

**MINUTES OF THE  
INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF OAK RIDGE**

**November 7, 2016**

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on November 7, 2016 in the Training Room of the Municipal Building. David Wilson; Chairman, declared there to be a quorum and called the meeting to order.

**ROLL CALL**

The following members were present: Buzz Patrick, Dave Mason, Richard Chinn, Chris Johnson, Harold Trapp, Phillip Yager, Hal Osucha, and David Wilson

The following members were absent: Louise Dunlap

Also present were: Parker Hardy, Chamber of Commerce; Doug Colclasure, Oak Ridge Citizen; Jake Almond, American Forest Management; Jack Suggs, City of Oak Ridge; Mark Watson, City of Oak Ridge; Janice McGinnis, City of Oak Ridge; and Samantha Royster, Executive Assistant to the IDB.

**APPROVAL OF THE AGENDA**

Mr. Mason made a motion to approve the agenda as submitted. Mr. Trapp seconded the motion. The motion carried unanimously.

**APPROVAL OF THE MINUTES**

Mr. Patrick made a motion to approve the minutes of the regular meeting held October 3, 2016 as presented. Mr. Mason seconded the motion. The motion carried unanimously.

**TREASURER'S REPORT**

Mr. Yager presented the financial report for October 2016 which will be placed on file.

Mr. Patrick made a motion to approve the financial report as given. Mr. Mason seconded the motion. The motion carried unanimously.

**PROSPECT ACTIVITY REPORT**

Mr. Hardy reported that he has continued working with Retail Strategies and potential retail prospects to go into the Kmart building. He stated that negotiations typically slow down during the holiday season. Mr. Hardy also reported on the status of the area formerly occupied by Ruby Tuesdays. Ruby Tuesdays has been demolished and Panda Express is in the process of getting their building permit. There are also plans to construct an additional 6,600 square foot retail/restaurant building on the same property. Mr. Hardy also reported that the Main Street project remains on track.

Mr. Jones reported no new activity but stated that there is activity on some lots in Horizon Center that are not owned by the IDB. He also stated that LeMond Composites made their formal announcement in October.

Mr. Osucha asked about the former Pathway Bellows building. Mr. Hardy stated that it has been occupied for over 1 year by a company, Flexider USA, that makes expansion joints for the airline industry. He is in talks with TVA on their behalf to see if TVA can provide them any incentives.

**ATTORNEY REPORT**

Mr. Krushenski report on the completion of the closing on the IDB purchase of the DOE property on Bethel Valley Road and the subsequent closing of the IDB sale of the property to Jeff Bohanan with Protomet.

**EXECUTIVE ASSISTANT REPORT**

Ms. Royster included a written report with the November 2016 board packet detailing the management support services she provided to and on behalf of the IDB for October 2016. The board had no follow-up questions regarding the report, and the report was accepted as presented.

## **COMMITTEE REPORTS**

### a. Finance Committee

Mr. Wilson introduced Mr. Dale Isabell, CPA to the board to provide an overview of the Fiscal Year 2016 Audit Report he performed. Mr. Isabell reported there were no audit findings. Mr. Isabell stated that it was a very clean audit with no year-end adjustments, and there were no material weaknesses or deficiencies. Mr. Isabell commended the board for implementing its Internal Controls and Compliance Policy and stated that it was very well written. Mr. Isabell also provided the board an overview of how the capital assets/land value was originally determined by getting records from the office of the Roane County Property Assessor. He stated that he has provided all the information to the Executive Assistant regarding how the value has changed over the years for the IDB records.

Mr. Patrick made a motion that the audit report be accepted as presented. Mr. Trapp seconded the motion. The motion carried unanimously.

### b. Land Use Committee

Mr. Osucha reported that after two unsuccessful public bid periods, American Forest Management (AFM) has negotiated a contract with Oak Ridge Hardwoods to harvest the timber on Area 5. Mr. Osucha introduced Jake Arnold with AFM to discuss the proposed contract. Mr. Arnold stated that he did not perform another timber cruise, but the potential income total to the IDB is approximately \$46,000. He reported that the Oak Ridge Hardwoods plans to use a contractor that has a tree chipping operation which will make the site much cleaner than similar operations. Mr. Arnold also stated that the contract calls for all trees to be cut by the term end of December 31, 2016, and all trees with the potential bat habitat area will be cut in the timeframe in accordance with federal and state regulations. Mr. Osucha stated that we will need to notify existing tenants prior to tree cutting operations.

Mr. Mason made a motion to approve the IDB entering into the proposed Tree Cutting Agreement with Oak Ridge Hardwoods as presented (See Exhibit A). Mr. Chinn seconded the motion. After a brief discussion, the motion carried unanimously.

### c. Special Projects Committee

Mr. Mason reported that the committee met again to review the CAM fee section in the Horizon Center Covenants. The committee recommends changing Article VI, Section 6.3 of the Covenants by removing the language regarding the recalculation of CAM fees at year-end and adding language to allow for a one-time special assessment per year, as needed, to allow for any large, unexpected maintenance costs.

Mr. Mason made a motion to approve the proposed Amendment to Article VI, Section 6.3 of the Declaration of Covenants, Conditions, and Restrictions of the Horizon Center (See Exhibit B). Mr. Trapp seconded the motion. Mr. Chinn abstained from the vote. All other members voted yes. The motion carried.

