

MINUTES, LIMESTONE COUNTY COMMISSION, OCTOBER 9, 2015

The Limestone County Commission met in a special joint meeting today, at 9:00 a.m. at the Athens Police Department Court Room, 951 Hobbs Street East, Athens, Alabama 35611.

The City of Athens Council President, Councilman Jimmy Gill called the meeting to order and welcomed the Limestone County Commission to the joint county-city meeting. PRESENT: Chris Seibert, Harold Wales, Jimmy Gill, Wayne Harper and Joseph Cannon. The City Clerk, Annette Barnes was present and recorded the minutes of the meeting for the City of Athens.

The Limestone County Commission meeting was called to order by Chairman Mark Yarbrough.

PRESENT: Stanley Hill, Steve Turner, Jason Black, and Ben Harrison. Chairman Mark Yarbrough presided.

The meeting began with a prayer led by Athens City Attorney, Shane Black and the Pledge of Allegiance which was led by Limestone County Commission Chairman, Mark Yarbrough.

(Minutes noting the actions taken by Athens City Council are available for review at the Athens City Hall.)

MOTION was made by Stanley Hill and seconded by Steve Turner to approve the following resolution:

A RESOLUTION CONCERNING THE CONTRIBUTION OF MONEY TO SHAPE CORP., AS AN INCENTIVE TO LOCATE A FACILITY IN LIMESTONE COUNTY, ALABAMA

WHEREAS the Limestone County Commission is the governing body of Limestone County, Alabama; and,

WHEREAS, Shape Corp., is a corporation under the laws of the State of Michigan ("Shape"), and Shape desires to construct a facility in the State of Alabama in the city limits of Athens, in Limestone County, Alabama, which property is generally located north and along Roy Long Road, and immediately to the west of a railroad that abuts the said property, and which real property is heretofore owned by the City of Athens, Alabama (the "Property"); and,

WHEREAS, Shape has indicated that the facility will be constructed for the manufacture of injection molded plastics and metal stamping/roll forming with not less than 100,000 square feet of manufacturing and related office space, and which facility is expected to employ at least 170 persons in connection therewith (the "Project"); and,

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WHEREAS, Shape expects to make a capital investment in the Project of approximately not less than \$24,000,000.00 in connection therewith; and,

WHEREAS, an “Economic Development Project Agreement” has been proposed between Limestone County, Alabama, the City of Athens, Alabama, and Shape, a substantive copy of which is attached hereto as “Exhibit A”; and,

WHEREAS, under the Agreement it is proposed that the County will expend and contribute, by and through its Chairman, the total amount of \$80,000.00 to reimburse Shape for its acquisition of the Property, more specifically, under the Agreement, upon confirmation that Shape has employed 87 full-time employees at an average wage of \$40,000.00 during the prior year of the Project, the City will pay Shape \$60,000.00 and the County will pay Shape \$40,000.00, and thereafter, once Shape employs an additional 83 full-time employees, for a total of least 170 employees, and at the same average annual wage of \$40,000.00 during the prior year, the City will pay Shape \$60,000.00 and the County will pay Shape \$40,000.00; and,

WHEREAS, the covenants and agreements of and payments from, the County under the Economic Development Project Agreement and any ancillary documents thereto will benefit Shape and any of its affiliates; and,

WHEREAS, by considering the Agreement the Limestone County Commission seeks to provide a public benefit to the persons and citizens of Limestone County, Alabama, by promoting, improving, and expanding economic and industrial development in the County, increasing the number and diversity of industrial jobs and related employment opportunities in the County, enabling the County to better retain, attract and locate other industrial enterprises, expanding the overall tax base of the County, and enhancing the overall quality of life for the citizens of the County; and,

WHEREAS, the Limestone County Commission has determined that the expenditure of public funds and the giving of something of value for the benefit of Shape and its affiliates under the proposed Agreement will serve a valid and sufficient public purpose, notwithstanding any incidental benefit to the private entity or entities, or any other public body, and will provide a public benefit to the persons of Limestone County, Alabama, based upon an increase of jobs, commerce, taxes collected, revenue, and continued economic and industrial development resulting therefrom; and,

