

State of Tennessee
County of Henry..

Be it remembered that the County Commission met in a regular session at the Courthouse in Henry County, Tennessee on March 17, 2008 At 7:00 PM.

Present and Presiding the Honorable Brent Greer, Chairman, Jerry D. Bomar, Clerk, and the County Commissioners:

ITEM NO. 1 The meeting was called to order by Chief Deputy Gean.

ITEM NO. 2 The invocation was led by James Travis.

ITEM NO. 3 The pledge to the flag was led by Larry Watson.

ITEM NO. 4 Roll Call

The Clerk called the roll with the following present:

Earl Anderson, Dell Carter, Mitchell Evans, Bobby Freeman, Jeff Hamlin, Kenneth Humphreys, Don Jones, Paul Mathenia, Dan Paschall, James Travis, Randy Veazey, Mary Warren, Larry Watson, David Webb, Tim Wirgau

ITEM NO. 5 Citizen's Forum

Dewey Ealey- Asked that the nine(9) commissioners that voted for the safety Of the children last month watch the bus drivers and watch the safety of the Kids and also why the busses are not bought with seat belts for safety.

THE CHAIR CLOSED THE FORUM

ITEM NO. 6 Commissioner's Forum

Dan Paschall- Lot has been said about safety and busses and these will be running on some of the sorriest roads in the State and this needs to be thought about in regards to safety.

Lee Greer- Spoke and explained about the resolution passed in the February Meeting relative to the "Weston Hall Project" Attorney Greer explained that The property tax would not be automatically increased if the sales tax referendum failed.

Dell Carter – Stated that the impression left last month was that the property tax would go up if the Sales Tax failed.

THE CHAIR CLOSED THE FORUM

ITEM NO. 7 Economic Development and TRRA Activities

Carl Holder, Director of Henry County Alliance spoke to the report that was Presented to the Commissioners in their packet.

ITEM NO. 8 City of McKenzie Urban Growth

Carl Holder spoke regarding the recommendation of the 1101 Coordinating Committee request to extend the urban growth boundary in the City of McKenzie. No Action Taken

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, JERRY D. BOMAR, COUNTY CLERK
PARIS, TENNESSEE

A report was given by Mayor Greer on the Springville Utility District. A motion was Made by Commissioner Warren and seconded by Commissioner Mathenia that the Engineers take the necessary steps to complete Phase II which would entail spending up To \$7500.00 and this would make this District a separate entity.

ITEM NO. 9

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
ANDERSON, EARL					X			
CARTER, DELL					X			
EVANS, MITCHELL					X			
FREEMAN, BOBBY					X			
HAMLIN, JEFF					X			
HUMPHREYS, KENNETH					X			
JONES, DON					X			
MATHENIA, PAUL				X	X			
DAN PASCHALL					X			
TRAVIS, JAMES					X			
VEAZEY, RANDY					X			
WARREN, MARY			X		X			
WATSON, LARRY					X			
WEBB, DAVID					X			
WIRGAU, TIM					X			
TOTAL								

DATE : 03/17/2008

MOTION CARRIED

000037

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, JERRY D. BOMAR, COUNTY CLERK
PARIS, TENNESSEE

A motion was made by Mitchell Evans and seconded by Dell Carter that the consent Agenda be approved which consisted of the following:
Minutes of the February 19, 2008 meeting, Trustee's month end report, report of the Total revenue and property tax collections to date and the following notary publics:
Marie Puffer, Reba M. McKernan, Jennifer Starks, Linda Schatz, Bernice V. Hart

ITEM NO. 10

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
ANDERSON, EARL								
CARTER, DELL				X				
EVANS, MITCHELL			X					
FREEMAN, BOBBY								
HAMLIN, JEFF								
HUMPHREYS, KENNETH								
JONES, DON								
MATHENIA, PAUL								
DAN PASCHALL								
TRAVIS, JAMES								
VEAZEY, RANDY								
WARREN, MARY								
WATSON, LARRY								
WEBB, DAVID								
WIRGAU, TIM								
TOTAL								

DATE : 03/17/2008

VOICE VOTE CARRIED

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ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, JERRY D. BOMAR, COUNTY CLERK
PARIS, TENNESSEE

Commissioner Humphreys presented Resolution #1-3-08 authorizing certain changes in The budget for this fiscal year. A motion was made by Kenneth Humphreys and seconded by Jeff Hamlin to approve this resolution as presented.

ITEM NO. 11

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
ANDERSON, EARL					X			
CARTER, DELL					X			
EVANS, MITCHELL					X			
FREEMAN, BOBBY					X			
HAMLIN, JEFF				X	X			
HUMPHREYS, KENNETH			X		X			
JONES, DON					X			
MATHENIA, PAUL					X			
DAN PASCHALL					X			
TRAVIS, JAMES					X			
VEAZEY, RANDY					X			
WARREN, MARY					X			
WATSON, LARRY					X			
WEBB, DAVID					X			
WIRGAU, TIM					X			
TOTAL								

DATE : 03/17/2008

MOTION CARRIED

000000

RESOLUTION #1-3-08

**A RESOLUTION OF THE HENRY COUNTY, TENNESSEE BOARD OF
COMMISSIONERS TO AUTHORIZE CERTAIN CHANGES IN THE BUDGET
FOR THE HENRY COUNTY GENERAL FUND
FOR FISCAL 2007-2008**

