



Hamilton County Board of Commissioners RESOLUTION

No. 320-25

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE McKEE FOODS CORPORATION PROJECT, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF HAMILTON COUNTY, TENNESSEE, AND TO AUTHORIZE THE COUNTY MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

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

WHEREAS, McKee Foods Corporation (the "Company") intends to expand its manufacturing facilities located in Collegedale, Hamilton County, Tennessee (the "City"), and to purchase certain equipment and other tangible personal property for its manufacturing plants located at 10260 McKee Drive (Plant No. 2) and 10638 Apison Pike (Plant No. 5), both in the City, and, because of the substantial economic benefits to the County resulting from the project, the Company has asked the Corporation and the County to approve payments in lieu of ad valorem taxes; and

WHEREAS, A form of Agreement for Payment In Lieu of Ad Valorem Taxes has been submitted to the County and has been reviewed for legal sufficiency by counsel for the County; and

WHEREAS, the Company expects to invest approximately Ninety Million Dollars (\$90,000,000) on a building and other improvements to real property ("Facility") and Four Hundred Fifteen Million Dollars (\$415,000,000) in new equipment and other personal property (the "Personal Property") by December 31, 2034, in the planned expansion; and

WHEREAS, the Company expects that when the expansion is completed and the new production lines are operational, this expansion will result in approximately four hundred eighty (480) full-time jobs with average annual wages, excluding benefits, of Forty-Five Thousand Dollars (\$45,000); and

WHEREAS, the Company has agreed that if its new investment in the Facility and Personal Property is less than the amounts described above, or if fewer full-time jobs than described above are created, the City and the County shall each have the right to amend the terms of this Agreement to reduce the tax abatements prospectively and require the repayment of a portion of any taxes previously abated; and

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

NOW, THEREFORE, BE IT RESOLVED BY THIS COUNTY LEGISLATIVE BODY IN SESSION ASSEMBLED:

That we do hereby find that the McKee Foods Corporation project described above is in the best interests of the County, and that payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Corporation's public purposes; and

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

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

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

CERTIFICATION OF ACTION

Approved:



Rejected:



Approved:



Vetoed:



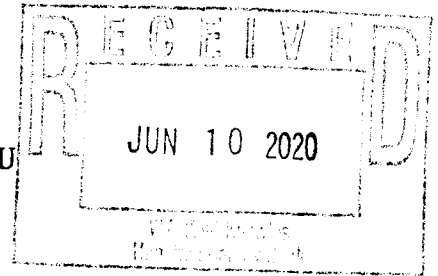

County Clerk


County Mayor

March 18, 2020

Date

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



THIS AGREEMENT FOR PAYMENT IN LIEU OF AD VALOREM TAXES (this "Agreement") is made and entered into as of this 1st day of January, 2020, by and among THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF HAMILTON, TENNESSEE (the "Board"); MCKEE FOODS CORPORATION, a Tennessee corporation (the "Company"); the CITY OF COLLEGEDALE, TENNESSEE (the "City"); and HAMILTON COUNTY, TENNESSEE (the "County") and is joined in, for, among other reasons, the purposes of evidencing their acceptance of the agency relationship established herein, by BILL HULLANDER and his successors, acting in the capacity of HAMILTON COUNTY TRUSTEE ("Trustee"), and by MARTY HAYNES and his successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY ("Assessor").

WITNESSETH:

WHEREAS, the Company is constructing additions and adding equipment to its manufacturing facilities located at 10260 McKee Drive in Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 2, and at 10638 Apison Pike, in Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 5 (the "Project"), resulting in (a) an investment of approximately Ninety Million Dollars (\$90,000,000) in real property and Four Hundred Fifteen Million Dollars (\$415,000,000) in personal property over a fifteen-year period from January 1, 2020 – December 31, 2034 (the "Investment Projection"); and (b) an increase in employment of four hundred eighty two (482) new, full time jobs having average annual wages, excluding benefits, of Forty-Five Thousand Dollars (\$45,000) over a fifteen-year period from January 1, 2020 – December 31, 2034 (the "Jobs Projection"), (collectively, the "Investment and Jobs Projection"), and has requested the Board's assistance in the financing of the Project; and

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

WHEREAS, the Board has agreed to take title to certain real and personal property, as described in Exhibit A attached hereto (the “Property”), which Property is to be owned by the Board and leased or subleased to the Company; and

WHEREAS, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, § 7-53-101, et seq., all such property will be exempt from ad valorem property taxes (“Property Taxes”) normally paid to the City, the County and any other taxing bodies, 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 Commissions, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions, including, without limitation, the requirement that the Board collect and expend such payments in furtherance of the public purposes for which the Board was created; and

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

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

WHEREAS, the Board wishes to designate the Trustee 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, but shall not, in accordance with Section 12 of this Agreement, create a leasehold assessment for the Property so long as the Board owns the Property. The Assessor shall give the Trustee, the City Manager, the Board, and the Company 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 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 1st of said year, the Trustee shall compute the property 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, not later than December 31, send the Board and the Company a bill for appropriate amounts of In Lieu Payments (the "Tax Bill").

3. Payments in Lieu of Taxes. After receipt of the Tax Bill but before March 1 of the year following the year to which the Tax Bill pertains, the Company shall pay to the Trustee the amounts indicated on the Tax Bill in accordance with the amount set forth below in Section 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.

