



Hamilton County Board of Commissioners RESOLUTION

No. 914-31

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE VAN DE WIELE, 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, Van De Wiele, Inc. (the "Company") is contemplating the construction of a distribution facility and certain other real property improvements on certain real property in the City of Chattanooga and Hamilton County, Tennessee, and the acquisition and installation of certain machinery, equipment and other personal property to store and distribute its products at the distribution facility to be constructed (collectively, 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:

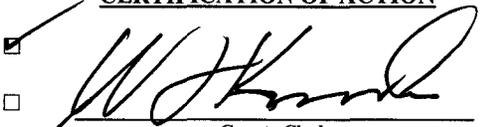
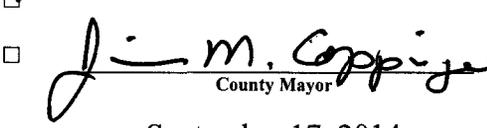
That we do hereby find that the Project is in the best interest of the County, and that payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Board's public purposes; and

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.

CERTIFICATION OF ACTION

Approved:	<input checked="" type="checkbox"/>	
Rejected:	<input type="checkbox"/>	County Clerk
Approved:	<input checked="" type="checkbox"/>	
Vetoed:	<input type="checkbox"/>	County Mayor
September 17, 2014		
Date		

MB: 409
PAGE: 497

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

THIS AGREEMENT (the "Agreement") is made and entered into as of this the 9th day of December, 2015, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **VAN DE WIELE, INC.**, a North Carolina 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 (i) the acquisition of certain real property in Chattanooga, Hamilton County, Tennessee, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Existing Property"); (ii) the construction of a new facility and other real property improvements on the Existing Property (the "Real Property Improvements") (the Real Property Improvements and the Existing Property shall be collectively referred to as the "Real Property"); and (iii) the acquisition of machinery, equipment and other personal property, as more particularly described on Exhibit B attached hereto and incorporated herein (the "Personal Property") (the Personal Property and the Real Property shall be collectively referred to as the "Property, and the Real Property Improvements and the Personal Property shall be referred to as the "Project"), resulting in an investment of at least \$5.05 million and the creation of at least 30 full-time jobs which jobs shall have an average annual wage (excluding benefits) equal to at least \$49,000.00 between September 1, 2014 and September 1, 2017 (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 the Company pursuant to that certain Lease Agreement (the "Lease"), dated of even date herewith, between the Board and 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.*, 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 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 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 which amounts shall be determined in accordance with the provisions 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 the five (5) year period covering and inclusive of years 2016 through 2020 (the "Tax Abatement Period"), the Company shall make In Lieu Payments with respect to the Project in an amount, as determined by the Assessor and the Trustee, equal to the following percentage of the taxes that would have been payable on the Project if it were subject to property taxes for the respective years shown:

<u>Year</u>	<u>City General</u> <u>Fund</u>	<u>County General</u> <u>Fund</u>	<u>County School</u> <u>Fund</u>
2016	0%	0%	100%
2017	25%	25%	100%
2018	40%	40%	100%
2019	50%	50%	100%
2020	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 Project 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.

For any portion of the Property other than the Project, 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 such portion of the Property if it were subject to property taxes. For the avoidance of doubt, the parties intend that the reduced In Lieu Payments shall only apply to new investment in the Property that is undertaken pursuant to this Agreement.

For any periods before the Tax Abatement Period or after the Tax Abatement Period that the 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 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.

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 within thirty (30) days after written notice of such non-payment has been provided to the Company, 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. 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.

6. Minimum Requirements; Annual Review; Increase in Amount of In Lieu Payments.

(a) Minimum Requirements. The Company must meet one hundred percent (100%) of the Minimum Job Requirement and the Minimum Investment Requirement by September 1, 2017 (the "Determination Date") and during each calendar year thereafter during the Tax Abatement Period. For purposes of this Section, the "Minimum Jobs Requirement" equals twenty-four (24) full-time jobs having an average annual wages (excluding benefits) equal to at least \$49,000.00, and the "Minimum Investment" equals \$4,004,000 (Four Million Four Thousand Dollars).