WHEREAS, the Board of County Commissioners of Henry County, Tennessee at its July Regular Session, 2007, adopted the budget for the Henry County General Fund for fiscal 2007-2008; and,

WHEREAS, the said Board of County Commissioners of Henry County, Tennessee must authorize and approve any and all changes and amendments of the said budget of the Henry County General Fund; and,

WHEREAS, the expenditures authorized in the said budget of the Henry County General Fund will be insufficient in certain line items with funds being available for transfer; and,

WHEREAS, it is necessary and appropriate that the said budget of the Henry County General Fund be amended to provide additional funds for certain line items.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Henry County, Tennessee assembled in regular session on this the 17th day of March 2008, a majority or more of said membership concurring, that the budget for the Henry County General Fund be and hereby is amended as follows, to-wit:

COUNTY TRUSTEE

INCREASE ACCOUNT 52400-337, entitled "Maintenance & Repair – Equipment," in the amount of \$1,200.00

DECREASE ACCOUNT 39000, entitled "Unappropriated Fund Balance," in the amount of \$1,200.00

Please see emergency accounts payable request from Trustee David Stone.

SHERIFF'S DEPARTMENT AND JAIL

INCREASE ACCOUNT 54110-425, entitled "Gasoline," in the amount of \$20,000.00

DECREASE ACCOUNT 39000, entitled "Unappropriated Fund Balance," in the amount of \$20,000.00

Please see attached memo from Sheriff Monte Belew regarding this request.

HEALTH DEPARTMENT

INCREASE ACCOUNT 55110-410, entitled "Custodial Supplies," in the amount of \$1,000.00


DECREASE ACCOUNT 55110-413, entitled "Drugs & Medical Supplies," in the amount of \$1,000.00

Please see attached letter from Director Tracy Byrd regarding this request.

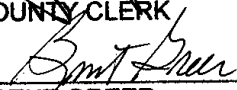
BE IT FURTHER RESOLVED that a true copy of this Resolution be spread upon the Commission record of this date.

PASSED 3-17-08


BRENT GREER, CHAIRMAN
HENRY COUNTY COMMISSION


JERRY D. BOMAR
COUNTY CLERK

APPROVED 3-17-08


BRENT GREER
COUNTY MAYOR



OFFICE OF THE COUNTY MAYOR
BRENT GREER

County of Henry

COURTHOUSE

PARIS, TENNESSEE 38242

PHONE (731) 642-5212

FAX (731) 642-6531

EMAIL: b.greer@charterinternet.com

February 26, 2008

TO: Honorable Henry County Commissioners

Please be advised that, pursuant to Tennessee Code Annotated, I have hereby authorized the following transfer to be made within the General Fund, effective February 26, 2008:

Increase Revenue Account 46980, entitled, "Other State Grants," in the amount of \$40,000.00

Increase Account 54310-499, entitled, "Other Supplies & Materials," in the amount of \$25,000.00

Increase Account 55190-599, entitled, "Other Charges," in the amount of \$15,000.00

This transfer is to put in the budget revenue for two state grants and to pay the grants to the volunteer fire departments (\$25,000) and the Henry County Youth Shooting Program (\$15,000).

Sincerely,

Brent Greer
County Mayor

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, JERRY D. BOMAR, COUNTY CLERK
PARIS, TENNESSEE

A motion was made by Dan Paschall and seconded by Dell Carter to approve Resolution #2-3-08 establishing a "Victims Assistance Fee"

ITEM NO. 12

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
ANDERSON, EARL					X			
CARTER, DELL				X	X			
EVANS, MITCHELL					X			
FREEMAN, BOBBY					X			
HAMLIN, JEFF					X			
HUMPHREYS, KENNETH					X			
JONES, DON					X			
MATHENIA, PAUL					X			
DAN PASCHALL			X		X			
TRAVIS, JAMES								X
VEAZEY, RANDY					X			
WARREN, MARY					X			
WATSON, LARRY					X			
WEBB, DAVID					X			
WIRGAU, TIM					X			
TOTAL					14			1

DATE : 03/17/2008

MOTION CARRIED

000043

RESOLUTION NO. 2-3-08

**A RESOLUTION OF THE HENRY COUNTY, TENNESSEE BOARD
OF COMMISSIONERS TO ESTABLISH A "VICTIMS ASSISTANCE
FEE"**

WHEREAS, Tennessee Code Annotated 40-24-109, allows for any county legislative body to establish a "victims assistance assessment" of forty-five dollars (\$45.00) to fund a program which assists victims of crime; and

WHEREAS, this assessed fee will be collected from any person who:
A) enters a plea of guilty; B) is found guilty by a judge or jury; C) enters a plea of nolo contendere; D) enters a plea pursuant to any of the diversionary sentencing statutes to any criminal offense described in subsection (d); E) is found guilty, or enters a plea of guilty or nolo contendere to the offense of attempting or conspiring to commit any such offense; F) is found to be criminally responsible as principal for the commission of any such offense; (d) except as provided in subsection (e), the provisions of subsection (c) shall apply to any conduct made criminal by the laws of this state.

