RESOLUTION

No. _______________

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE KORDSA, INC. PROJECT, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, AND TO AUTHORIZE THE MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

WHEREAS, pursuant to Tennessee Code Annotated, Section 7-53-305(b) the City of Chattanooga (the "City") is permitted to delegate to The Industrial Development Board of the City of Chattanooga (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 City that such payments are deemed to be in furtherance of the Corporation's public purposes; and,

WHEREAS, Kordsa, Inc. (the "Company") is contemplating the acquisition, improvement and equipping of manufacturing facilities and operations in the City of Chattanooga and Hamilton County, and, because of the substantial economic benefits to the City and Hamilton County resulting from the project, has asked the Corporation and the City Council to approve payments in lieu of ad valorem taxes; and

WHEREAS, the Council 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 COUNCIL:

That we do hereby find that the Kordsa, Inc. project referenced above is in the best interest of the City, 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 Mayor is hereby authorized to enter into an Agreement for Payments In Lieu Of Ad Valorem Taxes with Kordsa, Inc. in substantially the form attached hereto, with such changes thereto as he shall approve; and,

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

PILOT Incentive Project Summary

City of Chattanooga, Hamilton County, TN

Company/Applicant:	Kordsa, Inc.	
Capital Investment:	$	50,000,000
Jobs:		200
Annual Average Wage:	$	59,384
PILOT Length: (Years)		10
Total Tax Due: (City & County)	$	3,435,703
Total Tax & Other Incentives:	$	1,713,666
Total Local Benefit:	$	13,111,642
Benefit/Cost Ratio:		7.65

Economic Development Payments:		
Fees Paid to City	$	258,409
Fees Paid to County	$	256,949
Total Fees Paid by Company:	$	515,358
Payments in Lieu of Tax:		
Payments Made to City During PILOT	$	613,368
Payments Made to County During PILOT	$	334,137
Payments Made in Lieu of School Taxes	$	774,532
Total Taxes Paid During PILOT Period	$	1,722,037
Total Fees and Taxes Paid	$	2,237,395
Incentives:		
City & County Contributions	$	-
City Taxes Abated	$	1,109,346
County Taxes Abated	$	604,320
Total Incentive to Company	$	1,713,666
Net Incentive to Company: (Incentives Less Fees Paid)	$	1,198,308

City of Chattanooga, Hamilton County, TN
Kordsa, Inc.
Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Employment, Direct	200	200	200	200	200	200	200
Wages & Benefits, Direct [1]	$ 15,439,840	$ 15,439,840	$ 15,439,840	$ 15,439,840	$ 15,439,840	$ 15,439,840	$ 15,439,840
Direct Effect Employment Multiplier [2]	3.0175	3.0175	3.0175	3.0175	3.0175	3.0175	3.0175
Total Employment	604	604	604	604	604	604	604
Employment, Indirect (Full-Time Equivalent)	404	404	404	404	404	404	404
Hamilton County Projected Annual Average Wage [3]	$ 60,672	$ 60,672	$ 60,672	$ 60,672	$ 60,672	$ 60,672	$ 60,672
Wages, Indirect	$ 24,511,488	$ 24,511,488	$ 24,511,488	$ 24,511,488	$ 24,511,488	$ 24,511,488	$ 24,511,488
Total Wages & Benefits	$ 39,951,328	$ 39,951,328	$ 39,951,328	$ 39,951,328	$ 39,951,328	$ 39,951,328	$ 39,951,328
Local Sales Tax Revenue from Wages [4](Indirect)	$ 526,758	$ 526,758	$ 526,758	$ 526,758	$ 526,758	$ 526,758	$ 526,758
Other Local Tax Revenue [5](Indirect)	$ 112,726	$ 112,726	$ 112,726	$ 112,726	$ 112,726	$ 112,726	$ 112,726
Indirect Property Tax Revenue [6]	$ 411,134	$ 411,134	$ 411,134	$ 411,134	$ 411,134	$ 411,134	$ 411,134
Total Tax Revenue	$ 1,050,618	$ 1,050,618	$ 1,050,618	$ 1,050,618	$ 1,050,618	$ 1,050,618	$ 1,050,618

City of Chattanooga, Hamilton County, TN
Kordsa, Inc.
Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations	Year 8	Year 9	Year 10	10-Year Total
Employment, Direct	200	200	200	200
Wages & Benefits, Direct [1]	$ 15,439,840	$ 15,439,840	$ 15,439,840	$ 154,398,400
Direct Effect Employment Multiplier [2]	3.0175	3.0175	3.0175	
Total Employment	604	604	604	604
Employment, Indirect (Full-Time Equivalent)	404	404	404	404
Hamilton County Projected Annual Average Wage [3]	$ 60,672	$ 60,672	$ 60,672	
Wages, Indirect	$ 24,511,488	$ 24,511,488	$ 24,511,488	$ 245,114,880
Total Wages & Benefits	$ 39,951,328	$ 39,951,328	$ 39,951,328	$ 399,513,280
Local Sales Tax Revenue from Wages [4] (Indirect)	$ 526,758	$ 526,758	$ 526,758	$ 5,267,580
Other Local Tax Revenue [5] (Indirect)	$ 112,726	$ 112,726	$ 112,726	$ 1,127,260
Indirect Property Tax Revenue [6]	$ 411,134	$ 411,134	$ 411,134	$ 4,111,340
Total Tax Revenue	$ 1,050,618	$ 1,050,618	$ 1,050,618	$ 10,506,180

City of Chattanooga, Hamilton County, TN
Kordsa, Inc.
Economic Impact and Benefit/Cost Analysis

One-Time Expansion Impact		
Total Capital Investment	$	50,000,000
Building - Real Property	$	5,000,000
Economic Impact Multiplier [7]		1.7846
Economic Impact	$	8,923,000
Equipment Purchase/Set-up - Personal Property	$	45,000,000
Economic Impact Multiplier [8]		1.6459
Economic Impact	$	74,065,500
Total Economic Impact	$	82,988,500
Final Demand Employment Multiplier [9]		7.5715
Jobs Supported During Construction Period*		379
Hamilton County Projected Annual Average Wage [3]	$	60,672
Wages Paid to Jobs Supported During the Construction Period	$	22,994,688
Local Sales Tax Revenue from Wages [4](Indirect)	$	303,185
Other Local Tax Revenue [5](Indirect)	$	64,882
Total Indirect Tax Revenue from Wages Paid During Construction Period	$	368,067

**Represents the total number of jobs supported during the construction period. If the construction period is 2 years the annual average employment would be 190 per year. These jobs are considered transient and, in theory, would disappear after the construction and set-up period is complete.*