(b) Annual Employment Review. If Company fails to achieve the Minimum Jobs Requirement during the calendar year in which the Determination Date occurs or during in any calendar year thereafter during the Tax Abatement Period, the City and the County reserve the right but are not obligated to increase the amount of the general fund In Lieu Payments applicable to the Property for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Job Performance" for such calendar year (the "Job In Lieu Payment Percentage Increase"). The "Company's Job Performance" for any calendar year means the proportion, expressed as a percentage, that the average number of full-time jobs actually maintained by the Company bears to the Minimum Job Requirement. 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 Project if it were subject to general fund taxes.

Example 1:

Total number of full-time jobs for 2017 = 28

Minimum Job Requirement = 24

No increase in In Lieu Payments for 2017

(Minimum Job Requirement has been exceeded)

Example 2:

Total number of full-time jobs for 2017 = 20

Minimum Job Requirement = 24

Company's Job Performance = 83.33%

Job In Lieu Payment Percentage Increase for 2017 = 16.67%

(In Lieu Payment Percentages for 2017 for City General Fund and County General Fund may each be increased by 16.67%)

(c) **Annual Investment Review.** If the Company fails to achieve the Minimum Investment Requirement during the calendar year in which the Determination Date occurs or during in any calendar year thereafter during the Tax Abatement Period, the City and the County reserve the right but are not obligated to increase the amount of the general fund In Lieu Payments applicable to the Property for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Investment Performance" for such calendar year (the "Investment In Lieu Payment Percentage Increase"). The "Company's Investment Performance" for any calendar year means the proportion, expressed as a percentage, that the actual aggregate capital investment made by the Company through the end of such calendar year, including all capital investment made in the preceding calendar years in connection with the Project, bears to the Minimum Investment Requirement. 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 Project if it were subject to general fund taxes.

Example 3:

Total amount of capital investment through 2017 = \$5,000,000

Minimum Investment Requirement = \$4,004,000

No increase in In Lieu Payments for 2017 (Minimum Investment Requirement has been exceeded)

Example 4:

Total amount of capital investment through 2017 = \$3,500,000

Minimum Investment Requirement = \$4,004,000

Company's Investment Performance = 87.41%

Investment In Lieu Payment Percentage Increase for 2017 = 12.59%

(In Lieu Payment Percentages for 2017 for City General Fund and County General Fund may each be increased by 12.59%)

Such formula shall be evaluated on an annual basis until the Minimum Investment Requirement has been met or exceeded, whereupon no further evaluations or increase in the amount of the In Lieu Payments pursuant to this Section 6(c) shall occur.

(d) Single Adjustment Regarding Tax Abatement; Issuance of Supplemental Bill to Company. If both the annual employment review under Section 6(b) and the investment review under Section 6(c) for any calendar year indicate an increase in the In Lieu Payments for the same calendar year in which such failure occurs, and if the City and the County elect to increase the In Lieu Payments for such calendar year, then the City and the County shall determine whether the increase under Section 6(b) or Section 6(c) shall apply, which shall be the sole remedy for a shortfall in the Investment, Jobs and Wage Projection. The increase under Section 6(b) and Section 6(c) shall not be combined. If the City and the County increase the amount of the In Lieu Payments pursuant to the annual employment review under Section 6(b) for any calendar year, then they may not, in the same year, also increase the amount of the In Lieu Payments pursuant to Section 6(c), and vice versa. For example, using Examples 2 and 4 shown above, the City and the County may elect to either (i) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 6(b) by 16.67% or (ii) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 6(c) by 12.59%. In accordance with the foregoing and once a determination has been made of the Jobs In Lieu Payment Percentage Increase or the Investment In Lieu Payment Percentage Increase, whichever is determined to be applicable, the Trustee shall compute the amount of the additional In Lieu Payment resulting therefrom and will issue a supplemental bill to the Company for that payment.

(e) Project Closure. 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. The provisions of this subsection (e) shall be the sole remedy for a closure or relocation of the Project.

7. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 3 for the benefit of the City and County general funds 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 such 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. The parties acknowledge and agree that all disbursements to the City and County pursuant to this Agreement are in furtherance of the Board's purposes as set forth in Tennessee Code Annotated § 7-53-305.

8. Economic Development Fee. For each calendar year beginning with 2016 in which the In Lieu Payment Percentage as to the City and County General Fund (see chart in Section 4) is less than 100%, an economic development fee (an "Economic Development Fee") equal to 15% of the difference between (1) the property taxes that would otherwise be payable for such year on the Property if it were subject to property taxes as calculated by the Trustee pursuant to Section 2 above, and (2) the amount of the School Portion with respect to the Property for such year as calculated pursuant to Section 4 above, shall be computed and collected by the Trustee; provided, however, in no event shall the total of the Company's annual General Fund In Lieu Payments plus the Economic Development Fee exceed one hundred percent (100%) of the general fund taxes that would be assessed against the Project if it were subject to general fund taxes. Beginning in 2016, this Economic Development Fee will be paid for each year that the Property is owned by the Board through and including 2020 if the In Lieu Payment Percentage as to the City and County General Fund (see chart in Section 4) for such calendar year is less than 100%. If the Board's ownership ceases during any calendar year, then that year's Economic Development Fee will be prorated. The Trustee shall add the Economic Development Fee as a separate line item on the Tax Bill, and the Company shall pay the Economic Development Fee for each such year during the term before March 1 of the following year. Any failure to pay the Economic Development Fee on or before March 1 shall result in penalties and late charges calculated in the same manner as penalties and late charges are calculated for In Lieu Payments under this Agreement.

The Trustee shall not deduct any part of the Economic Development Fee from the School Portion of the In Lieu Payments. The Trustee shall prorate the Economic Development Fee between the County Portion and the City Portion of the In Lieu Payments and disburse the Economic Development Fee. The Trustee shall disburse the County's portion of the Economic Development Fee to the County, and the County shall hold such funds to be used for economic development purposes as directed by the Mayor of the County. The Trustee shall disburse the City's portion of the Economic Development Fee to the City, and the City shall hold such funds to be used for economic development purposes, as directed by the Mayor of the City.

9. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor, the computation by the Trustee of the amount of the In Lieu Payment and the calculation of the Economic Development Fee. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. If the In Lieu Payments, or the Economic Development Fee, as applicable, 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 Payment or the Economic Development Fee, as applicable. If the Company and the Assessor or the Trustee, as the case may be, 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.

10. 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.

11. 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 and leases such property to the Company or the Company has made all payments required hereunder, whichever shall later occur.

12. Leasehold Taxation. The Board, the City, the County, the Trustee and the Assessor acknowledge and agree that the Company's personal property leasehold interest in the Personal Property under the Lease shall not be subject to assessment for ad valorem tax purposes. The Board, the City, the County, the Trustee and the Assessor further acknowledge and agree that the Company's real property leasehold interest in the Real Property under the Lease is not expected to be subject to assessment for ad valorem tax purposes, as all amounts paid by the Company, including without limitation, rent under the Lease, costs for maintenance, insurance, utilities, infrastructure, site preparation, acquisition, construction, and other costs for or in connection with the Project, cost of capital for or in connection with the Project, and obligations of the Company under the Lease would, at the present time, be considered as rent payable under the Lease for purposes of determining the Company's leasehold interest. As a result, the actual or imputed rent for the real property portion of the Property is expected to equal or exceed the fair market rent for purposes of Tenn. Code Ann. § 67-5-605. If the leasehold interest of the Company in the Property should be subject to ad valorem taxation for any year hereunder, then any amounts assessed as taxes thereon shall be credited against any In Lieu of Tax Payments and Economic Development Fees paid under this Agreement and carried forward from year to year until fully utilized. Additionally, in the event the Company determines, in the exercise of reasonable discretion, that there is a possibility, notwithstanding the foregoing agreement, of a positive taxable leasehold interest in the Property, the Company shall have the continuing option to require the Board take all reasonable steps, at no additional cost to the Board, to restructure this Agreement and the related Lease 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. Such options may include, but are not limited to, an arrangement by which the Board issues and the Company purchases industrial revenue bonds to finance all or a portion of the Property, provided that such bonds shall be limited obligations of the Board and non-recourse to the City and the County.