(e) This section shall not apply to: (1) crimes for which the law imposes as a maximum possible punishment a fine of less than five hundred dollars (\$500) and no imprisonment; and (2) violations of the motor vehicle laws except driving under the influence of an intoxicant as prohibited by § 55-10-205, where the reckless driving was proximately caused by the use of an intoxicant; (f) whether a person convicted of a crime is exempted from payment of the assessment imposed by this section shall be determined by the offense for which such person was convicted and the maximum possible sentence authorized by law for such person actually receives; (g) (1) the victims assistance assessment shall be subject to the provisions of § 8-21-401 and shall be in addition to all other taxes, costs, and fines; and

WHEREAS, The Exchange Club-Carl Perkins Center serves child victims of severe sexual and physical abuse by offering services such as forensic interviews, court preparation, and victims advocacy; and

WHEREAS, The Exchange Club-Carl Perkins Center requests to become the designated recipient of this fee. The Center shall receive forty-two dollars (\$42.00) for the forty-five dollars (\$45.00) collected with a three dollar (\$3.00) fee for processing and handling going to the court clerk; and

WHEREAS, this resolution shall take effect immediately upon its passage, pursuant to Tennessee Code Annotated 40-24-109.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Henry County, Tennessee, meeting in regular session this 17th day of March, 2008, a majority or more of the membership concurring, that the Court Clerk of Henry County, Tennessee be authorized to collect the forty-five dollars (\$45.00), as afore mentioned, establishing the "Victims Assistance Fee," and distribute forty-two of those dollars (\$42.00) to The Exchange Club-Carl Perkins Center.

BE IT FINALLY RESOLVED that a true copy of this Resolution be spread upon the Commission record of this date.

PASSED 3-17-08


BRENT GREER, CHAIRMAN
HENRY COUNTY COMMISSION


JERRY D. BOMAR
COUNTY CLERK

APPROVED 3-17-08


BRENT GREER
HENRY COUNTY MAYOR

CHAPTER NO. 627

SENATE BILL NO. 1764

By Curtis S. Person, Jr., Herron, Norris, Ford, Cohen, Kyle, Bowers, Jackson

Substituted for: House Bill No. 1360

By John Deberry, Sargent, Pleasant, Todd, DuBols

AN ACT to amend Tennessee Code Annotated, Title 40, Chapter 24, relative to services to victims of crime.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 40, Chapter 24, is amended by adding the following language as a new, appropriately designated section:

§ 40-24-109.

(a) The county legislative body of any county may elect to establish a program to assist victims of crime, their families and survivors or to provide funding or additional funding for an existing program established to assist victims. The type of programs for which this section may be utilized includes rape crisis centers, domestic violence shelters, victim of crime hotlines and information programs, individual, group and family counseling services, crisis intervention programs, support groups and other similar programs designed to assist victims of crime, their families or survivors.

(b) (1) If a county legislative body elects to establish or fund a program as authorized by this section, it shall, at the time of such election, designate the program for which the assessment provided in subsection (c) will be used.

(2) No assessment authorized by subsection (c) shall be collected or transmitted until the county legislative body has elected to utilize this section and has designated the victim of crime program for which it will be dedicated.

(c) The clerks of all courts of general sessions, circuit and criminal courts, municipal courts exercising general sessions court jurisdiction and any other court exercising similar criminal jurisdiction shall collect a "victims assistance assessment" in the sum of forty-five dollars (\$45.00) from any person who:

- (A) Enters a plea of guilty;
- (B) Is found guilty by a judge or jury;
- (C) Enters a plea of nolo contendere;
- (D) Enters a plea pursuant to any of the diversionary sentencing statutes to any criminal offense described in subsection (d);

(E) is found guilty, or enters a plea of guilty or nolo contendere to the offense of attempting or conspiring to commit any such offense; or

(F) is found to be criminally responsible as principal for the commission of any such offense.

(d) Except as provided in subsection (e), the provisions of subsection (c) shall apply to any conduct made criminal by the laws of this state.

(e) This section shall not apply to:

(1) Crimes for which the law imposes as a maximum possible punishment a fine of less than five hundred dollars (\$500) and no imprisonment; and

(2) Violations of the motor vehicle laws except driving under the influence of an intoxicant as prohibited by § 55-10-401, or reckless driving as prohibited by § 55-10-205, where the reckless driving was proximately caused by the use of an intoxicant.

(f) Whether a person convicted of a crime is exempted from payment of the assessment imposed by this section shall be determined by the offense for which such person was convicted and the maximum possible sentence authorized by law for such offense rather than the sentence such person actually receives.

(g) (1) The victims assistance assessment shall be subject to the provisions of § 8-21-401 and shall be in addition to all other taxes, costs, and fines. The first three dollars (\$3.00) of each such assessment shall be paid to the clerk of the court imposing the assessment for processing and handling. The remaining forty-two dollars (\$42.00) shall be transmitted to the county in which the offense occurred for the exclusive use of the victims assistance program previously designated by the county legislative body.

(2) Upon transmittal to the victims program in such county, all funds collected pursuant to this section shall be used to defray the costs of providing the services to victims of crime designated by the program's mission statement and guidelines.

SECTION 2. For the purpose of a county establishing or designating a victim assistance program and approving the victims assistance assessment as authorized by this act, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, it shall take effect upon the approval and program designation of each county.

