



Hamilton County Board of Commissioners RESOLUTION

No. 1113-26

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE WOODBRIDGE CHATTANOOGA FORMED PLASTICS LP 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) the County of Hamilton (the "County") is permitted to delegate to The Industrial Development Board of the City of Chattanooga (the "Board") the authority to negotiate and accept payments in lieu of ad valorem taxes from lessees of the Board upon a finding by the County that such payments are deemed to be in furtherance of the Board's public purposes; and

WHEREAS, Woodbridge Chattanooga Formed Plastics LP (the "Company") and PNCEF, LLC

("PNC" and together with the Company, the "Companies") are contemplating the acquisition and installation of certain machinery, equipment and other personal property to be located in a manufacturing facility in Chattanooga, Hamilton County, Tennessee, (the "Project") and because of the substantial economic benefits to the City of Chattanooga and Hamilton County resulting from the Project, has asked the Board and the County Commission to approve payments in lieu of ad valorem taxes; and

WHEREAS, the Commission has determined that payments in lieu of ad valorem taxes from such a project would be in furtherance of the Board'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 Project 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 Board's public purposes; and

That, having made such a finding in this instance, we do hereby delegate to the Board the authority to negotiate and accept payments in lieu of ad valorem taxes from the Companies, 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 substantially 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: 399
PAGE: 273

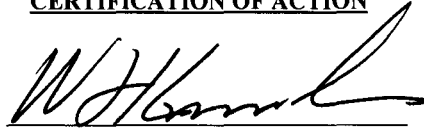
CERTIFICATION OF ACTION

Approved:

Rejected:

Approved:

Vetoed:


County Clerk


County Mayor

November 6, 2013

Date

As submitted by County Attorney Rheubin Taylor on Friday, December 27, 2013, attached is a copy of correspondence designating the correct legal name as PNC Equipment Finance, LLC.

Taylor, Rheubin

From: Mark Smith [msmith@millermartin.com]
Sent: Friday, December 27, 2013 11:47 AM
To: Taylor, Rheubin
Subject: RE: Woodbridge PILOT [M&M-Content.26287.0001]

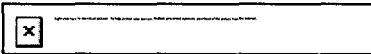
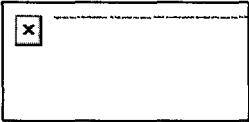
The original party name was PNCEF, LLC d/b/a PNC Equipment Finance. The correct legal name is apparently, PNC Equipment Finance, LLC.

The change came from a merger of which Woodbridge was unaware, so to provide a clear connection of the change in name, I've suggested using this in the PILOT:

PNC EQUIPMENT FINANCE, LLC, a Delaware limited liability company as successor to **PNCEF, LLC**, an Indiana limited liability company d/b/a PNC Equipment Finance

Mark W. Smith
Miller & Martin PLLC

Suite 1000 Volunteer Bldg.
832 Georgia Avenue
Chattanooga, TN 37402
Phone (423) 785-8357
Fax (423) 321-1527



From: Taylor, Rheubin [mailto:RMTaylor@HamiltonTN.gov]
Sent: Friday, December 27, 2013 11:41 AM
To: Mark Smith
Subject: RE: Woodbridge PILOT [M&M-Content.26287.0001]

Mark:

Please give me the differences in the names.
Rheubin

From: Mark Smith [mailto:msmith@millermartin.com]
Sent: Thursday, December 26, 2013 3:06 PM
To: Taylor, Rheubin
Subject: Woodbridge PILOT [M&M-Content.26287.0001]

Rheubin – in finalizing the PILOT documents for Woodbridge, the PNC leasing company advised us that we need to make a correction to the PNC entity name in the PILOT agreement. The resolution permits changes like these, with Mayor Coppingers approval. I have already obtained the City and IDB approvals to substitute the correct party information and signature pages.

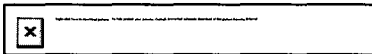
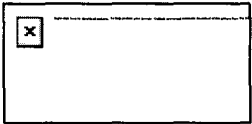
I would appreciate your confirming that Mayor Coppinger is OK with this change.

I'll try to reach you by phone, but in case I miss you, I thought that an email might help explain this.