13. 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:	Van De Wiele, Inc. 14325 South Lakes Drive Charlotte, North Carolina 28273 Attn: Bob Harding
With a Copy to:	Miller & Martin PLLC 832 Georgia Avenue Suite 1000 Chattanooga, Tennessee 37402 Attn: 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.

14. 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.

15. 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.

16. 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.

17. 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.

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

19. 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.

20. 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 in the Property and the development and operation of the Project for purposes of analyzing the Company's progress in achieving the Investment, Jobs and Wage Projection.

21. Stormwater Fees. The Company shall be responsible for all stormwater fees assessed by the City against the Property.

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

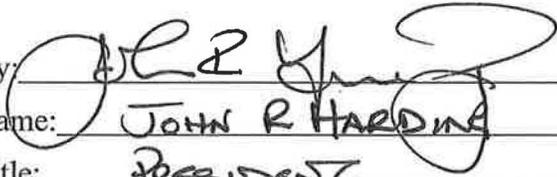
ATTEST:

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

By: A.N. Ireland III
Secretary Acting

By: James A. Miller
Chairman

VAN DE WIELE, INC., a North Carolina
corporation

By: 
Name: JOHN R HARDING
Title: PRESIDENT.

HAMILTON COUNTY, TENNESSEE

By: Jim M. Coppage
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

REAL PROPERTY

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

Lot 2, Final Plat, Armstrong Subdivision to Relocation Way, as shown by plat of record in Plat Book 99, Page 125, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH AND SUBJECT TO Sign and Utilities Easement as created in Shopping Center Easement Agreement of record in Book 4471, Page 50, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH AND SUBJECT TO Utility and Ingress & Egress Easement (also known as Relocation Way) as shown on plat recorded in Plat Book 99, Page 125, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH AND SUBJECT TO 90' Cross Access and Utility Easement for the benefit of Lot 2 and Ooltewah United Methodist Church, as shown on plat recorded in Plat Book 99, Page 125, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH AND SUBJECT TO Non-Exclusive Driveway/Utility Easement and Maintenance Agreement being recorded simultaneously herewith.

TOGETHER WITH AND SUBJECT TO 50' Ingress/Egress & Utility Easement for the benefit of Lot 2 and Ooltewah United Methodist Church, as set out in instrument recorded in Book 6657, Page 981, in the Register's Office of Hamilton County, Tennessee, as shown on plat recorded in Plat Book 99, Page 125, in the Register's Office of Hamilton County, Tennessee, and as amended by that First Amendment to Real Estate Easement and Right of First Refusal Agreement, being recorded simultaneously herewith.

TOGETHER WITH AND SUBJECT TO 20' Drainage Easement, 10' Drainage Easement, and Detention Pond Easement, as shown on plat recorded in Plat Book 99, Page 125, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH 20' EPB Easement, as shown on plat recorded in Plat Book 99, Page 125, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH AND SUBJECT TO 20' Sanitary Sewer Easement, as set out in instrument recorded in Book 5830, Page 721, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH AND SUBJECT TO 20' Sanitary Sewer Easement for Low Pressure Line, as shown on plat recorded in Plat Book 99, Page 125, in the Register's Office of Hamilton County, Tennessee, subject to the provisions of Note 17 on said plat.

FOR TITLE, see Deed from Van De Wiele, Inc., a North Carolina corporation, to The Industrial Development Board of the City of Chattanooga, dated December 9, 2015 and recorded in the Register's Office of Hamilton County, Tennessee.

EXHIBIT "B"
TO PILOT AGREEMENT

PERSONAL PROPERTY

During the Tax Abatement Period, the Project shall include all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used in connection with the real property described in Exhibit A attached to this Agreement between September 1, 2014 and September 1, 2017, together with replacements thereof and substitutions therefor, in connection with the Company's operations on such property.