Chapter No. 627]

PUBLIC ACTS, 2006

3

PASSED: April 26, 2006


JOHN B. WILDER
SPEAKER OF THE SENATE


JIMMY NAPER, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 12th day of May 2006


PHIL GREBESSEN, GOVERNOR

000048

Resolution Fact Sheet

- Passed in May, 2006 by Tenn Legislation
- Tenn Annotated 40-24-109
- \$45.00 victims assistance fee
- \$3.00 retained by clerk for processing
- \$42.00 going toward serving citizens/victims from Co. (strictly for _Henry_ Co. residents)
- Pass through funds, no effect on budget
- Only assessed to those convicted, entering a plea of guilty, or no contest of a crime that imposes a fine over \$500 and possible imprisonment

Services Offered by the Exchange Club-Carl Perkins Center

- Forensic Interviews
- Victims Advocacy
- Child Protective Investigative Team (CPIT) classification
- Parenting Education Classes
- 24-Hour Hotline
- Case management

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, JERRY D. BOMAR, COUNTY CLERK
PARIS, TENNESSEE

.Resolution #3-3-2008 was presented to give authority to execute a construction agreement and lease with Skykits USA Corporation. A motion was made by Paul Mathenia and seconded by Jeff Hamlin to approve this resolution as presented.

ITEM NO. 13

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
ANDERSON, EARL					X			
CARTER, DELL					X			
EVANS, MITCHELL					X			
FREEMAN, BOBBY					X			
HAMLIN, JEFF				X	X			
HUMPHREYS, KENNETH					X			
JONES, DON					X			
MATHENIA, PAUL			X		X			
DAN PASCHALL					X			
TRAVIS, JAMES					X			
VEAZEY, RANDY					X			
WARREN, MARY					X			
WATSON, LARRY						X		
WEBB, DAVID					X			
WIRGAU, TIM						X		
TOTAL					13	2		

DATE : 03/17/2008

MOTION CARRIED

010050

RESOLUTION No. 3-3-08

A RESOLUTION OF THE HENRY COUNTY, TENNESSEE, BOARD OF COMMISSIONERS TO GIVE AUTHORITY TO EXECUTE A CONSTRUCTION AGREEMENT AND LEASE WITH SKYKITS USA CORPORATION

WHEREAS, The County and Skykits USA Corporation (ACompany≡) have negotiated an Agreement concerning the construction of a building and the Lease thereof to the Company. The building will be constructed on a portion of land of the Henry County Airport. The land and the building to be constructed thereon will be used by the Company for the manufacture of certain goods related to the aviation industry, and

WHEREAS, this Board of Commissioners does find it to be in the best interest of the citizens of Henry County that the County enter into this Construction Agreement and Lease so as to enhance employment opportunities for the citizens of the County, and,

WHEREAS, it is necessary for this Board of Commissioners to give authority to the County Mayor to execute the Construction Agreement, and thereafter, a Lease for the purposes above expressed.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Henry County, Tennessee, assembled in regular session on this the 17th day of March, 2008, a majority or more of the membership concurring that:

1. The County Mayor is authorized to sign, on behalf of the County, the Construction Agreement between the County and the Company, a copy of which is attached to this Resolution.

2. The County Mayor is authorized to agree to any amendments or changes in the final form of this Construction Agreement consistent with the original Agreement as above expressed.


. The County Mayor is authorized to execute, on behalf of the County, a Lease providing substantially for the Company to lease the building as constructed for a period of fifteen (15) years with there being no rental charge for the first year of occupancy, and the rental payment for the remaining fourteen

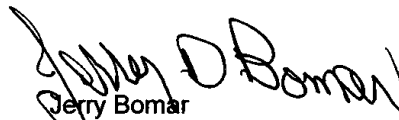
(14) years of the lease to be an amount sufficient to amortize the construction costs and interest thereon over the last fourteen (14) years of the lease.

4. The County Mayor is authorized to agree to any amendments or changes in the final form of this Lease consistent with the original Agreement as above expressed.

BE IT FINALLY RESOLVED that a true copy of this Resolution be spread upon the Commission record of this date.

PASSED 3-17-08


Brent Greer, Chairman
Board of Commissioners


Jerry Bomar
County Clerk

APPROVED 3-17-08


Brent Greer
County Mayor

000052

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is made and entered into in Paris, Henry County, Tennessee, this ____ day of _____, ____ by and among The

County of Henry ("County"), Tennessee, Skykits USA Corporation, a Montana Corporation ("Company"), and Eric B. Giles ("Guarantor")

RECITALS:

A. Henry County, Tennessee, has set aside a parcel of land at the Henry County Airport for industrial development purposes; and

B. The County and the Company have entered into agreements whereby the Company will lease the land from the County, and, in connection therewith, the Company has agreed to oversee the construction of a manufacturing facility as agent for the County; and

C. The Company anticipates entering into Construction Contracts with the "Contractors" (hereafter defined) whereby the Contractors will construct a manufacturing plant facility and other improvements on the Land in accordance with specifications approved by the Company, and the County, and in order to fund the construction of the improvements, the County has arranged one of more loans or grants, the proceeds of which will be sufficient for paying the costs of construction of the manufacturing facility improvements on the land;

D. The parties desire to enter into this Agreement for the purpose of defining the rights and obligations of the County and the Company in connection with the construction of the plant facility and the right of the Company to utilize the County funds for the purpose of paying the costs of such construction, and other matters as set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter provided, it is agreed as follows:

ARTICLE I
DEFINITIONS

As used in this Agreement, the following words have the definitions indicated below unless context clearly requires otherwise:

