

A RESOLUTION CONSENTING TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF FAYETTEVILLE AND LINCOLN COUNTY, TENNESSEE NEGOTIATING AND ACCEPTING PAYMENTS IN LIEU OF AD VALOREM TAX WITH RESPECT TO A CERTAIN PROJECT AND EQUIPMENT IN THE CITY OF FAYETTEVILLE, TENNESSEE, AND FINDING THAT SUCH PAYMENTS ARE DEEMED TO BE IN FURTHERANCE OF THE PUBLIC PURPOSES OF THE BOARD AS DEFINED IN TENNESSEE CODE ANNOTATED SECTION 7-53-305.

WHEREAS, the Board of Mayor and Aldermen (the "Governing Body") of the City of Fayetteville City, Tennessee (the "City") has met pursuant to proper notice; and

WHEREAS, the City has previously authorized the incorporation of The Industrial Development Board of the City of Fayetteville and Lincoln County, Tennessee (the "Board") as an industrial development board duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, the City has been informed that Agracel, Inc., an Illinois corporation (the "Owner") has acquired a property suitable for industrial uses located at 49 East Park Drive, Fayetteville, Tennessee (the "Property"); and

WHEREAS, the City has been informed that a manufacturer (the "Manufacturer") intends to lease the Property for the purpose of operating an auto parts manufacturing facility (collectively, the "Project"); and

WHEREAS, as part of the Project, the Manufacturer will acquire and install equipment in the Project (the "Equipment"); and

WHEREAS, the Owner and the Manufacturer have requested the Board to hold ownership of the Project; and

WHEREAS, the Manufacturer has requested the Board to hold ownership of the Equipment; and

WHEREAS, the Owner and the Manufacturer have furthermore requested the Board to lease the Project to the Owner and permit the Owner to sublease the Project to the Manufacturer and to permit the Owner to make payments in lieu of ad valorem taxes with respect to the Project; and

WHEREAS, the Manufacturer has furthermore requested the Board to lease the Equipment to the Manufacturer and to permit the Manufacturer to make payments in lieu of taxes with respect to the Equipment; and

WHEREAS, Tenn. Code Ann. § 7-53-305(b) authorizes the City to delegate to the Board the authority to negotiate and accept from the lessees of the Board payments in lieu of ad valorem tax upon the finding that such payments are deemed to be in furtherance of the public purposes of the Board as defined in said Code Section.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee, as follows:

1. The Governing Body hereby finds that the negotiation and acceptance by the Board of payments in lieu of ad valorem taxes consistent with this resolution are deemed to be in furtherance of the public purposes of the Board as defined in Tennessee Code Annotated Section 7-53-305, and the Governing Body hereby consents and delegates to the Board the right to negotiate and accept such payments from the Owner with respect to the Project and from the Manufacturer with respect to the Equipment.

2. The terms of the agreement between the Board and the Owner or the Manufacturer, as applicable, concerning payments in lieu of ad valorem taxes shall be determined by the Board; provided, however (i) the term of such agreement shall not exceed ten (10) years; (ii) the amount of the annual payment in lieu of taxes shall not be less than the following percentages of the ad valorem taxes that would be payable with respect to the Project and the Equipment if the Project and the Equipment were owned by the Owner and the Manufacturer, respectively:

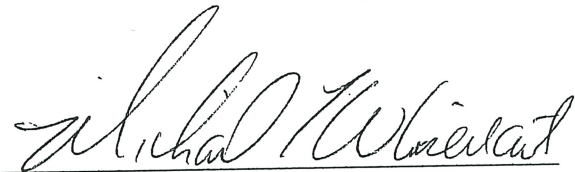
Year of PILOT Lease Term	Percentage of ad valorem taxes payable with respect to the Project and the Equipment
1	0%
2	10%
3	20%
4	30%
5	40%
6	50%
7	60%
8	70%
9	80%
10	90%

and (iii) the payments in lieu of taxes shall be apportioned between the City and Lincoln County, Tennessee in the same manner as ad valorem taxes are apportioned on the date hereof.

3. The Board's agreements concerning payments in lieu of ad valorem taxes relating to the Project and the Equipment may contain such administrative provisions not inconsistent with this resolution as the Board deems appropriate.


4. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed, and this resolution shall be in immediate effect from and after its adoption.

Adopted this the 12 day of March, 2018



Mayor

ATTEST:



City Recorder
26157842.1