Hamilton County, TN
Kordsa, Inc.
Tax Schedule

Full Property Value:	Real Property						
$ 5,000,000	Assessed Value	Hamilton County Tax Due: ($1.2257 per $100 value)	% of taxes paid	Payment Made in Lieu of Tax	Taxes Abated	School Taxes Paid (1.0116 per $100 Value)	Economic Development Payment (15%)
Year 1 - 2027	$ 2,000,000	$ 24,514	0%	$ -	$ 24,514	$ 20,232	$ 6,712
Year 2 - 2028	$ 2,000,000	$ 24,514	25%	$ 6,129	$ 18,385	$ 20,232	$ 6,712
Year 3 - 2029	$ 2,000,000	$ 24,514	40%	$ 9,806	$ 14,708	$ 20,232	$ 6,712
Year 4 - 2030	$ 2,000,000	$ 24,514	50%	$ 12,257	$ 12,257	$ 20,232	$ 6,712
Year 5 - 2031	$ 2,000,000	$ 24,514	50%	$ 12,257	$ 12,257	$ 20,232	$ 6,712
Year 6 - 2032	$ 2,000,000	$ 24,514	50%	$ 12,257	$ 12,257	$ 20,232	$ 6,712
Year 7 - 2033	$ 2,000,000	$ 24,514	50%	$ 12,257	$ 12,257	$ 20,232	$ 6,712
Year 8 - 2034	$ 2,000,000	$ 24,514	50%	$ 12,257	$ 12,257	$ 20,232	$ 6,712
Year 9 - 2035	$ 2,000,000	$ 24,514	50%	$ 12,257	$ 12,257	$ 20,232	$ 6,712
Year 10 - 2036	$ 2,000,000	$ 24,514	50%	$ 12,257	$ 12,257	$ 20,232	$ 6,712
Total		$ 245,140		$ 101,734	$ 143,406	$ 202,320	$ 67,120

Total Taxes Abated:	$	143,406
Total Fees Paid:	$	67,120
Total School Taxes Paid:	$	202,320
Total Payments Made in Lieu of Tax:	$	101,734
Total Fees and Taxes paid During the PILOT Period:	$	371,174

City of Chattanooga, TN
Kordsa, Inc.
Tax Schedule

Full Property Value:	Real Property					
$ 5,000,000	**Assessed Value**	**Chattanooga Tax Due: ($2.25 per $100 value)**	**% of taxes paid**	**Payment Made in Lieu of Tax**	**Taxes Abated**	**Economic Development Payment (15%)**
Year 1 - 2027	$ 2,000,000	$ 45,000	0%	$ -	$ 45,000	$ 6,750
Year 2 - 2028	$ 2,000,000	$ 45,000	25%	$ 11,250	$ 33,750	$ 6,750
Year 3 - 2029	$ 2,000,000	$ 45,000	40%	$ 18,000	$ 27,000	$ 6,750
Year 4 - 2030	$ 2,000,000	$ 45,000	50%	$ 22,500	$ 22,500	$ 6,750
Year 5 - 2031	$ 2,000,000	$ 45,000	50%	$ 22,500	$ 22,500	$ 6,750
Year 6 - 2032	$ 2,000,000	$ 45,000	50%	$ 22,500	$ 22,500	$ 6,750
Year 7 - 2033	$ 2,000,000	$ 45,000	50%	$ 22,500	$ 22,500	$ 6,750
Year 8 - 2034	$ 2,000,000	$ 45,000	50%	$ 22,500	$ 22,500	$ 6,750
Year 9 - 2035	$ 2,000,000	$ 45,000	50%	$ 22,500	$ 22,500	$ 6,750
Year 10 - 2036	$ 2,000,000	$ 45,000	50%	$ 22,500	$ 22,500	$ 6,750
Total		$ 450,000		$ 186,750	$ 263,250	$ 67,500

Total Taxes Abated:	$ 263,250
Total Fees Paid:	$ 67,500
Total Payments Made in Lieu of Tax:	$ 186,750
Total Fees and Taxes paid During the PILOT Period:	$ 254,250

Hamilton County, TN
Kordsa, Inc.
Tax Schedule

Full Property Value:	Personal Property							
$ 45,000,000	Depreciation Rate	Assessed Value	Hamilton County Tax Due: ($1.2257 per $100 value)	% of taxes paid	Payment Made in Lieu of Tax	Taxes Abated	School Taxes Paid (1.0116 per $100 Value)	Economic Development Payment (15%)
Year 1 - 2027	0.88	$ 11,880,000	$ 145,613	0%	$ -	$ 145,613	$ 120,178	$ 39,869
Year 2 - 2028	0.75	$ 10,125,000	$ 124,102	25%	$ 31,026	$ 93,076	$ 102,425	$ 33,979
Year 3 - 2029	0.63	$ 8,505,000	$ 104,246	40%	$ 41,698	$ 62,548	$ 86,037	$ 28,542
Year 4 - 2030	0.50	$ 6,750,000	$ 82,735	50%	$ 41,368	$ 41,367	$ 68,283	$ 22,653
Year 5 - 2031	0.38	$ 5,130,000	$ 62,878	50%	$ 31,439	$ 31,439	$ 51,895	$ 17,216
Year 6 - 2032	0.25	$ 3,375,000	$ 41,367	50%	$ 20,684	$ 20,683	$ 34,142	$ 11,326
Year 7 - 2033	0.20	$ 2,700,000	$ 33,094	50%	$ 16,547	$ 16,547	$ 27,313	$ 9,061
Year 8 - 2034	0.20	$ 2,700,000	$ 33,094	50%	$ 16,547	$ 16,547	$ 27,313	$ 9,061
Year 9 - 2035	0.20	$ 2,700,000	$ 33,094	50%	$ 16,547	$ 16,547	$ 27,313	$ 9,061
Year 10 - 2036	0.20	$ 2,700,000	$ 33,094	50%	$ 16,547	$ 16,547	$ 27,313	$ 9,061
Total			$ 693,317		$ 232,403	$ 460,914	$ 572,212	$ 189,829

Total Taxes Abated:	$ 460,914
Total Fees Paid:	$ 189,829
Total School Taxes Paid:	$ 572,212
Total Payments Made in Lieu of Tax:	$ 232,403
Total Fees and Taxes paid During the PILOT Period:	$ 994,444