- 1.01. "Agreement" means this Construction Agreement, including all appendices hereto.
- 1.02. "County" means Henry County, Tennessee.
- 1.03. "County Loans" means the loans to the County in aggregate amounts not to exceed \$960,000.00, the proceeds of which shall constitute a part of the Funds.
- 1.04. "Budget" means a written schedule of the construction costs and the non-construction costs as estimated by the Company for completion of the Improvements.
- 1.05. "Business Day" means any weekday, except holidays for which the County government offices of Henry County, Tennessee are closed.
- 1.06. "Company" means SKYKITS USA CORPORATION, a Montana Corporation.
- 1.07. "Completion Date" means on or prior to _____.
- 1.08. "Construction Contract" means that contract for construction of the Improvements, and any approved change orders or modifications thereof, entered into between the Company and Contractors.
- 1.09. "Construction Fund" or "Fund" has the meaning assigned in Section 2.01 hereof.
- 1.10. "Construction Inspector" means such person or firm designated by the Company and the County to inspect construction in progress as performed by the Contractors.

- 1.11. "Contractor" means any firm, contractor, sub-contractor or individual which the Company hires to do work on the facility.
- 1.12. "Environmental Laws" means any and all federal, state, regional, county, or local laws, statutes, rules, regulations or ordinances in any manner relating to public health, safety and the environment, and with respect to all of which, whether now in force or hereafter enacted.
- 1.13. "Fund Documents" means this Agreement and any and all appendices and any related document or instrument executed by the Company pursuant to this Agreement, including the Construction Contract.
- 1.14. "Improvements" means all site work, buildings, paved parking areas, and utilities to be constructed on the Land.
- 1.15. "Land" means the real estate described in Appendix I hereto.
- 1.16. "Lease" means that certain Industrial Lease Agreement of even date herewith between the County and the Company.
- 1.17. "Obligations" means the duty of the Company to comply with all terms, provisions and covenants as required to be performed by the Company under this Agreement and the Fund Documents.
- 1.18. "Plans" means those drawings, plans and specifications for the construction of the Improvements agreed upon between the Company, the County and the Contractors, and all approved amendments, change orders and modifications thereof.
- 1.19. "Project" means collectively the Land and the Improvements.
- 1.20. "Total Project Costs" means and includes the cost of construction of the Improvements pursuant to the Construction Contract and Budget (including architectural and engineering fees, if any) and the costs of other improvements to the Land as determined by the Company and the County.

ARTICLE II
CONSTRUCTION FUND

- 2.01 Construction Fund. The County agrees to establish the Construction Fund (herein the "Fund" or "Construction Fund") in the principal amount of \$960,000.00. The Fund shall be established by the proceeds of the County Loans.
- 2.02 Use of Fund Proceeds. All advances to the Company under the Fund shall be used only for the purpose of paying the cost of the Improvements constructed in accordance with the Plans and pursuant to the Construction Contracts; and for other non-construction soft costs as set forth in the Budget attached hereto as **Appendix II**.
- 2.03 "Excess Costs". To the extent the Total Project Costs become in excess of the Fund, the Company will pay all such excess costs.

ARTICLE III
CONDITIONS PRECEDENT TO DISBURSEMENT OF
CONSTRUCTION FUND PROCEEDS

The County shall not be obligated to disburse any proceeds of the Construction Fund unless and until all conditions or requirements of this Article have been satisfied or met by the Company. The County may waive any one or more conditions or requirements as the County shall determine its sole and absolute discretion, provided, however, the County's making of any advance to the Company under the Construction Fund shall not be considered or deemed a waiver of any condition or requirement with respect to any request by the Company for a future advance under the Construction Fund, unless the County specifically so agrees in writing.

- 3.01 Documents. Concurrently with the execution of this Agreement, the Company shall execute, deliver or otherwise provide the County with the following documents in form and substance satisfactory to the County:
- a. Industrial Lease. The County shall be in receipt of the Lease.

- b. Insurance Certificates. The County shall have received certificates of insurance evidencing the required insurance coverage's applicable to the Project and the Company, as set forth in Article IV of this Agreement. Such certificates of insurance shall be attached hereto as Appendix III.
- c. Corporate Agreement. The County shall be in receipt of a corporate resolution from the Company authorizing the Lease and this Agreement. The afore described resolution shall be attached hereto as Appendix IV.
- d. Other Documentation. The Company shall furnish to the County such other Fund documentation as the County shall reasonably request.

ARTICLE IV
INSURANCE

4.01. Insurance During Construction. During construction of the Improvements the following insurance policies shall be maintained in force:

- a. The Improvements and all related construction equipment, supplies and materials shall be insured against "all risks of physical loss," including collapse and transit coverage, under a builder's risk insurance policy in completed value form. The deductible under said policy shall not exceed \$5,000.00. The provisional values stated in said policy shall be not less than the amount of \$960,000.00, and said policy shall contain the "permission to occupy upon completion of work" endorsement.
- b. The employees of the Contractors and all subcontracted employees employed with respect to the Project shall be covered by worker's compensation insurance in such amounts as the law requires.
- c. Public liability insurance shall be maintained covering the acts of the Company, the Contractors, subcontractors, and their employees. Such policy shall insure against all claims for

personal injury and death on an occurrence basis in an amount not less than \$1,000,000.00 per occurrence.

