



Hamilton County Board of Commissioners RESOLUTION

No. 715-17

A RESOLUTION (I) TO MAKE CERTAIN FINDINGS RELATING TO THE NEW MANUFACTURING FACILITY PROJECT TO BE CONSTRUCTED, EQUIPPED AND OPERATED BY A TO-BE-FORMED SUBSIDIARY OF GESTAMP NORTH AMERICA, INC. ("GESTAMP SUBSIDIARY") IN THE ENTERPRISE SOUTH INDUSTRIAL PARK (THE "PROJECT"), AND (II) TO AUTHORIZE THE MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA (THE "BOARD"), THE GESTAMP SUBSIDIARY, AND THE CITY OF CHATTANOOGA, TENNESSEE WITH RESPECT TO THE PROJECT (THE "PILOT AGREEMENT")

WHEREAS, Gestamp North America, Inc. is contemplating the formation of a new subsidiary (the "Gestamp Subsidiary") for the purposes of constructing, equipping and operating a new manufacturing facility in the Enterprise South Industrial Park in Chattanooga, Hamilton County, Tennessee (the "Project"), which will require the acquisition of real property (the "Real Property") currently leased by Volkswagen Group of America Chattanooga Operations, LLC ("VW") from The Industrial Development Board of the City of Chattanooga (the "Board"); and

WHEREAS, VW has indicated its intent to release the Real Property from the lease with the Board in order for the Board to lease the Real Property to the Gestamp Subsidiary so that it can be used by the Gestamp Subsidiary for the Project; and

WHEREAS, because of the substantial public benefits to Hamilton County, Tennessee (the "County") and the City of Chattanooga, Tennessee (the "City") resulting from the Project, Gestamp has asked the Board, the Board of Commissioners of the County (the "Board of Commissioners") and the City Council to approve certain payments in lieu of ad valorem taxes with respect to the Project (the "In Lieu Payments"); and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HAMILTON COUNTY, TENNESSEE, AS FOLLOWS:

RESOLVED, that we do hereby find that substantial benefits to the County economy will be derived from the Project and that the In Lieu Payments contemplated under the PILOT Agreement will be in furtherance of the Board's public purposes; and

BE IT FURTHER RESOLVED, that, having made such findings, we do hereby approve the PILOT Agreement in the form attached to this Resolution and do hereby authorize the Mayor to enter into the PILOT Agreement on behalf of the County, such PILOT Agreement to be substantially in the form attached to this Resolution, 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.

NR: 419
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CERTIFICATION OF ACTION

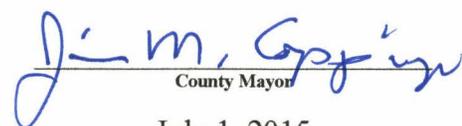
Approved:

Rejected:

Approved:

Vetoed:


County Clerk


County Mayor

July 1, 2015

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 _____, 2015, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **GESTAMP CHATTANOOGA II, LLC** (, 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 "Land"); (ii) the construction upon the Land of a new manufacturing facility (the "Real Property Improvements") (the Land and the Real Property Improvements shall be collectively referred to as the "Real Property") to be owned and operated by the Company; 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 \$39.1 million and the creation of at least 136 full-time jobs which jobs shall have an average hourly wage (excluding benefits) equal to at least \$17.00 between January 1, 2017 and January 1, 2020 (collectively the "Investment, Jobs and Wage Projection"), and has requested the Board's assistance with the Project; and

WHEREAS, Gestamp Chattanooga, LLC, a Delaware limited liability company ("Related Company"), an entity related to the Company is contemplating the construction and operation of a complementary facility on a separate site located in the Enterprise South Industrial Park ("Related Project"), which will result in an investment of at least One Hundred Forty Million Nine Hundred Thousand Dollars (\$140,900,000.00) and the creation of at least 374 full-time jobs which shall have an average hourly wage (excluding benefits) equal to at least \$17.00 between January 1, 2017 and January 1, 2020 (collectively, the "Related Project Investment, Jobs and Wage Projection") upon terms and conditions to be set forth in that certain Agreement for Payments In Lieu of Ad Valorem Taxes of even date herewith by and among Related Company and the other parties to this Agreement, except the Company (the "Related PILOT Agreement"); and

