

A G E N D A

LAWRENCE COUNTY BOARD OF COMMISSIONERS

SPECIAL SESSION

APRIL 9, 1996

5:00 P.M.

CALL TO ORDER BY COUNTY CLERK

ROLL CALL

INVOCATION

PLEDGE

SPECIAL CALL RESOLUTIONS TO BE ACTED UPON:

1. RESOLUTION # 01040996

Resolution appointing Delinquent Tax Attorney for 1994 Delinquent Taxes.

2. RESOLUTION #02040906

Resolution Approving Payment-In-Lieu-Of-Tax Agreement with Jones Apparel Group, Inc.

COUNTY COMMISSION, LAWRENCE COUNTY, TN

KENNETH WEATHERS, COUNTY CLERK

RESOLUTION#	Call to Order	Ed Martin	MOTION	SECOND	AYE	NAY	PASS	FRESENT	ABSENT
	Roll Call	Kenneth Weathers							
	Invocation								
	Pledge								
	Special Call								
9th District	762-3716								
BAILEY, JACKIE	411 6th St., L'burg, TN 38464							X	
8th District	766-0768							X	
BARNES, TODD	707 Buffalo Rd., L'burg TN 38464								X
7th District	829-2358								X
BENEFIELD, RONALD	91 Benefield Lane, Ethridge 38456								X
9th District	762-3167								
BUIE, JIM	508 8th St., L'burg 38464							X	
6th District	964-3404							X	
BURNS, FRANKLIN	383 L'burg-Henryville Rd., Ethridge 38456							X	
4th District	762-7118							X	
DRYDEN, JERRY	12 Ingram Rd., Leoma 38468							X	
1st District	852-2899							X	
GABEL, JIM	2773 Hwy 43 S., P. O. BOX 176, Leoma 38468							X	
2nd District	853-6709							X	
GREEN, ROBERT L.	404 N. Military St., P.O. Box 224, Loretto 38469							X	
7th District	829-2803							X	
HILL, STEVE	38 Dry Weakley Rd., Ethridge 38456							X	
3rd District	852-4561							X	
KEENER, ALAN J.	226 Dunn-Leoma Rd., Leoma 38468								X
4th District	762-5914								
MARSTON, NORMAN	110 Horseshoe Bend Rd., Leoma 38468							X	
5th District	762-5501							X	
MOORE, W.T. (TOMMY)	305 Pond Field Rd., West Point 38486							X	
5th District	762-8299							X	
ODOM, PAUL	3353 Granddaddy Rd., L'burg 38464							X	
3rd District	852-2425							X	
PARROTT, L.C.	52 Williams Hill Rd., Leoma 38468							X	
6th District	762-8007								X
PERRY, TIM A.	1136 Ethridge-Red Hill Rd., L'burg 38464								X
1st District	852-2204								X
PURCELL, STEVE	112 Old Jackson Hwy., Leoma 38468							X	
8th District	762-7419							X	
WRAY, JOE ROBERT	1403 Beckham Ave., L'burg 38464							X	
2nd District	853-6725							X	
YOCOM, WAYNE A.	148 Rigling Rd., P.O. BOX 185, Loretto 38469							X	
TOTALS								13	5
Total Present Thirteen									
Total absent Five									

Date April 9, 1996

KENNETH WEATHERS, COUNTY CLERK

RESOLUTION NO. _____

01040996

RESOLUTION TO APPROVE DELINQUENT TAX ATTORNEY FOR 1994 DELINQUENT TAXES.

WHEREAS, Jerry Jester, Lawrence County Trustee, has selected Jane M. Jennings, County Attorney, as Delinquent Tax Attorney for the collection of 1994 delinquent taxes; and

WHEREAS, the County Executive has approved of said selection.

NOW, THEREFORE, BE IT RESOLVED by the Lawrence County legislative body meeting in special session this 9TH day of

April, 1996, that Jane M. Jennings, County Attorney, is approved as Delinquent Tax Attorney for collection of delinquent taxes for 1994 and is entitled to collect a fee of 10% of the base amount of tax due.

This Resolution will take effect upon its passage.

Adopted this 9th day of April, 1996.