- 4.02. Insurance After Construction. The Company will comply with the insurance requirements under the Lease upon the substantial completion of the Improvements:
- 4.03. Insured Mortgage. All required policies of insurance shall name the County as an additional insured and name the County's Lender as insured first mortgagees under a non-contributing mortgagee clause acceptable to the County. Said policies shall also provide that they will not be cancelled or the coverage there under reduced or restricted in any way without the County being given at least twenty (20) days prior written notice.
- 4.04. Delivery of Policies, Payment of Premiums. All required policies of insurance shall be issued by companies and in amounts, form and substance satisfactory to the County. The Company shall furnish the County with copies or certificates of all required insurance policies. At least thirty (30) days prior to the expiration of each such policy, the Company shall furnish the County with evidence satisfactory to the County of the insurer's agreement to reissue said policy and of the payment of the premium for re-issuance. If the Company fails to maintain and furnish to the County the policies of insurance required by this Article, the County may obtain such insurance or single-interest insurance for such risks covering the County's interest and that of the County's Lender. All expenses incurred by the County in obtaining such insurance shall be deemed additional advances for the benefit of the Company from the Construction Fund.
- 4.05. Insurance Proceeds. The Company agrees to give the County prompt written notice of any casualty to the Project. The proceeds of any insurance policy pertaining to the Project shall be paid directly to the County, which may apply said proceeds to the restoration of the Improvements, or (iii) to the Company with or without restrictions. The Company hereby directs all issuers of insurance policies relating to the Project to pay all amounts due there under directly to the County and the Company hereby appoints the County as the Company's attorney-in-fact to receive any sums due under insurance policies concerning the Project to endorse any drafts or instruments received under such policies, and to

make proof of loss for, settle, and give binding acquaintances for claims under such policies.

- 4.06. Assignments of Policies Upon Foreclosure. If all or part of Project is sold at foreclosure, all policies of insurance pertaining to the Project and then in force shall pass to the purchaser at such sale.

ARTICLE V
DISBURSEMENTS OF FUND PROCEEDS

- 5.01. Disbursement Requests. The administration of disbursements under the Fund shall be conducted according to the following:

- a. Form and Delivery Request. Disbursement requests shall be submitted in writing on forms prepared or approved by the County.
- b. Frequency and Amount of Disbursements. The County shall not be obligated to make disbursements more frequently than monthly. The Company shall request no disbursement (except the initial and final disbursement) for an amount less than \$25,000.00
- c. Additional Documents. The County may require that affidavits, certificates, receipts or other written evidence satisfactory to the County of any or all of the following be submitted with disbursement requests:
 - i. The percentage of completion of the Improvements and the value of the Improvements already completed;
 - ii. That all claims for labor and materials provided on or for the Project have been paid, except for those claims that would be paid from the requested disbursement;
 - iii. That there are no liens against the Project except for those in favor of the County or Lender, liens for current property taxes, or unrecorded

mechanic's and material men's liens subordinate to the interest of the County or Lender;

- iv. That the Company is not in default under any Fund Document pertaining to the Obligations;
- v. That all construction has been performed in accordance with Plans;
- vi. That all funds previously disbursed by the County have been applied directly to the costs of construction of the Improvements in accordance with the Budget or to the payment of other costs permitted under this Agreement, allocated as represented in the disbursement requests submitted to the County;
- vii. That the amount of undisbursed Fund proceeds is sufficient to pay the costs of completing the Improvements in accordance with the Plans and within the Budget; and
- viii. Such other matters as the County may reasonably require.

5.02. Conditions Precedent to Disbursements. The County's obligation to disburse Proceeds of the Fund are subject to the following conditions:

- a. Truth of Warranties. All warranties and representations made herein and in the other Fund Documents must be true as of the date of the submission of the disbursement request.
- b. No Default. The Company must not be in default under this Agreement or under any other of the Fund Documents. The Company's submission of a request for disbursement shall constitute the Company's warranty hereunder that no default exists under this Agreement or under any of the Fund Documents as of the date of the request.

- c. Disbursement Documentations. The County must be satisfied that the requirements stated in this Article have been satisfied.
- d. Compliance with Budget. The requested disbursement must not cause any expense itemized in the Budget to exceed its budgeted amount.
- e. Deposit of Funds Advanced. Immediately upon receipt of Fund proceeds, the County will deposit all such proceeds advanced by the County in a separate and exclusive account to be withdrawn and used solely for the purposes specified in the disbursement request.
- f. Advances Do Not Constitute a Waiver. No advance of the proceeds of the Fund shall constitute a waiver of any of the conditions of the County's obligation to make further advances. There shall be no obligation upon the County to disburse hereunder if, at the time of the request of disbursement, the Company is in default or has failed to perform any material provision of this Agreement or as contained in any of the Fund Documents.
- g. Balance of Fund Insufficient. If at any time during the course of construction, the County determines or finds, in its reasonable discretion, that the percentage of total moneys advanced from the Fund do not bear a reasonable relationship to the percentage completion of the Improvements, or if the balance of the Fund is at any time insufficient, in the opinion of the County, to complete the Improvements, then the County shall be under no obligation to provide additional advances from the Fund; and the County, at its discretion, may require the deposit of additional funds by the Company as may be necessary, together with the remaining Fund proceeds, to complete the construction of the Improvements. The County shall give the Company notice of such facts or findings, and the Company shall have thirty (30) days from the date of such notice to bring the Improvements into compliance with the County's requirements (without the use of additional moneys from draws against the Fund) or deposit such amounts with the County as the County may deem appropriate as additional

deposits to the Fund. Failure on the part of the Company to bring the Project into compliance with the requirements of this section shall constitute an Event of Default hereunder, as defined in Section 7.01 hereof.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENANTS

As an additional inducement for the County to enter into this Agreement, the Company represents and warrants to the County and covenants with the County as follows:

- 6.01. Access to Property. The Company agrees to give the County's agents and independent contractor's access to the Project at all times for the purpose of inspecting the progress of construction of the Improvements. Any inspection conducted on behalf of the County shall be for the County's benefit alone, and the County's continued funding of construction after any inspection does not imply that the County has determined or assured that the Improvements are being constructed in a safe manner or in accordance with the Plans.
- 6.02. Commencement of Construction. The Company represents that no visible commencement of construction operations has yet occurred on the Land, and that no such operations will be allowed on the Land until the County's construction mortgage in favor of the County's Lender has been duly recorded in the Register's Office for Henry County, Tennessee.
- 6.03. Utilities. The Company is satisfied that adequate utility services for water, sewerage, electricity, gas, and telephone services are available at the Project site and sufficient for its anticipated uses of the Project.
- 6.04. No Off-Site Construction. The Company represents that the construction of the Improvements and the operation thereof when completed does not require the construction of any sewer lines, water detention ponds, sewage treatment plants, roads, or other improvements that will not be located on the Land.

- 6.05. Adequacy of Budget. The Company warrants that the Budget provides sufficient funds to complete construction of the Improvements according to the Plans, or that
- 6.06. Commencement and Completion of Construction. The Company agrees to commence planning for construction of the Improvements within 30 days after the date of this Agreement, and to diligently pursue such construction of the facility to completion on or before the Completion Date in one continuous operation.
- 6.07. Books and Records. The Company covenants to maintain complete and accurate books and records reflecting all items of income and expense in connection with the construction of the Project. The Company agrees to make its books and records available to the County for inspection upon request.
- 6.08. Notification of Claims by Subcontractors and Materialmen. The Company agrees to give the County prompt written notice if the Company receives written notice from the Contractors, any laborers, subcontractors or material men to the effect that such party has not been paid when due for any labor or materials furnished in connection with the construction of the Improvements.
- 6.09. No Violation of Laws; Permits. The Company warrants that the construction and operation of the Improvements will not violate any applicable law or regulation including, but not limited to, any law or regulation pertaining to sewage disposal or any Environmental Laws. The Company further warrants that all permits from necessary health departments and other regulatory agencies that will be required to allow the construction or operation of the Project shall be obtained or, if not, the appropriate aspects of the Plans shall be approved in writing by such departments or agencies.
- 6.10. Legal and Binding Agreement. The Company warrants that the execution and performance of this Agreement will not violate any judicial or administrative order or governmental law or regulation, and that this Agreement is valid and binding in every respect according to its terms.
- 6.11. No Consent Required. The Company warrants that the Company's execution and performance of this Agreement do not require the consent

of or the giving of notice to any third party including, but not limited to, any other governmental body or regulatory authority.

- 6.12. Good Standing. The Company warrants that it is in good standing under the laws and regulations of the State of Montana and any other State or Canadian Province where it does business.

ARTICLE VII DEFAULT AND REMEDIES

- 7.01. Default Defined. The occurrence of any one or more of the following events shall constitute a default ("Event of Default") under this Agreement:
- a. Breach of Covenant. This Company's failure to perform or observe any covenant or other obligation under this Agreement or any of the Fund Documents, and not cured upon fifteen (15) days written notice to the Company;
 - b. Breach of Representation or Warranty. The County's discovery that any representation or warranty of the Company in connection with this Agreement or the Obligations is materially false (or any representation or warranty that has become false though true at the time originally given); or
 - c. Bankruptcy – Dissolution. If the Company shall dissolve or commence, or have commenced against it, bankruptcy proceedings.
- 7.02. Remedies Upon Default. Upon the occurrence of an Event of Default under this Agreement or any of the Fund Documents, the County may pursue any or all remedies available under any of the Fund

Documents or otherwise available to the County at law or equity, all of which shall be cumulative

ARTICLE VIII
PERSONAL GUARANTY

- 8.01 In consideration of the execution of this Construction Agreement by County, and to induce the County to execute this Construction Agreement, Eric B. Giles, sole shareholder of Company, and herein identified as Guarantor, hereby unconditionally guarantees payment of all amounts which Company may at any time owe to County on account of this Construction Agreement. Guarantor further guarantees the satisfactory performance of this Construction Agreement by Company. Guarantor further guarantees the payment of any notes made or guaranteed by Company. This Guaranty shall continue notwithstanding any change in the form or such indebtedness or renewals or extensions granted by County without the necessity of obtaining any consent of the Guarantor. This Guaranty extends to and includes any and all interest due or to become due together with all attorney's fees, costs and expenses incurred by County in connection with any matter covered by this Construction Agreement.
- 8.02 The Guarantor hereby waives notice of acceptance of this Guaranty by County and notice of default or of non-payment. No delay by County in exercising any right hereunder or taking any action to collect or enforce payment of any obligation hereby guaranteed, either as against Company or any other person otherwise liable, shall operate as a waiver of any such right or in any manner prejudice the rights of County against the Guarantor. The Guarantor hereby agrees that in the event of any default by Company, County shall be entitled to proceed against the Guarantor immediately for such payment without prior demand or notice. The Guarantor further agrees to pay a reasonable attorney's fee and all other costs and expenses incurred by County in the enforcement of this Guaranty.

