

App Review Comm. Members:

Charley Bible
Shannon Coleman Egle
Paul Fortunato
Tiffany Gardner
Lou Moran, III
Lisa Rottmann



APPLICATION REVIEW COMMITTEE

Regular Meeting
Tuesday, April 30, 2024
4:00 p.m.

AGENDA

- I. Call to Order
- ACTION** II. Review and Approval of Minutes from Previous Meeting
 - A) Regular – December 5, 2023
- ACTION** III. The Committee will meet for the purposes of Review and consideration of an application of Project Emerald for a Payment-In-Lieu-of-Tax (PILOT) for the proposed new construction of 8 facilities consisting of manufacturing structures, office building, training/education center, and a lab facility, located at 8916 Thorngrove Pike in Knox County Tennessee.
- IV. New Business
- V. Old Business
- VI. Adjournment

**MINUTES OF THE REGULAR MEETING OF THE
APPLICATION REVIEW COMMITTEE OF
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**

Tuesday, December 5, 2023, at 4:00 p.m.

The regular meeting of the Application Review Committee (the “Application Review Committee” or “Committee”) of The Industrial Development Board of the County of Knox (the “Board,” or “IDB”) was held on Tuesday, December 5, 2023, at 4:00 p.m., pursuant to notice duly provided to the Committee Members and the public. The meeting was held at the offices of the Knoxville Chamber and The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

The following Application Review Committee Members were present at the meeting, constituting a quorum: Tiffany Gardner (Chair), Paul Fortunato, Lou Moran, III, Lisa Rottmann, Shannon Coleman Egle, and Charley Bible.

Also, in attendance were Mac McWhorter (Knoxville Chamber), Karen Kakanis (Knoxville Chamber), Caroline Bailey (Knoxville Chamber), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Katrina E. Vargas (Paralegal – Egerton, McAfee, Armistead & Davis, P.C.), Emily Moran (Public Observer), Steve Maddox (Developer/Prosperity Crossing), and Mike Cohen (Consultant).

I. Tiffany Gardner (Chair) called the meeting of the Application Review Committee to order. The Agenda of the meeting is attached hereto as Exhibit A.

The Application Review Committee then discussed the following matters and took the following actions as noted:

II. Review/Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the Minutes of the specially called meeting held on August 29, 2023. No changes to the Minutes were noted.

Upon a motion by Lou Moran, III, and second by Paul M. Fortunato, the Committee voted unanimously to approve the Minutes of the meeting. A copy of the Minutes is attached hereto as Exhibit B.

III. Review and Consideration of an Economic Impact Plan and Application for Tax Increment Financing of I-40/75 Business Park, LLC concerning the financing of public infrastructure for the proposed “Prosperity Crossing” project to be located at 13115 El Camino Lane, 0 El Camino Lane, 0 Everett Road, 0 Buttermilk Road. Lisa Rottmann recused herself from the discussion and the vote on this matter. The Chair recognized Mac McWhorter who provided an overview of the proposed project and the public infrastructure improvements, the tax increment financing (“TIF”) which the Applicant was requesting pursuant to its application (“Application”), and the Economic Impact Plan presented to the Board at the meeting. Mr. Trump gave background on the project and its history with the County Commission. The Application was received to give

the Board notice to proceed. The County Commission gave the go-ahead for the project in Early 2023. The project required a report from a third party. MuniCap is the company usually contracted with. The report is run using the developer's numbers without the public assistance and with the public assistance. If the rate of return is within the parameters it is passed. The County Commission passed a resolution asking if the MuniCap report comes back positive that it be considered by IDB. Through the process, MuniCap report came back inconclusive. The county wanted it to happen, and the developer cannot happen without the TIF, and the county wants it. The County Commission asked that the economic impact plan be submitted. Ms. Gardner explained Page 23 lines out the numbers, range, and parameters considered. Mr. Trump clarified the project will be moving forward with the \$8.9 amount. This will come back to the Board for approval if passed by the commission. There will also be a grant from the state hotel fund which has a surplus.

Mr. Maddox described the project which includes 169 acres, housing, a sports complex, retail, hotels, etc. Several handouts and materials were distributed to the committee. Mr. Maddox clarified the 60 acres in Loudon County will be several years behind the Knox County phase. This portion of the property is projected to be parking until the project is ready for the Loudon County development. The development is a family-oriented project. A parcel of property adjacent to the development had an adult bookstore business. The owner would not sell the land, but the developer was able to purchase the business, in order to shut it down to maintain the family-oriented nature of the development.

The TIF dollars will primarily help cover road and traffic improvements, drainage and stormwater, wastewater collection, gas, electric, and other utility improvements. \$17 million of infrastructure improvements are predicted.

Chris Caldwell from the County and has shown support for the \$8.9 million and the TIF is not going toward the actual development, just infrastructure improvements.

Utility lines were run for 1.1 miles up Hickory Creek Road opening up Hardin Valley for development and allowing West Knox Utility to run lines for fire suppression and hydrants. The Developer is the largest contributor to the pump and treatment center in the area.

The committee asked for a predicted development timeline. Mr. Maddox stated a start date of around May/June 2024, and they have already started moving 4.3 million pounds of cubic dirt.

The apartments will be the first stage of the construction and are predicted to take about 18 months. After that point, other construction will begin. A medical group is partnering with the development and will be sponsoring and managing the fields. The ball fields are an economic loss but bring other businesses that are lucrative. The fields themselves do not have cash flow. The developer is already working on long term contracts with Knox County leagues for the use of fields for cash flow. The developer is also working with Visit Knoxville for tournament-type use, marketing, etc.

Discussion was had.

Upon a motion made by Lou Moran, III, and a second by Charley Bible, the approval of the Tax Increment Financing Application and the Economic Impact Plan, with such further changes as may be made to such documents by legal counsel to the Board voted unanimously, except Lisa Rottmann who recused herself from the vote, to submit to the Board, a copy of which is attached hereto as Exhibit C.

IV. New Business. None.

V. Old Business. None.

No further business having come before the Application Review Committee, and upon motion duly made and seconded, the Chair adjourned the meeting at 4:32 p.m.

Date

Chair

DRAFT

EXHIBITS

Exhibit A

Agenda

Exhibit B

Minutes – August 29, 2023

Exhibit C

Economic Impact Plan

Exhibit D

TIF Application

DRAFT

Application for PILOT County of Knox, Tennessee

Applicant:

Company Name Greenheck Fan Corporation
Mailing Address 1100 Greenheck Drive, PO Box 410
City Schofield State WI Zip 54476
Telephone _____ Fax _____
Federal Employer Identification Number 39-0920319

Company representative to be contacted:

Name Kristin Meliska Title Sr Director, Project Portfolio Management
Mailing Address 1100 Greenheck Drive, PO Box 410
City Schofield State WI Zip 54476
Telephone 715-355-6443 Fax _____

Description of Principle Business Ventilation products used in commercial, institutional and industrial buildings.SIC/NASIC (if known) 333410 Legal Structure CorporationIf a corporation, state of incorporation WisconsinIf foreign corporation, is it registered to do business in Tennessee? Yes No**Sponsor:** (if applicable):

Company Name _____
Mailing Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____
Federal Employer Identification Number _____

Company representative to be contacted:

Name _____ Title _____
Mailing Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____

Description of Principal Business _____

SIC/NASIC (if known) _____ Legal Structure _____

If a corporation, state of incorporation _____

If foreign corporation, is it registered to do business in Tennessee? Yes No**Name and address of any of the following involved in the project:**

Applicant's Legal Counsel:

Name Tom Newell Title General Counsel
Mailing Address 1100 Greenheck Drive, PO Box 410
City Schofield State WI Zip 54476
Telephone 715-355-6426 Fax _____

Project Engineer

Name TBD Title _____
Mailing Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____

Project Architect

Name TBD Title _____
Mailing Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____

General Contractor

Name TBD Title _____
Mailing Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____

Does applicant or sponsor of the project have an application pending or intend to apply for industrial revenue bond financing for this or a similar project with any other board in Knox County?