### d. Spec Building Committee – No Report

### e. Policies and Procedures Committee – No Report

## **OLD BUSINESS**

Mr. Wilson confirmed what Mr. Krushenski already reported regarding the closing with the GSA of approximately 20 acres of DOE land on Bethel Valley Road.

## **NEW BUSINESS**

- a. Mr. Wilson stated that the PILOT Program Reauthorization with the City expires on December 31, 2016. He said it has been suggested that we collaborate with Roane County on any potential revisions, since our program is closely aligned with theirs. He stated that if we are unable to meet prior to year-end, the Board may want to extend the current PILOT program for a period of a few months for the work and review of any changes. This issue will be revisited at the December IDB meeting.

- b. Mr. Wilson informed the Board that the IDB has been contacted regarding a State economic development grant application for LeMond Composites building project. The IDB will have to apply for the grant on behalf of LeMond, and the IDB will act as a "pass-through" agency for grant funds. IDB Counsel has requested that LeMond provide the IDB with a letter stating that it assumes all financial responsibility for any additional costs over the grant amount that is incurred in the application and execution of its building improvements project and acknowledging that the IDB is not liable for such additional costs. This issue will be brought back before the Board when the letter from LeMond has been received.

**ADJOURN**

Mr. Trapp made a motion to adjourn the meeting. Mr. Mason second the motion. The motion carried unanimously.

The meeting adjourned at 4:46 P.M.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

December 5, 2016

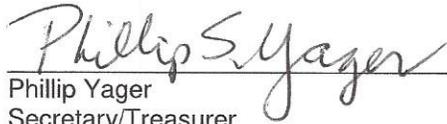
  
\_\_\_\_\_  
Phillip Yager  
Secretary/Treasurer

EXHIBIT A

STATE OF TENNESSEE  
COUNTY OF ROANE

Internal Use Only	
AFM Contract #:	
Property/State:	
Tract:	
Sale Name:	

**TIMBER CUTTING AGREEMENT**  
(Pay As Cut)

This Agreement (hereinafter called the "Agreement"), is made and entered into this \_\_\_\_ day of **November 2016** between Industrial Development Board of Oak Ridge, (hereinafter called "**Grantor**"), whose address is 1400 Oak Ridge Turnpike, Oak Ridge Tennessee 37830, phone: (865) 362-0002, and Oak Ridge Hardwoods (hereinafter called "**Grantee**"), whose address is 1010 Oliver Springs Highway, Clinton TN 37716, phone 865 435 0054.

**WITNESSETH:**

WHEREAS, Grantor desires to grant to Grantee, and Grantee desires to acquire from Grantor, the right and obligation to cut all timber which is described in Section 1.1 of this Agreement, which timber is growing on the tract of land known as the IDB Area 5 (hereinafter called the "Tract"), which is more particularly described in **Exhibit A** attached hereto and by this reference made a part hereof.

NOW THEREFORE, in consideration of the payments and obligations hereinafter set forth, Grantee and Grantor hereby agree and bind themselves as follows:

**ARTICLE 1**  
**RIGHTS AND OBLIGATIONS OF GRANTEE AND GRANTOR**

**Section 1.1.** Grantee shall cut and remove (hereinafter referred to as "harvest"), during the term of this Agreement, all trees on the Tract which are in the "Sale Area" of approximately ninety five acres shown on the map attached hereto as **Exhibit A** and by this reference made a part hereof which meet the following specifications:

Hardwood Sawtimber *all hardwood logs minimum 8' length, reasonably straight, free of rot, 2 clear faces or better, minimum 12" small end diameter*  
40% of ORHW current pricelist, current list is included as Exhibit C.

Hardwood Pulpwood *minimum 12' length, 4" small end diameter* \$ 3.00 per ton

Pine Pulpwood *minimum 12' length, 4" small end diameter* \$ 3.00 per ton

Cedar Pulpwood *minimum 12' length, 4" small end diameter* \$ 10.00 per ton

Pine Logs *as dictated by market* \$ 7.00 per ton

White Oak Veneer *as dictated by local veneer buyers* \$ 800.00 per MBF

White Oak Staves *minimum 8' length, reasonably straight, 3 clear faces minimum, 14" small end minimum* \$ 475.00 per MBF

Hardwood Ties *9' and 18' lengths, one or no clear faces, 10" minimum small end, free of rot or hollow, no Poplar, Ash or Walnut, reasonably straight*  
\$ 13/Ton

Poplar Peelers. *minimum 18' length, reasonably straight, 10" minimum small end, free of rot or hollow*  
\$ 125.00/MBF

All effort will be made to place all logs into the highest valued product category. Sawlogs not meeting the specifications as shown above can be hauled as sawlogs with reasonable defect. Product markets and specifications may change based on market availability and access to local outlets for delivery.

This designation of trees to be felled, harvested, and purchased all merchantable timber which does not include marked boundary line trees.