City of Chattanooga, TN
Kordsa, Inc.
Tax Schedule

Full Property Value:	Personal Property						
$ 45,000,000	Depreciation Rate	Assessed Value	**Chattanooga Tax Due: ($2.25 per $100 value)**	% of taxes paid	Payment Made in Lieu of Tax	Taxes Abated	Economic Development Payment (15%)
Year 1 - 2027	0.88	$ 11,880,000	$ 267,300	0%	$ -	$ 267,300	$ 40,095
Year 2 - 2028	0.75	$ 10,125,000	$ 227,813	25%	$ 56,953	$ 170,860	$ 34,172
Year 3 - 2029	0.63	$ 8,505,000	$ 191,363	40%	$ 76,545	$ 114,818	$ 28,704
Year 4 - 2030	0.50	$ 6,750,000	$ 151,875	50%	$ 75,938	$ 75,937	$ 22,781
Year 5 - 2031	0.38	$ 5,130,000	$ 115,425	50%	$ 57,713	$ 57,712	$ 17,314
Year 6 - 2032	0.25	$ 3,375,000	$ 75,938	50%	$ 37,969	$ 37,969	$ 11,391
Year 7 - 2033	0.20	$ 2,700,000	$ 60,750	50%	$ 30,375	$ 30,375	$ 9,113
Year 8 - 2034	0.20	$ 2,700,000	$ 60,750	50%	$ 30,375	$ 30,375	$ 9,113
Year 9 - 2035	0.20	$ 2,700,000	$ 60,750	50%	$ 30,375	$ 30,375	$ 9,113
Year 10 - 2036	0.20	$ 2,700,000	$ 60,750	50%	$ 30,375	$ 30,375	$ 9,113
Total			$ 1,272,714		$ 426,618	$ 846,096	$ 190,909

Total Taxes Abated:	$ 846,096
Total Fees Paid:	$ 190,909
Total Payments Made in Lieu of Tax:	$ 426,618
Total Fees and Taxes paid During the PILOT Period:	$ 617,527

City of Chattanooga, Hamilton County, TN
Kordsa, Inc.
Economic Impact and Benefit/Cost Analysis

Payback Summary			
PILOT Term (years)			10
Taxes Forgone			
City of Chattanooga		$	1,109,346
Hamilton County		$	604,320
	Total	$	1,713,666
Hard Costs			
City of Chattanooga		$	-
Hamilton County		$	-
	Total	$	-
Taxes Forgone and Hard Costs			
City of Chattanooga		$	1,109,346
Hamilton County		$	604,320
Total Taxes Forgone and Hard Costs		$	1,713,666
Economic Development Fees Paid to City/County			
City of Chattanooga		$	258,409
Hamilton County		$	256,949
	Total	$	515,358
Tax Revenues From Construction & Set-Up		$	368,067
Tax Revenues From Operations During PILOT Period		$	10,506,180
School Tax Revenues Paid During PILOT Period		$	774,532
Payments Received in Lieu of Tax			
City of Chattanooga		$	613,368
Hamilton County		$	334,137
	Total	$	947,505
Total Tax Revenues & Fees Received During PILOT Period		$	13,111,642
Benefit/Cost Ratio			7.65

Projected Costs:

Hard Costs

None.

Opportunity Costs

Local government is requested to forgo for a period of years the opportunity to collect taxes on site improvement, building, and industrial equipment that are a part of the project.

Benefit/Cost Ratio: The sum of tax revenues from construction, operations and property during the PILOT period divided by the total taxes forgone and hard costs.

Notes for Kordsa, Inc. Impact Analysis

1. Calculation is based on the project's annual average wage provided by the company plus a 30% allowance for benefits.

2. U.S. Bureau of Economic Analysis RIMS II direct effect employment multiplier for synthetic rubber and artificial and synthetic fibers and filaments manufacturing for Hamilton County, Tennessee. This multiplier represents the total number of jobs supported in all industries for each additional job created in the specified industry.

3. Based upon data from Tennessee Department of Labor; Annual Average Wage for Hamilton County, 2021 with a 1.5% inflation factor applied for 2022 and 2023.

4. U.S. Department of Labor, "Consumer Expenditure Survey, Southern US" 2021; factor applied to determine the rate of indirect or "downstream" expenditures on sales taxable goods and services at the Hamilton County/City of Chattanooga local option tax rate of .0225.

5. Based upon July 2020 - June 2021 collections of business, alcohol, motor vehicle and other local taxes compared to sales tax for Hamilton County.

6. Indirect property tax is based on the new direct jobs created by the company. For this calculation, it is assumed that 65% of the direct jobs reside in Hamilton County and represent one household per job. The 2023 median home value is utilized as a proxy for residential property value, to determine property tax generated per job. The residential assessment rate of 25% is utilized for all residences, including those in multifamily buildings assessed at 40%, and a combined Hamilton County ($2.2373) and City of Chattanooga ($2.25) tax rate of $4.4873 per $100 of assessed value is used to project the annual tax per job. The property tax from new or expanded commercial property that is generated indirectly from economic activity associated with the jobs supported by the company is not projected.

7. U.S. Bureau of Economic Analysis RIMS II final demand aggregate output multiplier for construction for Hamilton County, Tennessee. This multiplier represents the total dollar change in output that occurs in all industries for each dollar of additional output by the specified industry.

8. U.S. Bureau of Economic Analysis RIMS II final demand aggregate output multiplier for wholesale trade for Hamilton County, Tennessee.

9. U.S. Bureau of Economic Analysis RIMS II direct effect aggregate employment multiplier for construction for Hamilton County, Tennessee. This multiplier represents the total number of jobs that are supported in all industries for each $1 million of output delivered by the specified industry.

* Constant 2023 dollars. No tax rate increases are assumed. The 2012/2020 RIMS II Multipliers from the U.S. Bureau of Economic Analysis are utilized in this analysis.

AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES

THIS AGREEMENT (the "Agreement") is made and entered into as of this the ____ day of ___________________, 2023, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **KORDSA, INC.** (the "Company"); the **CITY OF CHATTANOOGA** (the "City"); and **HAMILTON COUNTY** (the "County") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by **WILLIAM F. HULLANDER** and his successors, acting in the capacity of **HAMILTON COUNTY TRUSTEE** (the "Trustee"), and by **MARTY HAYNES** and his successors, acting in the capacity of **HAMILTON COUNTY ASSESSOR OF PROPERTY** (the "Assessor").