APPROVED:

Ed Martin
ED MARTIN
COUNTY EXECUTIVE

ATTEST:

Kenneth Weathers
KENNETH WEATHERS,
COUNTY CLERK

COUNTY COMMISSION, LAWRENCE COUNTY, TN

KENNETH WEATHERS, COUNTY CLERK

RESOLUTION#	MOTION	SECOND	AYE	NAY	PASS	PRESENT	ABSENT
01040996							
Resolution appointing Delinquent Tax Attorney for 1994							
Delinquent Taxes Jane Jennings							
9th District	762-3716						
BAILEY, JACKIE	411 6th St., L'burg, TN 38464		X				
8th District	766-0768						
BARNES, TODD	707 Buffalo Rd., L'burg TN 38464		X				
7th District	829-2358						
BENEFIELD, RONALD	91 Benefield Lane, Ethridge 38456						X
9th District	762-3167						
BUIE, JIM	508 8th St., L'burg 38464						X
6th District	964-3404						
BURNS, FRANKLIN	383 L'burg-Henryville Rd., Ethridge 38456	X	X				
4th District	762-7118						
DRYDEN, JERRY	12 Ingram Rd., Leoma 38468		X				
1st District	852-2899						
GABEL, JIM	2773 Hwy 43 S., P. O. BOX 176, Leoma 38468		X				
2nd District	853-6709						
GREEN, ROBERT L.	404 N. Military St., P.O. Box 224, Loretto 38469		X				
7th District	829-2803						
HILL, STEVE	38 Dry Weakley Rd., Ethridge 38456		X				
3rd District	852-4561						
KEENER, ALAN J.	226 Dum-Leoma Rd., Leoma 38468		X				
4th District	762-5914						
MARSTON, NORMAN	110 Horseshoe Bend Rd., Leoma 38468						X
5th District	762-5501						
MOORE, W.T. (TOMMY)	305 Ford Field Rd., West Point 38486		X				
5th District	762-8299						
ODOM, PAUL	3353 Granddaddy Rd., L'burg 38464		X				
3rd District	852-2425						
PARROTT, L.C.	52 Williams Hill Rd., Leoma 38468		X				
6th District	762-8007						
PERRY, TIM A.	1136 Ethridge-Red Hill Rd., L'burg 38464						X
1st District	852-2204						
PURCELL, STEVE	112 Old Jackson Hwy., Leoma 38468						X
8th District	762-7419						
WRAY, JOE ROBERT	1403 Beckham Ave., L'burg 38464		X				
2nd District	853-6725						
YOCOM, WAYNE A.	148 Rigling Rd., P.O. BOX 185, Loretto 38469		X				
TOTALS			13				5

Motion carried by a roll call vote.

Date April 9, 1996

KENNETH WEATHERS, COUNTY CLERK

RESOLUTION APPROVING PAYMENT-IN-LIEU-OF-TAX AGREEMENT
WITH JONES APPAREL GROUP, INC.

WHEREAS, the county legislative body of Lawrence County encourages industrial development which will create new jobs for Lawrence Countians; and


WHEREAS, Jones Apparel Group, Inc. has announced its plan to expand its clothing distribution facility in Lawrence County; and

WHEREAS, The Industrial Development Board of the City of Lawrenceburg, acting pursuant to authority granted to it by T.C.A. 7-53-305, has negotiated with Jones Apparel Group, Inc. regarding payments in lieu of ad valorem taxes to induce Jones Apparel Group, Inc. to expand its distribution facility in Lawrence County.


THEREFORE BE IT RESOLVED that County Executive Ed Martin be authorized to execute the attached agreement on behalf of Lawrence County and to do all things necessary to effect this agreement.

Adopted this 9th day of April, 1996.

APPROVED:


ED MARTIN,
COUNTY EXECUTIVE

ATTEST:


KENNETH WEATHERS,
COUNTY COURT CLERK

AGREEMENT

THIS AGREEMENT is entered into as of this 1st day of April, 1996, by and among JONES APPAREL GROUP, INC., a Pennsylvania corporation (together with its Affiliates or assigns, the "Company"), The INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LAWRENCEBURG, a public, not-for-profit corporation organized under the laws of the State of Tennessee (the "Board"), the COUNTY OF LAWRENCE, TENNESSEE, a political subdivision of the State of Tennessee (the "County"), the CITY OF LAWRENCEBURG, TENNESSEE, a duly incorporated municipality in Lawrence County, Tennessee ("Lawrenceburg");

