



# Hamilton County Board of Commissioners

## RESOLUTION

No. 1007-30

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE SOUTHERN CHAMPION TRAY, L.P. PROJECT, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, AND TO AUTHORIZE THE COUNTY MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

WHEREAS, pursuant to Tennessee Code Annotated, Section 7-53-305(b) Hamilton County (the "County") is permitted to delegate to The Industrial Development Board of the City of Chattanooga (the "Corporation") the authority to negotiate and accept payments in lieu of ad valorem taxes from lessees of the Corporation upon a finding by the County that such payments are deemed to be in furtherance of the Corporation's public purposes; and,

WHEREAS, Southern Champion Tray, L.P. (the "Company") is contemplating the expansion and equipping of the Company's existing manufacturing facilities in the City, and, because of the substantial economic benefits to the City of Chattanooga and Hamilton County resulting from the project, has asked the Corporation and the County to approve payments in lieu of ad valorem taxes; and

WHEREAS, the County has determined that payments in lieu of ad valorem taxes from such a project would be in furtherance of the Corporation's public purposes as set forth within Chapter 53 of Title 7 of the Tennessee Code Annotated;

**NOW, THEREFORE, BE IT RESOLVED BY THIS COMMISSION:**

That we do hereby find that the Southern Champion Tray, L.P. project referenced above is in the best interest of the County, and that payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Corporation's public purposes; and,

That, having made such a finding in this instance, we do hereby delegate to the Corporation the authority to negotiate and accept payments in lieu of ad valorem taxes from the Company, it being further noted that this delegation is for this purpose and this project only; and,

That the County Mayor is hereby authorized to enter into an Agreement for Payments In Lieu Of Ad Valorem Taxes in the form attached hereto, with such changes thereto as he shall approve; and,

**BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKE EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT.**

MB: 326

PAGE: 360

Approved:

CERTIFICATION OF ACTION

Rejected:

*W. R. ...*  
County Clerk

Approved:

*Clay ...*  
County Mayor

Vetoed:

October 17, 2007  
Date



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

THIS AGREEMENT is made and entered into as of this the 1<sup>ST</sup> day of DECEMBER, 2007, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **SOUTHERN CHAMPION TRAY, L.P.**, a Tennessee limited partnership (the "Company"); the **CITY OF CHATTANOOGA** (the "City"); and **HAMILTON COUNTY** (the "County") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by **CARL E. LEVI and his successors, acting in the capacity of HAMILTON COUNTY TRUSTEE** ("Trustee"), and by **WILLIAM C. BENNETT and his successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY** ("Assessor").

**WITNESSETH:**

**WHEREAS**, the Company has contemplated the construction and equipping of an expansion of its existing operations in Chattanooga, Hamilton County, Tennessee (the "Project"), which Project is to result in a combined real and personal property investment of approximately \$10,300,000 and an increase of 50 jobs between August of 2006 and the third anniversary of the date hereof, which jobs shall have an average annual wage (excluding benefits) equal to at least \$40,000 (collectively the "Investment, Jobs and Wage Projection"), and has requested the Board's assistance in the financing of the Project; and

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

**WHEREAS**, the Board previously has taken title to certain real property and will take title to additional real property, together constituting a part of the Project, as described in Exhibit "A" attached hereto (the "Real Property"), and has agreed to take title to certain personal property constituting a part of the Project, as described in Exhibit "B" attached hereto (the "Personal Property") (collectively referred to herein as the "Property"), which Property is to be owned by the Board and leased to the Company; and

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

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

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

**WHEREAS**, the Board has been authorized to receive the In Lieu Payments in lieu of property taxes by resolutions adopted by the City and the County, acting through their duly elected Council and Commission, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions, including, without limitation, the requirement that the Board collect and expend such payments in furtherance of the public purposes for which the Board was created; and

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

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

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

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

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

2. Designation of Trustee; Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Trustee as its agent to compute the amounts of the In Lieu Payments, to receive such payments from the Company and to disburse such payments to the City and the County. On or about October 1 of each year during the term of this agreement, the Trustee shall compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send the Board and the Company bills for appropriate amounts of In Lieu Payments (the "Tax Bill").