(a) Non-abatement Payments. For any period occurring before January 1, 2020 or after December 31, 2034 (January 1, 2020 through December 31, 2034 hereinafter referred to as the "Tax Abatement Period"), with respect to the Property, and, in each case, during which the Property is owned by the Board, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to the taxes that would have been payable on the Property if it were subject to Property Taxes.

(b) In Lieu Payments.

(1) With respect to that portion of the Property as described in Exhibit A that constitutes the "Project" (being the newly acquired real and personal property and improvements in connection with the 2020-2034 expansion of its manufacturing facilities), the Company shall make In Lieu Payments in an amount equal to the following percentages of the

taxes that would have been payable on the Property if it were subject to Property Taxes for the respective years indicated:

City of Collegedale

<u>Years</u>	<u>General Fund</u>
	<u>Percentage</u>
2020-2031	0%
2032	25%
2033	50%
2034	75%

Hamilton County: (For purposes of this Agreement, all references to County general fund taxes mean total County property taxes less the HCDE portion.)

<u>Years</u>	<u>General Fund</u>	<u>HCDE</u>
	<u>Percentage</u>	<u>Percentage</u>
2020-2031	0%	100%
2032	25%	100%
2033	50%	100%
2034	75%	100%

(2) Notwithstanding the foregoing, the percentage amount of taxes to be paid to the HCDE shall be adjusted annually in accordance with the tax rate of the County.

(3) With respect to the portion of Property other than what is described above as the "Project," the Company shall make In Lieu Payments for the years 2020-2034 in an amount equal to the taxes that would have been payable on said portion of the Property if it were subject to property taxes.

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

(a) If the Company fails to make any In Lieu Payment when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non-payment has been provided, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1-1/2%) of the owed amount, for each month that each payment has been unpaid. Such one and one-half percent (1-1/2%) per month late charge amount shall accumulate each month and be payable so long as there remains any outstanding unpaid amount.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County must, in order to enforce a lien against the Property as contemplated in Section 9, bring suit in the Chancery Court of Hamilton County to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees.

6. PILOT Projections Reporting.

In order to determine the extent to which the Company achieves the Investment and Jobs Projections upon which the In Lieu Payments have been calculated, Company shall complete and deliver for each calendar year during the term of this Agreement an Annual Report in the form attached hereto as Exhibit B commencing after completion of the first full calendar year during which In Lieu Payments were paid by the Company.

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

(a) Minimum Requirements. The Company must meet eighty percent (80%) of the cumulative Investment and Jobs Projection attached as Exhibit C by January 1, 2021 (the "Determination Date") and during each calendar year thereafter through December 31, 2034.

(b) Annual Employment Review. If the Company fails to achieve eighty percent (80%) of the cumulative Jobs Projection during the calendar year in which the Determination Date occurs or during any calendar year thereafter through December 31, 2034, 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 for the same calendar year in which such failure occurs by an amount equal to eighty percent (80%) less the actual new jobs created divided by the Jobs Projection for such calendar year (the "Job In Lieu Payment Percentage Increase"). 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 property taxes. By way of example:

Example 1:

Total number of full-time jobs as of December 31, 2024 = 60
Minimum Job Requirement = $55 \times 80\% = 44$
No increase in In Lieu Payments for 2025
(Minimum Job Requirement has been exceeded)

Example 2:

Total number of full-time jobs as of December 31, 2024 = 30
Minimum Job Requirement = $55 \times 80\% = 44$
Company's Job Performance = 68%
Job In Lieu Payment Percentage Increase for 2025 = 32%
(In Lieu Payment Percentages for 2025 for City General Fund and County General Fund may each be increased from current requirement of 0% to 32%)

(c) Annual Investment Review. If the Company fails to achieve eighty percent (80%) of the cumulative Investment Projection during the calendar year in which the Determination Date occurs or during any calendar year thereafter through December 31, 2034, 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 for the same calendar year in which such failure occurs by an amount equal to eighty percent (80%) less the actual new investment divided by the Investment Projection for such calendar year (the "Investment In Lieu Payment Percentage Increase"). 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 property taxes.

By way of example:

Example 3:

Total amount of capital investment through December 31, 2021 = \$20,000,000

Minimum Investment Requirement = \$15,000,000 x 80% = \$12,000,000

No increase in In Lieu Payments for 2021 (Minimum Investment Requirement has been exceeded)

Example 4:

Total amount of capital investment through December 31, 2021 = \$9,000,000

Minimum Investment Requirement = \$15,000,000 x 80% = \$12,000,000

Company's Investment Performance = 75%

Investment In Lieu Payment Percentage Increase for 2021 = 25%

(In Lieu Payment Percentages for 2021 for City General Fund and County General Fund may each be increased from current requirement of 0% to by 25%)

(d) Single Adjustment Regarding Tax Abatement; Issuance of Supplemental Bill to the Company. If both the annual employment review under Section 7(b) and the investment review under Section 7(c) for any calendar year indicate an increase in the In Lieu Payments, 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 7(b) or Section 7(c) shall apply and said increase shall be the sole remedy for a shortfall in the Investment and Jobs Projection. The increase under Section 7(b) and Section 7(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 7(b) for any calendar year, then they shall not, in the same year, also increase

the amount of the In Lieu Payments pursuant to Section 7(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 7(b) by thirty two percent (32%) or (ii) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 7(c) by twenty five percent (25%). 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 City Manager 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) Project Closure. In the event the 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 repayment of all or a portion of all amounts as determined by the City and the County that would have been payable on the Property during the Tax Abatement Period as if it were subject to property taxes.

