DATE: _____

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
17 Market Square, #201
Knoxville, TN 37902-1405

The Board meets bimonthly on even months on the second Tuesday, (February, April, June, August, October & December) at 4:00 p.m. at The Development Corporation offices located at 17 Market Square, #201, Knoxville, Tennessee 37902-1405.

PROJECT APPLICATION

PROJECT NAME: _____

LOCATION: _____

SUBMITTED BY: (If a partnership, applicant should provide the partners' names, addresses, and status, whether limited or general partner.)
_____
_____
_____

AUTHORIZATION – AMOUNT ASKING FOR: _____

ESTIMATED PROJECT COST AND BREAKDOWN (i.e., land, building, equipment, etc.)
_____
_____
_____

PROCEDURE FOR SALE OF BONDS (Private vs. Public Placement, etc. See also Paragraphs 5 (3) (4) and (5) _____
_____

PURCHASER:_____

GUARANTOR: _____

FISCAL AGENT (if selected): _____

ATTORNEY (if selected): _____

TRUSTEE (if selected): _____

BRIEF DESCRIPTION OF PROJECT: (including the purpose, employment created, economic impact, size of buildings, land, etc., and other appropriate comments to fully explain.)_____
_____
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FINANCIAL STATEMENTS: If public placement is requested, include with the above: (1) financial summary of past 5 years; (2) current audit; (3) 3-5 year financial projections.

RULES: Compliance with the rules on the following page is the responsibility of Applicant. The Board reserves the right to amend or waiver any Rule without notice.

RULES

1. **Procedure** – The Project Application must be filed with the Secretary of the Board fourteen days prior to the meeting and copies mailed to all Board Members and counsel to the Board one week prior to the meeting.

   (1) If a TEFRA hearing is requested, the completed TEFRA form and Application MUST BE RECEIVED by the Secretary not less than 20 days prior to the meeting.
   (2) If no TEFRA hearing is requested, the Application MUST BE RECEIVED by the Secretary not less than 14 days prior to the meeting.

2. **Fee Schedule** – Appropriate fees must be submitted with the request:

Projects and Bond Issues: The Industrial Development Board of the County of Knox and The Health, Educational and Housing Facility Board of the County of Knox

Agenda Fee: $500. This fee is assessed on matters considered by the Board of Directors at a regular meeting of the Directors. It is not assessed if (i) the Applicant has paid a Project Fee and (ii) the action requested is related to the same Project or Bond Issue for which the Project Fee was paid. If an Applicant requests further action related to an outstanding Bond Issue, the Agenda Fee will be due and payable.

Project Fee: 10 basis points (0.10%) of the Total Project/Bond Issue with a minimum of $2,000 and a maximum of $4,000.

Special Meeting Fee: $5,000 per Applicant.

Interlocal Agreement Fee: $1,000 per Applicant.

All fees are due and payable fourteen days before the meeting and should be payable to the applicable Board and delivered to the Board at its office: 17 Market Square, #201, Knoxville, TN 37902-1405.

Property Tax Incentive Program - The Industrial Development Board of the County of Knox

Application Fees

The Application form must be completed and submitted with an Application Fee calculated as follows:

Estimated Project Investment at the Time of Application	Application Fee
$1,000,000 - $2,500,000	$2,000
$2,500,001 - $5,000,000	$3,000
$5,000,000 - and greater	$4,000

Closing Fees

A Closing Fee computed as follows will be paid to the Board prior to or at the closing of the Lease. Closing Fees for property tax incentive transactions are based on the benefits that an Applicant will receive (i.e., value of the tax savings over the applicable tax freeze term) rather than on the total Project investment.

All Applicants are required to submit drafts of all closing documentation (including Deeds, Bills of Sale and Leases) to the Board Counsel within thirty (30) days after the Board's approval of the Application. An additional copy of the documentation should be sent to the Board's staff. If Board Counsel has not received the required documentation within thirty (30) days after the Board's approval of the Application, the Applicant will forfeit one-fourth of such fee for every month that the documentation is late.