Yes No *If yes, please attach a detailed explanation*

Does applicant or sponsor have present plans to incur indebtedness or other financial obligations, which would materially affect its financial condition other than the financing applied hereby?

Yes No *If yes, please attach a detailed explanation*

Does applicant or sponsor of the project know of any proposed or pending tender offers, mergers, or acquisitions by or affecting applicant or sponsor of the project or any other materially significant corporate event in any way affecting application or sponsor of the project?

Yes No *If yes, please attach a detailed explanation.*

Project Location/Ownership:

Street Address: Midway Business Park, 8916 Thorngrove Pike, Knoxville, TN (See Exhibit G - Vicinity Map)

Vicinity Map. *Please attach with general location of site shown.*

Attach a copy of deed (or surveyor's description) detailing property's metes and bounds description or other legal description.

Who owns the property at this time? Industrial Development Board of the County of Knox

Does applicant have an option to purchase the property if not already owned by applicant?

Yes No

Are there presently outstanding any options or liens with regard to the property?

Yes No

Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided:

Greenheck Group is the leading supplier of air movement, control and conditioning (HVAC) equipment. The project would represent the company's fourth corporate campus. The corporate campus would include the construction of 8 facilities by year-end 2029. There would be five manufacturing/warehouse structures, one main office building, one training/education center and one lab facility with the opportunity to expand the footprint in year 2030+.

Current Zoning: Employment Center Zone (along with parcel 074-098 currently zoned agricultural land and will be appropriately rezoned in future)

Is the property zoned appropriately for intended use by this project? Yes No

Tax Information:

Obtain latest property tax statement from Knox County Assessor's Office (include both real and any existing tangible personal property).

Real Property

Tax parcel ID number(s) Refer to "Exhibit E - Tax Information"

Current assessment \$0

Current tax n/a - IDB

Will this project result in the subdivision of any current tax parcel? Yes No

Is the project located in the City of Knoxville's Central Business Improvement District? Yes No

If so, what is the current CBID tax assessment n/a

Tangible Personal Property

Tax parcel ID number(s) n/a

Current assessment n/a

Current tax n/a

Are there any assessments under appeal? Yes No

If yes, please describe. _____

Capital Investment:

Land: Acreage +/- 334 acres (finalizing acreage) Cost \$ 30,000/acre

Site Preparation Cost \$ included in real property

Real Property (Building): Square Footage 705,000 +/- Cost \$ 167,000,000

Personal Property Cost \$ 133,000,000

Briefly describe these investments (types of tangible personal property, type of site development planned for this location and other improvements): _____

The \$167.0M investment includes site work, hard and soft construction costs for the construction of 8 facilities.

The \$133.0M investment includes machinery, equipment and IT costs.

Construction Estimates:

Start Date: Month October Year 2024

Completion Date: Month December Year 2029

Describe any off-site infrastructure that requires new public investments:

Water TBD - pending campus design

Sanitary Sewer TBD - pending campus design

Streets _____
TBD - pending campus design

Storm Sewer TBD - pending campus design

Other _____
TBD - pending campus design

Have project utility requirements been reviewed by the appropriate local utility providers?

Yes No

Wages/Jobs:

In any event, the wages and jobs set out herein shall be achieved within three (3) years after the commencement of operations. An annual report of achievement is required as December 31 each year for the term of the PILOT agreement.

Complete the forms attached hereto as Exhibits A & B, listing jobs and wages by major employment type category.

Environmental Impacts:

Attach a Phase I Environmental Audit addressed to the Industrial Development Board.

Discuss any environmental impacts created by the project
Refer to "Exhibit F - Environmental Impacts"

Will this operation require an environmental permit?

Air Yes No
Water Yes No

Justification for PILOT request (substantiate and fully describe the justification for this request):

Project Emerald is evaluating markets to establish its fourth corporate campus, which would result in net new full-time employment and requires significant capital investment.

The project goals include: creating a regional campus structure for shared workforce leverage, provide employer of choice benefits, and reduce freight cost and transit time to North American customers.

The corporate campus would include the construction of 8 facilities by year-end 2029. There would be five manufacturing/warehouse structures, one main office building, one training/education center and one lab facility with the opportunity to expand the real estate footprint in year 2030+. The campus would result in 440 net new full-time jobs by year-end 2029 with a weighted average wage of \$75,300.

Given the significant capital investment required by the company to construct the campus and additional investment above the proposed budget of \$300M, the company requests consideration for a 10-year PILOT with the option to extend the PILOT should further expansion occur on the site.

The PILOT will support the company's business case to locate its fourth campus in Knox County.

Financial Information:

Attach copies of the last two fiscal years' audited financial statements.

If publicly –held corporation, a certified statement of the corporation’s net worth with corresponding disclosure notes as provided in the applicant’s latest approved/audited financial statement.

Supplemental Information:

All of the following Schedules attached hereto must be completed and submitted with this Application before staff of The Industrial Development Board of the County of Knox, Tennessee will submit your application to the Industrial Development Board of the County of Knox, Tennessee for initial consideration.

Exhibit A – Project Employment - Current Employees

Exhibit B – Project Employment – Additional/New Employment

Exhibit C – Property Tax Incentive Program Affidavit to Application*

*Please note that Exhibit C is required only if staff of The Industrial Development Board of the County of Knox, Tennessee has determined that the Project’s primary purpose is one of community redevelopment, i.e. the financial incentives being requested are necessary to make the Project economically viable. If the Applicant is unsure, please check with staff as to whether Exhibit C is required. Notwithstanding any staff determination, The Industrial Development Board of the County of Knox, Tennessee reserves the right to require that the Affidavit be completed and submitted for the Project as a condition to the grant of any financial incentives under the Property Tax Incentive Program.


Certifications and Signature:

This application is made in order to induce The Industrial Development Board of the County of Knox, Tennessee to grant financial incentives to application and sponsor. Applicant and sponsor represent and warrant

that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to the board and its consideration of this application.

Applicant and sponsor have read and agree to comply with all requirements of the application procedures and policies of the Industrial Development Board of the County of Knox, Tennessee. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by the Board in connection with this application, whether or not the financial incentives are granted or this project built.

Applicant and sponsor acknowledge that, if the financial incentives are granted, the Applicant will be required to complete and file annually a PTIP Performance Report Form containing such information as may be required by the Industrial Development Board of the County of Knox, Tennessee, to determine compliance with incentive documentation, accompanied by either (1) audited financial statements of the Applicant covering the period of time inclusive of the immediately preceding tax year and which (i) contains certain supplementary information presenting the PTIP Performance Report Form and (ii) confirms that the Applicant is in compliance with the lease agreement between the Applicant and the Industrial Development Board of the County of Knox, Tennessee, or (2) an agreed upon procedures report of an acceptable independent certified public accountant substantially in the form attached hereto as Exhibit D.



Applicant

4-18-24

Date

Sponsor

Date

EXHIBIT B – PROJECT EMPLOYMENT – ADDITIONAL/NEW EMPLOYEES

Headcount & Wages

The following information represents the total headcount of the Project along with the corresponding estimated average annual wages. The Project expects to create approximately 440 by end of calendar year 2029 with initial employment starting in 2026.

Positions	2026	2027	2028	2029
Production	54	142	188	330
Professional	14	30	61	110
Total (Cumulative) Jobs	68	172	249	440
Weighted Avg. Wage	\$63,800	\$64,300	\$72,600	\$75,300

- Estimated Weighted **Initial** Average Wage of New Jobs: \$63,800
- There may be an opportunity for the campus to employ over 1,800 full-time personnel at full build-out (2035)
- The Project’s headcount projections are based on the Project’s due diligence activity as of the date of this document.