WHEREAS, prior to the execution of this Resolution, upon call of a majority of the Commissioners of the Limestone County Commission for a special meeting to be held jointly with the City Council for the City of Athens, Alabama, notice that a meeting would be held jointly with the City Council for the City of Athens, Alabama, on October 9, 2015, at 9:00 a.m., in the City Council Chambers for the City of Athens, Alabama, located in the Athens Police Department for the City of Athens, Alabama, located at 951 Hobbs Street East, Athens, Alabama, was published in the *Athens News Courier*, a newspaper of general circulation in Limestone County, at least seven days prior to on October 2, 2015, a copy of which is attached hereto as “Exhibit B”; and,

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Upon motion having been duly made by Commissioner Stanley Hill, and seconded by Commissioner Steve Turner, to approve the expenditure of public resources and giving something of value by Limestone County entering into the Economic Development Project Agreement for the benefit of Shape and its affiliates, along with all other local entities named therein, pursuant to the terms and conditions therein, as proposed, and, with said motion and second having been made in an open meeting of the Commission on October 9, 2015, with discussion had thereon and a vote having been taken, upon which vote said motion carried by a vote of 3 to 1 in favor;

THEREFORE, BE IT RESOLVED BY THE LIMESTONE COUNTY COMMISSION, during its meeting on October 9, 2015, commencing at 9:00 a.m., that the Limestone County Commission shall and hereby does approve of the expenditure of public funds and the giving of something of value to Shape Corp., and its affiliates, pursuant to the proposed Economic Development Project Agreement, to be entered into by Limestone County along with the City of Athens, Alabama, and Shape Corp.; and,

BE IT FURTHER RESOLVED that the Chairman of the Limestone County Commission shall be authorized to execute any and all documents and instruments that may be necessary to complete the expenditure of County property and funds herein contemplated, including the approval of any modifications to the Economic Development Project Agreement that may be inconsequential to the substantive terms of said Agreement and approved by the County's legal counsel.

The authority granted herein shall be in force and effect immediately upon passage of this Resolution.

EXHIBIT A

ECONOMIC DEVELOPMENT PROJECT AGREEMENT

This Economic Development Project Agreement (this "Agreement") is entered into as of the 9th day of October, 2015, by and among the CITY OF ATHENS, ALABAMA, an Alabama municipal corporation (the "City"), LIMESTONE COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "County"), and SHAPE CORP., a corporation under the laws of the State of Michigan (the "Company").

RECITALS:

The City of Athens Industrial Development Board (the "Board") is the owner of an industrial site located within the corporate limits of the City, comprising approximately 34.35 acres and more particularly described below:

Tract IA on the plat referenced as "Minor Plat of Martin Luther King Jr. Industrial Park Phase II", recorded in Plats Book H, Page 416 in the Office of the Probate Court of Limestone County, Alabama

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(the "Property"). The Company wishes to acquire the Property for the purpose of constructing and operating a manufacturing facility (the "Project").

In order to induce the Company to construct and operate the Project, the Board has agreed to lease and sell the Property to the Company under the terms described in that certain Lease-Purchase Agreement entered into by and between the Board and the Company of even date herewith (the "Lease-Purchase Agreement"). As a further inducement to the Company to construct and operate the Project, the City and the County are willing to pay to the Company an amount equal to the Rent for the Property (as that term is defined in the Lease-Purchase Agreement) upon satisfaction of the conditions described herein. The County is not a party to the Lease-Purchase Agreement.

Each of the City and the County have approved the transactions contemplated hereby after notice to the public in accordance with the requirements of Amendment 772 to the Constitution of Alabama, codified as Section 94.01 of the Official Recompilation of the Constitution of Alabama, 1901.

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree, as follows:

Section 1. Undertakings of the Company. In consideration of the lease and sale of the Property to the Company in accordance with the Lease-Purchase Agreement, the Company agrees that it shall use its commercially reasonable efforts to:

(a) Construct the Project on the Property as a facility for the manufacture of injection molded plastics and metal stamping/roll forming, including not less than 100,000 square feet of manufacturing and related office space, in compliance with all applicable zoning, environmental and other applicable laws and regulations applicable to the Property.

(b) Upon completion of construction of the Project, employ not less than 170 "Full Time Employees." As used herein the term "Full Time Employees" shall mean employees of the Company and its parent, subsidiary, or sister legal entities who work at the Project to perform a job which requires a minimum of thirty-five (35) hours of an individual's time each week during normal operations.

The City and the County acknowledge and agree that the foregoing undertakings are based upon the Company's reasonable expectations, and are not covenants to perform other than to use its commercially reasonable efforts as described above.