For example, if the Application Fee is $4,000 and an Applicant is two months late getting its documentation to Board Counsel and/or staff, the Applicant forfeits $2,000, or one half, of the Application Fee. The remaining $2,000 will be credited against the Closing Fee. However, if the Applicant is five (5) months late getting the documentation to Board Counsel and/or staff, the Applicant relinquishes the $4,000 Application Fee, and none of the fee will be credited against the Closing Fee.

The Closing Fee for a property tax incentive transaction with the Board will be 5.00% of the tax savings with a minimum of $1,500 and a maximum of $300,000. The Applicant receiving the property tax incentive will also be responsible for paying any additional, expenses (i.e., fees of Board counsel, title attorney fees, copies, postage, long distance telephone calls, etc).

In the event that a property is annexed into the City of Knoxville, an additional Closing Fee shall be assessed to the grantee of the property tax incentive based upon the estimated City of Knoxville tax savings that would accrue to such grantee as a result of the annexation.

Lease Amendments

Amendments to existing leases shall require a fee of $1,000.

Assignment of Property Tax Incentive Benefits/Transfer Fees

Property tax incentive benefits are not assignable without the prior consent of the Board. If the Board approves an assignment, the fees for the assignment will be as follows:

1% of the tax savings up to $1,000,000 with a minimum fee of $4,000.

1/2% of such savings over $1,000,000 with a maximum fee of $25,000.

3. **Housing** – For housing and similar issues, the Board will require a feasibility study to be filed with the original application or for consideration at a regular meeting not less than one month prior to final approval. If consideration is at a regular meeting, the study must be mailed to members and counsel not less than 10 days prior to the meeting.

4. **Refinancing** – Generally, except for manufacturing or regional warehouse facilities, the Board requires that in any refinancing of existing debt, 25% of the bond proceeds be used for new construction or renovations.

5. **General**

(1) Projects are approved and extended for 6 month periods.
(2) Regardless of property ownership, applicants will be required to pay all property taxes as if owned by the applicant.
(3) In the event applicant requests approval of a public placement, he should clearly designate such request on the application and should be prepared to provide reasons therefore at the appropriate Board meeting. A rating of AA or better will normally be required.
(4) Unless otherwise designated, the Board will consider all requests for new issues to be request for private placements. Private placements shall mean that the bonds may not be sold, transferred or assigned by the holder thereof except (1) to an institutional investor and then only for the investment account of such institutional investor, or (2) an individual investor and then only for the account of such individual investor. For this purpose, an institutional investor shall mean a bank, savings and loan association, insurance company, or other financial institution having a combined capital and surplus of not less than $5,000,000. For this purpose, an individual investor shall mean one whose net worth is certified to be not less than $1,000,000. Bonds, notes and other documents shall bear an appropriate legend to reflect these restrictions. As a substitute for this, the Board will consider restrictions limiting the minimum bond size to $100,000.

(5) In the event that the Board approves a public issue, it will not execute in connection therewith official statements or similar documents deemed by counsel to create unacceptable obligations.

(6) Documents to be executed by the Board will include the following or similar paragraph:

No recourse under or upon any obligation, covenant, or agreement or in any Bond or coupon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator member, director or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond or coupon issue, of any sum that may be due and unpaid by the Issuer upon any such Bond or coupon. 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 to respond by reason of any act or omission on his part or otherwise for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond or coupon , of any sum that may remain due and unpaid upon the Bonds and coupons or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such bonds and coupons.

The County of Knox, Tennessee, shall not in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds issued, or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein or indebtedness by the Issuer, and none of the Bonds of the Issuer issued or any of its agreements or obligations herein or otherwise shall be construed to constitute an indebtedness of the County of Knox, Tennessee, within the meaning of any constitutional or statutory provision whatsoever.