W I T N E S S E T H:

WHEREAS, the Company is contemplating (i) the improvement of certain real property in Chattanooga, Hamilton County, Tennessee, as more particularly described on Exhibit A attached hereto (the "Real Property"); and (ii) the acquisition of machinery, equipment and other personal property (including replacements of such property), as more particularly described on Exhibit B attached hereto and incorporated herein (the "Personal Property") (the Personal Property and the new improvements to Real Property shall be referred to as the "Project"), resulting in an investment of at least $50 million and the creation of at least 200 full-time jobs which jobs shall have an average annual wage (excluding benefits) equal to at least $59,000.00 (collectively the "Investment, Jobs and Wage Projection") between March 1, 2023 and March 1, 2028; and

WHEREAS, the Company has requested the Board's assistance with the Project; and

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

WHEREAS, the Board has agreed to hold title to the Real Property and the Personal Property, together with all additions thereto, replacements thereof, and substitutions therefor (collectively, the "Property") and to lease the Property to the Company pursuant to that certain Lease Agreement (the "Lease"), dated of even date herewith, between the Board and the Company; and

WHEREAS, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, § 7-53-101, *et seq*., the Property will be exempt from ad valorem property taxes ("property taxes") normally paid to the City and to the County, so long as the Property is owned by the Board, pursuant to the provisions of Tennessee Code Annotated, § 7-53-305; and

WHEREAS, for the public benefit of the citizens of the City and the County, the Board has requested that the Company make certain payments to the Board in lieu of the payment of property taxes that would otherwise be payable on the Property; and

WHEREAS, the Company has agreed to make such payments to the Board in lieu of the property taxes otherwise payable on the Property (the "In Lieu Payments"), as more particularly set forth hereinafter; and

WHEREAS, the Board has been authorized to receive the In Lieu Payments in lieu of property taxes by resolutions adopted by the City and the County, acting through its duly elected Council and Commission, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions, including, without limitation, the requirement that the Board collect and expend such payments in furtherance of the public purposes for which the Board was created; and

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

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

WHEREAS, the Board wishes to designate the Treasurer and the Trustee as its agents to receive the In Lieu Payments in accordance with the terms of this Agreement;

WHEREAS, the Company has agreed to take all reasonable steps to provide the City with an easement to facilitate the development of a greenway along and near the Tennessee River, with such easement to be located on a portion of certain real property of the Company that is also subject to an easement granted to the Tennessee Valley Authority ("TVA") (the "Greenway Easement");

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

1. Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee as though the Property were subject to property taxes. The Assessor shall give the Trustee, the Board, and the Company written notice of any changes in appraisals of the Property in the same manner that notices are given to owners of taxable property. The Assessor shall make available to the Board and the Company all records relating to the appraisal and assessment of the Property.

2. Designation of Trustee; Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Treasurer and the Trustee and as its agents to compute the amounts of the In Lieu Payments, to receive such payments from the Company and to disburse such payments to the City and the County. On or about October 1 of each year during the term of this Agreement, the Treasurer and the Trustee shall compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Treasurer and the Trustee shall send the Board and the Company bills for appropriate amounts of In Lieu Payments (the "Tax Bill").

3. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Company shall pay to the Treasurer and the Trustee the amounts indicated on the Tax Bills which amounts shall be determined in accordance with the provisions 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. The Company shall have the option, upon no less than ninety (90) days' prior written notification to the Board, the County and the City, to begin the ten (10) year tax abatement period as of (i) January 1, 2027; or (ii) January 1 of any prior calendar year (the "PILOT Start Date"). In the event that the Company does not exercise the option set forth in the preceding sentence, the PILOT Start Date shall automatically be January 1, 2027. For the ten (10) year period beginning as of the PILOT Start Date (the "Tax Abatement Period"), the Company shall make In Lieu Payments with respect to its respective portion of the Project in an amount, as determined by the Assessor, the Treasurer and the Trustee, equal to the following percentage of the taxes that would have been payable on the portion of the Project if it were subject to property taxes for the respective years shown:

Year	City Taxes	County Taxes Other than School Fund	County School Fund Taxes
Year 1	0%	0%	100%
Year 2	25%	25%	100%
Year 3	40%	40%	100%
Year 4	50%	50%	100%
Year 5	50%	50%	100%
Year 6	50%	50%	100%
Year 7	50%	50%	100%
Year 8	50%	50%	100%
Year 9	50%	50%	100%
Year 10	50%	50%	100%
Year 11 & thereafter	100%	100%	100%

For example, if the PILOT Start Date is January 1, 2027, and "Year 1" in the above chart would be 2027, and the Tax Abatement Period would include years 2027 - 2036.

For the avoidance of doubt, the parties intend that the Company shall make (i) In Lieu Payments in an amount equal to one hundred percent (100%) of all ad valorem taxes that would be dedicated to the support of the County school system, which the Company and County acknowledge and agree currently equates to 45.22% of the amount of the total County taxes that would have been payable on the Project if it were subject to property taxes (the "School Portion"), and (ii) In Lieu Payments in an amount equal to the above graduated amounts for all other ad valorem taxes of County that would have been payable on the Project if it were subject to property taxes, excluding the educational portion of the County ad valorem taxes.

For any portion of the Property other than the Project, the Company shall make In Lieu Payments in an amount, as determined by the Assessor, the Treasurer and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on such portion of the Property if it were subject to property taxes. For the avoidance of doubt, the parties intend that the reduced In Lieu Payments under this Agreement shall only apply to the new investment in the Property that is undertaken pursuant to this Agreement; provided that the total amount of new investment eligible for the reduced In Lieu Payments under this Agreement is limited to $80,000,000.

For any periods before the Tax Abatement Period or after the Tax Abatement Period that the Property is owned by the Board and leased to the Company, the Company shall make In Lieu Payments in an amount, as determined by the Assessor, the Treasurer and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property if it were subject to property taxes.

Notwithstanding the above, any amounts assessed and paid as property taxes against the Property shall be credited against any In Lieu Payments due under this Agreement.

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

(a) If the Company fails to make its In Lieu Payment when due, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1-1/2%) of the owed amount. Additional late charges of one and one-half percent (1-1/2%) of the amount shall accumulate and become immediately due and payable upon the expiration of each subsequent thirty (30) day period when there remains any outstanding unpaid amount.

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

6. Minimum Requirements; Annual Review; Increase in Amount of In Lieu Payments. The Company covenants as follows for the benefits included in this Agreement:

(a) Minimum Requirements. The Company must meet one hundred percent (100%) of the Minimum Job Requirement and one hundred percent (100%) of the Minimum Investment Requirement by March 1, 2028 (the "Determination Date") and during each calendar year thereafter during the Tax Abatement Period. For purposes of this Section, the "Minimum Jobs Requirement" equals one hundred eighty (180) full-time jobs, and the "Minimum Investment" equals Forty-five Million Dollars ($45,000,000). For purposes of meeting the Minimum Investment Requirement and the Minimum Jobs Requirement, the Company may include jobs created and capital expenditures made at and in connection with its facilities located at 4501 North Access Road on property owned by the Company as of March 1, 2023 and on property of the Company that is located across North Access Road at 4524 and 4530 North Access Road (collectively, the "North Access Road Site").