Operation Start: April 2026 – 68 employees by year-end 2026

Full Operation: December 2029 – 440 employees by year-end 2029

EXHIBIT C

PROPERTY TAX INCENTIVE PROGRAM
AFFIDAVIT
TO
APPLICATION

I, William Thomas Newell, being first duly sworn, depose and state under penalty of perjury as follows:

1. I am a corporate officer, company officer, managing member, general partner or sole proprietor of GREENHECK FAN CORPORATION ("Applicant"), a company duly organized in the State of WI as a CORPORATION (Corporation/LLC/Sole Proprietorship/General Partnership/Limited Partnership). Applicant submits this Application requesting payment-in-lieu-of-tax assistance for the project located at MIDWAY BUSINESS PARK ("Site"). The Applicant represents that this Application and all information furnished in support of the Application for the purpose of obtaining financial assistance under The Industrial Development Board of the County Property Tax Incentive Program ("PILOT Program") are true and complete to the best of Applicant's knowledge and belief.

2. Applicant hereby acknowledges and declares that it will comply with all submittal requirements for payment-in-lieu-of-tax assistance from The Industrial Development Board of the County of Knox ("IDB") set forth in the PILOT Program Policies and Procedures, as in effect from time to time, including, without limitation, the following:

(i) Applicant will pay PILOT application fee of \$0 and no 100/00 Dollars (\$0) to the IDB at the time of application; and

(ii) Applicant will be required to pay the IDB a closing fee equal to five percent (5%) of the anticipated benefit, which will be due upon closing.

3. Applicant acknowledges and declares that the proposed project cannot be undertaken without the assistance of the Property Tax Incentive Program due to one or more of the following reason(s) as checked by Applicant:

(i) The Project, if financed by Applicant through cash on hand or through debt financing from a private lender, would not result in a reasonable rate of return to the Applicant; and/or

(ii) Applicant would not undertake the full set of improvements contemplated in the Application through resources reasonably available to the Applicant.

4. Applicant hereby agrees that Applicant shall at all times indemnify and hold harmless the IDB, its employees, officers, directors, counsel and consultants against all losses, costs, damages, expenses (including reasonable attorney fees), and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to the acceptance, consideration, approval, or disapproval of this Application under the Knox County Property Tax Assistance program.

DATED this 9 day of APRIL, 2024

[Handwritten Signature]
Signature

GENERAL COUNSEL
Title

Signed and sworn to before me this 9TH day of APRIL, 2024

[Handwritten Signature: Kristine K. Rodehaver]
Notary Public

My Commission Expires: 01/28/25

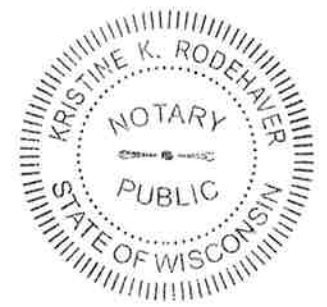


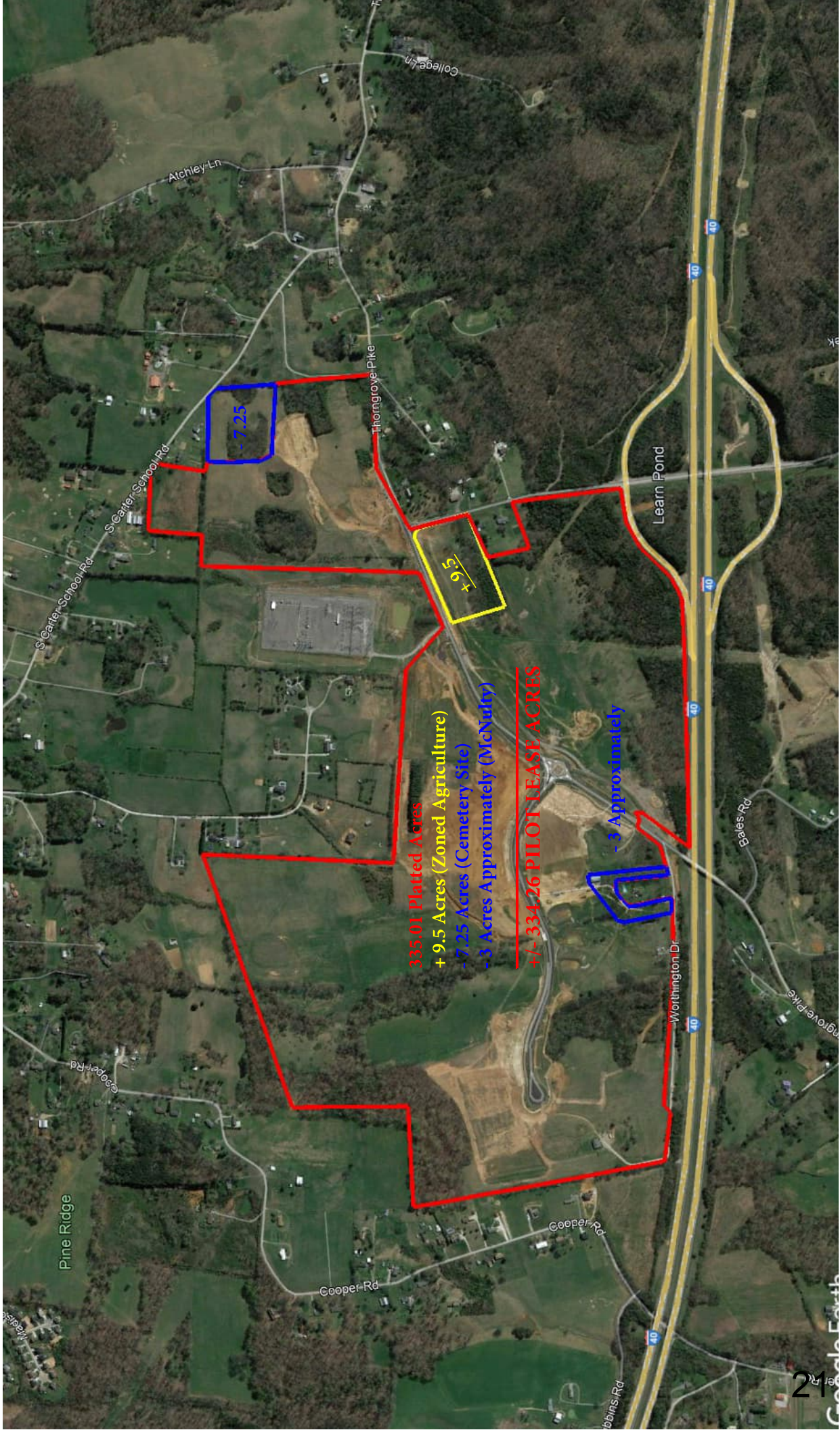
EXHIBIT E – TAX INFORMATION

Business Park	Lot	Acres	Address	Parcel #
Midway	1	17.02	0 Advancement Ln	074 09701
	2	22.48	0 Advancement Ln	074 09702
	3	5.01	0 Advancement Ln	074 09703
	4	18.21	0 Midway Park Ln	074 09704
	5	29.95	0 Midway Park Ln	074 09705
	6	31.21	0 Midway Park Ln	074 09706
	7	11.17	0 Midway Park Ln	074 09707
	8	9.5	0 Worthington Ln	074 09708
	9	5.02	0 Midway Park Ln	074 09709
	10	12.44	0 Midway Park Ln	074 09710
	11	11.24	8827 Worthington Ln	074 09711
	12	12.74	0 Midway Park Ln	074 09712
	13	13.16	0 Thorn Grove Pike	074 09713
	14	12.75	0 Thorn Grove Pike	074 09714
	15	11.37	0 Thorn Grove Pike	074 09715
	16	23.55	9287 Thorn Grove Pike	074 09716
	17	2.21	0 Thorn Grove Pike	074 09717
	18	1.85	0 Thorn Grove Pike	074 09718
	19	1.98	0 Thorn Grove Pike	074 09719
	20	2.3	0 Thorn Grove Pike	074 09720
	21	3.81	0 Thorn Grove Pike	074 09721
	22	12.24	0 Thorn Grove Pike	074 09722
	23	11.3	0 Thorn Grove Pike	074 09723
	24	13.3	0 Thorn Grove Pike	074 09724
	25	31.95	0 Midway Rd	074 09725
	A	9.5	811 Midway Rd.	074 098

EXHIBIT F – Environmental Impacts

- **Air Permit** - Air emissions permits for a Greenheck Campus are minor synthetic or registration permits. Our permits include the following emissions: welding, crating (wood dust), foaming, and dust from powder painting. We have the required emission control equipment on emissions units, which are significantly below the required permitting thresholds. We also have a robust industrial hygiene monitoring program, ensuring our employees' air quality.
- **Water permit** - All facilities discharge sanitary water. Facilities with powder paint lines wash fabricated parts to remove residue prior to painting. These wash lines have industrial wastewater permits. We have like-kind wash lines with permits in several states and are well below permitting thresholds. The wash water discharged to the POTW does not require internal pre-treatment to meet limits and is pH-controlled.
- **Stormwater permit** - Stormwater permits or no exposure certifications for all facilities and campuses. All required inspections and monitoring is complied with.

