



Hamilton County Board of Commissioners RESOLUTION

No. 714-18

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE CHATTEM CHEMICALS, INC. 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, Chattem Chemicals, Inc. (the "Company") is 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 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 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.

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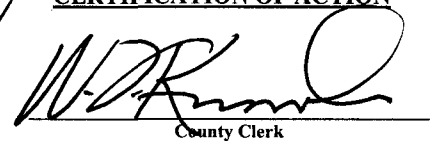
CERTIFICATION OF ACTION

Approved:

Rejected:

Approved:

Vetoed:


County Clerk


County Mayor

July 2, 2014

Date

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

THIS AGREEMENT (the “Agreement”) is made and entered into as of this the ____ day of _____, 2014, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the “Board”); **CHATTEM CHEMICALS, INC.**, a Delaware corporation (the “Company”); the **CITY OF CHATTANOOGA** (the “City”); and **HAMILTON COUNTY** (the “County”) and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by **WILLIAM F. HULLANDER and his successors, acting in the capacity of HAMILTON COUNTY TRUSTEE** (the “Trustee”), and by **WILLIAM C. BENNETT and his successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY** (the “Assessor”).

WITNESSETH:

WHEREAS, the Company is contemplating 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 25 full-time jobs by the Company and the addition of at least \$6,000,000 in personal property over a three (3) year period between [**January 1, 2014**] and [**January 1 2017**] (the “Investment and Job Creation Period”), which jobs shall have an average annual wage (excluding benefits) equal to at least \$43,500.00 (collectively the “Investment, Jobs and Wage Projection”), and has requested the Board’s assistance with the Project; and

WHEREAS, the Company is further contemplating an additional expansion of the Company’s manufacturing facilities on the Property (the “Optional Expansion”), resulting in the creation of at least 25 additional full-time jobs by the Company and the addition of at least \$10,000,000 in property (the “Expansion Property”) over an additional three (3) year period, as is described more fully in Section 4, below; 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 and, as applicable, the Expansion Property, together with all additions thereto, replacements thereof, and substitutions therefor and to lease the Property and Expansion Property to the Company (the “Lease”); and

WHEREAS, because the Property and, as applicable, the Expansion Property are 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 and Expansion Property will be exempt from ad valorem property taxes (“property taxes”) normally paid to the City and to the County, so long as such 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 the Expansion 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 and, as applicable, the Expansion Property (the "In Lieu Payments"), as more particularly set forth hereinafter; and

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

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

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

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

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

1. Designation of Assessor; Appraisal and Assessment of Property and Expansion Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property and, as applicable, the Expansion Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee as though such 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 and Expansion 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 and the Expansion 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 and, as applicable, the Expansion Property, if such property 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 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 ([2016 – 2019]). For the four (4) year period covering and inclusive of years [2016 through 2019] (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 following percentage of taxes that would have been paid on the Property if the Property were subject to such taxes:

Year	City General Fund	County General Fund	County School Fund
2016	0%	0%	100%
2017	25%	25%	100%
2018	40%	40%	100%
2019	50%	50%	100%

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

(b) Optional Expansion. The Company 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 **[July 1, 2018]**. 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 \$10,000,000 (as defined above, the “Expansion Property”) and to create at least 25 new employees in the County within the three (3) year investment and job creation period specified in the Company’s notice (but in no event ending later than **[July 1, 2021]**) (the “Optional Expansion Investment and Job Creation Period”), which jobs shall have an average annual wage (excluding benefits) equal to at least \$43,500.00 (the “Optional Expansion Investment, Jobs and Wage Projection”). Upon the election of the Company, the Expansion Property shall be eligible for an additional “Optional Expansion Period” of five (5) years beginning January 1 of the year after the year in which the Company gives notice of its election and covering and inclusive of five (5) years. For the term of the Optional Expansion Period, the Company shall make In Lieu Payments with respect to the Expansion Property in an amount, as determined by the Assessor and the Trustee, equal to the following percentages of taxes that would have been paid on the Expansion Property if the Expansion Property were subject to such taxes:

Year	City General Fund	County General Fund	County School Fund
Year 1	0%	0%	100%
Year 2	25%	25%	100%
Year 3	40%	40%	100%
Year 4	50%	50%	100%
Year 5	50%	50%	100%

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

(c) Other Periods; Offset of Tax Payments. For any periods before the Initial Period or after the Initial Period that the Property is owned by the Board and leased to the Company and, if applicable, for any periods before or after the Optional Expansion Period that the Expansion Property is owned by the Board and leased to the Company, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property or Expansion Property, as applicable, if it were subject to property taxes. Notwithstanding the above, any amounts assessed as property taxes against the Property or the Expansion 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) Reduction of Tax Abatement. If the Company fails to achieve the applicable investment, jobs and wage projection by the end of the Investment and Job Creation

Period or the Optional Expansion Investment and Job Creation Period (as applicable, the “Determination Date”), the City and the County will have an annual option to increase their respective general fund In Lieu Payments for the applicable year of the Initial Period or for the Optional Expansion, as applicable, in accordance with either subsection (d) or (e), immediately below, which shall be the sole remedy in such event. For purposes of this Section, the “Minimum Jobs Requirement” associated with the Investment, Jobs and Wage Projection shall be twenty (20) full-time jobs, and the “Minimum Jobs Requirement” associated with the Optional Expansion shall be twenty (20) full-time jobs, as applicable. For purposes of this Section, the “Minimum Investment” associated with Investment, Jobs and Wage Projection shall be an investment of more than Five Million Dollars (\$5,000,000), and the “Minimum Investment” associated with the Optional Expansion shall be an investment of more than Ten Million Dollars (\$10,000,000), as applicable.

(d) Annual Employment Review. Within thirty (30) days after the end of the Determination Date, and on or before January 31 of each year thereafter, the Company will provide an annual report to the Mayor of the City, the Mayor of the County and the Chattanooga Area Chamber of Commerce certifying the number of full-time workers employed as of the Determination Date and, thereafter, during the preceding year in connection with the Project or the Optional Expansion. After the Determination Date, if the Company fails to satisfy the Minimum Jobs Requirement, the City and the County may elect to increase the amount of their respective general fund In Lieu Payments on the Property or Expansion Property, as applicable, for the current year by the percentage difference between the Minimum Jobs Requirement and the number of full-time positions actually created by the Company within the County in connection with the Project or the Optional Expansion, as applicable. In no event shall the Company’s annual general fund In Lieu Payments exceed one hundred percent (100%) of the general fund taxes that would be assessed against the Property or Expansion Property if it were subject to general fund taxes.

Example I: Total number of full-time positions added = 16
20-16 = 4
4/20 = 20%
Annual In Lieu Payment = 50% (Section 4, above)

Final In Lieu Payment = 50% + 20% = 70%
(The general government In Lieu Payments due on the Property or Expansion Property, as applicable, could be increased to 70% of the general fund taxes that would be assessed against the Property or Expansion Property for the then-current abatement year if it were subject to property taxes)

Such formula shall be evaluated on an annual basis with the understanding that no increase pursuant to this Section shall occur under the annual employment review in any year in which the number of new full-time positions of the Company in the County equals or exceeds the applicable Minimum Jobs Requirement.

(e) Annual Review of Capital Investment. Within thirty (30) days after the Determination Date, the Company will provide a report to the Mayor of the City, the

Mayor of the County and the Chattanooga Area Chamber of Commerce certifying its capital investment in the Project or the Optional Expansion, as applicable, as of the Determination Date. If the Company fails to satisfy the Minimum Capital Investment on or before the Determination Date, then on or before January 31 of each year thereafter and continuing until the Minimum Capital Investment has been satisfied, the Company will provide an annual report to the Mayor of the City, the Mayor of the County, and the Chattanooga Area Chamber of Commerce certifying the capital investment made by the Company in the Property or Expansion Property. After the Determination Date, if the Company fails to satisfy the Minimum Capital Investment, the City and the County may elect to increase the amount of their respective general fund In Lieu Payments on the Property or Expansion Property, as applicable, for the current year by the percentage difference between the Minimum Capital Investment and the capital investment actually made by the Company in the Property or Expansion Property, as applicable. In no event shall the Company's annual general fund In Lieu Payments exceed one hundred percent (100%) of the general fund taxes that would be assessed against the Property or Expansion Property if it were subject to general fund taxes.