**Section 1.2.** Blank

**Section 1.3.** Blank.

**Section 1.4.** Grantee shall send to Grantor's Consultant, American Forest Management (AFM), each week a statement of the amount of Timber harvested in the preceding week, including scale tickets and loader log sheets and security tags. When the balance of the Advance Payment Account has been reduced to zero, Grantee shall pay Grantor each week for Timber harvested during the next preceding week. If all sale areas are not completely harvested prior to the expiration of this contract, or any subsequent extensions of this contract, then any portion of the advance deposit not depleted shall become the property of the Grantor. Checks shall be made payable to

**AFM Timber Escrow.** Payment check(s), accompanied by the weekly settlement statement, along with original mill scale tickets, loader log sheets and security tags shall be mailed to Grantor's Consultant's local field office at 103 Barrie Lane, Kingston TN, 37763 phone 865 248 8315..

**Section 1.5.** Upon beginning of logging operations, Grantee shall deposit **\$3,000.00** with Grantor, which amount shall be held by AFM in escrow to assure fulfillment by Grantee of Grantee's obligations hereunder. In the event Grantee fails to comply with, or defaults under, any of the terms of this Agreement, Grantor may, at Grantor's sole option, apply such escrowed funds in amounts as necessary to reimburse Grantor for its loss or damage on account of such failure or default by Grantee. In the event Grantor's loss or damage exceeds the balance of such escrowed funds, Grantee agrees to reimburse Grantor promptly for the difference, and nothing in this provision shall limit in any way Grantor's right to pursue its appropriate remedies in law or equity. In the event any of such escrowed funds are paid to Grantor pursuant to the provisions of this Agreement, Grantee shall promptly, on demand, deposit additional funds with Grantor so that the amount of such escrowed funds shall at all times equal **\$3,000.00**. All escrowed funds not applied by Grantor as specified above shall be returned to Grantee upon satisfactory completion of all of Grantee's obligations hereunder. However, if all sale areas are not completely harvested prior to the expiration of this contract, or any subsequent extensions of this contract, then the Performance Bond in its entirety shall become the property of the Grantor. The deposit check shall be made payable to: **AFM Timber Escrow.**

**Section 1.6.** Title to and ownership of the Timber, including all risk of loss on account of fire, storm, disease, insects or other damage occurring after the date of this Agreement, shall remain in Grantor until cut by Grantee. In the event of loss to the Timber occurring after the date of this Agreement before it is cut by Grantee, Grantee shall have no further right or obligation to harvest the Timber so lost, and Grantor shall have no obligation to contract with Grantee for cutting rights to other timber in lieu of that Timber so lost. If such loss is caused by or results from the acts or omissions of Grantee or any of its employees, agents, contractors or subcontractors, then Grantee shall pay to Grantor, as liquidated damages, an amount obtained by multiplying the number of tons of Timber so lost, as determined by Grantor's Consultant, by the prices set forth in Section 1.1 of this Agreement. If such loss is not caused by and does not result from the acts or omissions of Grantee or any of its employees, agents, contractors or subcontractors, then Grantee shall not be required to pay for such lost Timber; and if there is any remaining balance in the Advance Payment Account after Grantee's completion of harvesting of all Timber (excluding the Timber so lost), then Grantor shall refund such balance to Grantee. If Grantee is prohibited from harvesting Timber because of the restrictions imposed by the Endangered Species Act, then the portion of the Timber which Grantee is so prohibited from harvesting shall be deemed to have been lost for purposes of this Section 1.6 and the foregoing provisions relating to loss by fire, storm, disease, insects or other damage shall apply with respect to such Timber.

**Section 1.7.** Grantee shall conduct harvesting and road construction activities in accordance with published Best Management Practices for the state where the Tract is located.

**Section 1.8.** Grantee shall keep all roads, firebreaks, fields, streams, and other open areas on the Tract free of tops and other logging debris.

**Section 1.9.** Grantee shall cut all stumps as low as possible, with stump height not to exceed six for pine or twelve inches for hardwood inches wherever possible.

**Section 1.10.** Grantee shall prevent damage to any of Grantor's timber not subject to this Agreement. If Grantee cuts or seriously damages such timber, it shall pay Grantor the following amounts for such timber as liquidated damages: two (2) times the stumpage value as determined by Grantor or Grantor's Consultant. A tree shall be considered seriously damaged if bark is skinned from thirty percent (30%) or more of its circumference.

**Section 1.11.** Grantee shall conduct its activities so as not to damage fences, roads, firebreaks, fields, ditches, bridges and other improvements on the Tract or on any other property owned by Grantor or by any other person or entity. In the event such damage is caused by Grantee, it shall, at the election of Grantor or such other person or entity, as the case may be, either repair the damaged improvements or pay to Grantor or such other person or entity the replacement value of the damaged improvements.

**Section 1.12.** Grantee shall not treat, generate, spill or release any hazardous substance or material on or about the Tract. Petroleum based products which are used in the harvesting operations may not be disposed of on the property. Grantee shall not leave any trash, litter, rubbish, garbage, refuse, discarded equipment or other debris on the Tract during or after harvesting. In the event Grantee leaves such debris on the Tract, Grantor shall have the right to hire a contractor to remove such debris, and Grantor's Consultant shall deduct from the escrowed funds described in Section 1.5, and pay to Grantor, an amount equal to such contractor's fees plus 15%; provided, however, if such escrowed funds are not sufficient to pay the full amount of such contractor's fees plus 15%, then Grantee shall promptly pay to Grantor the amount of such deficiency.