**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"); **VAN DE WIELE, INC.**, a North Carolina 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 (i) the acquisition of certain real property in Chattanooga, Hamilton County, Tennessee, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Existing Property"); (ii) the construction of a new facility and other real property improvements on the Existing Property (the "Real Property Improvements") (the Real Property Improvements and the Existing Property shall be collectively referred to as the "Real Property"); and (iii) the acquisition of machinery, equipment and other personal property, as more particularly described on Exhibit B attached hereto and incorporated herein (the "Personal Property") (the Personal Property and the Real Property shall be collectively referred to as the "Property, and the Real Property Improvements and the Personal Property shall be referred to as the "Project"), resulting in an investment of at least \$5.05 million and the creation of at least 30 full-time jobs which jobs shall have an average annual wage (excluding benefits) equal to at least \$49,000.00 between [September 1, 2014 and September 1, 2017] (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 the Company pursuant to that certain Lease Agreement (the "Lease"), dated of even date herewith, between the Board and 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.*, 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 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 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 which amounts shall be determined in accordance with the provisions 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 the five (5) year period covering and inclusive of years [2016 through 2020] (the "Tax Abatement Period"), the Company shall make In Lieu Payments with respect to the Project in an amount, as determined by the Assessor and the Trustee, equal to the following percentage of the taxes that would have been payable on the Project if it were subject to property taxes for the respective years shown:

<u>Year</u>	<u>City General</u>	<u>County General</u>	<u>County School</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
2016	0%	0%	100%
2017	25%	25%	100%
2018	40%	40%	100%
2019	50%	50%	100%
2020	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 Project 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.

For any portion of the Property other than the Project, 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 such portion of the Property if it were subject to property taxes. For the avoidance of doubt, the parties intend that the reduced In Lieu Payments shall only apply to new investment in the Property that is undertaken pursuant to this Agreement.

For any periods before the Tax Abatement Period or after the Tax Abatement Period that the 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 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.

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 within thirty (30) days after written notice of such non-payment has been provided to the Company, 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. 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.

6. Minimum Requirements; Annual Review; Increase in Amount of In Lieu Payments.

(a) Minimum Requirements. The Company must meet one hundred percent (100%) of the Minimum Job Requirement and the Minimum Investment Requirement by [September 1, 2017] (the "Determination Date") and during each calendar year thereafter during the Tax Abatement Period. For purposes of this Section, the "Minimum Jobs Requirement" equals twenty-four (24) full-time jobs having an average annual wages (excluding benefits) equal to at least \$49,000.00, and the "Minimum Investment" equals \$4,004,000 (Four Million Four Thousand Dollars).

(b) Annual Employment Review. If Company fails to achieve the Minimum Jobs Requirement during the calendar year in which the Determination Date occurs or during in any calendar year thereafter during the Tax Abatement Period, the City and the County reserve the right but are not obligated to increase the amount of the general fund In Lieu Payments applicable to the Property for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Job Performance" for such calendar year (the "Job In Lieu Payment Percentage Increase"). The "Company's Job Performance" for any calendar year means the proportion, expressed as a percentage, that the average number of full-time jobs actually maintained by the Company bears to the Minimum Job Requirement. 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 Project if it were subject to general fund taxes.

Example 1:

Total number of full-time jobs for 2017 = 28

Minimum Job Requirement = 24

No increase in In Lieu Payments for 2017

(Minimum Job Requirement has been exceeded)

Example 2:

Total number of full-time jobs for 2017 = 20

Minimum Job Requirement = 24

Company's Job Performance = 83.33%

Job In Lieu Payment Percentage Increase for 2017 = 16.67%

(In Lieu Payment Percentages for 2017 for City General Fund and County General Fund may each be increased by 16.67%)

(c) **Annual Investment Review.** If the Company fails to achieve the Minimum Investment Requirement during the calendar year in which the Determination Date occurs or during in any calendar year thereafter during the Tax Abatement Period, the City and the County reserve the right but are not obligated to increase the amount of the general fund In Lieu Payments applicable to the Property for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Investment Performance" for such calendar year (the "Investment In Lieu Payment Percentage Increase"). The "Company's Investment Performance" for any calendar year means the proportion, expressed as a percentage, that the actual aggregate capital investment made by the Company through the end of such calendar year, including all capital investment made in the preceding calendar years in connection with the Project, bears to the Minimum Investment Requirement. 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 Project if it were subject to general fund taxes.