Section 2. Reimbursement of Rent.

(a) Each of the City and the County agrees, solely for itself:

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(i) Upon receipt of Documentation (as defined below) of (i) the employment of an average of at least 87 Full Time Employees for the twelve month period immediately preceding receipt of the Documentation, and (ii) the payment of an average annual wage of \$40,000, exclusive of benefits, for all Full Time Employees during the preceding 12 months period, the City shall pay to the Company the sum of \$60,000 and the County shall pay to the Company the sum of \$40,000; and

(ii) Upon receipt of Documentation (as defined below) of (i) the employment of an average of at least 170 Full Time Employees for the twelve month period immediately preceding receipt of the Documentation (or in other words, by adding 83 Full Time Employees to the 87 Full Time Employees referenced in Section 2(a)(i)), and (ii) the payment of an average wage of \$40,000, exclusive of benefits, for all Full Time Employees during the preceding 12 months period, the City shall pay to the Company the sum of \$60,000 and the County shall pay to the Company the sum of \$40,000.

(b) The average number of Full Time Employees during any 12-month period shall be determined by totaling the number of Full Time Employees at the end of each calendar month during the period and dividing the total by twelve. The average wage of Full Time Employees during any 12-month period shall be determined by totaling the average amount of wages, exclusive of benefits, paid to the Full Time Employees for each calendar month during the period and dividing the total by twelve.

(c) As used herein "Documentation" shall mean: (i) a schedule showing the number of Full Time Employees at the end of each month during the 12-month period; (ii) a schedule showing the average amount of wages paid to the Full Time Employees for each calendar month during the 12-month period; (iii) a certificate of the chief executive officer or chief operating officer of the Company as to the accuracy of such schedules, stating that each employee included within the numbers shown on such schedules met the requirements for a Full Time Employee as defined herein, stating the average number of Full Time Employees during such 12-month period, calculated based upon the actual number of Full Time Employees at the end of each month within the 12-month period, and stating the average wage of Full Time Employees during such 12-month period, calculated based upon the average amount of wages paid to the Full Time Employees for each month within the 12-month period; and (iv) if requested by either the City or the County, such additional documentation as shall reasonably be required to demonstrate compliance with the requirements of this Section.

(d) Each payment required by subsection (a) of this Section 2 shall be paid by check or draft not later than forty-five (45) days following receipt of the Documentation.

(e) The obligations of the City and the County, respectively, to make a payment pursuant to this Section 2 shall terminate unless it shall have received Documentation not later than the date which is seven (7) years following the date on

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which the Company leases the Property.

(f) The Company shall maintain (i) the employment of an average of at least 87 Full Time Employees for each of the four (4) twelve month periods that immediately follow the City and County's payment under Section 2(a)(i); and (ii) the payment of an average annual wage of \$40,000, exclusive of benefits, for all Full Time Employees during each of such four (4) twelve month periods. Within thirty (30) days of the conclusion of each of the four (4) twelve month periods, the Company shall provide the City with documentation indicating such maintenance of average employment and wages as stated in this Section 2(±). If the Company does not maintain such employment and wages for the first or second of the four (4) twelve month periods as stated in this Section 2(f), as evidenced by the documentation delivered to the City, then the Company shall pay \$60,000 to the City and \$40,000 to the County within sixty (60) days of the conclusion of the applicable twelve month period. If the Company does not maintain such employment and wages for the third or fourth of the four (4) twelve month periods as stated in this Section 2(f), then the Company shall pay \$30,000 to the City and \$20,000 to the County within sixty (60) days of the conclusion of the applicable twelve month period. The amount to be paid by the Company to the City and County under this Section 2(f) by the Company shall not exceed the amount received by the Company from the City and County under Section 2(a)(i).

(g) The Company shall maintain (i) the employment of an average of at least 170 Full Time Employees for each of the four (4) twelve month periods that immediately follow the City and County's payment under Section 2(a)(ii); and (ii) the payment of an average annual wage of \$40,000, exclusive of benefits, for all Full Time Employees during each of such four (4) twelve month periods. Within thirty (30) days of the conclusion of each of the four (4) twelve month periods, the Company shall provide the City with Documentation indicating such maintenance of average employment and wages as stated in this Section 2(g). If the Company does not maintain such employment and wages for the first or second of the four (4) twelve month periods as stated in this Section 2(g), then the Company shall pay \$60,000 to the City and \$40,000 to the County. If the Company does not maintain such employment and wages for the third or fourth of the four (4) twelve month periods as stated in this Section 2(g), then the Company shall pay \$30,000 to the City and \$20,000 to the County. The amount to be paid by the Company to the City and County under this Section 2(g) by the Company shall not exceed the amount received by the Company from the City and County under Section 2(a)(ii).