**Section 1.13.** Grantee shall notify Grantor's Consultant no later than seventy-two (72) hours prior to commencement of any road construction and/or harvesting on the Tract, and shall notify Grantor's Consultant whenever the harvesting operation moves onto or off of the Tract. Such notification may be given in person or by telephone, telephone message, facsimile transmission, email message or United States mail. If Grantee fails to give timely notification, then, in addition to any other rights and remedies Grantor may have, Grantee shall be obligated to pay to Grantor, as a late notification fee, the sum of \$100.00 per day for each day after the date on which Grantee should have given such notification. Grantor's Consultant may deduct from the escrowed funds described in Section 1.5 and pay to Grantor any fees owed by Grantee hereunder; provided, however, if such escrowed funds are not sufficient to pay the full amount of such fees, then Grantee shall promptly pay to Grantor the amount of such deficiency.

**Section 1.14.** Grantor hereby grants to Grantee the rights of ingress and egress over the Tract during the term of this Agreement, for the sole purpose of harvesting the Timber. If Grantee

wants to enter upon lands not owned by Grantor, Grantee shall be solely responsible for securing permission to do so. Grantor also grants to Grantee the right to operate skidders, tractors, trucks and other equipment necessary to harvest the Timber and to construct roads for the sole purpose of harvesting the Timber. All such equipment and other property of Grantee shall be removed from the Tract within thirty days of termination of this Agreement. Any property remaining on the Tract more than thirty days after termination of this Agreement shall be considered abandoned and shall become the property of Grantor.

**Section 1.15.** Grantee shall use existing roads wherever possible and shall leave all roads, upon termination of this Agreement, in a condition that equals or exceeds their condition when harvesting began.

**Section 1.16.** Grantee shall be required to obtain Grantor's Consultant's prior approval of the design, size, and location of any log decks, landings and roads constructed on the Tract by Grantee, and the location of any portable manufacturing plant (sawmill, chipper, etc.) erected on the Tract.

**Section 1.17.** Grantor and Grantor's Consultant shall have the right to visit the harvesting operation at any time to ensure that the provisions of this Agreement are being carried out.

**Section 1.18.** Grantor and Grantor's Consultant shall have the right to temporarily halt Grantee's harvesting activities if weather or ground conditions are such that harvesting is causing or may cause unreasonable damage to roads, soils or timber on the Tract. Grantor or Grantor's Consultant shall have the right to temporarily halt Grantee's harvesting activities for any breach of the terms of this agreement, including the failure of Grantee to satisfactorily sort harvested Timber into the highest-valued product class for which it is suited, in the sole judgment of Grantor's Consultant.

**Section 1.19.** Grantee shall use all reasonable precautions to prevent fires on the Tract and to prevent the spreading of any fires that may occur thereon. Grantor specifically reserves the right to prohibit the making of fires in the woods if Grantor deems it advisable to do so from a fire protection standpoint, and further reserves the right to stop or interrupt Grantee's operations hereunder if conditions are such that, in Grantor's discretion, continued operations are likely to start forest fires; provided, however, that in the event such right is exercised, the term of this Agreement shall be extended by the number of days that such stoppage or interruption continues.

**Section 1.20.** Grantee shall comply with the timber harvesting security procedures set forth on **Exhibit B** attached hereto and by this reference made a part hereof. Grantee acknowledges and agrees that Grantor and/or Grantor's Consultant may utilize camera surveillance to monitor Grantee's harvesting operations and activities.

**Section 1.21.** If, upon termination of this Agreement, Grantee has failed to harvest all the Timber, Grantee shall pay to Grantor any and all of Grantor's damages, if any, resulting from

Grantee's failure to harvest all the Timber during the term of this Agreement, as determined by Grantor's Consultant. Grantor shall be entitled to deduct from any remaining balance in the Advance Payment Account and/or performance deposit escrow account all amounts necessary to reimburse Grantor for its loss or damage on account of such failure by Grantee. In the event Grantor's loss or damage exceeds the balance of such Advance Payment Account, Grantee agrees to reimburse Grantor promptly for the difference. After all appropriate amounts are deducted, Grantor shall return to Grantee the balance, if any, of the Advance Payment Account. Nothing in this provision shall limit in any way Grantor's right to pursue its appropriate remedies in law or equity.

## **ARTICLE 2 WARRANTIES AND AGREEMENTS OF GRANTOR**

**Section 2.1.** Grantor hereby warrants that it has fee simple title of the Property or has authority to execute this Agreement on behalf of the entity which has fee simple title of the Property and that information provided relative to the Property is accurate to the best of the Grantor's knowledge. Grantor further warrants that it has fee simple title to the timber on the Property free and clear of any liens or Grantor hereby warrants that it has the authority to sell the timber on the Property on behalf of the entity which has fee simple title of the timber free and clear of any liens. Grantor shall hold Grantee harmless against any person whomsoever who may assert against Grantee any claim of title to the Timber. It is expressly understood and agreed that Grantor's liability for any breach of the foregoing provisions of this Section 2.1 shall be limited to the return of the portion of the amount paid by Grantee pursuant to Section 1.1 above that is attributable to the portion of the Timber remaining unharvested or the proportionate part thereof in case of a partial failure of title, without any interest or penalty.