Thanks very much-- Mark

Mark W. Smith
Miller & Martin PLLC

Suite 1000 Volunteer Bldg.
832 Georgia Avenue
Chattanooga, TN 37402
Phone (423) 785-8357
Fax (423) 321-1527



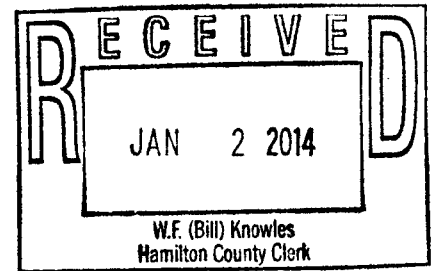
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DISCLAIMER

Pursuant to Circular 230 issued by the United States Treasury Department and relating to practice before the Internal Revenue Service, any comment or opinion in this communication relating to a federal tax issue is not intended to be used, and cannot be used, by a taxpayer for the purpose of avoiding tax-related penalties that may be imposed on the taxpayer.



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

THIS AGREEMENT (the "Agreement") is made and entered into as of this the 31st day of December, 2013, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); and **PNC EQUIPMENT FINANCE, LLC ("PNC")** a Delaware limited liability company, as successor to **PNCEF, LLC**, an Indiana limited liability company; **WOODBIDGE CHATTANOOGA FORMED PLASTICS LP**, 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 **WILLIAM F. HULLANDER and his successors, acting in the capacity of HAMILTON COUNTY TRUSTEE** (the "Trustee"), and by **WILLIAM C. BENNETT and his successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY** (the "Assessor").

WITNESSETH:

WHEREAS, through PNC, the Company is contemplating the acquisition of machinery, equipment and other personal property, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Property"), for installation in connection with an expansion to the Company's manufacturing facility located in Chattanooga, Hamilton County, Tennessee (the "Project"), resulting in the creation of at least 70 full-time jobs by the Company and the addition of approximately \$8,500,000 in personal property through PNC over a three (3) year period ending January 1, 2016, which jobs shall have an average annual wage (excluding benefits) equal to at least \$34,819.00 (collectively the "Investment, Jobs and Wage Projection"), and has requested the Board's assistance with the Project; and

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

WHEREAS, the Board has agreed to take title to the Property, together with all additions thereto, replacements thereof, and substitutions therefor and to lease the Property to PNC pursuant to a Lease Agreement dated July 30, 2013 hereof among PNC, the Company and IDB (the "Lease") for sublease to the Company pursuant to that certain Master Equipment Lease Agreement among PNC and the Company, as amended from time to time (the "Sublease"); and

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

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

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

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

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

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

1. Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee as though the Property were subject to taxes. The Assessor shall give the Trustee, the City Treasurer, the Board, PNC 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, PNC 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 pursuant to the Lease and the Sublease, 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, PNC 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, pursuant to the Lease and the Sublease, 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 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.

(a) Initial Period (2014 – 2017). For the four (4) year period covering and inclusive of years 2014 through 2017 (the “Initial Period”), the Company shall make In Lieu Payments with respect to the Property in an amount, as determined by the Assessor and the Trustee, equal to the County educational property taxes that would have been paid on the Property if the Property were subject to such taxes. The parties acknowledge and agree that the educational portion of such taxes currently equates to twenty-seven and one tenth percent (27.1%) of the amount of the total City and County taxes that would have been payable on the Property if it were subject to property taxes.

(b) Optional Expansion Period (2018 – 2020). The Company, directly or through PNC or one or more third parties, shall have the option, but not the obligation, to activate an additional incentive period by electing to undertake an “Optional Expansion”. To make such an election, the Company must give written notice of such election to the City, County and Board at any time on or before June 30, 2017. By electing to undertake an Optional Expansion, the Company shall be required to make or cause to be made an additional capital investment in its facilities and operations in the County of at least \$8,000,000 and to create at least 130 new employees in the County on or before June 30, 2020 (the “Optional Expansion Investment, Jobs and Wage Projection”). Upon the election of the Company, the Property (including investment made in the Initial Period and the investment made in the Optional Expansion) shall be eligible for an additional “Optional Expansion Period” of three (3) years covering and inclusive of years 2018 through 2020 during which PNC, the Company and/or another third party providing the Property (as applicable) shall make In Lieu Payments with respect to their respective portions of the Property in an amount, as determined by the Assessor and the Trustee, equal to fifty percent (50%) of the property taxes that would have been paid on the Property if the Property were subject to such taxes. To the extent that an entity other than PNC makes all or a portion of the investment in the Optional Expansion, the City, County and Board shall enter into an agreement for the payments in lieu of ad valorem taxes that imposes substantially similar rights and obligations on the Company and any third party (if applicable) as are established under this Agreement, and the Board shall enter into a lease agreement imposing substantially similar rights and obligations on the Company and any third party (if applicable) as are established under the Lease Agreement.