Example II:	Total amount of Company capital investment	=	\$3,750,000
	\$5,000,000 - \$3,750,000	=	\$1,250,000
	\$1,250,000 / \$5,000,000	=	25%
	Annual In Lieu Payment	=	50% (Section 4, above)

Final In Lieu Payment = 50% + 25% = 75%
 (The general government In Lieu Payments due on the Property or Expansion Property, as applicable, could be increased to 75% of the general fund taxes that would be assessed against the Property or Expansion Property for the then-current abatement year if it were subject to property taxes)

Such formula shall be evaluated on an annual basis until the Minimum Capital Investment has been met or exceeded, whereupon no further evaluations or increases of the general fund In Lieu Payment for the Property or Expansion Property, as applicable, under this Section shall occur.

(f) Single Adjustment Regarding Tax Abatement. If the annual employment review under subsection (d) and the investment review under subsection (e) indicate an annual increase for the Property or Expansion Property, and if the City and the County elect to increase the amounts of their respective general government In Lieu Payments, then the City and the County shall determine whether the increase under (i) subsection (d) or (ii) subsection (e) shall apply. The annual increases shall not be combined. If the City and the County elect to increase the amount of their respective general government In Lieu Payment for the Property and Expansion Property pursuant to the annual employment review under subsection (d), then the City and County may not, in the same year, also elect to increase the amount of their respective general fund In Lieu Payments pursuant to subsection (e). For example, using Examples I and II, shown above, the City and the County may elect to either (i) increase the amount of their respective annual general fund In Lieu Payments under subsection (d) (20%) or (ii) increase the amount of their respective annual general fund In Lieu Payments under subsection (e) (25%).

(g) 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 Expansion Property during the Optional Expansion Period as 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 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 the Company. The Company shall have the right to contest the appraisal or assessment of the Property or the Expansion Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payments. If the Company contests any such appraisal or assessment, then they shall present evidence to the Assessor 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 for a period not to exceed sixty (60) days to resolve any disputes as to appraisal, assessment or computation of the In Lieu Payments. 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 the Property. Any amounts which remain payable under this Agreement shall become a lien on the Property or the Expansion Property (as applicable), and such lien shall be enforceable against the Property or Expansion 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 the Company and shall continue for so long as the Board holds title to any

of the Property or the Expansion Property and leases such property to the Company or 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 the Company's personal property leasehold interest in the Property and Expansion 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. If the leasehold interest of the Company 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
Company:	Chattem Chemicals, Inc. 3708 St. Elmo Avenue Chattanooga, Tennessee 37409 Attention: Jason Paul Allen
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 January 31 of each year this Agreement is in effect, the Company shall provide a report to the Mayor of the City and the Mayor of the County summarizing its investment, job creation and wages associated with the Property and, as applicable, the Expansion Property for purposes of analyzing the Company's progress in achieving the applicable Investment, Jobs and Wage Projection.

19. Stormwater Fees. Nothing in this Agreement shall impact the Company's obligation to pay stormwater fees assessed by the City against the real property associated with the Project.

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

**CHATTEM CHEMICALS, INC., a Delaware
corporation**

By: _____
Name: _____
Title: _____

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
County Mayor

WILLIAM F. HULLANDER

By: _____
Hamilton County Trustee

WILLIAM C. BENNETT

By: _____
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 3708 St. Elmo Avenue, Chattanooga, Tennessee 37409 or other locations of the Company within the City of Chattanooga and/or Hamilton County between [January 1, 2014] and [January 1, 2017].

During the Optional Expansion Period, the Expansion Property shall also include all machinery, equipment and other tangible personal property that is located on or about the Company's facilities located at 3708 St. Elmo Avenue, Chattanooga, Tennessee 37409 or other locations of the Company within the City of Chattanooga and/or Hamilton County during the three (3) year Optional Expansion Investment and Job Creation Period in connection with the Optional Expansion.