## **ARTICLE 3 WARRANTIES AND AGREEMENTS OF GRANTEE**

**Section 3.1.** Grantee shall hold harmless, defend and indemnify Grantor, Grantor's Consultant, and their respective agents, employees, officers, directors, partners, members, managers and trustees from and against any and all claims, demands, actions, damages, liabilities, losses and expenses of any kind (including, without limitation, attorneys' fees and other professional fees) in connection with loss of life, bodily injury, personal injury, property damage or other loss, injury or damage of any kind that may in any way arise from or be related to the negligence or willful misconduct or any other act or omission of Grantee or any of Grantee's employees, contractors, subcontractors or agents in connection with harvesting of the Timber or any operations or activities relating thereto, including but not limited to any claim or liability arising from damage to any adjoining landowner's property. The provisions of this Section 3.1 shall survive the term of this Agreement.

**Section 3.2.** Grantee shall, throughout the term of this Agreement, carry the following insurance: (1) commercial general liability insurance and contractual liability insurance covering its

harvesting and related activities, which policy shall have minimum limits of \$1,000,000 combined single limit and \$1,000,000 general aggregate and shall name Grantor and Grantor's Consultant as additional insureds thereunder, and (2) vehicle liability insurance with minimum limits of \$1,000,000 or higher limits if required by state and/or federal laws, and (3) statutory workers' compensation insurance covering all of its employees. Grantee shall provide Grantor with certificates (in form and substance satisfactory to Grantor) of all of the above insurance policies prior to execution of this Agreement and immediately upon renewal of such insurance or any issuance of replacement insurance. All insurance policies maintained by Grantee hereunder shall be primary to any insurance available to Grantor or Grantor's Consultant.

**Section 3.3.** Grantee represents and warrants to Grantor that Grantee has carefully inspected and is satisfied with the condition of the Tract and the Sale Area and the Timber thereon. Grantee acknowledges and agrees that, subject to the provisions of Section 1.6 above relating to loss to the Timber occurring after the date of this Agreement, the sale of the Timber pursuant to this Agreement is on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis, that, except for any warranties expressly made by Grantor in this Agreement, Grantor makes no (and hereby disclaims any) representation, warranty, commitment, agreement or guaranty of any kind, express or implied, with respect to the condition, quality, quantity, suitability, marketability, merchantability, usefulness or fitness of the Timber, and that Grantee accepts and assumes all risks with respect to such matters relating to the Timber. Without limiting the generality of the foregoing, Grantor hereby disclaims and renounces any and all implied or other representations or warranties of every kind (including, but not limited to, any Implied Warranty of Merchantability and any Implied Warranty of Fitness for a Particular Purpose) relating to the Timber arising through trade usage or course of dealing or under any statute, ordinance, rule, regulation or other law of the state in which the Timber is located (including, but not limited to, the Uniform Commercial Code of the state in which the Timber is located) or any other state or other jurisdiction whatsoever. Grantee further acknowledges and agrees that there may be hidden hazards on the Tract and the Sale Area, including, but not limited to, holes, fence wire, snakes and other dangerous animals, wells, falling trees, poisonous plants, unauthorized persons and other risks that may cause damage, injury or death, that Grantor makes no (and hereby disclaims any) representation, warranty, commitment, agreement or guaranty of any kind, express or implied, with respect to the physical condition, safety or security of the Tract or the Sale Area, and that Grantee accepts and assumes all such risks relating to the physical condition, safety and security of the Tract and the Sale Area. Grantee hereby waives, and hereby releases Grantor and Grantor's Consultant and their respective agents, employees, officers, directors, partners, members, managers and trustees from, any and all claims, liabilities, losses, damages, costs and expenses relating to the condition of the Tract, the Sale Area and the Timber and all of the foregoing matters mentioned in this section. The provisions of this Section 3.3 shall survive the term of this Agreement.

**Section 3.4.** Grantee is an independent contractor and as such shall be responsible for all financial obligations incurred by it in harvesting the Timber, including but not limited to labor and insurance.

**Section 3.5.** Grantee represents and warrants to Grantor that Grantee is authorized to enter into this Agreement, and upon execution and delivery this Agreement will constitute a valid, binding and enforceable obligation of Grantee.

#### ARTICLE 4 MISCELLANEOUS

**Section 4.1.** The term of this Agreement begins on the date of execution of this Agreement and ends **December 31, 2017**, provided however, the Term shall be extended if weather or ground conditions preclude completion of harvesting during the original Term by a period of time equal to the number of days harvesting was not possible, as determined solely by Grantor's Consultant and Grantee, but in no event shall the aggregate length of any and all such extensions exceed ninety (90) days.

**Section 4.2.** Grantor hereby designates the following as its consultant (called "Grantor's Consultant" for purposes of this Agreement): **American Forest Management, Inc.**; provided, however, Grantor shall have the right at any time to designate a successor or replacement consultant to serve as Grantor's Consultant.

**Section 4.3.** Grantee may not assign any part of this Agreement without the written consent of Grantor. Such consent shall not be unreasonably withheld.

**Section 4.4.** This Agreement constitutes the entire agreement between Grantee and Grantor with respect to the property, rights and privileges addressed herein. Grantee does not rely on any representation or warranty of Grantor and Grantor has not made any representation or warranty upon which Grantee relies except and unless expressly stated in this Agreement. All agreements, rights and privileges addressed herein which are binding upon or applicable to either Grantee or Grantor shall also be binding upon and applicable to the heirs, successors, legal representatives and assigns of Grantee and Grantor.