8. Disbursements by Trustee. All sums received by the Trustee pursuant to Section 3 shall be disbursed to the general funds of the City and the County in accordance with this Section 8 and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received shall be divided into two (2) accounts, one for the use and benefit of the City and the other for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to Property Taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to Property Taxes which

would otherwise be owed to the County. All disbursements to the general funds of the City and County shall be made by the Trustee subject to the requirement that all funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated, § 7-53-102 and 7-53-302, *et seq.*

9. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if the Company contests any such computation, it shall present evidence to the Trustee in favor of its position. If the In Lieu Payments being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith and with best efforts to resolve within sixty (60) days any disputes as to appraisal, assessment or computation. If the Company and the Assessor or the Trustee are unable to resolve a dispute within such sixty (60) day period (as such period may be extended by the mutual written agreement of the parties), 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. If a court of competent and final jurisdiction finds in favor of the Company and such judgment results in a lower appraisal, assessment or computation, the Company shall be entitled to a refund of In Lieu Payments as appropriate under the circumstances, with interest paid on such refund as if such refund were a refund of property taxes, in accordance with the Constitution, the laws of the State of Tennessee and any applicable local ordinances. If such a refund, including interest, is owed to the Company, the Company, at

its option, may elect to forego the refund and take a credit in the amount of the refund (plus interest) against the next subsequent In Lieu payment due.

10. Lien on Property and Right of Redemption. 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 (i) there has been a judicial finding by a court of competent and final jurisdiction in accordance with Section 5(b) of this Agreement that such payment is owed and has not been timely made in accordance with this Agreement; and (ii) a court of competent and final jurisdiction has issued a ruling allowing for such enforcement of the lien against the Property. The City, County, Trustee and Assessor acknowledge and agree that if a lien is enforced against the Property in accordance with this Section 10, the Company or the Board, as the case may be, shall be re-vested with title to the Property affected by the lien if the Company repays the amount of the lien plus 10% interest no later than one (1) year from the date such lien is enforced.

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

12. Leasehold Taxation. The parties hereto acknowledge and agree that the acquisition by the Company of a leasehold interest in the Property as is contemplated by this Agreement is not appropriate for the creation of a leasehold assessment in accordance with the Constitution, the laws of Tennessee and any applicable local ordinances. If the leasehold interest of the Company should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder or, if no such In Lieu

Payments are due, then the Company shall be entitled to a refund of any prior In Lieu Payments paid in an amount equal to the ad valorem taxation due attributable to such leasehold assessment.

13. Stormwater Fees. The Company shall be responsible for all stormwater fees assessed by the City of Collegedale against the real property on which the Facility is located.

14. Notices, etc. All notices and other communications provided for hereunder shall be written and mailed via registered or certified mail or delivered via overnight express courier, or sent via facsimile transmission to the following addresses:

If to the City: Mr. Ted Rogers
City Manager
4910 Swinyar Drive
Collegedale, Tennessee 37315

With copy to: Sam D. Elliott
320 McCallie Avenue
Chattanooga, Tennessee 37402

If to the County: Mr. Rheubin M. Taylor
County Attorney
Hamilton County Government
Room 204
County Courthouse
Chattanooga, Tennessee 37402

If to the Board: Mr. Ross I. Schram III
Baker, Donelson
1800 Republic Centre
633 Chestnut Street
Chattanooga, Tennessee 37450

If to the Company: Ms. Leisa Cagle
McKee Foods Corporation
10260 McKee Rd.
Collegedale, TN 37315

With copy to: Kurt J. Faires
Chambliss, Bahner & Stophel, P.C.
605 Chestnut St., Suite 1700
Chattanooga, Tennessee 37450

If to the Trustee: Trustee
Hamilton County Courthouse
Chattanooga, Tennessee 37402

If to the Assessor: Assessor
Hamilton County Courthouse
Chattanooga, Tennessee 37402

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

15. 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.

16. 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.

17. 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.

18. 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.

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

20. 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.

(signature page follows)

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

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF HAMILTON, TENNESSEE**

By: _____
Dan Mayfield, Chairman

MCKEE FOODS CORPORATION

By: M Leisa Cagle
M. Leisa Cagle, Vice President and Controller

CITY OF COLLEGEDALE, TENNESSEE

By: _____
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: _____
Bill Hullander

HAMILTON COUNTY ASSESSOR OF PROPERTY

By: _____
Marty Haynes

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and date first above written.

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF HAMILTON, TENNESSEE**

By: _____
Dan Mayfield, Chairman

MCKEE FOODS CORPORATION

By: _____
Andrew Lang, Chief Financial Officer

CITY OF COLLEGEDALE, TENNESSEE

By: _____
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: Jim M. Coppinger
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: Bill Hullander
Bill Hullander

HAMILTON COUNTY ASSESSOR OF PROPERTY

By: Marty Haynes
Marty Haynes

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and date first above written.