(c) Other Periods; Offset of Tax Payments. For any periods before the Initial Period or after the Initial Period and, if applicable, the Optional Expansion Period that the Property is owned by the Board and leased to PNC, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property if it were subject to property taxes. Notwithstanding the above, any amounts assessed as property taxes against the Property shall be credited against any In Lieu Payments due under this Agreement.

(d) Termination of Sublease in Whole or in Part. For any periods during which PNC holds all or a portion of the Property pursuant to the Lease but the Company’s

interest in the Property pursuant to the Sublease has been terminated, PNC shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on such portion of the Property if it were subject to property taxes. Notwithstanding the above, any amounts assessed as property taxes against such portion of the Property shall be credited against any In Lieu Payments due under this Agreement.

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

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

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

(c) If the Company fails to achieve the Investment, Jobs and Wage Projection for the Tax Abatement Period by January 1, 2016, then the City and the County reserve the right but are not obligated to adjust the terms and conditions of the tax abatement granted to the Company under this Agreement for the Tax Abatement Period by requiring the Company to pay an additional amount of the In Lieu Payments on the Property based upon the actual jobs, wages and investment associated with the Tax Abatement Period as compared to the Investment, Jobs and Wage Projection. If the City and the County elect to consider making an adjustment to the terms and conditions of the tax abatement for the Tax Abatement Period, the Assessor and Trustee shall confer with the Chattanooga Area Chamber of Commerce and shall make a reasonable determination of the terms and conditions of the tax abatement for the Tax Abatement Period by applying the policies, practices and procedures in effect as of January 1, 2013 to the actual jobs, wages and investment associated with the Tax Abatement Period as of January 1, 2016. The Assessor and Trustee shall provide this determination to the City and the County. The City and the County may then require the Company to pay an amount up to the difference between the amounts of the In Lieu Payments required pursuant to Paragraph 3 of this Agreement and the amounts that the Company would have paid using the actual jobs, wages and investment associated with the Tax Abatement Period. Except as specifically provided in paragraph (e), immediately below, which shall be the exclusive remedy for a closure of the Project or a relocation of the Project from the County, the remedy under this paragraph (c) shall be the sole remedy for any shortfall in the Investment, Jobs and Wage Projection during the Initial Period. The County and the City shall look solely to the Company for any repayment obligations.

(d) If the Company elects to undertake an Optional Expansion but fails to achieve the Optional Expansion Investment, Jobs and Wage Projection for the Optional Expansion by June 30, 2020, then the City and the County reserve the right but are not obligated to adjust the terms and conditions of the tax abatement granted to the Company under this Agreement for the Optional Expansion Period by requiring the Company to pay an additional amount of the In Lieu Payments on the Property based upon the actual jobs, wages and investment associated with the Optional Expansion Period as compared to the Optional Expansion Investment, Jobs and Wage Projection. If the City and the County elect to consider making an adjustment to the terms and conditions of the tax abatement for the Optional Expansion Period, the Assessor and Trustee shall confer with the Chattanooga Area Chamber of Commerce and shall make a reasonable determination of the terms and conditions of the tax abatement for the Optional Expansion Period by applying the policies, practices and procedures in effect as of January 1, 2013 to the actual jobs, wages and investment associated with the Optional Expansion Period as of June 30, 2020. The Assessor and Trustee shall provide this determination to the City and the County. The City and the County may then require the Company to pay an amount up to the difference between the amounts of the In Lieu Payments required pursuant to Paragraph 3 of this Agreement and the amounts that the Company would have paid using the actual jobs, wages and investment associated with the Optional Expansion Period as of June 30, 2020. Except as specifically provided in paragraph (e), immediately below, which shall be the exclusive remedy for a closure of the Project or a relocation of the Project from the County, the remedy under this paragraph (d) shall be the sole remedy for any shortfall in the Optional Expansion Investment, Jobs and Wage Projection. The County and the City shall look solely to the Company for any repayment obligations.