**Section 4.5.** No amendment to this Agreement shall be binding upon Grantee or Grantor unless it is in writing and has been executed by both Grantee and Grantor.

**Section 4.6.** This Agreement is intended as a contract under and shall be construed and enforceable in accordance with the laws of the state where the Tract is located.

**Section 4.7.** Grantee shall comply with all federal, state and local laws and regulations relating to the terms of this Agreement or Grantee's performance thereof. If Grantee observes any illegal activity on the Tract, Grantee shall report such activity to Grantor's Consultant immediately.

**Section 4.8.** No failure on the part of either Grantee or Grantor to exercise, 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.

**Section 4.9.** This Agreement has been executed in multiple copies, each of which shall for all purposes constitute this Agreement, binding on Grantee and Grantor.

**Section 4.10.** Grantor and Grantee agree that no provision of this Agreement shall be construed against or in favor of Grantor or Grantee by virtue of the authorship or purported authorship thereof.

**Section 4.11.** This Agreement may not be recorded by Grantee in any public records. If requested by Grantee, Grantor agrees to execute a recordable memorandum of this Agreement for recordation in the land records of the county in which the Tract is located, provided that such memorandum must be in a form acceptable to Grantor and shall not disclose any price information. Grantee may, at Grantee's expense, record such memorandum in said land records. If such memorandum is recorded in the land records, (1) Grantee shall deliver to Grantor a copy of such memorandum which includes the recording information, and (2) upon completion of its harvest operations and/or expiration or termination of this Agreement, Grantee shall execute and place of record in said land records a termination and release of all rights, titles, interests, powers and privileges of Grantee under this Agreement, in a form acceptable to Grantor, and deliver to Grantor a copy of such termination and release which includes the recording information. Return of the escrowed funds provided for in Section 1.5 above is contingent on the execution and recordation of such termination and release.

**Section 4.12.** This agreement may be terminated by Grantee if the operation causes environmental activists to interfere with operation or cause negative publicity to Grantee's local operations. If terminated by such cause, Grantee will perform necessary BMP closeout work as required and will remove all merchantable wood cut on the sale area.

**Section 4.13** This agreement may be terminated at any time by Grantor if Grantor enters into an agreement with another party for the purchase of the sale area and said party does not want the timber sale to proceed.

**Section 4.14.** There are three areas determined to contain Bat Roosting Habitat that will require cutting between execution of this contract and March 31, 2017. Grantor will identify areas and mark on the ground for cutting. If these areas are cut during this period the remaining acreage can be cut at any time.

In witness whereof, this Timber Cutting Agreement has been executed on the date first above written.

**GRANTOR:**

The Industrial Development Board  
of the City of Oak Ridge

By: \_\_\_\_\_

Name: \_\_\_\_\_

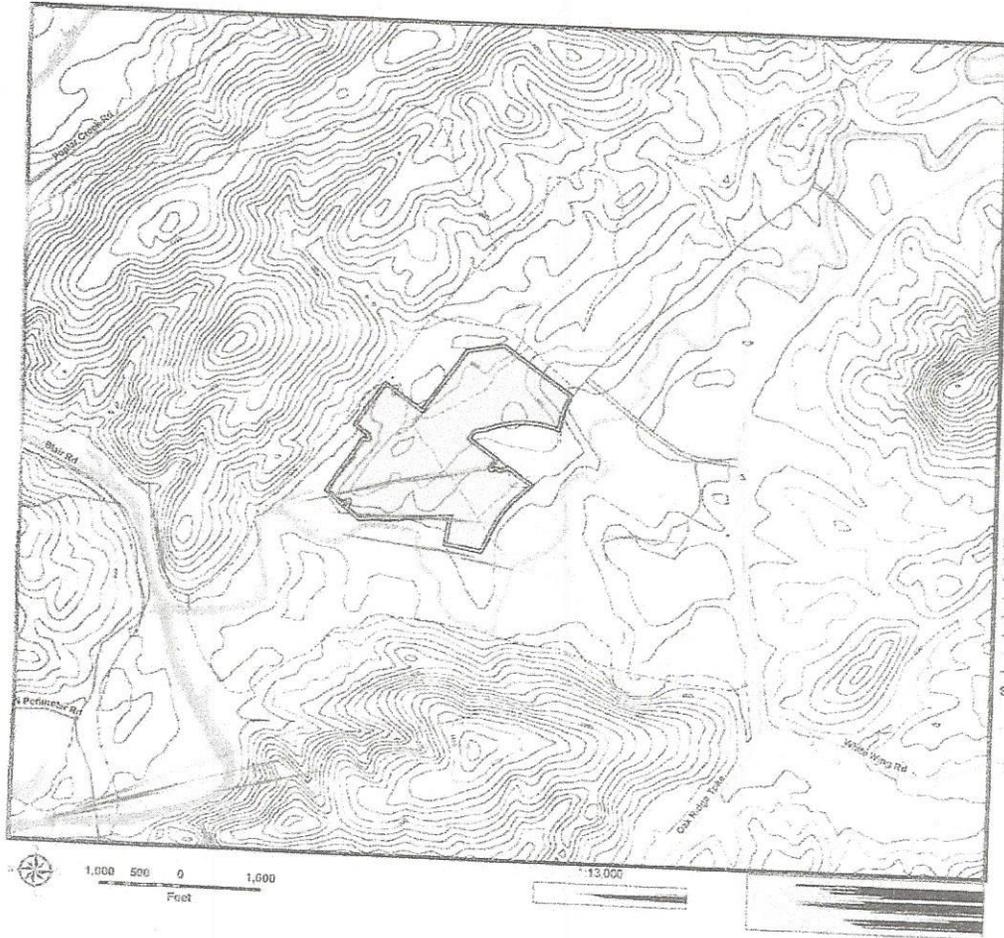
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**GRANTEE:**