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

4. Amount of Payments by the Company. For each of the years 2008-2014, the Company shall make In Lieu Payments with respect to the Project in amounts, as determined by the Assessor and the Trustee, equal to the following percentages of the amount of the taxes that would have been payable on the Project if it were subject to property taxes:

<u>Years</u>	<u>Percentages</u>
2008	0%
2009	25%
2010	40%
2011 – 2014	50%

For any periods before or after such seven (7) year period (2008-2014) that the Project is owned by the Board, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Project if it were subject to property taxes. With respect to the portion of the Property other than the Project, but except as may otherwise be provided in another payment in lieu of tax agreement or other similar agreement, the Company shall make In Lieu Payments in an amount equal to the taxes that would have been payable on said portion of the Property if it were subject to property taxes.

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

(a) If the Company fails to make any In Lieu Payment when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non-payment has been provided, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1 ½ %) of the owed amount, for each month that each payment has been unpaid. Such one and

one-half percent (1 ½ %) per month late charge amount shall accumulate each month and be payable so long as there remains any outstanding unpaid amount.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County may bring suit in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees. If the Company fails to achieve the Investment, Jobs and Wage Projection, then the City and the County reserve the right to terminate the benefits of this Agreement for any years remaining hereunder. If the Company closes the Project or moves it from the County during the term hereof, the City and the County reserve the right to require the partial repayment of amounts that would have been payable on the Property if it were subject to property taxes.

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

funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated § 7-53-102.

7. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if the Company contests any such computation, it shall present evidence to the Trustee in favor of its position. If the In Lieu Payments being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If the Company and the Assessor or the Trustee are unable to resolve a dispute, then the Company may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

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

9. Term. This Agreement shall become effective on the date that the Board attains title to the Property and shall continue for so long as the Board holds title to any of the Property or the Company has made all payments required hereunder, whichever shall later occur.

10. Leasehold Taxation. If the leasehold interest of the Company in the Project should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder. The Company agree to cooperate fully with the Assessor in supplying information for completion of leasehold taxation questionnaires with respect to the Property.

11. Stormwater Fees. The Company shall be responsible for all stormwater fees assessed by the City of Chattanooga against the Real Property.

12. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered, if to the Board or to the City, c/o Mr. Randall L. Nelson, Suite 400, Pioneer Building, Chattanooga, Tennessee 37402; if to the County, c/o Mr. Rheubin M. Taylor, County Attorney, Hamilton County Government, Room 204, County Courthouse, Chattanooga, Tennessee 37402-1956; if to the Company, P.O. Box 4066, Chattanooga, Tennessee 37405-0066, Attention: President; if to the Trustee, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; and if to the Assessor, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

13. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further

exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

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

15. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

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

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

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

19. Annual Report. On or before March 1 of each year that this Agreement is in effect, the Company shall provide a report to the Mayor of the City and to the Mayor of the

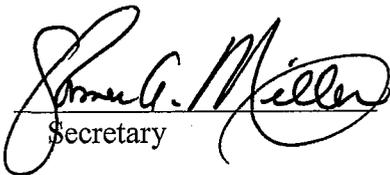
County summarizing the Company's progress in achieving the Investment, Jobs and Wage Projection.

20. Expansion Option. The parties acknowledge that the Company is exploring alternative expansion options within Hamilton County, Tennessee. In the event that the Company acquires or leases other improved or unimproved real property in Hamilton County, Tennessee, in connection with the Company's 2006 – 2009 expansion, then, at the Company's election all or any portion or portions of the investment in such property shall be counted towards the Investment, Jobs and Wage Projection, but only the newly acquired personal property located on such expansion property shall be considered part of the Project for purposes of Paragraph 4.

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

ATTEST:

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

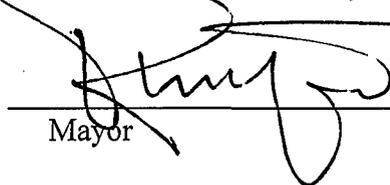
By:   
Secretary

By:   
Chairman

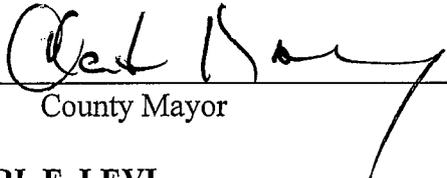
**SOUTHERN CHAMPION TRAY, L.P.**

By:   
Title: CFO

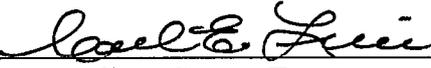
**CITY OF CHATTANOOGA, TENNESSEE**

By:   
Mayor

**HAMILTON COUNTY, TENNESSEE**

By:   
County Mayor

**CARL E. LEVI**

By:   
Hamilton County Trustee

**WILLIAM C. BENNETT**

By:   
Hamilton County Assessor of Property

**EXHIBIT "A"**  
**TO PILOT AGREEMENT FOR**  
**SOUTHERN CHAMPION TRAY, L.P.**

**REAL PROPERTY**

All improvements by the Company to the real property at and around 220 Compress Street, Chattanooga, Tennessee that are constructed in connection with the Company's 2006-2009 expansion including, without limitation, improvements to the following real property:

**TRACT 1:**

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

All that tract or parcel of land shown on the Final Plat of the Southern Champion Tray Co. Subdivision, of record in Plat Book 54, page 33, in the Register's Office of Hamilton County, Tennessee, and being more particularly described as follows: Beginning at a new iron rod at the intersection of the East line of Compress Street with the South line of Riverside Avenue; thence North 64 degrees 25 minutes 35 seconds East 58.07 feet to a point in the South line of Chattanooga Traction Co.; thence North 75 degrees 30 minutes 06 seconds East 365.28 feet; thence North 75 degrees 45 minutes 32 seconds East 444.92 feet to an old iron pin; thence South 01 degree 20 minutes 50 seconds West 22.91 feet to a new iron rod; thence Southeastwardly, with and along a curve to the right having a radius of 237.94 feet and being subtended by a chord bearing South 70 degrees 13 minutes 24 seconds East 188.18 feet, an arc distance of 193.47 feet to an old iron pin; thence South 00 degrees 32 minutes 41 seconds East 420.66 feet to an old iron pin; thence Westwardly, with and along a curve to the right having a radius of 239.62 feet and being subtended by a chord bearing South 55 degrees 13 minutes 32 seconds West 133.79 feet, an arc distance of 135.1 feet to an old iron pin; thence South 69 degrees 04 minutes West 91 feet to an old iron pin in the Eastern terminus of Hulsey Street; thence North 01 degree 50 minutes 20 seconds East, with and along the Eastern terminus line of Hulsey Street, 18.12 feet to an old iron pin in the North line of Hulsey Street; thence South 71 degrees 27 minutes West 664.77 feet to a new iron rod in the East line of Compress Street; thence North 18 degrees 18 minutes 08 seconds West, with and along the East line of Compress Street, 625.29 feet to the point of beginning.

BEING the same property conveyed to the Industrial Development Board of the City of Chattanooga, by Deed from Southern Champion Tray Company of Record in Book 4520, page 509, Register's Office for Hamilton County, Tennessee.

Subject to:

1. Deed of Trust from Southern Champion Tray Company to Milligan Reynolds, Guaranty Title Agency, Inc., Trustee, securing Charles M. Zeiser, of record in Deed Book 4520, page 470, Register's Office of Hamilton County, Tennessee.
2. Deed of Trust and Security Agreement from Southern Champion Tray Company to Guaranty Title Company, Trustee, securing First American National Bank, of record in Book 4520, page 479, ROHCT.

3. Electric Power Board Easement of record in Book 3819, page 908, ROHCT.
4. Any other easements, reservations, conditions, licenses and restrictions, whether or not of record.

**TRACT 2:**

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

Located in the First Civil District and being part of the Cincinnati, New Orleans and Texas Pacific Railway Company property and being more particularly described as follows:

To find the true point of beginning, commence at the southeastern most corner of the Southern Champion Tray Company subdivision as shown by Plat Book 54, Page 33 (R.O.H.C.), said point being marked by an old iron pipe. Thence go N00°32'41"W a distance of 20.51' to a point, said point being the true point of beginning. Thence go N00°32'41"W a distance of 400.15' to a point. Thence go an arc length of 193.47' along a curve to the left with a radius of 237.94' and a delta of 46°35'11" to a point. Thence go N01°20'50"E a distance of 22.91' to a point. Thence go N71°32'42"E a distance of 86.00' to a point. Thence go S79°52'10"E a distance of 228.46' to a point, said point being located on the western margin of U.S.27, State Route 29, and Powercorp Drive. Thence following the western margin of U.S.27, State Route 29, and Powercorp Drive, go S15°25'54"E a distance of 33.90' to a point, said point being located 25' west of the centerline of an existing railroad track. Thence leaving the margin of the U.S.27, State Route 29, and Powercorp Drive, and following a line 25' west of the center of the aforementioned railroad track, go the following calls and distances: Go an arc length of 209.30' along a curve to the left having a radius of 364.94' and a delta of 31°27'22" to a point. Thence go S06°15'12"W a distance of 79.28' to a point. Thence go an arc length of 74.32' along a curve to the right having a radius of 1551.96' and a delta of 02°44'38" to a point. Thence go an arc length of 105.61' along a curve to the right having a radius of 258.92' and a delta of 23°22'13" back to the true point of beginning. Containing 0.973 acres, more or less, all as shown on a survey drawing by Allen Surveying Company dated February 23, 2004 and revised March 3, 2004.