Exhibit G – Vicinity Map
Midway Business Park



335.01 Platted Acres
+ 9.5 Acres (Zoned Agriculture)
- 7.25 Acres (Cemetery Site)
- 3 Acres Approximately (McNulty)
+/- 334.26 PILOT LEASE ACRES

- 7.25

+ 9.5

- 3 Approximately

Phase 1 Environmental Reports (3)
Executive Summary – conducted for IDB in 2006

**REPORT OF PHASE I
ENVIRONMENTAL SITE ASSESSMENT
PROPOSED MIDWAY BUSINESS PARK PROPERTY
THORNGROVE, TENNESSEE
S&ME PROJECT NO. 1434-06-361**

**Prepared For:
THE DEVELOPMENT CORPORATION OF KNOX COUNTY
17 MARKET SQUARE, #201
KNOXVILLE, TENNESSEE**

**Prepared By:
S&ME, Inc.
1413 Topside Road
Louisville, TN 37777**

July 31, 2006



July 31, 2006

The Development Corporation of Knox County
17 Market Square, #201
Knoxville, Tennessee 37902-1405

Attention: Mr. Todd Napier

Subject: **REPORT OF PHASE I ENVIRONMENTAL SITE ASSESSMENT**
Proposed Midway Business Park Property
Thorngrove, Tennessee
S&ME Project No. 1434-06-361

Dear Mr. Napier:

S&ME, Inc. (S&ME) has completed a Phase I Environmental Site Assessment (ESA) of the proposed Midway Business Park property in Thorngrove, Tennessee. The Phase I ESA was conducted as outlined in S&ME Proposal No. 3406549, dated June 30, 2006. The purpose of this Phase I ESA is to identify, to the extent feasible pursuant to the processes described herein, recognized environmental conditions (RECs) in connection with the subject property and in accordance with the standard developed by the American Society for Testing and Materials (ASTM) entitled "E1527-00 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process". Our services intentionally did not include any non-scope ASTM inquiries such as wetlands, asbestos, mold, or lead paint. This report presents our evaluation procedures, findings and conclusions. You are urged to review the report in its entirety.

S&ME appreciates the opportunity to provide the environmental site assessment for this project. If you have any questions, please call.

Sincerely,
S&ME, Inc.

Timothy S. Schalk
Staff Scientist

Michael R. Stomer
Vice President

**REPORT OF PHASE I
ENVIRONMENTAL SITE ASSESSMENT
PROPOSED MIDWAY BUSINESS PARK PROPERTY
THORNGROVE, TENNESSEE
S&ME PROJECT NO. 1434-06-575**

**Prepared For:
THE DEVELOPMENT CORPORATION OF KNOX COUNTY
17 MARKET SQUARE, #201
KNOXVILLE, TENNESSEE**

**Prepared By:
S&ME, Inc.
1413 Topside Road
Louisville, TN 37777**

October 24, 2006



October 24, 2006

The Development Corporation of Knox County
17 Market Square, #201
Knoxville, Tennessee 37902-1405

Attention: Mr. Todd Napier

Subject: **REPORT OF PHASE I ENVIRONMENTAL SITE ASSESSMENT**
Additional Midway Business Park Property
Thorngrove, Tennessee
S&ME Project No. 1434-06-575

Dear Mr. Napier:

S&ME, Inc. (S&ME) has completed a Phase I Environmental Site Assessment (ESA) of the additional Midway Business Park property in Thorngrove, Tennessee. The Phase I ESA was conducted as outlined in S&ME Proposal No. 3406824, dated October 19, 2006. The purpose of this Phase I ESA is to identify, to the extent feasible pursuant to the processes described herein, recognized environmental conditions (RECs) in connection with the subject property and in accordance with the standard developed by the American Society for Testing and Materials (ASTM) entitled "E1527-00 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process". Our services intentionally did not include any non-scope ASTM inquiries such as wetlands, asbestos, mold, or lead paint. This report presents our evaluation procedures, findings and conclusions. You are urged to review the report in its entirety.

S&ME appreciates the opportunity to provide the environmental site assessment for this project. If you have any questions, please call.

Sincerely,
S&ME, Inc.

Timothy S. Schalk
Staff Scientist

Michael R. Stomer
Vice President

**Phase I Environmental Site Assessment
811 Midway Road
Strawberry Plains, Tennessee
S&ME Project No. 4143-17-055**



Prepared for:
The Development Corporation of Knox County
17 Market Square, Suite 201
Knoxville, Tennessee 37902

Prepared by:
S&ME, Inc.
1413 Topside Road
Louisville, TN 37777

August 18, 2017



August 18, 2017

The Development Corporation of Knox County
17 Market Square, Suite 201
Knoxville, Tennessee 37902

Attention: Mr. Todd Napier

Reference: **Phase I Environmental Site Assessment**
811 Midway Road
Strawberry Plains, Tennessee
S&ME Project No. 4143-17-055

Dear Mr. Napier:

S&ME, Inc. (S&ME) has completed the Phase I Environmental Site Assessment (ESA) for the referenced property. The attached report presents the results of S&ME's assessment of the site, which was performed in accordance with ASTM E1527-13 and S&ME Proposal No. 41-1700369, dated July 26, 2017. The purpose of the Phase I ESA was to identify, to the extent feasible, recognized environmental conditions in connection with the property.

ASTM E1527-13 states that an Environmental Site Assessment "meeting or exceeding" this practice and completed less than 180 days prior to the date of acquisition or intended transaction is presumed to be valid if the report is being relied on by the User for whom the assessment was originally prepared and the following components were completed: interviews, the regulatory review, site visit, and the declaration by the environmental professional responsible for the assessment.

S&ME appreciates the opportunity to provide this Phase I ESA for this project. Please contact us at (865) 970-0003 at your convenience if there are questions regarding the information contained in this report.

Sincerely,

S&ME, Inc.

Timothy S. Schalk
Environmental Professional

James R. Bruce, PG, CHMM
Senior Reviewer

Emerald IV - Impact Report

FINAL- 10yr @ 100%



Project Type: Recruitment
Industry: Advanced Manufacturing
Prepared By: Knoxville Chamber

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Knoxville Chamber using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Knoxville Chamber.