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF HAMILTON, TENNESSEE**

By: _____
Dan Mayfield, Chairman

MCKEE FOODS CORPORATION

By: _____
Andrew Lang, Chief Financial Officer

CITY OF COLLEGE DALE, TENNESSEE

By: Katie A. Lamb
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

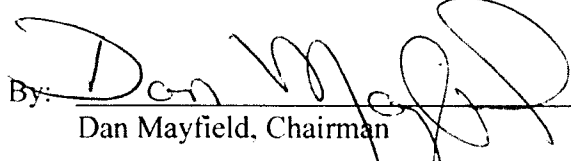
By: _____
Bill Hullander

HAMILTON COUNTY ASSESSOR OF PROPERTY

By: _____
Marty Haynes

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and date first above written.

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF HAMILTON, TENNESSEE**

By: 
Dan Mayfield, Chairman

MCKEE FOODS CORPORATION

By: _____
Andrew Lang, Chief Financial Officer

CITY OF COLLEGEDALE, TENNESSEE

By: _____
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: _____
Bill Hullander

HAMILTON COUNTY ASSESSOR OF PROPERTY

By: _____
Marty Haynes

EXHIBIT A

**TO PILOT AGREEMENT FOR
MCKEE FOODS CORPORATION**

REAL PROPERTY

The real property and improvements at the McKee Foods Corporation manufacturing plants located at 10260 McKee Drive, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 2, 10638 Apison Pike, Collegedale, Hamilton County, Tennessee, commonly referred to as the Apison Pike Plant No. 5, constructed in connection with the Company's 2020-2035 Ninety Million Dollar (\$90,000,000) real property expansion.

PERSONAL PROPERTY

All newly-acquired personal property placed by the Company in its manufacturing plants located at 10260 McKee Drive, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 2, and 10638 Apison Pike, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 5, in connection with its 2020-2034 Four Hundred Fifteen Million Dollar (\$415,000,000) manufacturing expansion.

EXHIBIT B



**Annual Report for Payment-In-Lieu-of-Tax (PILOT) Program
for Chattanooga and Hamilton County Tennessee**

Company Information

Name: _____

Address: _____

City and Zip: _____

Company Contact: _____

Telephone: _____

E-mail: _____

Fax: _____

Company's Commitment (commitment agreement attached)

Real Property Investment Amount: _____

Personal Property Investment Amount: _____

Number of Net New Jobs: _____

Average Wages per New Job: _____

Capital Investment as of December 31, 20

Real Property Investment Amount: _____

Personal Property Investment Amount: _____

Job Creation as of December 31, 20

(Number of jobs at beginning of PILOT: _____)

No. of Net New Jobs Created: _____

Average Wages as of December 31, 20

Average Wages of New Jobs Above¹: _____

¹ Wages may include overtime, but must exclude benefits

Comment on Progress Toward Performance Goals

Submit Completed Information To:

Mr. J. Steven Hiatt, Director of Existing Business
Chattanooga Area Chamber of Commerce
811 Broad Street, Suite 100 • Chattanooga, TN 37402
FAX: (423) 763-4044
E-MAIL: jhiatt@chattanoogachamber.com

I certify that the information and attachments provided are true and accurate to the best of my knowledge and belief.

Print name and title of authorized representative of applicant

Signature

Date

Phone

Fax

EXHIBIT C

McKee Foods Corporation
Planned Capital Investment and FTE Increase--15 Year Horizon

Totals							
Year	Land	Building	Equipment	Total Investment	Cumulative Investment	Headcount	Cumulative Headcount
2020	5,000,000	-	10,000,000	15,000,000	15,000,000	(4)	(4)
2021	5,000,000	10,000,000	20,000,000	35,000,000	50,000,000	-	(4)
2022	-	35,000,000	25,000,000	60,000,000	110,000,000	22	18
2023	-	35,000,000	40,000,000	75,000,000	185,000,000	(22)	(4)
2024	-	-	40,000,000	40,000,000	225,000,000	59	55
Totals	10,000,000	80,000,000	135,000,000	225,000,000	225,000,000	55	55
2025	-	-	30,000,000	30,000,000	255,000,000	(4)	51
2026	-	-	30,000,000	30,000,000	285,000,000	105	156
2027	-	-	30,000,000	30,000,000	315,000,000	-	156
2028	-	-	30,000,000	30,000,000	345,000,000	82	238
2029	-	-	35,000,000	35,000,000	380,000,000	-	238
Totals	-	-	155,000,000	155,000,000	380,000,000	183	238
2030	-	-	25,000,000	25,000,000	405,000,000	81	319
2031	-	-	25,000,000	25,000,000	430,000,000	-	319
2032	-	-	25,000,000	25,000,000	455,000,000	80	399
2033	-	-	25,000,000	25,000,000	480,000,000	-	399
2034	-	-	25,000,000	25,000,000	505,000,000	83	482
Totals	-	-	125,000,000	125,000,000	505,000,000	244	482
Grand Totals	10,000,000	80,000,000	415,000,000	505,000,000	505,000,000	482	482

and the County. On or about October 1st of said year, the Trustee shall compute the property 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, not later than December 31, send the Board and the Company a bill for appropriate amounts of In Lieu Payments (the "Tax Bill").

3. Payments in Lieu of Taxes. After receipt of the Tax Bill but before March 1 of the year following the year to which the Tax Bill pertains, the Company shall pay to the Trustee the amounts indicated on the Tax Bill in accordance with the amount set forth below in Section 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.