(b) Annual Employment Review. If the Company fails to achieve the Minimum Jobs Requirement by the Determination Date or during in any calendar year thereafter during the Tax Abatement Period, the City and the County reserve the right but are not obligated to increase the amount of the In Lieu Payments (other than the School Portion) applicable to the Project for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Job Performance" for such calendar year (the "Job In Lieu Payment Percentage Increase"). The "Company's Job Performance" for any calendar year means the proportion, expressed as a percentage, that the average number of full-time jobs in addition to the full-time jobs that the Company presently has at the North Access Road Site as of the date hereof actually maintained by the Company bears to the Minimum Job Requirement. Only the total number of full-time additional jobs with a blended average wage (excluding benefits) of $59,000 may be counted for purposes of this calculation. In no event shall the Company's annual In Lieu Payments plus the School Portion exceed one hundred percent (100%) of the property taxes that would be assessed against the Project if it were subject to property taxes.

Example 1:

Total number of full-time jobs as of March 1, 2028 = 200

Minimum Job Requirement = 180

No increase in In Lieu Payments for 2028

(Minimum Job Requirement has been exceeded)

Example 2:

Total number of full-time jobs as of March 1, 2028 = 162

Minimum Job Requirement = 180

Company's Job Performance = 90.0%

Job In Lieu Payment Percentage Increase for 2027 = 10.0%

(In Lieu Payment Percentages for 2028 for the City and the County (excluding the School Portion) may be increased by 10.0%, and in this example, assuming 2028 is Year 2 of this Agreement, the In Lieu Payment Percentage for 2028 for the City and the County (excluding the School Portion) may be increased from the current requirement of 25% to 35%.)

(c) Annual Investment Review. If the Company fails to achieve the Minimum Investment Requirement by the Determination Date or during in any calendar year thereafter during the Tax Abatement Period, the City and the County reserve the right but are not obligated to increase the amount of the In Lieu Payments (excluding the School Portion) applicable to the Project for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company's Investment Performance" for such calendar year (the "Investment In Lieu Payment Percentage Increase"). The "Company's Investment Performance" for any calendar year means the proportion, expressed as a percentage, that the actual aggregate capital investment made by the Company through the end of such calendar year, including all capital investment made in the preceding calendar years in connection with the Project, bears to the Minimum Investment Requirement. In no event shall the Company's annual In Lieu Payments (including the School

Portion) exceed one hundred percent (100%) of the property taxes that would be assessed against the Project if it were subject to property taxes.

Example 3:

Total amount of capital investment through March 1, 2028 = $50,000,000

Minimum Investment Requirement = $45,000,000

No increase in In Lieu Payments for 2028 (Minimum Investment Requirement has been exceeded)

Example 4:

Total amount of capital investment through March 1, 2028 = $42,750,000

Minimum Investment Requirement = $45,000,000

Company's Investment Performance = 95.0%

Investment In Lieu Payment Percentage Increase for 2028 = 5.0%

(In Lieu Payment Percentages for 2028 for the City and the County (other than the School Portion) may be increased by 5.0%, and in this example, assuming 2028 is Year 2 of this Agreement, the In Lieu Payment Percentage for 2028 for the City and the County (other than the School Portion) may be increased from the current requirement of 25% to 30%.)

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

(d) Single Adjustment Regarding Tax Abatement; Issuance of Supplemental Bill to the Company. If both the annual employment review under Section 6(b) and the investment review under Section 6(c) for any calendar year indicate an increase in the In Lieu Payments for the same calendar year in which such failure occurs, and if the City and/or County elects to increase the In Lieu Payments for such calendar year, then the City and/or County shall determine whether the increase under Section 6(b) or Section 6(c) shall apply, which shall be the sole remedy for a shortfall in the Investment, Jobs and Wage Projection. The increase under Section 6(b) and Section 6(c) shall not be combined. If the City and/or County increases the amount of the In Lieu Payments pursuant to the annual employment review under Section 6(b) for any calendar year, then they may not, in the same year, also increase the amount of the In Lieu Payments pursuant to Section 6(c), and vice versa. For example, using Examples 2 and 4 shown above, the City and/or County may elect to either (i) increase the amount of the In Lieu Payments to the City and/or County (other than the School Portion) under Section 6(b) by 10.0% or (ii) increase the amount of the In Lieu Payments to the City and/or County (excluding the School Portion) under Section 6(c) by 5.0%. In accordance with the foregoing and once a determination has been made of the Jobs In Lieu Payment Percentage Increase or the Investment In Lieu Payment Percentage Increase, whichever is determined to be applicable, the Trustee shall compute the amount of the additional In Lieu Payment resulting therefrom and will issue a supplemental bill to the Company for that payment.

(e) Project Closure. In the event the Project closes or moves from the County during the Tax Abatement Period, the City and the County each reserve the right to immediately terminate the tax abatements provided by this Agreement and require the partial repayment of amounts that would have been payable on the Property during the Tax Abatement Period as if it were subject to property taxes. The provisions of this subsection (e) shall be the sole remedy for a closure or relocation of the Project.

7. Talent Development, Local Opportunity and Greenway Easement.

(a) The Company will make good faith efforts, in consultation with the City, County and Chattanooga Area Chamber of Commerce (the "Chamber") to work with area workforce development partners jointly designated by the City, County and Chamber to develop a talent pipeline for future job opportunities at the Project. These efforts will include, without limitation, good faith efforts to participate in the "BuildWithin apprenticeship partnership," which is a new workforce development initiative of the City, the County, the Benwood Foundation, and Chattanooga 2.0.

(b) The Company will make good faith efforts, in consultation with the City, County and Chamber to publicize available job opportunities at the Project so as to maximize the opportunities for qualified residents of Hamilton County, Tennessee to seek and gain employment at the Project.

(c) The Company will make good faith efforts to maximize the utilization of qualified contractors, subcontractors and services providers located in Hamilton County, Tennessee in connection with the Project.

(d) The Company will take all reasonable steps, subject to the final sentence of this subsection, to provide the Greenway Easement within the TVA easement area that is located on the Company's real property that is identified as Tax Parcel No. 119H A 003.02 (the "Kordsa Property"). The Company will work collaboratively with the City to identify the precise location and legal description for the Greenway Easement and shall take all reasonable steps to convey the Greenway Easement to the City no later than thirty-six (36) months from the date of this Agreement. If the parties cannot agree on the precise location and legal description of the Greenway Easement, the width of the Greenway Easement shall be no more than fifty (50) feet in width in a location specified by the Company within the TVA easement on the Kordsa Property. Notwithstanding the foregoing, the City acknowledges that the Company is an active industrial facility and has equipment and processes along the Tennessee River that are critical to the continued operation of the Company's manufacturing operations, and in no event shall the Company be required to grant the Greenway Easement if the Company shows reasonably and in good faith that the grant of the Greenway Easement would interfere with the Company's current critical operations and processes or the possible future expansion of its manufacturing facilities and operations.

