGREES 14 MINUTES 57 SECONDS WEST 1103.65 FEET TO A POINT; THENCE ALONG SAID LOT 31 SOUTH 66 DEGREES 36 MINUTES 33 SECONDS EAST 664.00 FEET TO A POINT ON THE RIGHT OF WAY OF WEST SHEPHERD ROAD; THENCE ALONG SAID RIGHT OF WAY OF WEST SHEPHERD ROAD THE FOLLOWING COURSES AND DISTANCES: SOUTH 25 DEGREES 33 MINUTES 44 SECONDS WEST 99.13 FEET TO A POINT, SOUTH 25 DEGREES 30 MINUTES 48 SECONDS WEST 100.00 FEET TO A REBAR, FOUND, SOUTH 25 DEGREES 44 MINUTES 28 SECONDS WEST 165.19 FEET TO A POINT, SOUTH 23 DEGREES 24 MINUTES 20 SECONDS WEST 37.36 FEET TO THE POINT OF BEGINNING. SAID PROPERTY CONTAINS 45.284 ACRES MORE OR LESS, AND 1,972,568.558 SQUARE FEET MORE OR LESS. ALL AS SHOWN ON SURVEY BY HOPKINS SURVEYING GROUP, DRAWING NUMBER 2014-9-3.

TOGETHER WITH:

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE AND AS DESCRIBED IN DEED BOOK 9424, PAGE 893, IN THE REGISTER'S OFFICE OF HAMILTON COUNTY, TENNESSEE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A REBAR ON THE SOUTHERLY RIGHT OF WAY OF SHALLOWFORD ROAD (150' R.O.W.) AND THE NORTHWESTERN CORNER OF LOT 11, BUSINESS ROW AT SHALLOWFORD SUBDIVISION, PLAT 61, PAGE 34, IN THE REGISTER'S OFFICE OF HAMILTON COUNTY, TENNESSEE (R.O.H.C.T.) THENCE ALONG LOT 11 SOUTH 07 DEGREES 42 MINUTES 21 SECONDS WEST 40.34 FEET TO A CRIMP TOP, FOUND, THENCE WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 431.97 FEET AND AN ARC LENGTH OF 108.69 FEET AND A CHORD BEARING OF SOUTH 14 DEGREES 54 MINUTES 52 SECONDS WEST 108.40 FEET TO A POINT; THENCE ALONG PART OF LOT 11 AND LOT 3 AND 6, BUSINESS ROW AT SHALLOWFORD SUBDIVISION, PLAT 61, PAGE 34 (R.O.H.C.T.) THE FOLLOWING COURSES AND DISTANCES: SOUTH 22 DEGREES 10 MINUTES 56 SECONDS WEST 290.08 FEET TO A

REBAR, FOUND, SOUTH 22 DEGREES 28 MINUTES 54 SECONDS WEST 433.05 FEET TO A 1.5" IRON ROD, FOUND; THENCE NORTH 67 DEGREES 33 MINUTES 49 SECONDS WEST 12.88 FEET TO A POINT; THENCE SOUTH 22 DEGREES 12 MINUTES 05 SECONDS WEST 171.02 FEET TO A POINT; THENCE WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 512.39 FEET AND AN ARC LENGTH OF 77.34 FEET AND A TANGENT OF 38.74 FEET TO A POINT, WITH A CURVE TO THE LEFT HAVING A RADIUS OF 25.00 FEET AND AN ARC LENGTH OF 29.11 FEET AND A TANGENT OF 16.46 FEET TO A POINT, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 50.00 FEET AND AN ARC LENGTH OF 222.37 FEET AND A TANGENT OF 65.37 FEET TO A POINT; THENCE ALONG LOTS 1A, 1B AND 2, SHALLOWFORD @ 153 BUSINESS DEVELOPMENT SUBDIVISION, PLAT BOOK 69, PAGE 66 (R.O.H.C.T.) AND LOTS 1- 4, OLAN MILLS DRIVE SUBDIVISION, PLAT BOOK 74, PAGE 123, PLAT BOOK 67, PAGE 17 AND PLAT BOOK 64, PAGE 233 (R.O.H.C.T.) THE FOLLOWING COURSES AND DISTANCES: WITH A CURVE TO THE LEFT HAVING A RADIUS OF 462.39 FEET AND AN ARC LENGTH OF 131.81 FEET AND A CHORD BEARING OF NORTH 30 DEGREES 22 MINUTES 04 SECONDS EAST 131.36 FEET TO A POINT, NORTH 22 DEGREES 12 MINUTES 05 SECONDS EAST 880.02 FEET TO A REBAR, FOUND, NORTH 23 DEGREES 19 MINUTES 21 SECONDS WEST 172.37 FEET TO A POINT ON THE RIGHT OF WAY OF SHALLOWFORD ROAD; THENCE ALONG SAID RIGHT OF WAY SOUTH 81 DEGREES 27 MINUTES 50 SECONDS EAST 168.83 FEET TO THE POINT OF BEGINNING. SAID PROPERTY CONTAINS 1.960 ACRES MORE OR LESS AND 85,382.409 SQUARE FEET MORE OR LESS. ALL AS SHOWN ON SURVEY BY HOPKINS SURVEYING GROUP, DRAWING NUMBER 2014-9-14.

**EXHIBIT "B"**  
**TO PILOT AGREEMENT**

**PERSONAL PROPERTY**

During the Tax Abatement Period, the Project shall include all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used in connection with the real property described in Exhibit A attached to this Agreement between April 23, 2014 and April 23, 2017, together with replacements thereof and substitutions therefor, in connection with the Company's distribution facility and other operations on such property. The personal property may include one or more distribution, delivery or other vehicles used in connection with the Project.