This report, generated by the Impact DashBoard application, has been prepared by Knoxville Chamber to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Knoxville Chamber made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Knoxville Chamber and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN KNOX COUNTY			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Jobs	440.0	520.3	960.3
Annual Salaries/Wages at Full Ops (Yr 4)	\$29,790,231	\$29,665,112	\$59,455,343
Salaries/Wages over 10 Years	\$253.53M	\$252.46M	\$505.99M
Taxable Sales/Purchases in Knox County	\$161.24M	\$34,713,755	\$195.96M

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN KNOX COUNTY			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to Knox County	79.2	93.6	172.8
New residents in Knox County	205.9	243.5	449.4
New residential properties constructed in Knox County	11.9	14.0	25.9
New students to attend local school district	39.6	46.8	86.4

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

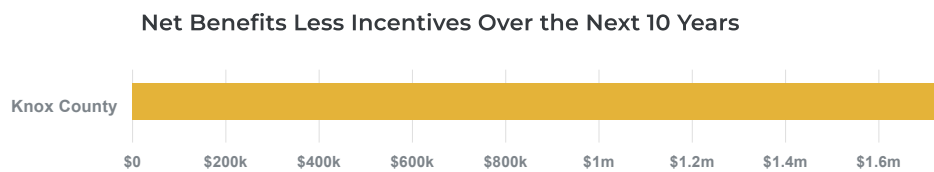
SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN KNOX COUNTY						
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$183,515	\$4,032,000	\$20,000,000	\$0	\$24,032,000	\$24,215,515
2	\$473,470	\$4,112,640	\$35,080,000	\$6,336,000	\$45,528,640	\$46,002,110
3	\$699,139	\$4,194,893	\$38,461,600	\$10,416,000	\$53,072,493	\$53,771,631
4	\$1,260,134	\$4,278,791	\$59,750,832	\$14,619,000	\$78,648,623	\$79,908,757
5	\$1,285,337	\$4,364,366	\$69,865,849	\$30,093,000	\$104.32M	\$105.61M
6	\$1,311,044	\$4,451,654	\$71,263,166	\$25,044,000	\$100.76M	\$102.07M
7	\$1,337,264	\$4,540,687	\$72,688,429	\$20,118,000	\$97,347,116	\$98,684,380
8	\$1,364,010	\$4,631,501	\$74,142,198	\$15,573,000	\$94,346,698	\$95,710,708
9	\$1,391,290	\$4,724,131	\$75,625,041	\$11,982,000	\$92,331,172	\$93,722,462
10	\$1,419,116	\$4,818,613	\$77,137,542	\$9,000,000	\$90,956,156	\$92,375,271

Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 10 YEARS					
	BENEFITS	COSTS	INCENTIVES	NET BENEFITS LESS INCENTIVES	PRESENT VALUE*
Knox County	\$17,159,561	(\$3,960,724)	(\$11.46M)	\$1,742,817	\$1,380,828
Total	\$17,159,561	(\$3,960,724)	(\$11.46M)	\$1,742,817	\$1,380,828

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.



Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

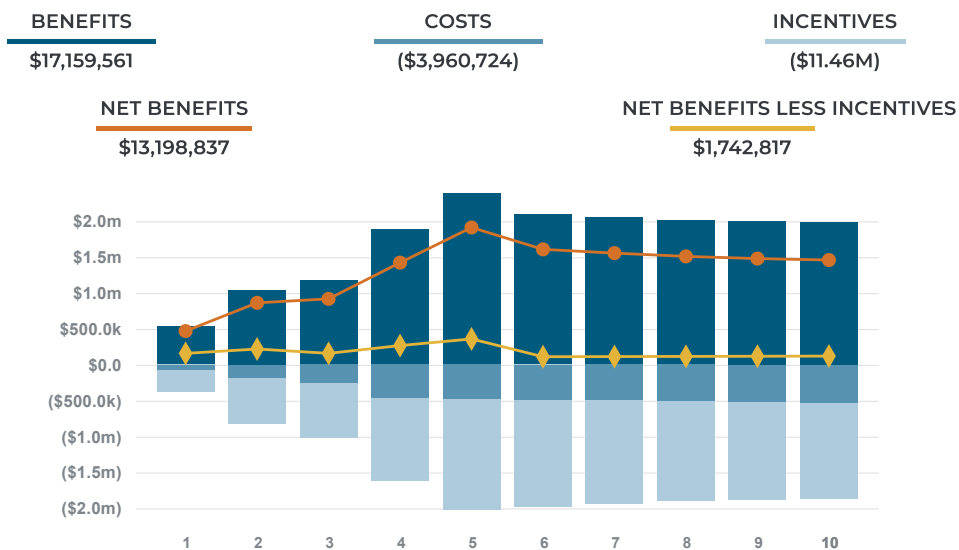
VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	PROPERTY TAX INCENTIVE	TOTAL
Knox County	\$11,456,021	\$11,456,021
Total	\$11,456,021	\$11,456,021

Knox County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Knox County over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: KNOX COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$710,895	\$391,353	\$1,102,248
Real Property Taxes	\$9,917,067	\$0	\$9,917,067
FF&E Property Taxes	\$2,225,033	\$0	\$2,225,033
New Residential Property Taxes	\$0	\$166,656	\$166,656
Hotel Motel Taxes	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$202,664	\$193,568	\$396,232
Addtl. State & Federal School Funding	\$0	\$3,352,325	\$3,352,325
Benefits Subtotal	\$13,055,659	\$4,103,903	\$17,159,561
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$325,852)	(\$312,207)	(\$638,059)
Cost to Educate New Students	\$0	(\$3,322,665)	(\$3,322,665)
Costs Subtotal	(\$325,852)	(\$3,634,873)	(\$3,960,724)
Net Benefits	\$12,729,807	\$469,030	\$13,198,837
INCENTIVES	PROJECT	HOUSEHOLDS	TOTAL
Property Taxes Abated	(\$11.46M)	\$0	(\$11.46M)
Incentives Subtotal	(\$11.46M)	\$0	(\$11.46M)
Net Benefits Less Incentives	\$1,273,786	\$469,030	\$1,742,817

Annual Fiscal Net Benefits for Knox County



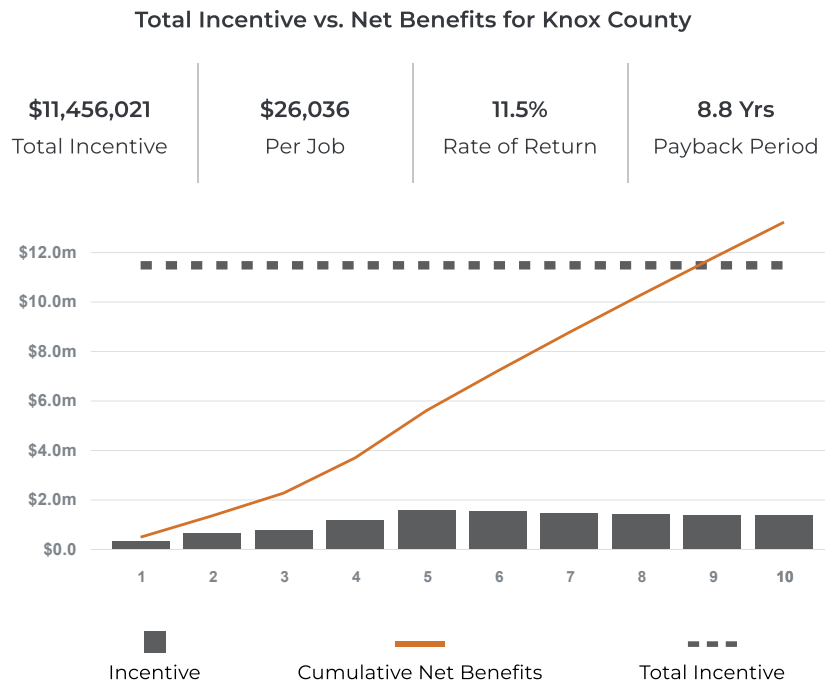
Knox County Public Support

Total Incentives

Knox County is considering the following incentives for the Project.

INCENTIVES UNDER CONSIDERATION		
YEAR	PROPERTY TAX ABATEMENT	TOTAL
1	\$310,800	\$310,800
2	\$643,605	\$643,605
3	\$759,558	\$759,558
4	\$1,155,707	\$1,155,707
5	\$1,553,361	\$1,553,361
6	\$1,496,613	\$1,496,613
7	\$1,442,212	\$1,442,212
8	\$1,394,174	\$1,394,174
9	\$1,361,413	\$1,361,413
10	\$1,338,577	\$1,338,577
Total	\$11,456,021	\$11,456,021

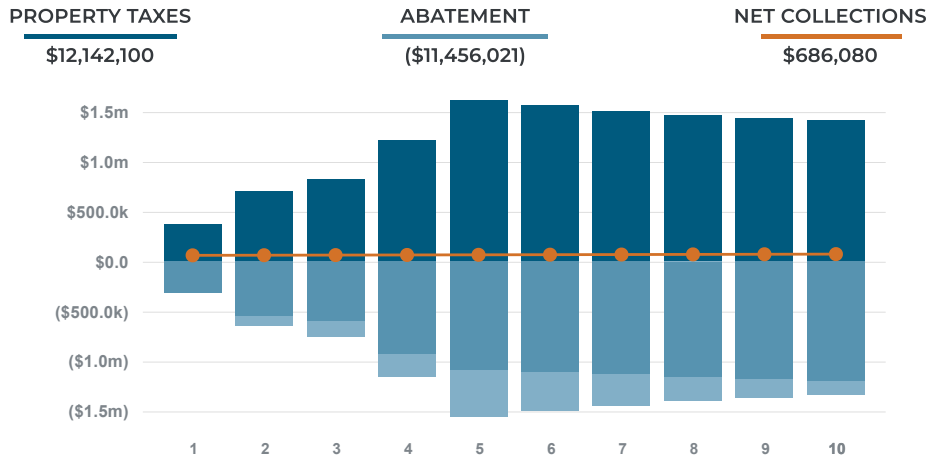
The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to Knox County. The intersection indicates the length of time until the incentives are paid back.