(a) Non-abatement Payments. For any period occurring before January 1, 2020 or after December 31, 2034 (January 1, 2020 through December 31, 2034 hereinafter referred to as the "Tax Abatement Period"), with respect to the Property, and, in each case, during which the Property is owned by the Board, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to the taxes that would have been payable on the Property if it were subject to Property Taxes.

(b) In Lieu Payments.

(1) With respect to that portion of the Property as described in Exhibit A that constitutes the "Project" (being the newly acquired real and personal property and improvements in connection with the 2020-2034 expansion of its manufacturing facilities), the Company shall make In Lieu Payments in an amount equal to the following percentages of the

taxes that would have been payable on the Property if it were subject to Property Taxes for the respective years indicated:

City of Collegedale

<u>Years</u>	<u>General Fund</u> <u>Percentage</u>
2020-2031	0%
2032	25%
2033	50%
2034	75%

Hamilton County: (For purposes of this Agreement, all references to County general fund taxes mean total County property taxes less the HCDE portion.)

<u>Years</u>	<u>General Fund</u> <u>Percentage</u>	<u>HCDE</u> <u>Percentage</u>
2020-2031	0%	100%
2032	25%	100%
2033	50%	100%
2034	75%	100%

(2) Notwithstanding the foregoing, the percentage amount of taxes to be paid to the HCDE shall be adjusted annually in accordance with the tax rate of the County.

(3) With respect to the portion of Property other than what is described above as the "Project," the Company shall make In Lieu Payments for the years 2020-2034 in an amount equal to the taxes that would have been payable on said portion of the Property if it were subject to property taxes.

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

(a) If the Company fails to make any In Lieu Payment when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non-payment has been provided, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1-1/2%) of the owed amount, for each month that each payment has been unpaid. Such one and one-half percent (1-1/2%) per month late charge amount shall accumulate each month and be payable so long as there remains any outstanding unpaid amount.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County must, in order to enforce a lien against the Property as contemplated in Section 9, bring suit in the Chancery Court of Hamilton County to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees.

6. PILOT Projections Reporting.

In order to determine the extent to which the Company achieves the Investment and Jobs Projections upon which the In Lieu Payments have been calculated, Company shall complete and deliver for each calendar year during the term of this Agreement an Annual Report in the form attached hereto as Exhibit B commencing after completion of the first full calendar year during which In Lieu Payments were paid by the Company.

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

(a) Minimum Requirements. The Company must meet eighty percent (80%) of the cumulative Investment and Jobs Projection attached as Exhibit C by January 1, 2021 (the "Determination Date") and during each calendar year thereafter through December 31, 2034.

(b) Annual Employment Review. If the Company fails to achieve eighty percent (80%) of the cumulative Jobs Projection during the calendar year in which the Determination Date occurs or during any calendar year thereafter through December 31, 2034, 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 for the same calendar year in which such failure occurs by an amount equal to eighty percent (80%) less the actual new jobs created divided by the Jobs Projection for such calendar year (the "Job In Lieu Payment Percentage Increase"). 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 property taxes. By way of example:

Example 1:

Total number of full-time jobs as of December 31, 2024 = 60
Minimum Job Requirement = $55 \times 80\% = 44$
No increase in In Lieu Payments for 2025
(Minimum Job Requirement has been exceeded)

Example 2:

Total number of full-time jobs as of December 31, 2024 = 30
Minimum Job Requirement = $55 \times 80\% = 44$
Company's Job Performance = 68%
Job In Lieu Payment Percentage Increase for 2025 = 32%
(In Lieu Payment Percentages for 2025 for City General Fund and County General Fund may each be increased from current requirement of 0% to 32%)

(c) Annual Investment Review. If the Company fails to achieve eighty percent (80%) of the cumulative Investment Projection during the calendar year in which the Determination Date occurs or during any calendar year thereafter through December 31, 2034, 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 for the same calendar year in which such failure occurs by an amount equal to eighty percent (80%) less the actual new investment divided by the Investment Projection for such calendar year (the "Investment In Lieu Payment Percentage Increase"). 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 property taxes.

By way of example:

Example 3:

Total amount of capital investment through December 31, 2021 = \$20,000,000

Minimum Investment Requirement = \$15,000,000 x 80% = \$12,000,000

No increase in In Lieu Payments for 2021 (Minimum Investment Requirement has been exceeded)

Example 4:

Total amount of capital investment through December 31, 2021 = \$9,000,000

Minimum Investment Requirement = \$15,000,000 x 80% = \$12,000,000

Company's Investment Performance = 75%

Investment In Lieu Payment Percentage Increase for 2021 = 25%

(In Lieu Payment Percentages for 2021 for City General Fund and County General Fund may each be increased from current requirement of 0% to by 25%)

(d) Single Adjustment Regarding Tax Abatement; Issuance of Supplemental Bill to the Company. If both the annual employment review under Section 7(b) and the investment review under Section 7(c) for any calendar year indicate an increase in the In Lieu Payments, 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 7(b) or Section 7(c) shall apply and said increase shall be the sole remedy for a shortfall in the Investment and Jobs Projection. The increase under Section 7(b) and Section 7(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 7(b) for any calendar year, then they shall not, in the same year, also increase

the amount of the In Lieu Payments pursuant to Section 7(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 7(b) by thirty two percent (32%) or (ii) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 7(c) by twenty five percent (25%). 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 City Manager 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) Project Closure. In the event the 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 repayment of all or a portion of all amounts as determined by the City and the County that would have been payable on the Property during the Tax Abatement Period as if it were subject to property taxes.