(h) The consummation of the sale and transfer of the Property to the Company, as provided in the Lease Purchase Agreement, shall not affect the obligations of the Company under subsections (f) and (g), above.

Section 3. Tax Abatements. Upon receipt of such application and supporting material as it typically requires for such grants, the City, pursuant to and in accordance with the provisions of Chapter 9B of Title 40 of the Code of Alabama, shall enter into a Tax Abatement Agreement with the Company providing for (i) the abatement of

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construction related transaction taxes with respect to the Property, and (ii) the abatement of ad valorem property taxes for a period of 10 years with respect to the Property.

Section 4. Miscellaneous.

(a) Severability. The provisions of this Agreement shall be severable. In the event any provision this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any of the remaining provisions hereof or thereof.

(b) Prior Agreements. This Agreement shall completely and fully supersede all other prior agreements, both written and oral, among the parties hereto relating to the matters contained herein. None of the parties hereto shall hereafter have any rights under any of such prior agreements but shall look to this Agreement for definition and determination of all of their respective rights, liabilities and responsibilities relating to the matters contained herein.

(c) Counterparts. This Agreement may be executed in counterparts, each of which shall constitute but one and the same agreement.

(d) Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns except as otherwise provided herein.

(e) Governing Law. This Agreement shall be governed exclusively by the laws of the State of Alabama, without regard to its conflict of laws provisions.

(f) Notices. All notices, demands, consents, certificates or other communications hereunder shall be in writing, shall be sufficiently given and shall be deemed given when delivered personally to the party or to an officer of the party to whom the same is directed, or mailed by registered or certified mail, postage prepaid, or sent by overnight courier, addressed as follows:

If to the City: City of Athens, Alabama
Attn: Mayor
200 West Hobbs Street
Athens, AL 35611

with a copy to: Shane Black, Esq.
Hand Arendall LLC
102 South Jefferson Street
Athens, AL 35611

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If to the County: Limestone County
Attn: Chairman, County Commission
Limestone County Annex
310 West Washington Street
Athens, Alabama 35611

with a copy to: Mark Maclin, Esq.
Wilmer & Lee, P.A.
315 West Market Street
Athens, AL 35611

If to the Company: Shape Corp.
Attn: David W. DeYoung
1900 Hayes Street
Grand Haven, MI 49417

Any such notice or other document shall be deemed to be received as of the date delivered, if delivered personally, or as of three (3) days after the date deposited in the mail, if mailed, or the next business day, if sent by overnight courier.

(g) Assignment. None of the rights hereunder or the duties undertaken hereby may be assigned or delegated by any party hereto without the prior, written consent of the other parties; provided, however, that the Company may assign its rights hereunder to a third party affiliated by common ownership with the Company without the consent of either the City or the County.

(h) Amendment. This Agreement may be amended or supplemented only by an instrument in writing duly authorized, executed and delivered by each party hereto.

IN WITNESS WHEREOF, the City and County have caused this Agreement to be executed in their name, under seal, and the same attested, all by officers thereof duly authorized thereunto, and the Company has executed this Agreement under seal, and the parties have caused this Agreement to be dated the date and year first above written.

CITY OF ATHENS, ALABAMA

By: _____
Its Mayor

(SEAL)

ATTEST: _____
Its Clerk

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LIMESTONE COUNTY, ALABAMA

By: _____
Its Commission Chairman

(SEAL)

ATTEST: _____
Its Clerk

SHAPE CORP.

By: _____
Title: _____
Print Name: _____

STATE OF ALABAMA)
LIMESTONE COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that William R. Marks, whose name as Mayor of the City of Athens, Alabama, is signed to the foregoing Economic Development Project Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the same, he/she, in his/her capacity as such authorized agent and with full authority, executed the same voluntarily for and as the act of said entity on the day the same bears date.

Given under my hand this the 9th day of October, 2015.