Tax Incentives

The following property tax incentive is modeled for Knox County in this analysis.

Property Tax Analysis for Knox County



Methodology

Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

333413 INDUSTRIAL AND COMMERCIAL FAN AND BLOWER AND AIR PURIFICATION EQUIPMENT MANUFACTURING		KNOX COUNTY
Employment Multiplier	(Type II Direct Effect)	2.1824
Earnings Multiplier	(Type II Direct Effect)	1.9958

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website www.impactdatasource.com

Appendix

KNOX COUNTY PROPERTY TAX ABATEMENT				
YR.	LAND	BUILDINGS...	FF&E	TOTAL
1	\$0	\$310,800	\$0	\$310,800
2	\$0	\$545,143	\$98,461	\$643,605
3	\$0	\$597,693	\$161,865	\$759,558
4	\$0	\$928,528	\$227,179	\$1,155,707
5	\$0	\$1,085,715	\$467,645	\$1,553,361
6	\$0	\$1,107,430	\$389,184	\$1,496,613
7	\$0	\$1,129,578	\$312,634	\$1,442,212
8	\$0	\$1,152,170	\$242,004	\$1,394,174
9	\$0	\$1,175,213	\$186,200	\$1,361,413
10	\$0	\$1,198,717	\$139,860	\$1,338,577
Total	\$0	\$9,230,988	\$2,225,033	\$11,456,021

KNOX COUNTY PROPERTY TAX ABATEMENT SCHEDULE			
YR.	LAND	BUILDINGS...	FF&E
1	0.0%	100.0%	100.0%
2	0.0%	100.0%	100.0%
3	0.0%	100.0%	100.0%
4	0.0%	100.0%	100.0%
5	0.0%	100.0%	100.0%
6	0.0%	100.0%	100.0%
7	0.0%	100.0%	100.0%
8	0.0%	100.0%	100.0%
9	0.0%	100.0%	100.0%
10	0.0%	100.0%	100.0%



FINAL- 10yr @ 100%

NON-BINDING MEMORANDUM OF UNDERSTANDING
AMONG THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
AND
GREENHECK FAN CORPORATION
RELATING TO "PROJECT EMERALD IV"

This non-binding memorandum of understanding (this "Memorandum of Understanding") will serve as a statement of the mutual intent of the parties acknowledging this Memorandum of Understanding with respect to the ongoing negotiation of essential terms relating to local property tax incentives for a manufacturing/corporate campus expansion (the "Project") for Greenheck Fan Corporation ("Greenheck") to be located at the Midway Business Park in Knox County, Tennessee (the "County"). To facilitate the development of the Project, The Industrial Development Board of the County of Knox (the "IDB") believes that the development of the Project by Greenheck requires the grant of local property tax incentives pursuant to, and Greenheck has submitted an application to the IDB for, a payment in lieu of tax transaction. The parties hereto therefore desire to acknowledge the terms that the parties mutually expect to be included in the relevant agreements in order to guide their representatives in negotiating and finalizing the terms of such agreements.

1. Terms of Transaction.

The proposed material terms governing the local tax incentives for the Project are as described on the Term Sheet attached as Exhibit A to this Memorandum of Understanding. The Term Sheet is incorporated as part of this Memorandum of Understanding. If this Memorandum of Understanding is acknowledged by the parties hereto, the provisions of the Term Sheet are expected to be incorporated in the various documents together with other customary negotiated terms necessary to implement the transactions and agreements described in the Term Sheet, and the parties acknowledging this Memorandum of Understanding shall negotiate the terms of the definitive agreements consistent with such terms.

2. Public Announcement.

The parties hereto acknowledge that they do not intend to issue any press release or make any public announcement of or relating to the matters described herein without first notifying the other parties hereto and seeking to make a joint announcement with respect thereto.

3. Non-Binding.

This Memorandum of Understanding is intended to be, and shall be construed only as, a non-binding memorandum of understanding summarizing and evidencing the continuing discussions between the parties hereto on the date hereof. Any legally binding obligation of the parties with respect to the matters discussed herein shall exist only upon the negotiation and execution and delivery of definitive agreements, into which this Memorandum of Understanding and all prior discussions shall merge. It is expressly understood that this Memorandum of Understanding is not a contract to execute any definitive agreement or otherwise to consummate any agreement. The parties will cooperate in negotiating definitive agreements providing for the transactions contemplated by this Memorandum of Understanding, but each party reserves the right of final approval or disapproval, for any reason, of such documentation.

[Signature page follows]

[Signature page to Memorandum of Understanding]

The parties signing below have acknowledged this non-binding Memorandum of Understanding as of April 19, 2024.

THE INDUSTRIAL DEVELOPMENT BOARD
OF THE COUNTY OF KNOX

DocuSigned by:
By: Paul Fortunato
7FC39C648B2B43B...

Print Name: Paul M. Fortunato

Title: Chair

GREENHECK FAN CORPORATION

DocuSigned by:
By: Richard A. Totzke
7DE82637BB284C9...

Print Name: Richard A. Totzke

Title: Chief Executive Officer

Exhibit A

Term Sheet

(See attached)

**TERM SHEET – Property Tax Abatement Incentive
Project Emerald in Knox County, Tennessee
April 8, 2024**

For discussion purposes only and does not constitute a commitment to enter into any transaction.

Tax Incentive Provider	The Industrial Development Board of the County of Knox (the “IDB”), a public, nonprofit corporation and instrumentality of Knox County (the “County”).
Purpose of Incentive	The purpose of the incentive is to abate certain real and personal property taxes for a company identified as Project Emerald (the “Company”) with respect to the construction and equipping of a manufacturing and corporate campus (the “Project”) to be located on approximately 336 acres that constitutes Midway Business Park (the “Project Site”). The projected value of the incentive is in excess of \$13 million based upon the Company’s projected capital expenditures.
Structure of Incentive	Because of constitutional limitations in Tennessee, which limitations exist in a number of states, the abatement of property taxes in Tennessee must be accomplished by the IDB holding title to the property that would be the subject of the tax abatement. Because the IDB is a public entity, the property titled in the IDB is exempt from property taxation. The IDB will lease all property that is held by the IDB for the benefit of the Company to the Company pursuant to a lease (the “PILOT Lease”). Pursuant to the PILOT Lease, the Company will agree to make annual payments in lieu of taxes (“PILOTS”) as described herein. All PILOTS payable pursuant to the Lease for each tax year (which is the same as the calendar year) shall be due and payable on the last day of February of the following year, which is the same date as when property taxes would be payable.
PILOTS with respect to Land	The Company shall make a PILOT with respect to the land that constitutes the Project Site in the amount of \$1 annually with respect to each tax year from the date the PILOT Lease is entered into until 2034 (as such period may be extended as provided below). After such period, the Company shall make a PILOT with respect to such land equal to the property taxes that would be payable with respect to such land based upon the appraised value determined by the County Assessor. The Company shall retain the right to contest any appraised value of any land that is subject to the PILOT Lease established by the County Assessor.