ARTICLE IX
GENERAL PROVISIONS

- 9.01. Consent to Jurisdiction. The Company hereby irrevocably consents to the jurisdiction of all Tennessee state courts sitting in Henry County, Tennessee, for the purpose of any litigation to which the County may be a party and which concerns this Agreement or the Obligations. It is further

agreed that venue for any such action shall lie exclusively with courts sitting in Henry County, Tennessee, unless the County agrees to the contrary in writing.

- 9.02. Not Partners; No Third Party Beneficiaries. Nothing contained herein or in any related document shall be deemed to render the County a partner of the Company for any purpose. This Agreement has been executed for the sole benefit of the County as an inducement to cause it to establish, and extend advances from, the Fund to the Company, and no third party is authorized to rely upon the County's rights hereunder or to rely upon any assumption that the County has or will exercise its rights and obligations under this Agreement.
- 9.03. Notices. Any communications or notices required hereunder concerning this Agreement or the credit described herein shall be sent by both U.S.P.S. or fax as follows:

As to Company:

Skykits USA Corporation
Eric Giles, President
Hanger C1, P.O. Box 6139
High River Regional Airport
High River, Alberta Canada T1V1P7
FAX: 403-203-9210

As to County:

Henry County, Tennessee
Brent Greer, County Mayor
P.O. Box 7
Henry County Courthouse
Paris, TN 38242
FAX: 731-642-6531

With Copy to:

Lee Greer, III, Attorney
P.O. Box 385
114 South Poplar Street
Paris, TN 38242
FAX: 731-642-6861

Communications to be given to the County shall only be effective when set forth in writing and actually received by an officer of the County at the address indicated above. Communications to be given to the Company shall be effective when actually or constructively received by the Company or when set forth in writing and mailed or delivered to the Company's address stated above. Either

party may change its address for receipt of notices by submitting the change in writing to the other party.

- 9.04. Incorporation of Appendices. All appendices referred to in this Agreement are incorporated herein by this reference.
- 9.05. Indulgence Not Waiver. The County's indulgence in the existence of a default hereunder or any departure from the terms of this Agreement shall not prejudice the County's rights of default or otherwise to demand strict compliance with this Agreement.
- 9.06. Amendment and Waiver in Writing. No provision of this Agreement can be amended or waived, except by a statement in writing signed by the party against which enforcement of the amendment or waiver is sought.
- 9.07. Assignment. This Agreement and all related documents shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the Company and the County, except that the Company shall not assign any rights or delegate any obligations arising hereunder without the prior written consent of the County. Any attempted assignment or delegation by the Company without the required prior consent shall be void.
- 9.08. Entire Agreement. This Agreement and the Fund Documents represent the entire agreement between the parties concerning the Construction Fund described herein.
- 9.09. Applicable Law. The validity, construction and enforcement of this Agreement and all other Fund Documents executed with respect to the Obligations shall be determined according to the laws of Tennessee, in which state this Agreement has been executed and delivered.
- 9.10. Gender and Number. Words used herein indicating gender or number shall be read as context may require.

Executed the date first written above.

County:

Henry County, Tennessee
Office of County Mayor

By: _____

Title: _____

Company:

By: _____

Title: _____

APPENDIX I
LAND (To Be Supplied)

APPENDIX II

Construction Budget – Skykits USA Corporation, Project

a. Construction Contract	County	\$960,000
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TOTAL

APPENDIX III
INSURANCE CERTIFICATES (To Be Supplied)

APPENDIX IV
CORPORATE RESOLUTION
(Form to be supplied by Greer & Greer;
Executed Resolution to be supplied by Skykits)

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, JERRY D. BOMAR, COUNTY CLERK
PARIS, TENNESSEE

Commissioner Randy Veazey asked to address the Commission at the end of the meeting
And read a letter of resignation. His resignation as Commissioner of the Fifth (5th)
District would be effective at the end of tonight's meeting due to his relocating out of
The County.

ITEM NO. 14

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
ANDERSON, EARL								
CARTER, DELL								
EVANS, MITCHELL								
FREEMAN, BOBBY								
HAMLIN, JEFF								
HUMPHREYS, KENNETH								
JONES, DON								
MATHENIA, PAUL								
DAN PASCHALL								
TRAVIS, JAMES								
VEAZEY, RANDY								
WARREN, MARY								
WATSON, LARRY								
WEBB, DAVID								
WIRGAU, TIM								
TOTAL								

DATE : 03/17/2008

010074

ROLL CALL
COUNTY COMMISSION, HENRY COUNTY, JERRY D. BOMAR, COUNTY CLERK
PARIS, TENNESSEE

A motion was made by Earl Anderson and seconded by Don Jones to adjourn.

ITEM NO. 15

	ABSENT	PRESENT	MOTION	SECOND	AYE	NO	ABSTAIN	PASS
ANDERSON, EARL			X					
CARTER, DELL								
EVANS, MITCHELL								
FREEMAN, BOBBY								
HAMLIN, JEFF								
HUMPHREYS, KENNETH								
JONES, DON				X				
MATHENIA, PAUL								
DAN PASCHALL								
TRAVIS, JAMES								
VEAZEY, RANDY								
WARREN, MARY								
WATSON, LARRY								
WEBB, DAVID								
WIRGAU, TIM								
TOTAL								

DATE : 03/17/2008

MOTION CARRIED