8. Disbursements by Trustee. All sums received by the Trustee pursuant to Section 3 shall be disbursed to the general funds of the City and the County in accordance with this Section 8 and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received shall be divided into two (2) accounts, one for the use and benefit of the City and the other for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to Property Taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to Property Taxes which

would otherwise be owed to the County. All disbursements to the general funds of the City and County shall be made by the Trustee subject to the requirement that all funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated, § 7-53-102 and 7-53-302, *et seq.*

9. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if the Company contests any such computation, it shall present evidence to the Trustee in favor of its position. If the In Lieu Payments being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith and with best efforts to resolve within sixty (60) days any disputes as to appraisal, assessment or computation. If the Company and the Assessor or the Trustee are unable to resolve a dispute within such sixty (60) day period (as such period may be extended by the mutual written agreement of the parties), 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. If a court of competent and final jurisdiction finds in favor of the Company and such judgment results in a lower appraisal, assessment or computation, the Company shall be entitled to a refund of In Lieu Payments as appropriate under the circumstances, with interest paid on such refund as if such refund were a refund of property taxes, in accordance with the Constitution, the laws of the State of Tennessee and any applicable local ordinances. If such a refund, including interest, is owed to the Company, the Company, at

its option, may elect to forego the refund and take a credit in the amount of the refund (plus interest) against the next subsequent In Lieu payment due.

10. Lien on Property and Right of Redemption. 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 (i) there has been a judicial finding by a court of competent and final jurisdiction in accordance with Section 5(b) of this Agreement that such payment is owed and has not been timely made in accordance with this Agreement; and (ii) a court of competent and final jurisdiction has issued a ruling allowing for such enforcement of the lien against the Property. The City, County, Trustee and Assessor acknowledge and agree that if a lien is enforced against the Property in accordance with this Section 10, the Company or the Board, as the case may be, shall be re-vested with title to the Property affected by the lien if the Company repays the amount of the lien plus 10% interest no later than one (1) year from the date such lien is enforced.

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

12. Leasehold Taxation. The parties hereto acknowledge and agree that the acquisition by the Company of a leasehold interest in the Property as is contemplated by this Agreement is not appropriate for the creation of a leasehold assessment in accordance with the Constitution, the laws of Tennessee and any applicable local ordinances. If the leasehold interest of the Company should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder or, if no such In Lieu

Payments are due, then the Company shall be entitled to a refund of any prior In Lieu Payments paid in an amount equal to the ad valorem taxation due attributable to such leasehold assessment.

13. Stormwater Fees. The Company shall be responsible for all stormwater fees assessed by the City of Collegedale against the real property on which the Facility is located.

14. Notices, etc. All notices and other communications provided for hereunder shall be written and mailed via registered or certified mail or delivered via overnight express courier, or sent via facsimile transmission to the following addresses:

If to the City: Mr. Ted Rogers
City Manager
4910 Swinyar Drive
Collegedale, Tennessee 37315

With copy to: Sam D. Elliott
320 McCallie Avenue
Chattanooga, Tennessee 37402

If to the County: Mr. Rheubin M. Taylor
County Attorney
Hamilton County Government
Room 204
County Courthouse
Chattanooga, Tennessee 37402

If to the Board: Mr. Ross I. Schram III
Baker, Donelson
1800 Republic Centre
633 Chestnut Street
Chattanooga, Tennessee 37450

If to the Company: Ms. Leisa Cagle
McKee Foods Corporation
10260 McKee Rd.
Collegedale, TN 37315

With copy to: Kurt J. Faires
Chambliss, Bahner & Stophel, P.C.
605 Chestnut St., Suite 1700
Chattanooga, Tennessee 37450

If to the Trustee: Trustee
Hamilton County Courthouse
Chattanooga, Tennessee 37402

If to the Assessor: Assessor
Hamilton County Courthouse
Chattanooga, Tennessee 37402

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

15. 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.

16. 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.

17. 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.

18. 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.

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

20. 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.

(signature page follows)

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

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF HAMILTON, TENNESSEE**

By: _____
Dan Mayfield, Chairman

MCKEE FOODS CORPORATION

By: M. Leisa Cagle
M. Leisa Cagle, Vice President and Controller

CITY OF COLLEGEDALE, TENNESSEE

By: _____
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: _____
Bill Hullander

HAMILTON COUNTY ASSESSOR OF PROPERTY

By: _____
Marty Haynes

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

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF HAMILTON, TENNESSEE**

By: _____
Dan Mayfield, Chairman

MCKEE FOODS CORPORATION

By: _____
Andrew Lang, Chief Financial Officer

CITY OF COLLEGEDALE, TENNESSEE

By: _____
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: Jim M. Coppinger
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: Bill Hullander
Bill Hullander

HAMILTON COUNTY ASSESSOR OF PROPERTY

By: Marty Haynes
Marty Haynes

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

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF HAMILTON, TENNESSEE**

By: _____
Dan Mayfield, Chairman

MCKEE FOODS CORPORATION

By: _____
Andrew Lang, Chief Financial Officer

CITY OF COLLEGEDALE, TENNESSEE

By: Katie A. Lamb
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: _____
Bill Hullander