<p>PILOTs with respect to Building Improvements</p>	<p>The Company shall not be required to make any PILOTs with respect to any building improvements (the “Improvements”) placed in service by the Company on or before December 31, 2029 for a 10-year period (as such period may be extended as provided below) beginning with the calendar year following the year in which specific Improvements are placed in service. For example, if the Company places a building in service in 2026, the Company shall not be required to pay PILOTs with respect to those specific Improvements for a period of 10 years (as such period may be extended) commencing in 2027. After such ten-year period (as it may be extended) expires, and to the extent the PILOT Lease is still in effect, the Company shall thereafter make PILOTs equal to the property taxes that otherwise would be applicable to such Improvements as determined by the County Assessor. The Company shall retain the right to contest any appraised value of any Improvements subject to the PILOT Lease established by the County Assessor.</p>
<p>PILOTs with respect to Equipment</p>	<p>The Company shall not be required to make any PILOTs with respect to any equipment (the “Equipment”) placed in service by the Company on or before December 31, 2029 for a 10-year period (as such period may be extended as provided below) beginning with the calendar year following the year in which specific Equipment was placed in service. For example, if the Company places Equipment in service in 2026 and conveys such Equipment to the IDB under the PILOT Lease, the Company shall not be required to pay PILOTs with respect to such Equipment for a period of 10 years (as such period may be extended) commencing in 2027. After such ten-year period (as it may be extended) expires, and to the extent the PILOT Lease is still in effect, the Company shall thereafter make PILOTs equal to the property taxes that otherwise would be applicable to such Equipment as determined by the County Assessor. The Company shall retain the right to contest any appraised value of any Equipment subject to the PILOT Lease established by the County Assessor.</p>

<p>Improvements and Equipment Construction or Installed after 2029</p>	<p>With respect to any building improvements placed in service on the Project Site after 2029, the Company shall make PILOTs equal to the taxes that otherwise would be payable with respect to such improvements if such improvements were owned by the Company. With respect to any equipment placed in service on the Project Site after 2029, the Company shall make PILOTs equal to the taxes that otherwise would be payable with respect to such equipment if such equipment were owned by the Company. However, if, prior to December 31, 2029, the Company agrees to make additional commitments with respect to job creation, wage levels, and capital expenditures (Phase 2 Project) then the ten (10) year periods referenced herein (Phase 1 Project) during which the Company shall not be required to make PILOTs shall automatically be extended for an additional period of time consistent with the IDB's formula (as such formula is set forth in the PILOT Lease) for determining PILOT periods, taking into account the entire commitments (Phase 1 Project + Phase 2 Project) from the execution of the PILOT Lease for a total period up to 15 years as to any asset. For example, if based upon the revised commitments of the Company (Phase 1 Project + Phase 2 Project), the PILOT period should be 15 years, then the initial 10-year periods described above (Phase 1 Project) shall be automatically extended pursuant to the terms of the PILOT Lease from 10 years to 15 years (i.e. 2026 improvements originally exempt from 2027 to 2036 under the original 10 year period could extend up to 2041, or 15 years total). Additionally, for example, should the revised commitments of the Company (Phase 1 Project + Phase 2 Project) rank at or above the current ten-year period of time consistent with the IDB's formula, the PILOT Lease shall be amended such that the Phase 2 Project PILOT duration shall be the time period up to 15 years from the effective date of the amendment (i.e. 2034 improvements could be eligible for up to 15 years, or 2049). For the purposes of illustration only, the chart attached hereto as Exhibit A shall be included as an illustrative reference in the final definitive PILOT agreement. If, prior to December 31, 2034, the Company agrees to make additional commitments with respect to job creation, wage levels, and capital expenditures beyond Phase 1 and Phase 2 Project levels, then the IDB will consider at that time whether, based on such additional commitments and upon its PILOT policies in effect at that time, to enter into a new PILOT Lease or amend the PILOT Lease to include Improvements and Equipment installed after 2034 for an additional period consistent with the IDB's policies in effect at that time.</p>
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Land Cost	<p>The Company shall make additional rent payments in the aggregate equal to \$30,000 times the total acreage in the Project Site at the time the PILOT Lease is executed. One-fifth of such aggregate payments shall be paid on the date of execution of the PILOT Lease with the remaining amount being paid in four equal payments on the first four anniversaries of the execution of the PILOT Lease. These payments represent the purchase price of the Project Site and are only 50% of the value of the Project Site. Therefore, the Company is expected to receive at least a 50% reduction in the purchase price (the "Price Reduction") of the Project Site from fair market value.</p>
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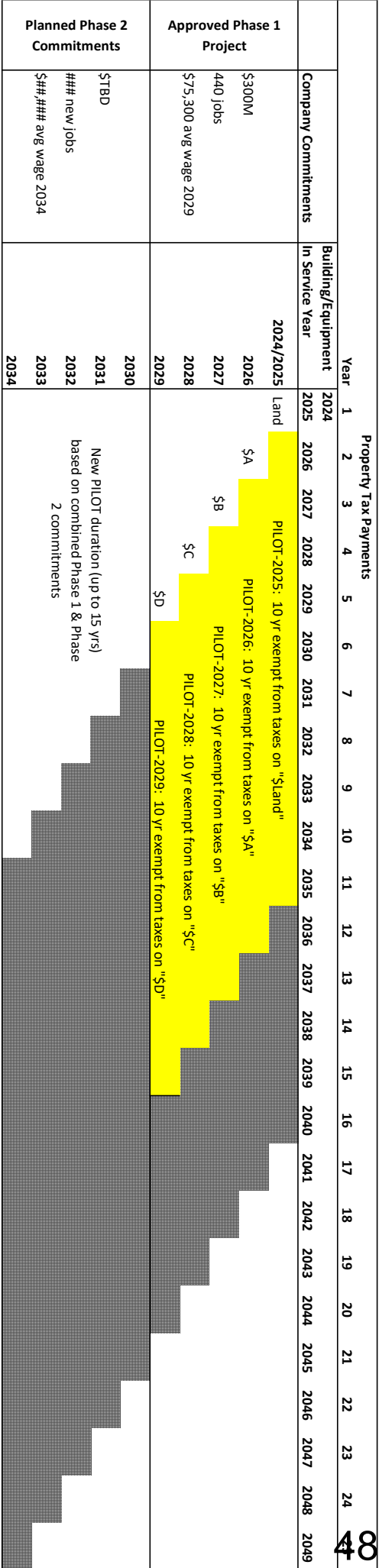
<p>Performance Standards</p>	<p>The proposed substantial reduction in the property taxes through the use of the PILOT Lease is being provided by the IDB in the anticipation that the Company will construct the Project as has been projected by the Company and that the Company will employ the number of employees and pay the wages projected by the Company. The projected capital expenditure amount for the Project is not less than \$300,000,000. The minimum projected number of employees to be employed at the Project is 440 with a weighted average annual salary of \$75,300. The PILOT Lease will provide that in the event that the Company has not met at least ninety percent (90%) in the aggregate of the minimum thresholds for capital expenditures, employees and weighted average annual salary as of the end of each tax year commencing in 2026, the Company shall make an additional PILOT for that year equal to the amount of property taxes abated through the use of the PILOT Lease for that year times a percentage (with the three factors weighted proportionally) that the Company did not meet the aggregate ninety percent (90%) minimum threshold. For example, if the Company (i) met the minimum capital expenditure amount of \$300,000,000, (ii) met the weighted average annual salary as of the end of a tax year, and (iii) employed 352 employees (80% of the 440 minimum), then because the Company would have satisfied the aggregate ninety percent (90%) performance requirement (93.33%), the Company would not owe any additional PILOT. However, by way of further example, if the Company (i) only expended capital of \$250,000,000 (i.e., 83.33% of the \$300,000,000 minimum), (ii) met the weighted average annual salary as of the end of a tax year, and (iii) employed 352 employees (80% of the 440 minimum), then the Company would not have fully met the ninety percent (90%) aggregate minimum threshold since it would have only met 87.78% of its aggregate performance requirements and would be required to pay additional PILOT. In this second example, and assuming the abated taxes through the use of the PILOT Lease would have otherwise been \$1,000,000, then the Company would make an additional PILOT for that tax year of approximately \$122,200 because with an aggregate performance of approximately 87.78% of the relevant factors for that year, there would be a 12.22% shortfall. For tax years from 2029 to 2038, the Company shall also make an additional PILOT for that year equal to 1 minus the same percentage (87.78% in the example) times one-tenth of the Price Reduction. In the PILOT Lease, the parties shall agree upon a phase-in of the commitments described above to reflect the Company's projections so that the Company is not required to achieve the full commitments until the year 2029. The year 2026 will be the base year for the weighted average annual salary requirement, and for each year thereafter, the required weighted average annual salary will increase by the annual CPI increase.</p>
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<p>Purchase Option</p>	<p>The Company shall have the option to purchase all property that is the subject of the PILOT Lease, including the Project Site, the Improvements and the Equipment at any time for a purchase price of \$1 plus, if such purchase occurs before 2039, the amount of the Price Reduction multiplied by 1 less a percentage equal to the number of years or fractions thereof that have elapsed since January 1, 2029 divided by 10. If such purchase occurs prior January 1, 2029, the purchase price shall include the entire Price Reduction. The Company may purchase any item(s) of Equipment at any time for \$1. Prior to 2039, the Company may only purchase a portion of the real property constituting the Project Site with the consent of the IDB.</p>
<p>Assignment/Subletting</p>	<p>The Company may assign its interest in the PILOT Lease to secure financing without the consent of the IDB provided, however, if the Project is foreclosed upon (including through foreclosure on the Company's interest in the PILOT Lease), the successor shall not receive the benefit of the tax reductions provided through the PILOT Lease. Otherwise, the Company may only assign or sublet any of the property leased pursuant to the PILOT Lease with the prior consent of the IDB, provided, however, if such assignment is in connection with the merger or sale of substantially all of the Company's business, the IDB may not unreasonably withhold its consent to such assignment..</p>
<p>Cooperation with Financing</p>	<p>If the Company desires to grant a lien on any property subject to the PILOT Lease, the IDB will cooperate with the Company's lender to assure that such lender has an acceptable lien on such property. Such cooperation will include providing a lien on the IDB's fee interest in any real property and consenting to the filing of any financing statements with respect to the IDB's interest in any equipment.</p>
<p>Tax Ownership</p>	<p>The Company shall be entitled to all tax attributes relating to property that is the subject of the PILOT Lease, including the right to depreciate such property and take any tax credits or other deductions relating thereto.</p>
<p>Operation and Maintenance of Project</p>	<p>The Company shall be responsible for and shall have the full right to operate and maintain the Project. If the Company ceases all operations at the Project, the reduced tax benefits provided by the PILOT Lease shall cease at that time.</p>