Example 3:

Total amount of capital investment through 2017 = \$5,000,000

Minimum Investment Requirement = \$4,004,000

No increase in In Lieu Payments for 2017 (Minimum Investment Requirement has been exceeded)

Example 4:

Total amount of capital investment through 2017 = \$3,500,000

Minimum Investment Requirement = \$4,004,000

Company's Investment Performance = 87.41%

Investment In Lieu Payment Percentage Increase for 2017 = 12.59%

(In Lieu Payment Percentages for 2017 for City General Fund and County General Fund may each be increased by 12.59%)

Such formula shall be evaluated on an annual basis until the Minimum Investment Requirement has been met or exceeded, whereupon no further evaluations or increase in the amount of the In Lieu Payments pursuant to this Section 6(c) shall occur.

(d) Single Adjustment Regarding Tax Abatement; Issuance of Supplemental Bill to Company. If both the annual employment review under Section 6(b) and the investment review under Section 6(c) for any calendar year indicate an increase in the In Lieu Payments for the same calendar year in which such failure occurs, and if the City and the County elect to increase the In Lieu Payments for such calendar year, then the City and the County shall determine whether the increase under Section 6(b) or Section 6(c) shall apply, which shall be the sole remedy for a shortfall in the Investment, Jobs and Wage Projection. The increase under Section 6(b) and Section 6(c) shall not be combined. If the City and the County increase the amount of the In Lieu Payments pursuant to the annual employment review under Section 6(b) for any calendar year, then they may not, in the same year, also increase the amount of the In Lieu Payments pursuant to Section 6(c), and vice versa. For example, using Examples 2 and 4 shown above, the City and the County may elect to either (i) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 6(b) by 16.67% or (ii) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 6(c) by 12.59%. In accordance with the foregoing and once a determination has been made of the Jobs In Lieu Payment Percentage Increase or the Investment In Lieu Payment Percentage Increase, whichever is determined to be applicable, the Trustee shall compute the amount of the additional In Lieu Payment resulting therefrom and will issue a supplemental bill to the Company for that payment.

(e) Project Closure. 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. The provisions of this subsection (e) shall be the sole remedy for a closure or relocation of the Project.

7. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 3 for the benefit of the City and County general funds 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 such 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. The parties acknowledge and agree that all disbursements to the City and County pursuant to this Agreement are in furtherance of the Board's purposes as set forth in Tennessee Code Annotated § 7-53-305.

8. Economic Development Fee. For each calendar year beginning with 2016 in which the In Lieu Payment Percentage as to the City and County General Fund (see chart in Section 4) is less than 100%, an economic development fee (an "Economic Development Fee") equal to 15% of the difference between (1) the property taxes that would otherwise be payable for such year on the Property if it were subject to property taxes as calculated by the Trustee pursuant to Section 2 above, and (2) the amount of the School Portion with respect to the Property for such year as calculated pursuant to Section 4 above, shall be computed and collected by the Trustee; provided, however, in no event shall the total of the Company's annual General Fund In Lieu Payments plus the Economic Development Fee exceed one hundred percent (100%) of the general fund taxes that would be assessed against the Project if it were subject to general fund taxes. Beginning in 2016, this Economic Development Fee will be paid for each year that the Property is owned by the Board through and including 2020 if the In Lieu Payment Percentage as to the City and County General Fund (see chart in Section 4) for such calendar year is less than 100%. If the Board's ownership ceases during any calendar year, then that year's Economic Development Fee will be prorated. The Trustee shall add the Economic Development Fee as a separate line item on the Tax Bill, and the Company shall pay the Economic Development Fee for each such year during the term before March 1 of the following year. Any failure to pay the Economic Development Fee on or before March 1 shall result in penalties and late charges calculated in the same manner as penalties and late charges are calculated for In Lieu Payments under this Agreement.