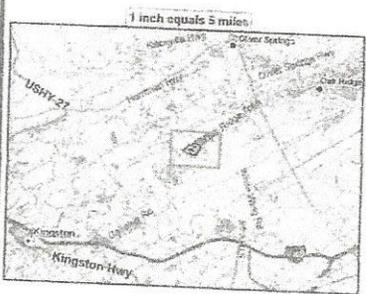
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Name: \_\_\_\_\_

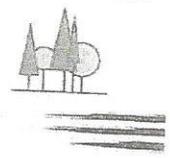
Title: \_\_\_\_\_



**Property Map**  
 Tract Name: IDB  
 County, State: Roane, TN  
 Total Acres (±): 95



- Legend**
- |                      |                        |
|----------------------|------------------------|
| <b>Roads</b>         | <b>Water Bodies</b>    |
| --- Interstate       | ▨ Lake/Pond            |
| --- US Highway       | ▨ Swamp/Marsh          |
| --- State Highway    | • County Seat          |
| --- Street Road      | ○ City                 |
| --- Woods Road/Trail | ▭ IDB Timber Sale Area |
| --- Ferry Crossing   |                        |
| --- Railroad         |                        |
| <b>Stream</b>        |                        |
| --- Perennial        |                        |
| --- Interim/Inter    |                        |
| --- Artificial Path  |                        |
| --- Ditch/Canal      |                        |



### **Exhibit B --Timber Security Procedures**

Prior to harvesting activity, Owner's Consultant, American Forest Management, Inc. (AFM) shall issue to the Buyer sequentially number serialized Load Tickets and Weekly Haul Sheets. Buyer shall use the Load Tickets and Weekly Haul Sheets to document the removal of all loads as described with this Exhibit B. Buyer shall acquire additional load tickets from AFM as necessary to fulfill the stipulations herein.

Load Tickets will be used by the Grantee in ascending numerical order and will be completed and assigned to each load when and where the load is created. The Load Tickets are two parts and can be torn in half on the perforation in the middle of the ticket. The top half of the ticket is stapled to the rear of the load. The bottom half of the ticket is to be carried by the truck driver and filled out identifying the sale and logger the load originated from. The scale ticket received at the market for the load shall be stapled to the ticket after delivery. The scale tickets or copy of the scale tickets, Load Tickets and Weekly Haul sheets will be delivered to AFM with the weekly settlements.

All loads will be recorded on the Weekly Haul Sheets in indelible ink immediately after being loaded and prior to any movement away from the loader. The Weekly Haul Sheet is to be kept on site and available for inspection by Seller or AFM at all times during ongoing harvest operations. Scale ticket number and net weight will be recorded on the Weekly Haul Sheet as soon as possible after the delivery of the load. With approval from AFM, Cutter may substitute the Weekly Haul Sheet with its own document as long as it includes, at minimum, the information on the Weekly Haul Sheet.

**All unused Load Tickets must be returned to AFM.**

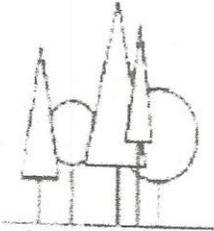
**Failure to return or properly account for all Load Tickets will result in a penalty of \$50.00 per Load Ticket deducted from the Cutter's performance bond deposit.**

**Failure to properly account for a load will result in the value of a load of the highest reasonable product value per this Timber Cutting Contract being deducted from the Cutter's performance bond deposit. Proper accounting procedures requires a minimum that:**

1. Load tickets are properly stapled to each load.
2. Scale tickets are provided for each load. Load Ticket sheets are attached to the scale ticket or Load Ticket numbers are recorded on the scale sheet.
3. All information, including the scale ticket number and Load Ticket number, are correctly recorded on the weekly haul sheet. Buyer shall make allowance for the absence of the scale ticket and weight on the weekly load sheet for loads in transit at the time of the cutoff for weekly settlements.



Exhibit B

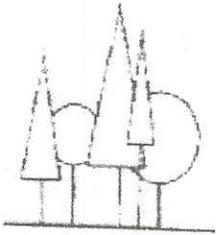


**American Forest Management, Inc.**

103 Barrie Lane  
Kingston, Tennessee 37763  
(865) 248-8315

**TAG # 3402**

Staple this tag to rear of load, driver side.  
Tag must remain with load throughout transit.



**American Forest Management, Inc.**

103 Barrie Lane  
Kingston, Tennessee 37763  
(865) 248-8315

**TAG # 3402**

Sale \_\_\_\_\_

Logger \_\_\_\_\_

**Instructions**

Driver carry this tag and deliver to scale house for attachment to weight ticket. Return weight ticket and tag to loader-man for pick up by AFM forester.