Reference is made for prior title to deed recorded in Book 7320, Page 278, in the Register's Office of Hamilton County, Tennessee.

SUBJECT, however, to any conditions, restrictions, reservations, easements, licenses and leases, whether or not of record.

Description is the same as prior deed.

**TRACT 3:**

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

Located in the First Civil District and being part of the Cincinnati, New Orleans and Texas Pacific Railway Company property and being more particularly described as follows:

Commence at the eastern most corner of the Southern Champion Tray Company's property as described in Deed Book 7040, Page 123 (R.O.H.C.), said point being located 25' northwest of the centerline of an existing railroad track, said point also being the true point of beginning. Thence traveling along the eastern property line of the land described in Deed Book 7040, Page 123, go N16°28'11"W a distance of 101.50' to a point, said point being located 25' south of the centerline of a previously located railroad track (the railroad track was located in November of 1995, but has since been relocated). Thence traveling along a line 25' south of the centerline of the previously located track go an arc length of 108.72' along a curve to the left having a radius of 588.68' and a delta of 10°34'55" to a point. Thence traveling along a line 25' northwest of the aforementioned existing railroad track, go the following calls and distances: Go an arc length of 50.02' along a curve to the right having a radius of 757.89' and a delta of 7°33'36" to a point of tangency; thence go S25°12'37"W a distance of 112.14' back to the point of beginning. Containing 0.122 acres, more or less, all as shown on a survey drawing by Allen Surveying Company, dated February 23, 2004 and revised March 3, 2004.

Reference is made for prior title to deed recorded in Book 7320, Page 278, in the Register's Office of Hamilton County, Tennessee.

SUBJECT, however, to any conditions, restrictions, reservations, easements, licenses and leases, whether or not of record.

Description is the same as prior deed.

**TRACT 4:**

All that piece or parcel of land situate, lying and being in the City of Chattanooga, Hamilton County, Tennessee and being more particularly bounded and described as follows: to wit,

TO FIND the point of beginning, commence at the intersection of the easterly boundary of Compress Street (50 foot right of way) with the southerly boundary of Hulsey Street (40 foot right of way); then go, North 71°27'00" East, along said southerly boundary of Hulsey Street, a distance of 653.0 feet, more or less, to a point on the existing westerly property line of the Grantor; then go, South 18°18'08" East, along said existing westerly property line, a distance of 40.26 feet to a point said point being 25.00 feet southeastwardly from, as measured normal to, the existing centerline of The Cincinnati New Orleans and Texas Pacific Railway Company's industrial lead track MI-14, said point being the TRUE POINT OF BEGINNING of the herein described parcel of land; thence, North 70°16'20" East, along a line being at all points 25.00 feet southeastwardly from, as measured normal to, said existing centerline of industrial lead track MI-14, a distance of 63.61 feet to a point of curvature; thence along an arc of a curve deflecting to the left, being at all points 25.00 feet southeastwardly from, as measured normal to, said existing centerline of industrial lead track MI-14, (Radius 588.68 feet – Chord North 69°03'13" East, 25.04 feet) an arc distance of 25.04 feet to a point; thence, South 16°28'11" East, through the land of the Grantor, a distance of 101.50 feet to a point 25.00 feet northwestwardly from, as measured normal to, the existing centerline of The Cincinnati, New Orleans and Texas Pacific Railway Company's industrial lead track MI-13; thence, South 25°12'37" West, along a line being at all points 25.00 feet northwestwardly from, as measured normal to, said existing centerline of industrial lead track MI-13, a distance of 83.98 feet to a point on the northeasterly

extension of the existing southerly property line of the 3.0 acre, more or less, parcel of land of the Grantee; thence, South 71°27' West, along said existing southerly property line, as extended. of the 3.0 acre, more or less, parcel of land of the Grantee, a distance of 27.53 feet to a point on said existing westerly property line of the Grantor; thence, North 18°18'08" West, along said existing westerly property line of the Grantor, a distance of 159.74 feet to the point of beginning; containing 0.28 of an acre of land, more or less, and being located substantially as shown on Boundary Survey prepared by Alfred L. Allen, Tennessee Registered Land Surveyor No. 269, of Allen Surveying Co., dated November 3, 1995, revised January 17, 1996.