The Trustee shall not deduct any part of the Economic Development Fee from the School Portion of the In Lieu Payments. The Trustee shall prorate the Economic Development Fee between the County Portion and the City Portion of the In Lieu Payments and disburse the Economic Development Fee. The Trustee shall disburse the County's portion of the Economic Development Fee to the County, and the County shall hold such funds to be used for economic development purposes as directed by the Mayor of the County. The Trustee shall disburse the City's portion of the Economic Development Fee to the City, and the City shall hold such funds to be used for economic development purposes, as directed by the Mayor of the City.

9. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor, the computation by the Trustee of the amount of the In Lieu Payment and the calculation of the Economic Development Fee. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. If the In Lieu Payments, or the Economic Development Fee, as applicable, 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 Payment or the Economic Development Fee, as applicable. If the Company and the Assessor or the Trustee, as the case may be, 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.

10. 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.

11. 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 and leases such property to the Company or the Company has made all payments required hereunder, whichever shall later occur.

12. Leasehold Taxation. The Board, the City, the County, the Trustee and the Assessor acknowledge and agree that the Company's personal property leasehold interest in the Personal Property under the Lease shall not be subject to assessment for ad valorem tax purposes. The Board, the City, the County, the Trustee and the Assessor further acknowledge and agree that the Company's real property leasehold interest in the Real Property under the Lease is not expected to be subject to assessment for ad valorem tax purposes, as all amounts paid by the Company, including without limitation, rent under the Lease, costs for maintenance, insurance, utilities, infrastructure, site preparation, acquisition, construction, and other costs for or in connection with the Project, cost of capital for or in connection with the Project, and obligations of the Company under the Lease would, at the present time, be considered as rent payable under the Lease for purposes of determining the Company's leasehold interest. As a result, the actual or imputed rent for the real property portion of the Property is expected to equal or exceed the fair market rent for purposes of Tenn. Code Ann. § 67-5-605. If the leasehold interest of the Company in the Property should be subject to ad valorem taxation for any year hereunder, then any amounts assessed as taxes thereon shall be credited against any In Lieu of Tax Payments and Economic Development Fees paid under this Agreement and carried forward from year to year until fully utilized. Additionally, in the event the Company determines, in the exercise of reasonable discretion, that there is a possibility, notwithstanding the foregoing agreement, of a positive taxable leasehold interest in the Property, the Company shall have the continuing option to require the Board take all reasonable steps, at no additional cost to the Board, to restructure this Agreement and the related Lease 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. Such options may include, but are not limited to, an arrangement by which the Board issues and the Company purchases industrial revenue bonds to finance all or a portion of the Property, provided that such bonds shall be limited obligations of the Board and non-recourse to the City and the County.

13. 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:	Van De Wiele, Inc. 14325 South Lakes Drive Charlotte, North Carolina 28273 Attn: Bob Harding
With a Copy to:	Miller & Martin PLLC 832 Georgia Avenue Suite 1000 Chattanooga, Tennessee 37402 Attn: 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.

14. 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.

15. 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.

16. 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.

17. 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.

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

19. 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.

20. 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 in the Property and the development and operation of the Project for purposes of analyzing the Company's progress in achieving the Investment, Jobs and Wage Projection.

21. Stormwater Fees. The Company shall be responsible for all stormwater fees assessed by the City against the Property.

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

VAN DE WIELE, INC., a North Carolina
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

REAL PROPERTY

[INSERT LEGAL DESCRIPTION]

EXHIBIT "B"
TO PILOT AGREEMENT

PERSONAL PROPERTY

During the Tax Abatement Period, the Project shall include all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used in connection with the real property described in Exhibit A attached to this Agreement between **[September 1, 2014 and September 1, 2017]**, together with replacements thereof and substitutions therefor, in connection with the Company's operations on such property.