# Oak Ridge HARDWOODS, INC.

EXHIBIT C

Oct 28 2016 10:38 P001/001  
 Phone: 865-435-0054  
 Fax: 865-435-2378  
 Hours: Mon-Thurs 8:00-4:00  
 Friday 8:00 - Noon

SPECIES	GRADE	PRICE/M	Effective: #	8/19/2016
RED OAK, CHERRY,	SUPER PRIME	\$800.00		
WALNUT, HARD	PRIME 1	\$700.00	SELECT 1	\$550.00
MAPLE	PRIME 2	\$600.00	SELECT 2	\$500.00
	1	\$350.00		
	2	\$300.00		
	3	\$100.00		
WHITE OAK	PRIME 1	\$850.00		
	PRIME 2	\$750.00	SELECT 1	\$650.00
	STAVE	\$600.00	SELECT 2	\$550.00
	1	\$450.00		
	2	\$350.00		
	3	\$100.00		
CHESTNUT OAK	PRIME 1	\$700.00		
	PRIME 2	\$650.00	SELECT 1	\$550.00
	1	\$350.00	SELECT 2	\$450.00
	2	\$300.00		
	3	\$100.00		
Poplar	SUPER PRIME	\$450.00		
	PRIME 1	\$400.00		
	PRIME 2	\$350.00		
	1	\$300.00		
	2	\$200.00		
	3	\$100.00		
ASH	PRIME 1	\$450.00		
	1	\$350.00		
	2	\$200.00		
	3	\$100.00		
SOFT MAPLE	Prime	\$300.00		
	1	\$250.00		
	2	\$200.00		
	3	\$100.00		
HICKORY	Prime	\$450.00		
	1	\$350.00		
	2	\$250.00		
	3	\$100.00		

PEELERS (17'6") (10" Minimum Diameter) Poplar \$300.00
--

- Logs are measured from the small end diameter, on the Doyle Log Scale.
- All logs should be trimmed at least 4" over with all large knots or branches trimmed flush. Logs should be a minimum of 10" diameter on the small end.
- White Oak, Hickory, and Misc species should be cut no shorter than 10'.

Grade	Min Diameter/Min Length Specifications
Super Prime	18"/14'
Prime 1	18"/12' (20" min diameter for Poplar)
Prime 2	15"/10'
Select 1	16"/10'
Select 2	15"/10'
#1	14"/8'

# EXHIBIT B

**AMENDMENT NUMBER FIVE PREPARED BY:**

Kenneth R. Krushenski, of Counsel to:  
The Industrial Development Board of the City of Oak Ridge, Tennessee  
1400 Oak Ridge Turnpike  
Oak Ridge, TN 37830

**AMENDMENT NUMBER FIVE (5) TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF THE HORIZON CENTER**

WHEREAS, THIS AMENDMENT NUMBER FIVE TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HORIZON CENTER (Amendment No 5) is made and entered into as of the 7<sup>th</sup> day of November 2016 by The Industrial Development Board, of the City of Oak Ridge, Tennessee, a not -for- profit Corporation.

WHEREAS, AT ITS MEETING ON NOVEMBER 7, 2016 THE INDUSTRIAL DEVELOPMENT BOARD (IDB) APPROVED A RESOLUTION AMENDING THE DECLARATION OF COVENANTS AND RESTRICTIONS AT ARTICLE VI, SECTION 6.3, TO CHANGE HOW COMMON AREA MAINTENANCE COSTS ARE ASSESSED AND BILLED TO OWNERS AND OCCUPANTS.

NOW, THEREFORE, ARTICLE VI, SECTION 6.3 is hereby amended and shall read as follows:

Article VI, Section 6.3

Assessment of Maintenance Charges. For each fiscal calendar year, Declarant shall estimate the Development Costs and each Owner's or Occupant's pro rata share thereof, and each Owner or Occupant shall pay the total amount of each estimated share within thirty (30) days of receipt of the written notice. The pro-rate share shall commence on the first day of July following the date in which such Owner or Occupant acquires a Building Site.

In the event of a large, unexpected maintenance cost, a special assessment may be made if so authorized by Declarant.

**Prior Deed References for Amendment Five** - Miscellaneous Book N-22, page 162 (Roane Co., TN), See also Book 1377, page 467; Book 1487, page 815; and Book 1564, page 917.

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I, or we, hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$ EXEMPT, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

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Affiant

Sworn to and subscribed to me, this the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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Notary Public

My Commission expires: \_\_\_\_\_.

Name of person or agency responsible for the payment of the real property taxes:

Name EXEMPT Address \_\_\_\_\_

IN WITNESS WHEREOF, The Industrial Development Board of the City of Oak Ridge, Tennessee has caused the Amendment to be executed by a duly authorized representative as of day and year first written.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE, TENNESSEE

By: \_\_\_\_\_

Name: David E. Wilson

Title: Chairman

STATE OF TENNESSEE )

)

COUNTY OF ANDERSON )

Personally appeared before me, a Notary Public, DAVID E. WILSON, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Chairman of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE, TENNESSEE, the within named bargainor, a public corporation, and that he as such Chairman executed the foregoing instrument for the purpose therein contained.

WITNESS my hand and seal, this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_