8. Disbursements by the Treasurer and the Trustee. All sums received by the Treasurer pursuant to Section 3 for the benefit of the City shall be disbursed to the appropriate funds of the City, as determined by the City, in accordance with this Section and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received by the Trustee pursuant to Section 3 for the benefit of the County (other than the School Portion which shall be paid to the School Fund) shall be disbursed

to the appropriate fund of the County in accordance with this Section and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All such sums received by the Treasurer shall be placed into an account for the use and benefit of the City. All such sums received by the Trustee for the benefit of the County shall be placed into an account for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the County. All sums received by the Trustee pursuant to Section 3 for the benefit of the County school system shall be disbursed to the County and thereafter deposited into an account for the educational use and benefit of the County schools. The parties acknowledge and agree that all disbursements to the City and County pursuant to this Agreement are in furtherance of the Board's purposes as set forth in Tennessee Code Annotated § 7-53-305.

9. Economic Development Lease Payments to City and County. For each calendar year in which the In Lieu Payment Percentage as to the City and as to the County (excluding the School Portion (see chart in Section 4) is less than 100%, an Economic Development Payment to the City or its designee and to the County equal to 15% of their respective property taxes (excluding the School Portion) that would otherwise be payable for such year on the Project if it were subject to property taxes as calculated by the Treasurer and Trustee pursuant to Section 2 above, shall be computed and collected by the Treasurer and Trustee; provided, however, in no event shall the total of the Companies' annual City and County In Lieu Payments plus the School Portion plus the Economic Development Payment to the City and the County exceed one hundred percent (100%) of the respective City and County property taxes that would be assessed against the Project if it were subject to property taxes. Beginning in "Year 1" of the chart set forth in Section 4, this Economic Development Payment will be paid for each year that the Property is owned by the Board through and including "Year 10" if the In Lieu Payment Percentage as to the City and as to the County (other than the School Portion) (see chart in Section 4) for such calendar year is less than 100%. If the Board's ownership ceases during any calendar year, then that year's Economic Development Payment will be prorated, but in no event shall the total of the Company's prorated tax payments, prorated City and County In Lieu Payments plus the prorated Economic Development Fee exceed one hundred percent (100%) of the prorated City and County property taxes that would be assessed against the Project if it were subject to City and County taxes. The Trustee shall add the Economic Development Payment as a separate line item on the Tax Bill, and the Company shall pay its respective portions of the Economic Development Payment for each such year during the term before March 1 of the following year. Any failure to pay the Economic Development Payment on or before March 1 shall result in penalties and late charges calculated in the same manner as penalties and late charges are calculated for In Lieu Payments under this Agreement.

The Trustee shall not deduct any part of the Economic Development Payment from the School Portion of the In Lieu Payments. The Trustee shall disburse the County's Economic Development Payment to the County.

10. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor, the computation by the Treasurer and the Trustee

of the amount of the In Lieu Payment and the calculation of the Economic Development Payments. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. If the In Lieu Payments, or the Economic Development Payments, as applicable, being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor, or the Trustee, as the case may be, shall negotiate in good faith for a period not to exceed sixty (60) days to resolve any disputes as to appraisal, assessment or computation of the In Lieu Payment or the Economic Development Payments, as applicable. If the Company and the Assessor, or the Trustee, as the case may be, are unable to resolve a dispute, then the Company may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

11. Lien on the Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

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

13. Leasehold Taxation. The Board, the City, the County, the Trustee and the Assessor acknowledge and agree that the Company's real and personal property leasehold interests in the Property under the Lease shall not be subject to assessment for ad valorem tax purposes. If the leasehold interests of the Company in the Property should be subject to ad valorem taxation for any year hereunder, then any amounts assessed as taxes thereon shall be credited against any In Lieu of Tax Payments and Economic Development Payments paid under this Agreement and carried forward from year to year until fully utilized.

14. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered addressed as follows:

Board:

The Industrial Development Board of
the City of Chattanooga
100 E. 11th Street, Suite 200
Chattanooga, Tennessee 37402
Attention: Phillip A. Noblett

The City:

Phillip A. Noblett
City Attorney
City of Chattanooga
100 E. 11th Street, Suite 200
Chattanooga, Tennessee 37402

The County:	Rheubin M. Taylor County Attorney Hamilton County Room 204, County Courthouse Chattanooga, Tennessee 37402
Company:	Kordsa, Inc. 4501 N. Access Road Chattanooga, Tennessee 37415 Attention: Tommy Johnson
With a Copy to:	Miller & Martin PLLC 832 Georgia Avenue Suite 1200, Volunteer Building Chattanooga, Tennessee 37402 Attention: Mark W. Smith
The Assessor:	Hamilton County Assessor of Property Hamilton County Courthouse Chattanooga, Tennessee 37402
The Treasurer:	City of Chattanooga Treasurer 101 East 11th Street, Suite 100 Chattanooga, Tennessee 37402
The Trustee:	Hamilton County Trustee Hamilton County Courthouse Chattanooga, Tennessee 37402

Any such person may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communication shall be sent. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

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, City and County Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against

any incorporator, member, official, director or officer, as such, of the Board, the City or the County, whether past, present or future, either directly or through the Board, the City or the County. 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. Assignment.