Notary Public
My Commission Expires: _____

(SEAL)

STATE OF ALABAMA)
LIMESTONE COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Mark Yarbrough, whose name as Chairman of the Limestone County Commission, is signed to the foregoing Economic Development Project Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the same, he/she, in his/her capacity as such authorized agent and with full authority, executed the same voluntarily for and as the act of said entity on the day the same bears date.

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Given under my hand this the 9th day of October, 2015.

Notary Public
My Commission Expires: _____

(SEAL)

STATE OF _____)
_____ COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as authorized agent of Shape Corp., a Michigan corporation, is signed to the foregoing Economic Development Project Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the same, he/she, in his/her capacity as such authorized agent and with full authority, executed the same voluntarily for and as the act of said entity on the day the same bears date.

Given under my hand this the ___ day of _____, 2015.

Notary Public
My Commission Expires: _____

(SEAL)

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PUBLIC NOTICE

Notice is hereby given by the Limestone County Commission pursuant to §94.01 of the Constitution of Alabama of 1901, as amended, that at a specialty called meeting on October 9, 2015, at 9:00 A.M. (the "Special Meeting"), in the City Council Chambers for the City of Athens, Alabama, located in the Athens Police Department for the City of Athens, Alabama, located at 951 Hobbs Street E. in Athens, Alabama, the Limestone County Commission will meet jointly with the City Council for the City of Athens, Alabama, to consider adoption of one or more resolution(s), as may be necessary, concerning an "Economic Development Project Agreement" by and among the City of Athens, Alabama (the "City"), Limestone County, Alabama (the "County"), and Shape Corp. ("Shape"), a corporation under the laws of the State of Michigan (the "Agreement").

Shape proposes to construct a facility for the manufacture term would be \$200,000. At the conclusion of the seven year lease term (the length of which is subject to vary further as detailed in the Lease), the IDB would sell the Property to Shape for \$100, unless Shape had failed to employ at least 87 full-time employees (at an average wage of \$40,000 during the prior year) at the Project, in which case Shape would pay an additional charge of up to \$500,000 to title IDB.

The purpose of the Resolution will be to consider approving an Economic Development Project Agreement (the "Agreement"). Pursuant to the Agreement, upon confirmation that Shape has employed 87 full-time employees (at an average wage of \$40,000 during the prior year) at the Project, the City will pay Shape \$60,000 and the County will pay Shape \$40,000. Thereafter, once Shape employs 83 additional full-time employees (for a total of at least 170 employees) (at the same average annual wage during the prior year), then the City will refund Shape \$60,000 and the County will pay Shape \$40,000. These payments are subject to further terms in the Agreement regarding the maintenance of the jobs over a certain period.

Such payments, lease and sale are being made for the purpose of incentivizing Shape to locate certain of its manufacturing operations at the real property and the other public benefits described below.

The public benefits to the City to be derived from the above actions include: (i) promoting, improving and expanding economic and industrial development/activity in the City, (ii) increasing the number and diversity of industrial jobs and related employment opportunities for citizens of the City, and (iii) enhancing the overall quality of life for the citizens of the City.

The payments of the County are being made for the purpose of incentivizing Shape to locate certain of its manufacturing operations at the real property in Limestone County, and, by considering the aforementioned agreement, payments, and resolution(s), the Limestone County Commission seeks to provide a public benefit to the persons and citizens of Limestone County, Alabama, by promoting, improving and expanding economic and industrial development in the County by increasing the number and diversity of industrial jobs and related employment opportunities in the County, by enabling the County to better retain, attract and locate other industrial enterprises, by expanding the overall tax base of Limestone County, and by enhancing the overall quality of life for the citizens of the County. The covenants, agreements and payment(s) from the County under the agreement are a proposed grant of public funds and things of value for the benefit of Shape Corp., a Michigan corporation.

This is an economic development project and is described in reasonable detail in this Notice.

The Limestone County Commission

The News Courier
October 2, 2015

The Chairman asked if there was any discussion. There was no discussion. The Chairman called the roll. Stanley Hill, aye, Steve Turner, aye, Jason Black, aye, and Ben Harrison, nay. Motion carried 3/1.

Limestone County Commission Chairman, Mark Yarbrough, expressed his appreciation to Shape Corp. for choosing our area and welcomed them home to Limestone County. Limestone County Commission recessed at 9:20 a.m. until 10:00 a.m. on Wednesday, October 14, 2015, at the Washington Street Courthouse Annex, 310 West Washington Street, Athens, AL.