HAMILTON COUNTY ASSESSOR OF PROPERTY

By: _____
Marty Haynes

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

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE COUNTY OF HAMILTON, TENNESSEE**

By: 
Dan Mayfield, Chairman

MCKEE FOODS CORPORATION

By: _____
Andrew Lang, Chief Financial Officer

CITY OF COLLEGEDALE, TENNESSEE

By: _____
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: _____
Bill Hullander

HAMILTON COUNTY ASSESSOR OF PROPERTY

By: _____
Marty Haynes

EXHIBIT A

**TO PILOT AGREEMENT FOR
MCKEE FOODS CORPORATION**

REAL PROPERTY

The real property and improvements at the McKee Foods Corporation manufacturing plants located at 10260 McKee Drive, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 2, 10638 Apison Pike, Collegedale, Hamilton County, Tennessee, commonly referred to as the Apison Pike Plant No. 5, constructed in connection with the Company's 2020-2035 Ninety Million Dollar (\$90,000,000) real property expansion.

PERSONAL PROPERTY

All newly-acquired personal property placed by the Company in its manufacturing plants located at 10260 McKee Drive, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 2, and 10638 Apison Pike, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 5, in connection with its 2020-2034 Four Hundred Fifteen Million Dollar (\$415,000,000) manufacturing expansion.

EXHIBIT B



Annual Report for Payment-In-Lieu-of-Tax (PILOT) Program for Chattanooga and Hamilton County Tennessee

Company Information

Name: _____

Address: _____

City and Zip: _____

Company Contact: _____

Telephone: _____

E-mail: _____

Fax: _____

Company's Commitment (commitment agreement attached)

Real Property Investment Amount: _____

Personal Property Investment Amount: _____

Number of Net New Jobs: _____

Average Wages per New Job: _____

Capital Investment as of December 31, 20____

Real Property Investment Amount: _____

Personal Property Investment Amount: _____

PILOT Annual Report
Page 2

Job Creation as of December 31, 20

(Number of jobs at beginning of PILOT: _____)

No. of Net New Jobs Created: _____

Average Wages as of December 31, 20

Average Wages of New Jobs Above¹: _____

¹ Wages may include overtime, but must exclude benefits.

Comment on Progress Toward Performance Goals

Submit Completed Information To:

Mr. J. Steven Hiatt, Director of Existing Business
Chattanooga Area Chamber of Commerce
811 Broad Street, Suite 100 • Chattanooga, TN 37402
FAX: (423) 763-4044
EMAIL: jhiatt@chattanoogachamber.com

I certify that the information and attachments provided are true and accurate to the best of my knowledge and belief:

Print name and title of authorized representative of applicant

Signature

Date

Phone

Fax

EXHIBIT C

McKee Foods Corporation
Planned Capital Investment and FTE Increase--15 Year Horizon

Totals							
Year	Land	Building	Equipment	Total Investment	Cumulative Investment	Headcount	Cumulative Headcount
2020	5,000,000	-	10,000,000	15,000,000	15,000,000	(4)	(4)
2021	5,000,000	10,000,000	20,000,000	35,000,000	50,000,000	-	(4)
2022	-	35,000,000	25,000,000	60,000,000	110,000,000	22	18
2023	-	35,000,000	40,000,000	75,000,000	185,000,000	(22)	(4)
2024	-	-	40,000,000	40,000,000	225,000,000	59	55
Totals	10,000,000	80,000,000	135,000,000	225,000,000	225,000,000	55	55
2025	-	-	30,000,000	30,000,000	255,000,000	(4)	51
2026	-	-	30,000,000	30,000,000	285,000,000	105	156
2027	-	-	30,000,000	30,000,000	315,000,000	-	156
2028	-	-	30,000,000	30,000,000	345,000,000	82	238
2029	-	-	35,000,000	35,000,000	380,000,000	-	238
Totals	-	-	155,000,000	155,000,000	380,000,000	183	238
2030	-	-	25,000,000	25,000,000	405,000,000	81	319
2031	-	-	25,000,000	25,000,000	430,000,000	-	319
2032	-	-	25,000,000	25,000,000	455,000,000	80	399
2033	-	-	25,000,000	25,000,000	480,000,000	-	399
2034	-	-	25,000,000	25,000,000	505,000,000	83	482
Totals	-	-	125,000,000	125,000,000	505,000,000	244	482
Grand Totals	10,000,000	80,000,000	415,000,000	505,000,000	505,000,000	482	482

**FIRST AMENDMENT TO
2020 AGREEMENT FOR PAYMENTS IN LIEU
OF AD VALOREM TAXES**

MAR 30 2021

Rec'd by: Debra Brulley *DB*

THIS FIRST AMENDMENT is made and entered into as of the 31st day of December, 2020 (the "Effective Date"), by and among THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF HAMILTON, TENNESSEE (the "Board"); the CITY OF COLLEGE DALE, TENNESSEE (the "City"); HAMILTON COUNTY (the "County"); and MCKEE FOODS CORPORATION, a Tennessee corporation (the "Company"); and is joined in, for the purpose of evidencing their acceptance of the agency relationship established herein, by BILL HULLANDER and his successors, acting in the capacity of Hamilton County Trustee ("Trustee"), and by MARTY HAYNES and his successors, acting in the capacity of Hamilton County Assessor of Property ("Assessor").