(e) In the event the Project closes or moves from the County during the Initial Period, the City and the County reserve the right to immediately terminate the tax abatements provided by this Agreement and require the partial repayment of amounts that would have been payable on the Property during the Initial Period as if it were subject to property taxes. In the event the Company elects to undertake an Optional Expansion but the Project closes or moves from the County during the term of the Optional Expansion Period, the City and the County reserve the right to immediately terminate the tax abatements provided by this Agreement and require the partial repayment of amounts that would have been payable on the Property during the Optional Expansion Period as if it were subject to property taxes. PNC shall have no liability under any circumstances, including without limitation the closure or moving of the Project from the County during the term hereof, for the repayment of amounts that would have been payable on the Property if it were subject to property taxes. The County and the City shall look solely to the Company for any repayment obligations.

6. Disbursements by Trustee. With respect to any period occurring before or after the Initial Period and/or the Optional Expansion Period, if exercised, 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. With respect to the Initial Period and/or the Optional Expansion Period, if exercised, all sums received by the Trustee pursuant to Paragraph 3 for the benefit of the County school system shall be disbursed to the County and thereafter deposited into an account for the educational use and benefit of the County schools. All disbursements to the general funds of the City and County shall be made by the Trustee subject to the requirement that all funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated, § 7-53-102.

7. Contest by PNC or the Company. PNC and/or 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 PNC and/or the Company contests any such appraisal or assessment, then they shall present evidence to the Assessor in favor of their position. If the In Lieu Payments being contested shall be or become due and payable, the Company shall make or cause to be made such payments under protest. PNC, the Company, and the Assessor or the Trustee, as the case may be, shall negotiate in good faith for a period not to exceed sixty (60) days to resolve any disputes as to appraisal, assessment or computation of the In Lieu Payment. If PNC, the Company, and the Assessor or the Trustee are unable to resolve a dispute, then PNC and/or 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 the Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

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

10. Leasehold Taxation. The Board, the City, the County, the Trustee and the Assessor covenant and agree that PNC's personal property leasehold interest in the Property shall not be subject to assessment for ad valorem tax purposes, as the Company's leasehold interest is subject to this agreement for payments in lieu of taxes and further covenant and agree that the Company's interest as a sublessee of the Property is not subject to any personal property tax. If the leasehold interest of PNC should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder, and the parties shall take all reasonable steps, at no additional cost to the Board, to restructure this Agreement and the related Lease Agreement to eliminate the positive leasehold value and to deliver the same economic benefit to the Company as is contemplated under this Agreement without the imposition of any ad valorem taxes on such leasehold value.

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

Board or to the City:	Wade A. Hinton City Attorney City of Chattanooga Suite 200, 100 E. 11 th Street Chattanooga, Tennessee 37402
The County:	Rheubin M. Taylor County Attorney Hamilton County Government Room 204, County Courthouse Chattanooga, Tennessee 37402
PNC:	PNC Equipment Finance, LLC 995 Dalton Avenue Cincinnati, Ohio 45202 Attention: Jill M. Woods
Company:	Woodbridge Chattanooga Formed Plastics LP 420 Sherwoodtowne Blvd. Mississauga, ON L4Z 2G6 Attention: Gary Moro
With a Copy to:	Miller & Martin PLLC 832 Georgia Avenue Suite 1000 Chattanooga, Tennessee 37402 Attention: Mark W. Smith
The Trustee:	Hamilton County Trustee Hamilton County Courthouse Chattanooga, Tennessee 37402
The Assessor:	Hamilton County Assessor of Property Hamilton County Courthouse Chattanooga, Tennessee 37402

Any such person may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communication shall be sent. All

such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid, or, if otherwise mailed, be effective upon receipt.

12. 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.

13. 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.

14. 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.

15. 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.

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

17. 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.

18. Annual Report. On or before March 1 of each year this Agreement is in effect, PNC shall provide a report to the Mayor of the City and the Mayor of the County summarizing its investment in the Property for purposes of analyzing PNC's and the Company's progress in achieving their respective portions of the applicable Investment, Jobs and Wage Projection.