Reference is made for prior title to Deed recorded in Book 7040, page 123, in the Register's Office of Hamilton County, Tennessee.

SUBJECT, however, to any easements, reservations, conditions, licenses and restrictions, whether or not of record.

Description is the same as prior deed.

**EXHIBIT "B"**

**TO PILOT AGREEMENT FOR  
SOUTHERN CHAMPION TRAY, L.P.**

**PERSONAL PROPERTY**

All newly acquired personal property that is acquired in connection with the Company's 2006-2009 expansion and that is used by the Company in connection with the facilities on the real property described in the foregoing **Exhibit "A"** or in connection with any other owned or leased real property in Hamilton County, Tennessee.





**HAMILTON COUNTY GOVERNMENT  
OFFICE OF THE COUNTY ATTORNEY**

Room 204 County Courthouse  
Chattanooga, Tennessee 37402-1956  
Telephone (423) 209-6150  
Fax (423) 209-6151

Rheubin McGhee Taylor  
County Attorney

David Norton  
Assistant County Attorney

Mary Neill Southerland  
Assistant County Attorney

**MEMORANDUM**

**TO:** Debbie Rollins, County Clerk's Office  
**FROM:** Rheubin M. Taylor, Office of the County Attorney   
**DATE:** December 31, 2008  
**RE:** Economic Development Agreement for **Southern Champion Tray, L.P.**  
(Pilot Agreement)

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For your records, please find the original executed Agreement for Payments in Lieu of Ad Valorem Taxes with respect to Southern Champion Tray, L.P., along with a copy of the cost-benefit analysis calculation.

Enclosures

MILLER  
& MARTIN  
PLLC  
ATTORNEYS AT LAW

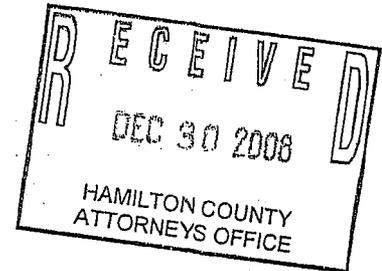
COPY

SUITE 1000 VOLUNTEER BUILDING  
832 GEORGIA AVENUE  
CHATTANOOGA, TENNESSEE 37402-2289  
(423) 756-6600  
FAX (423) 785-8480

Mark W. Smith  
Direct Dial (423) 785-8457  
Direct Fax (423) 371-1527  
msmith@millermartin.com

December 30, 2008

Tennessee Comptroller of the Treasury  
Division of Property Assessments  
Suite 1400 (EDA Compliance)  
505 Deaderick Street  
Nashville, Tennessee 37243-0277



ATTENTION: Barry Monson

Re: Economic Development Agreement for Southern Champion Tray, L.P.

Dear Mr. Monson:

Enclosed in accordance with the requirements of T.C.A. §4-17-301, *et seq.* is a copy of an Agreement For Payments In Lieu of Ad Valorem Taxes with respect to Southern Champion Tray, L.P., along with a copy of the cost-benefit analysis calculation. Although this transaction was consummated in 2007, we have only recently received all execution copies for distribution because of a minor modification in the Company's expansion plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark W. Smith".

Mark W. Smith

MWS:cbm  
Enclosures

cc: Honorable Ron Littlefield, Mayor (w/enc. - copy)  
Honorable Claude T. Ramsey, County Mayor (w/enc. - copy)  
Honorable William C. Bennett (w/enc. - copy)  
Ms. Susan Bedwell (w/enc. - copy)  
Mr. James Gattis (w/enc. - copy)  
Ms. Daisy Madison (w/enc. - copy)  
Mr. Louis Wright (w/enc. - copy)  
Mr. Randall L. Nelson (w/enc. - originals for City and IDB & copy of Lease)  
Mr. Rheubin M. Taylor (w/enc. - original for County) ✓  
Mr. Mark Longnecker (w/enc - original PILOT Agreement & copy of Lease)  
Mr. Steve Hiatt (w/enc. - copy)  
Mr. Alfred E. Smith, Jr.