<p>Transaction Costs:</p>	<p>The Company shall pay all commercially reasonable costs relating to the negotiation, documentation and implementation of the transactions described herein, including the reasonable attorneys’ fees of the IDB and the County. The IDB shall provide the Company with an estimate of such expenses if these transactions proceed.</p>
<p>Insurance/Indemnification</p>	<p>The Company shall maintain adequate commercial liability insurance as stipulated in the PILOT Lease to which the IDB shall be named an additional insured. The Company shall indemnify the IDB for all liabilities relating to its activities on the Project Site.</p>
<p>Required Approvals</p>	<p>The County Commission of Knox County may be required to adopt a resolution delegating to the IDB the authority to negotiate a PILOT transaction consistent with this term sheet. The board of directors of the IDB will be required to authorize the execution of the PILOT Lease and any related documents.</p>

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Referenced Illustration in PILOT Term Sheet - Exhibit A Chart



Approved 10 year PILOT offered based on Phase 1 Project definition (\$300M investment, 440 new jobs, \$75,300 average wage by 2029)
 Phase 2 PILOT duration calculated based on Phase 1 + Phase 2 total commitments (\$300M + \$TBD, 440 + ### new jobs, \$\$\$ avg wage 2034)
 Phase 2 PILOT term would apply to 2030-2034 investments, and would be retroactive for up to 5 additional years on Phase 1 PILOT

RESOLUTION

RESOLUTION OF THE COMMISSION
OF KNOX COUNTY, TENNESSEE,
DELEGATING TO THE INDUSTRIAL
DEVELOPMENT BOARD OF THE
COUNTY OF KNOX THE AUTHORITY
TO NEGOTIATE, ACCEPT AND/OR
WAIVE PAYMENTS IN LIEU OF TAXES
IN CONNECTION WITH PROJECT EMERALD,
AND FINDING THAT SUCH PAYMENTS
OR THE WAIVER THEREOF ARE
DEEMED TO BE IN FURTHERANCE OF
THE PUBLIC PURPOSES OF THE BOARD
AS DEFINED IN TENN. CODE ANN.
§ 7-53-305.

RESOLUTION: R- _____ - _____ - _____

REQUESTED BY: COUNTY MAYOR

PREPARED BY: BASS, BERRY & SIMS PLC
KNOXVILLE, TN

APPROVED AS TO FORM
AND CORRECTNESS: _____
DIRECTOR OF LAW

APPROVED: _____
DATE

VETOED: _____
DATE

VETO
OVERRIDE: _____
DATE

MINUTE
BOOK _____ PAGE _____

WHEREAS, the Commission (the “Commission”) of Knox County, Tennessee (the “County”) has met pursuant to proper notice; and

WHEREAS, The Industrial Development Board of the County of Knox (the “Board”) is as an industrial development board duly organized and existing under the provisions of Title 53 of Chapter 7, Tennessee Code Annotated; and

WHEREAS, the Board currently owns approximately 336 acres in the eastern part of the County, which constitutes Midway Business Park (the “Project Site”); and

WHEREAS, a corporation identified as Project Emerald (the “Company”) has proposed to construct and equip a corporate campus that is expected to include manufacturing, office, warehouse and training uses, on the Project Site (the “Project”); and

WHEREAS, the Company has requested the Board to continue to hold ownership of the Project Site; and

WHEREAS, the Company has furthermore requested the Board to lease the Project Site to the Company and to permit the Company to make payments in lieu of ad valorem taxes; and

WHEREAS, the Commission has previously delegated authority to the Board to negotiate and accept payments in lieu of ad valorem tax from lessees of the Board; and

WHEREAS, the expansive size and nature of the Project is such that it does not fit within the scope of, or the policies related to, the previous delegation; and

WHEREAS, the Commission hereby desires to specifically delegate to the Board the authority to negotiate, accept and/or waive from the Company payments in lieu of ad valorem tax, as such payments are related to the Project, upon the finding that such payments are deemed to be in furtherance of the public purposes of the Board as defined in Tenn. Code Ann. § 7-53-305(b).

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF KNOX COUNTY AS FOLLOWS:

Section 1. The Commission hereby finds that the negotiation and acceptance by the Board of payments in lieu of ad valorem taxes, as such payments are related to the Project, 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 Commission hereby consents and delegates to the Board the right to negotiate and accept such payments from the Company.

Section 2. The terms of the agreement between the Board and the Company concerning payments in lieu of ad valorem taxes shall be determined by the Board; provided, however, such agreement shall not result in payments in lieu of taxes that are less than the taxes that would otherwise be payable for a period of more than ten (10) years as to any improvements, equipment or other property following a reasonable construction period and, provided further, such ten-year period may be extended to up to fifteen (15) years if the Company meets certain performance criteria with respect to jobs, wages and capital investment as established by the Board in the agreement with the Company.

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

Section 4. If any notifications are to be made to effectuate this Resolution, then the County Clerk is hereby requested to forward a copy of this Resolution to the proper authority.

Section 5. This Resolution is to take effect from and after its passage, as provided by the Charter of the County, the public welfare requiring it.

Presiding Officer of the Commission Date

County Clerk Date

Approved: _____
 County Mayor Date

Vetoed: _____
 County Mayor Date

37554158.3

Knoxville Campus Concept



Midway Business Park:

- Conceptual Campus Design