(a) Except in the event of the conveyance of all or a portion of the Property or all or a portion of a leasehold interest in the Property as a result of a foreclosure or deed in lieu of foreclosure or except as otherwise provided in this Section, the Company may only assign its portion of this Agreement, or any part hereof, with the prior consent of the Mayor of the City, the Mayor of the County, and the Board. The Mayor of the City, the Mayor of the County and/or the Board shall not withhold such consent upon the occurrence of all of the following conditions: (i) there is no default under this Agreement at the time of the assignment, (ii) all requirements of the Company under this Agreement have been satisfied as of the date of the assignment, and (iii) any assignee agrees to provide proof of sufficient assets to fund the Company's business plan for the Project and agrees to be bound by the terms of this Agreement from and after the date of assignment (the "Consent Requirements"). If the Company provides the Mayor of the City, the Mayor of the County and the Board (x) a certificate of an officer of the Company certifying that all requirements of the Company under this Agreement have been satisfied and (y) proof of sufficient assets to fund the business plan for the Project and a copy of an assignment and assumption agreement pursuant to which the assignee agrees to be bound by the terms of this Agreement, the Mayor of the City, the Mayor of the County and the Board shall each have the option, upon at least seven (7) days' prior notice to the Company, to meet with a representative of the Company within forty-five (45) days of receipt of the Company's certificate for purposes of determining whether the Company has satisfied the Consent Requirements. Unless the Mayor of the City, the Mayor of the County and the Board meet with the Company and all state in writing within such forty-five (45) day period that the Company has not satisfied the Consent Requirements, the Company may assign this Agreement in accordance with the terms and conditions described in the Company's certificate without any further action of the Mayor of the City, the Mayor of the County and/or the Board. In the event that the Mayor of the City, the Mayor of the County and the Board timely state in writing that the Company has not satisfied the Consent Requirements, the Company and the assignee may, upon the Company's request, appear before the City Council of the City, the Board of Commissioners of the County and the Board to request approval of such assignment pursuant to the terms of this Section, which consents shall not be unreasonably withheld. Upon satisfaction of the requirements of this Section, the assignment shall relieve the Company from liability for any of its obligations hereunder as of the effective date of the assignment.

(b) Notwithstanding the provisions of subsection (a), above, and notwithstanding any other provision in this Agreement or the applicable Lease to the contrary, the Company may make a collateral assignment of all or any portion of its interests in this Agreement, its Lease and its portion of the Property for the benefit of one or more banks or other lenders that, from time to time, provide financing to the Company. Nothing in this Agreement or the applicable Lease shall in any way restrict any sale or transfer of the leasehold interest and other interests of the Company in its portion of the Property pursuant to a judicial or non-judicial foreclosure sale as a result of the exercise of any one or more lender's rights under the applicable loan documents. The City, the County and the Board shall cooperate with the Company, to the extent reasonable and at no additional cost to the City, County or Board, in consummating any financing for the Company that involves a pledge or assignment of the Company's interests in this Agreement, the Lease or its portion of the Property. Without limitation of the foregoing, the Mayor of the City, the Mayor of the County, and the Chairman of the Board, or any of their respective designees, are authorized, upon the Company's request, enter into or consent to such documents as are necessary to consummate such financing including, without limitation, consents to assignment, deeds of trust, estoppel certificates, subordination and non-disturbance agreements, affidavits and certificates, provided that any such documents are expressly non-recourse to the City, County and Board beyond the Board's interest in the Property.

19. 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.

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

21. Prohibition on Boycott of Israel. The Company certifies that it is not currently engaged in, and will not for the duration of this Agreement engage in, a boycott of Israel as defined by Tenn. Code Ann. § 12-4-119

22. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Treasurer, the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

23. Reporting.

(a) On or before January 31 of each year this Agreement is in effect, the Company shall provide a report to the Mayor of the City and the Mayor of the County summarizing its investment in the Property, including a list of the cost of all Property (with supporting evidence if requested) and the development and operation of the Project for purposes of analyzing the Company's progress in achieving the Investment, Jobs and Wage Projection. An independent audit of these certifications may occur if requested by the City or County during any calendar year of this Agreement.

(b) The Company shall comply with the annual reporting requirements applicable to agreements for payments in lieu of taxes as set forth in Tenn. Code Ann. § 7-53-305(e). Additional information regarding these requirements is currently available at https://comptroller.tn.gov/boards/state-board-of-equalization/sboe-services/property-tax-incentive-programs/pilot-reporting.html.

24. Stormwater Fees. In addition to the other requirements under this Agreement, the Company shall be responsible for all stormwater fees assessed by the City against the Real Property within the City limits.

[Signature Pages Follow]

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

ATTEST:	**THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA**
By: _________________________ Secretary	By: _____________________________________ Chairman

KORDSA, INC.
a Delaware corporation

By: ______________________________________

Name: ______________________________________

Title: ______________________________________

CITY OF CHATTANOOGA, TENNESSEE

By: ______________________________
Mayor

HAMILTON COUNTY, TENNESSEE

By: ______________________________

County Mayor

WILLIAM F. HULLANDER

By: ______________________________

Hamilton County Trustee

MARTY HAYNES

By: ______________________________

Hamilton County Assessor of Property

EXHIBIT "A"
TO PILOT AGREEMENT

REAL PROPERTY

The Real Property includes the following real property:

TRACT FIVE:

250.68 Acre tract of land in the City of Chattanooga, TN
(North Access Road, Chattanooga, TN)

Land Located in the City of Chattanooga, Hamilton County, Tennessee. Being a part of Tract Two of the Property of INVISTA S.à r.l., of record in Deed Book 9925, Page 253, Register's Office, Hamilton County, Tennessee, (ROHC), and the Property of Kordsa, Inc., of record in Deed book 9738, Page 1, ROHC, and being more particularly described as follows:

BEGINNING at a point on the Northern Right-of-Way Line (R/W) line of North Access Road, with the intersection of the Western R/W line of the Norfolk Southern Railway, said point also being located 0.9 feet southeast of a CONCRETE MONUMENT (OLD);

THENCE northwesterly along the aforesaid R/W line of North Access Road the following courses and distances:

> THENCE North 65 degrees 38 minutes 10 seconds West, for a distance of 671.1 feet, to a Point;
> THENCE North 68 degrees 29 minutes 50 seconds West, for a distance of 100.1 feet, to a Point;
> THENCE North 65 degrees 38 minutes 10 seconds West, for a distance of 699.5 feet, to an IRON ROD (NEW);

THENCE North 24 degrees 07 minutes 20 seconds East, for a distance of 537.2 feet, to an IRON ROD (NEW);
THENCE North 43 degrees 47 minutes 50 seconds West, for a distance of 111.0 feet, to a RAILROAD SPIKE (NEW);
THENCE North 65 degrees 42 minutes 40 seconds West, for a distance of 712.1 feet, to a CROSS MARK (NEW);
THENCE South 23 degrees 43 minutes 10 seconds West, for a distance of 405.7 feet, to an IRON ROD (NEW);
THENCE South 66 degrees 16 minutes 50 seconds East, for a distance of 20.8 feet to an IRON ROD (NEW);
THENCE South 23 degrees 43 minutes 10 seconds West, for a distance of 132.2 feet to an IRON ROD (NEW);
THENCE North 65 degrees 38 minutes 10 seconds West, for a distance of 75.0 feet, to an IRON ROD (NEW);
THENCE North 23 degrees 43 minutes 10 seconds East, for a distance of 131.3 feet to an IRON ROD (NEW);