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

WHEREAS, the Board has agreed to hold title to the Property, together with all additions thereto, replacements thereof, and substitutions therefor and (i) to lease the Real

Property to the Company pursuant to a Real Property Lease Agreement (the "Real Property Lease:"), to be entered into between the Board and the Company, and (ii) to lease the Property to the Company pursuant to a Personal Property Lease Agreement (the "Personal Property Lease"), to be entered into between the Board and the Company (the Real Property Lease and the Personal Property Lease collectively called the "Leases"); 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 City of Chattanooga Treasurer (the "Treasurer") and 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 Treasurer and the Trustee as its agents 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 Treasurer, the Trustee, 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. Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Treasurer and the Trustee and as its agents 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 Treasurer and 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 Treasurer and the Trustee shall send the Board and the Company a bill for appropriate amount 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 Treasurer and the Trustee the amount indicated on the Tax Bill which amount 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 ten (10) year period covering and inclusive of years 2017 through 2026 (the "Tax Abatement Period"), the Company shall make In Lieu Payments with respect to the Project in an amount, as determined by the Assessor, the Treasurer 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:

Year	City General Fund	County General Fund	County School Fund
2017	0%	0%	100%
2018	25%	25%	100%
2019	40%	40%	100%
2020	50%	50%	100%
2021	50%	50%	100%
2022	50%	50%	100%
2023	50%	50%	100%
2024	50%	50%	100%
2025	50%	50%	100%
2026	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 Company and County acknowledge and agree currently equates to 49.64% of the amount of the total 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 of its portion of the Property other than the Project, the Company shall make In Lieu Payments in an amount, as determined by the Assessor, the Treasurer 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, except to the extent that a portion of such Property is subject to another agreement for payments in lieu of taxes with the City, the County and the IDB. For the avoidance of doubt, the parties intend that the reduced In Lieu Payments under this Agreement 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, the Treasurer 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, except to the extent that a portion of such Property is subject to another agreement for payments in lieu of taxes with the City, the County and the IDB.

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 its 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 its 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 January 1, 2020 (the "Determination Date") and during each calendar year thereafter during the Tax Abatement Period. For purposes of this Section, the "Minimum Jobs Requirement" equals

One Hundred Nine (109) full-time jobs, and the "Minimum Investment" equals \$31,280,000 (Thirty-one Million Two Hundred Eighty Thousand Dollars). In addition, the Related Company must meet one hundred percent (100%) of the "Related Project Minimum Jobs Requirement" equal to 300 full-time jobs, and the "Related Project Minimum Investment Requirement" equal to One Hundred Twelve Million Seven Hundred Twenty Thousand Dollars (\$112,720,000.00) by the Determination Date as set forth in the Related PILOT Agreement.

(b) Annual Employment Review. If (i) the Company fails to achieve the Minimum Jobs Requirement or (ii) the Related Company fails to achieve the Related Project 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 Project and to the Related Project for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Job Performance" or the "Related Company's Job Performance," as applicable, for such calendar year (the "Job In Lieu Payment Percentage Increase"). The "Company's Job Performance" or the "Related Company's Job Performance," as applicable, for any calendar year means the proportion, expressed as a percentage, that the average number of full-time jobs actually maintained by the Company or the Related Company, as applicable, 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 as of January 1, 2020 = 120
Minimum Job Requirement = 109
No increase in In Lieu Payments for 2020
(Minimum Job Requirement has been exceeded)

Example 2:

Total number of full-time jobs as of January 1, 2020 = 100
Minimum Job Requirement = 109
Company's Job Performance = 91.7%
Job In Lieu Payment Percentage Increase for 2020 = 8.3%
(In Lieu Payment Percentages for 2020 for City General Fund and County General Fund may each be increased by 8.3%)

(c) Annual Investment Review. If (i) the Company fails to achieve the Minimum Investment Requirement or (ii) the Related Company fails to achieve the Related Project 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 Project and to the Related Project for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Investment Performance" or the "Related Company's Investment Performance," as applicable, for such

calendar year (the "Investment In Lieu Payment Percentage Increase"). The "Company's Investment Performance" or the "Related Company's Job Performance," as applicable, for any calendar year means the proportion, expressed as a percentage, that the actual aggregate capital investment made by the Company or the Related Company, as applicable, through the end of such calendar year, including all capital investment made in the preceding calendar years in connection with the Project or the Related Company, as applicable, 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 January 1, 2020 = \$35,000,000

Minimum Investment Requirement = \$31,280,000

No increase in In Lieu Payments for 2020 (Minimum Investment Requirement has been exceeded)

Example 4:

Total amount of capital investment through January 1, 2020 = \$30,000,000

Minimum Investment Requirement = \$31,280,000

Company's Investment Performance = 95.9%

Investment In Lieu Payment Percentage Increase for 2020 = 4.1%

(In Lieu Payment Percentages for 2020 for City General Fund and County General Fund may each be increased by 4.1%)

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 the 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 8.3% 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 4.1%. 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 Treasurer

and 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) Credit for Related Project "Excess" Minimum Job Requirement and/or Minimum Investment Requirement. For each calendar year, prior to increasing the In Lieu Payments arising from the Company's failure to meet the Minimum Job Requirement or the Minimum Investment Requirement, there shall be added to the Company's job or investment figures for the same calendar year the amount, if any, by which the Related Company's "Total number of full-time jobs as of January 1" or "Total amount of capital investment through January 1" exceed the Related Company's Minimum Job Requirement or Minimum Investment Requirement calculated pursuant to the Related PILOT Agreement. The combined number of the Company's and the Related Company's "excess" full-time jobs as of January 1 shall be the number used for the purpose of determining whether the Company has met the Minimum Job Requirement for that calendar year. The same procedure shall be followed with respect to the "excess" amount above the Related Company's Minimum Investment Requirements for the same calendar year. The purpose of this Section 6(e) shall be to treat the Project and the Related Project as a single facility for the purpose of measuring whether the combined Minimum Job Requirement and/or the combined Minimum Investment Requirement has been satisfied for each calendar year.

(f) Project Closure. In the event the Project or the Related Project closes or moves from the County during the Tax Abatement 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 Tax Abatement 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 or the Related Project.

7. Disbursements by the Treasurer and Trustee. All sums received by the Treasurer pursuant to Paragraph 3 for the benefit of the City general fund shall be disbursed to the general funds of the City 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 by the Trustee pursuant to Paragraph 3 for the benefit of the County general fund shall be disbursed to the general fund of 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 by the Treasurer shall be placed into an account for the use and benefit of the City. All such sums received by the Trustee shall be divided into an account 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 Lease Payment

(a) City of Chattanooga. For each calendar year beginning with 2017 in which the In Lieu Payment Percentage as to the City General Fund (see chart in Section 4) is less than 100%, an economic development lease payment (an "Economic Development Payment") equal to 15% of the City property taxes that would otherwise be payable for such year on the Project if it were subject to property taxes as calculated by the Treasurer pursuant to Section 2 above shall be computed and collected by the Treasurer; provided, however, in no event shall the total of the Company's annual City General Fund In Lieu Payments plus the Economic Development Payment to the City exceed one hundred percent (100%) of City general fund taxes that would be assessed against the Project if it were subject to general fund taxes. Beginning in 2017, this Economic Development Payment will be paid for each year that the Property is owned by the Board through and including 2026 if the In Lieu Payment Percentage as to the City 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 Payment will be prorated. The Treasurer shall add the Economic Development Payment as a separate line item on the Tax Bill, and the Company shall pay the Economic Development Payment for each such year during the term before March 1 of the following year. Any failure to pay the Economic Development Payment 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 Treasurer shall disburse the City's Economic Development Payment to the City of Chattanooga's Industrial Development Board. The City of Chattanooga's Industrial Development Board shall hold such funds to be used for economic development purposes, as directed by the Mayor of the City.