WITNESSETH:

WHEREAS, the Company has entered into an Agreement for Payments in Lieu of Ad Valorem Taxes with the County and the other parties listed above dated January 1, 2020 ("Agreement"); and

WHEREAS, the Company plans approximately a Five Hundred Five Million Dollar (\$505,000,000) expansion project (the "Project") with not fewer than four hundred eighty-two (482) new jobs with an average wage of Forty-Five Thousand Dollars (\$45,000); and

WHEREAS, the Project has expanded beyond the real property footprint originally contemplated to now include additional Company real property, all located within the City and the County (the "Additional Property"); and

WHEREAS, the Company desires to revise the real property referenced in the Agreement and related documents to accurately reflect the Additional Property.

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

1. First Recital is deleted in its entirety and replaced with the following:

WHEREAS, the Company is constructing additions and adding equipment to its manufacturing facilities located at 10260 McKee Drive in Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 2, at 10638 Apison Pike, in Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 5, at 9104 Apison Pike, in Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 6, at 10605 Apison Pike, in Collegedale, Hamilton County, Tennessee, commonly referred to as the Wastewater Treatment Plant, and possibly at up to approximately forty-four acres contiguous to Plant No. 6 (the "Project"), resulting in (a) an investment of approximately Ninety Million Dollars (\$90,000,000) in real property and Four Hundred Fifteen Million Dollars (\$415,000,000) in personal property over a fifteen-year period from January 1, 2020 – December 31, 2034 (the "Investment Projection"); and (b) an increase in employment of four hundred eighty two (482) new, full time jobs having average annual wages, excluding benefits, of Forty-Five Thousand Dollars (\$45,000)

over a fifteen-year period from January 1, 2020 – December 31, 2034 (the "Jobs Projection"), (collectively, the "Investment and Jobs Projection"), and has requested the Board's assistance in the financing of the Project; and

2. Exhibit A is deleted in its entirety and replaced with the following:

EXHIBIT A

TO PILOT AGREEMENT FOR MCKEE FOODS CORPORATION

REAL PROPERTY

The real property and improvements at the McKee Foods Corporation manufacturing plants located at 10260 McKee Drive, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 2, at 10638 Apison Pike, Collegedale, Hamilton County, Tennessee, commonly referred to as the Apison Pike Plant No. 5, at 9104 Apison Pike, in Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 6, at 10605 Apison Pike, in Collegedale, Hamilton County, Tennessee, commonly referred to as the Wastewater Treatment Plant, and possibly at up to approximately forty-four acres contiguous to Plant No. 6 constructed in connection with the Company's 2020-2035 Ninety Million Dollar (\$90,000,000) real property expansion.

PERSONAL PROPERTY

All newly-acquired personal property placed by the Company in its manufacturing plants located at 10260 McKee Drive, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 2, at 10638 Apison Pike, Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 5, at 9104 Apison Pike, in Collegedale, Hamilton County, Tennessee, commonly referred to as Plant No. 6, at 10605 Apison Pike, in Collegedale, Hamilton County, Tennessee, commonly known as the Wastewater Treatment Plant, and possibly at up to approximately forty-four acres contiguous to Plant No. 6 in connection with its 2020-2034 Four Hundred Fifteen Million Dollar (\$415,000,000) manufacturing expansion.

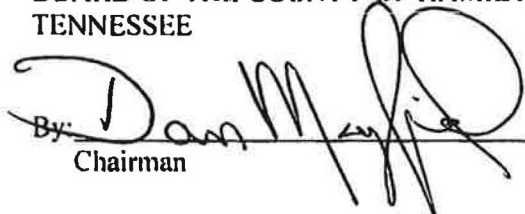
3. The following documents related to the Agreement (Lease, Bill of Sale, Quitclaim Deed and Memorandum of Lease) are acknowledged to also include the Additional Property.

4. The Parties agree that the Agreement remains in full force and effect except to the extent that it is modified by this First Amendment. In the event of any conflict between the Agreement and this First Amendment, the terms and conditions of this First Amendment shall control.

(EXECUTION PAGE FOLLOWS)

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

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE COUNTY OF HAMILTON,
TENNESSEE

By: 
Chairman

MCKEE FOODS CORPORATION

By: 
M. Leisa Cagle, Vice President and
Controller

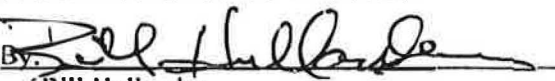
CITY OF COLLEGE DALE, TENNESSEE

By: _____
Katie Lamb, Mayor

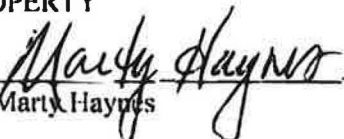
HAMILTON COUNTY, TENNESSEE

By: 
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: 
Bill Hullander

HAMILTON COUNTY ASSESSOR OF
PROPERTY

By: 
Marty Haynes

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By: _____
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CITY OF COLLEGEDALE, TENNESSEE

By: Katie A. Lamb
Katie Lamb, Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, County Mayor

HAMILTON COUNTY TRUSTEE

By: _____
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HAMILTON COUNTY ASSESSOR OF
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