THENCE South 66 degrees 16 minutes 50 seconds East, for a distance of 14.2 feet to an IRON ROD (NEW);
THENCE North 23 degrees 43 minutes 10 seconds East, for a distance of 406.1 feet, to a PK NAIL & DISK (NEW);
THENCE North 65 degrees 41 minutes 00 seconds West, for a distance of 408.7 feet, to a PK NAIL & DISK (NEW);
THENCE North 24 degrees 06 minutes 30 seconds East, for a distance of 972.9 feet, to an IRON ROD (NEW);
THENCE North 28 degrees 36 minutes 30 seconds West, for a distance of 35.4 feet, to an IRON ROD (NEW);
THENCE North 65 degrees 41 minutes 20 seconds West, for a distance of 310.8 feet, to an IRON ROD (NEW);
THENCE North 23 degrees 44 minutes 40 seconds East, for a distance of 21.3 feet, to an IRON ROD (NEW);
THENCE North 63 degrees 41 minutes 50 seconds West, for a distance of 125.9 feet, to an IRON ROD (NEW);
THENCE North 11 degrees 37 minutes 20 seconds West, for a distance of 75.0 feet, to an IRON ROD (NEW);
THENCE North 20 degrees 30 minutes 40 seconds East, for a distance of 83.2 feet, to an IRON ROD (NEW);
THENCE North 10 degrees 21 minutes 10 seconds West, for a distance of 86.5 feet, to an IRON ROD (OLD) located at a Corner in the Eastern R/W Line of Bob Ray Drive;
THENCE along said R/W, North 01 degrees 16 minutes 10 seconds East, for a distance of 225.8 feet, to a CONCRETE MONUMENT (OLD);
THENCE continuing along the R/W Line of Bob Ray Drive, North 52 degrees 23 minutes 40 seconds East, for a distance of 282.7 feet, to an IRON ROD (NEW);
THENCE South 65 degrees 51 minutes 00 seconds East, for a distance of 321.6 feet, to an IRON ROD (NEW);
THENCE North 69 degrees 06 minutes 00 seconds East, for a distance of 222.5 feet, to an IRON ROD (NEW);
THENCE South 65 degrees 56 minutes 30 seconds East, for a distance of 230.3 feet, to an IRON ROD (NEW);
THENCE South 26 degrees 38 minutes 10 seconds West, for a distance of 31.5 feet, to an IRON ROD (NEW);
THENCE South 48 degrees 24 minutes 10 seconds East, for a distance of 171.4 feet, to an IRON ROD (NEW);
THENCE South 57 degrees 15 minutes 40 seconds East, for a distance of 203.1 feet, to an IRON ROD (NEW);
THENCE South 14 degrees 50 minutes 50 seconds East, for a distance of 87.2 feet, to an IRON ROD (NEW);
THENCE in a curve to the left, having a radius of 100.0 feet, and an arc length of 97.7 feet; being subtended by a chord having a bearing of South 42 degrees 50 minutes 50 seconds East for a distance of 93.9 feet, to a PK NAIL & DISK (NEW);
THENCE South 70 degrees 50 minutes 40 seconds East, for a distance of 326.7 feet, to a PK NAIL & DISK (NEW);

THENCE North 24 degrees 12 minutes 40 seconds East, for a distance of 854.3 feet, to an IRON ROD (NEW), located in the Southwest Line of the Property of KORDSA, INC., of record in Deed Book 9738, Page 1, ROHC;

THENCE along said Line, THENCE North 67 degrees 00 minutes 40 seconds West, for a distance of 878.0 feet, to an IRON ROD (OLD) in the Southern R/W Line of DuPont Parkway;

Thence Easterly along the Southern R/W of DuPont Parkway the following Courses and Distances:

THENCE North 74 degrees 40 minutes 50 seconds East, for a distance of 94.2 feet to a CONCRETE MONUMENT (OLD);

THENCE North 74 degrees 41 minutes 00 seconds East, for a distance of 499.8 feet to a CONCRETE MONUMENT (OLD);

THENCE North 78 degrees 06 minutes 50 seconds East, for a distance of 901.9 feet to a CONCRETE MONUMENT (OLD);

THENCE South 80 degrees 08 minutes 30 seconds East, for a distance of 526.2 feet to a CONCRETE MONUMENT (OLD);

THENCE along the Western R/W Line of Tennessee State Highway No. 153, South 46 degrees 54 minutes 10 seconds East, for a distance of 994.9 feet, to a Point, said point being located at the intersection of the aforesaid Western R/W Line of Tennessee State Highway No. 153 with the Western R/W line of the Norfolk Southern Railway, said point also being located North 46 degrees 54 minutes 10 seconds West, for a distance of 7.7 feet, from a CONCRETE MONUMENT (OLD);

THENCE southwardly and southwestwardly along the R/W line of the aforesaid Norfolk Southern Railway the following courses and distances

THENCE South 00 degrees 00 minutes 40 seconds West, for a distance of 1518.8 feet;

THENCE in a curve to the left, having a radius of 5879.7 feet, and an arc length of 386.2 feet; being subtended by a chord having a bearing of South 01 degrees 52 minutes 10 seconds East for a distance of 386.1 feet;

THENCE in a curve to the right, having a radius of 905.4 feet, and an arc length of 468.3 feet; being subtended by a chord having a bearing of South 34 degrees 30 minutes 20 seconds West for a distance of 463.1 feet;

THENCE South 49 degrees 19 minutes 30 seconds West, for a distance of 1776.0 feet, to the POINT OF BEGINNING

All as shown on survey drawing by True Line Company, Land Surveyors, Job No. 16-7790, Dated May 23, 2017.

SUBJECT TO: FRYAR CEMETERY as shown on the aforesaid survey drawing. TOTAL Acreage inclusive of Cemetery (0.34 acres) is (250.34 + 0.34) 250.68 Acres, more or less.

Less and except that portion of Parcel 110P B 001 deeded to Naprotec LLC by Special Warranty Deed recorded on August 1, 2018 at Book 11415 Page 223 in the office of the Register of Deeds for Hamilton County, Tennessee.

Source of Title being Deed recorded in Book 11065, Page 846, in the Register's office of Hamilton County, Tennessee.

[Legal description pending final review]

EXHIBIT "B"
TO PILOT AGREEMENT

PERSONAL PROPERTY

The Project shall include all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used in connection with the real property described in Exhibit A attached to this Agreement between March 1, 2023 and March 1, 2028, together with replacements thereof and substitutions therefor, in connection with the Company's facilities and operations on such property. The personal property shall also include all machinery, equipment and other tangible personal property that is installed or otherwise located on or about or used at other portions of the North Access Road Site between March 1, 2023 and March 1, 2028 where the Company conducts operations.