(b) Hamilton County. For each calendar year beginning with 2017 in which the In Lieu Payment Percentage as to the County General Fund (see chart in Section 4) is less than 100%, an Economic Development Payment to the County equal to 12.53% of the total of the County general fund property taxes and the County school fund property taxes that would otherwise be payable for such year on the Project if it were subject to property taxes as calculated by the Trustee pursuant to Section 2 above, shall be computed and collected by the Trustee; provided, however, in no event shall the total of the Company's annual County General Fund In Lieu Payments plus the Economic Development Payment to the County exceed one hundred percent (100%) of the County general fund taxes that would be assessed against the Project if it were subject to general fund taxes. Beginning in 2017, this Economic Development Payment will be paid for each year that the Property is owned by the Board through and including 2026 if the In Lieu Payment Percentage as to the 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 Payment will be prorated. The Trustee shall add the Economic Development Payment as a separate line item on the Tax Bill, and the Company shall pay the Economic Development Payment for each such year during the term before March 1 of the following year. Any failure to pay the Economic Development Payment 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 Payment from the School Portion of the In Lieu Payments. The Trustee shall disburse the County's Economic Development Payment 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.

9. Contest by the Company. The Company shall each have the right to contest the appraisal or assessment of the Property by the Assessor, the computation by the Treasurer and the Trustee of the amount of the In Lieu Payment and the calculation of the Economic Development Payments. 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 Payments, as applicable, being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor, the Treasurer 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 Payments, as applicable. If the Company and the Assessor, the Treasurer 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 Treasurer, the Trustee and the Assessor acknowledge and agree that the Company's personal property leasehold interest in the Personal Property under the Leases shall not be subject to assessment for ad valorem tax purposes. The Board, the City, the County, the Treasurer, the Trustee and the Assessor further acknowledge and agree that the Company's real property leasehold interests in the Real Property Improvements under the Leases 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 Leases, 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 Leases would, at the present time, be considered as rent payable under the Leases for purposes of determining the Company's leasehold interests. 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

Payments 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	Wade A. Hinton City Attorney City of Chattanooga Suite 200, 100 E. 11 th Street Chattanooga, Tennessee 37402
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
With a Copy to:	Miller & Martin PLLC 832 Georgia Avenue Suite 1000, Volunteer Building Chattanooga, Tennessee 37402 Attention: Evan Allison
Company:	Gestamp North America, Inc. 2701 Troy Center Drive, Suite 150 Troy, Michigan 48084 Attn: James Barry

With a Copy to:	Gestamp Chattanooga II, LLC 3063 Hickory Valley Road Chattanooga, Tennessee 37421 Attn: Corey Jahn
With a Copy to:	Baker, Donelson, Bearman, Caldwell & Berkowitz 1800 Republic Centre 633 Chestnut Street Chattanooga, Tennessee 37450 Attn: Louann Smith
The Assessor	Hamilton County Assessor of Property Hamilton County Courthouse Chattanooga, Tennessee 37402
The Treasurer:	City of Chattanooga Treasurer 101 East 11 th Street Chattanooga, TN 37402
The Trustee	Hamilton County Trustee 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 Treasurer, 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.

[Signature Pages Follow]

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

GESTAMP CHATTANOOGA II, LLC,
a Delaware limited liability company

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

LAND

[59.87 acre parcel]

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 January 1, 2017 and January 1, 2026, together with replacements thereof and substitutions therefor, in connection with the Company's operations on such property.