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

ATTEST:

By: *Chris Ramsey*
Secretary

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA

By: *[Signature]*
Chairman

PNC EQUIPMENT FINANCE, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

WOODBRIIDGE CHATTANOOGA FORMED PLASTICS LP, a Tennessee limited partnership, which hereby joins in the execution of this Agreement for the limited purpose of confirming the rights and obligations of the Company expressly conferred upon it herein

By: _____
Name: _____
Title: _____

CITY OF CHATTANOOGA, TENNESSEE

By: *[Signature]*
Mayor

HAMILTON COUNTY, TENNESSEE

By: *[Signature]*
County Mayor

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

PNC EQUIPMENT FINANCE, LLC, a Delaware limited liability company

By: _____
Name: Chill M. Woods
Title: VP

WOODBIDGE CHATTANOOGA FORMED PLASTICS LP, a Tennessee limited partnership, which hereby joins in the execution of this Agreement for the limited purpose of confirming the rights and obligations of the Company expressly conferred upon it herein

By: _____
Name: _____
Title: _____

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
County Mayor

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

PNC EQUIPMENT FINANCE, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

WOODBIDGE CHATTANOOGA FORMED PLASTICS LP, a Tennessee limited partnership, which hereby joins in the execution of this Agreement for the limited purpose of confirming the rights and obligations of the Company expressly conferred upon it herein

By: _____
Name: JOE ESTRIGA
Title: TREASURER

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
County Mayor

WILLIAM F. HULLANDER

By: William F. Hullander
Hamilton County Trustee

WILLIAM C. BENNETT

By: William C. Bennett
Hamilton County Assessor of Property

EXHIBIT "A"
TO PILOT AGREEMENT

PROPERTY

During the Initial Period, the Property shall include all machinery, equipment and other tangible personal property that is located on or about the Company's facilities located at 51 Lost Mound Drive, Suite 115, Chattanooga, Tennessee 37406 or other locations of the Company within the City of Chattanooga and/or Hamilton County on or before January 1, 2016.

During the Optional Expansion Period, the Property shall also include all machinery, equipment and other tangible personal property that is located on or about the Company's facilities located at 51 Lost Mound Drive, Suite 115, Chattanooga, Tennessee 37406 or other locations of the Company within the City of Chattanooga and/or Hamilton County on or before June 30, 2020 in connection with the Optional Expansion.

Cost Versus Benefit Analysis for Payment In Lieu of Ad Valorem Tax

Date:

Person Completing Form:

Title:

Lessor:

Lessee:

Lease Term	Term Beginning Date	December 31, 2013	Total Term Ending Date	December 31, 2017	See Note *
Step 1	70	x	\$ 34,819.00	=	\$ 2,437,330.00 x 2.0 = \$ 4,874,660.00
	Number of New Jobs		Annual Company Wage		Direct Income See Note 1 Direct & Indirect Income
Step 2	\$ 2,437,330.00	+	\$ 41,978.00	=	58
	Indirect Income		See Note 1		Number Indirect Jobs
Step 3	\$ 4,874,660.00	x	0.097	=	\$ 472,842.02 x 0.6 = \$ 283,705.21 x 0.29 = \$ 82,274.51
	Direct & Indirect Income		See Note 1		New Total Annual State Tax See Note 1 New Annual State Sales Tax See Note 1 New Annual Local Sales Tax

Calculation Summary:

Additional comments and information about costs or benefits associated with the project may be attached.

Total of New and Indirect Jobs	<input type="text" value="128"/>	First Year PILOT Payment County:	<input type="text" value="See Note **"/>
Total of Direct and Indirect Income	<input type="text" value="\$4,874,660"/>	First Year PILOT Payment City:	<input type="text" value="\$0"/>
Total of New Annual State Sales Tax and New Annual Local Sales Tax	<input type="text" value="\$365,980"/>	Total First Year PILOT:	<input type="text" value="\$0"/>

To be completed by Comptroller of Treasury

Tax Year	2001	Est Property Taxes	EqTR x Assessed Value
Co. Tax Rate	\$0.00		
City Tax Rate	\$0.00		
Other Rate(s)	\$0.00		
Total Tax Rate	\$0.00		
Legal Ratio	NA		
Appraisal Ratio	1.0000		
Eff Tax Rate	0.00%		

Eq TR = Total Rate x Appraisal Ratio

(New Local Sales tax plus PILOT) Less Estimated Property Tax

Total Appraised Value:
 Total Assessed Value:

* PILOT agreement includes an optional expansion phase that would add an additional 3 years to the PILOT term.

** First year PILOT payment will vary depending upon amount of investment. The required PILOT payment equals the school portion of the County property tax.

Note 1 Economic factors and multipliers provided by University of Tennessee for Business and Economic Research