In consideration of the premises set forth in Section 1 of this Agreement, the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Preliminary Statements. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following.
 - (a) The Company has announced its tentative decision to locate and expand its clothing distribution facility (such facility, including all real property, improvements thereon and personal property located at such facility are hereinafter referred to as the "Project") in Lawrence County and thereby make a substantial investment of funds to acquire, construct and equip the Project, resulting in significantly increased employment opportunities for the citizens of Lawrence County, Lawrenceburg.
 - (b) The Board is authorized by the laws of the State of Tennessee, specifically, inter alia, Section 7-53-305, Tennessee Code Annotated, being a provision of the Tennessee Industrial Development Corporations Act (the "Act"), to negotiate and accept payments in lieu of ad valorem taxes from the Company in connection with the lease of the Project pursuant to an industrial development revenue note financing Lease Agreement, dated as of the date hereof (such Lease Agreement, as amended from time to time, is hereinafter referred to as the "Lease").
 - (c) The County, and Lawrenceburg have severally delegated, or do hereby delegate, to the Board the authority so to negotiate and accept such payments in lieu of ad valorem taxes from the Company with respect to the Project.
 - (d) The Board will agree to issue a taxable revenue note to finance the acquisition, construction and equipping of the Project (the "Note"), it being understood that the County and Lawrenceburg are entering into this Agreement subject to the Board's approval of this Agreement and related documents contemplated hereunder.

(e) The Board is the instrumentality of the County and Lawrenceburg and is performing a public purpose on their behalf.

(f) Each of the Board, the County, and Lawrenceburg has found, and each does hereby so state its finding, based upon information and factors deemed relevant by it, that the Board's agreement to accept such payments from the Company with respect to the Project will significantly increase employment opportunities in the County, and Lawrenceburg and otherwise will be directly beneficial to the County and Lawrenceburg and, therefore, will be in furtherance of the Board's public purposes as defined in the Act.

(g) Each of the Board, the County and Lawrenceburg hereby acknowledges that its execution and delivery of this Agreement is an essential inducement to the Company in its determination to locate the Project in the County.

(h) The Board will hold legal title to the Project during the term of the Lease and the payments hereunder shall be deemed to be additional rental with respect to the Project.

2. Nature of the Payments. The payments in lieu of ad valorem taxes (the "Payments") provided for herein shall be paid by the Company in lieu of all ad valorem, real and personal property or similar taxes or assessments, whether presently in effect or hereafter imposed on the Project, or any part or component thereof (including, without limitation, any tax on the real property, improvements, buildings, equipment, replacement equipment, raw materials, supplies or goods in process, finished goods or other inventories and any other tangible real or personal property, including the leasehold interest of the Company in property leased by it under the Lease) during the term of this Agreement, by or on behalf of the County or Lawrenceburg, or their successors. The Payments provided in Section 3 hereinbelow will relate to the Project in its initial scope and configuration (which, upon completion of all phases thereof, is presently estimated to cost approximately \$5,000,000 based on current costs) and to all replacements and enhancements subjected to the Lease during the term thereof. The Board, the County and Lawrenceburg will cooperate with the Company to allow the Company to obtain any applicable investment tax or other credits available under Federal and State tax laws, and, to the extent lawful and permissible, to relieve the Company of any tax burdens, including sales tax payments in connection with the equipping of the Project. It is agreed and acknowledged that the Lease provides for rental and other payments, including the Payments hereunder, which are acknowledged to be the full and fair market rental value of the Project during the term of the Lease.

3. Amount of Payments.

(a) Subject to the provisions of Sections 3(b) and 3(c) hereof, the Company will agree to make payment in lieu of taxes to Lawrence County and Lawrenceburg as follows. For the years 1996 through and including 2001, no such payments in lieu of taxes shall be payable to either Lawrence County or Lawrenceburg. For the years 2002 through and including 2006, such payments in lieu of taxes shall equal the percentage specified below (the "Applicable Percentage") multiplied by such amounts as would result from taxes levied upon the Project by Lawrence County and Lawrenceburg if the Project were owned by Company. To this end, it is agreed by and between the parties hereto that the Board in cooperation with Company shall cause the Project to be valued and assessed by the assessor or cause the Project to be valued and assessed by the assessor or other official or officials charged with the responsibility of assessing privately owned property in the area where the Project is located at the time such privately owned property is valued or assessed, shall cause to be applied to the appropriate taxable value of the Project the tax rate or rates which would be applicable for state and local tax purposes if the property were then privately owned, and shall cause the county trustee or other official or officials charged with the responsibility of collecting taxes to submit annually to Company a statement of the taxes which would otherwise then be chargeable to the Project, and the Applicable Percentage of the amount thereof shall be paid by Company to Lawrence County and Lawrenceburg, as the case may be; provided, however, that the right is reserved to Company to the same extent as if Company were the owner of the Project to contest the validity or amount of any such payment in lieu of taxes.

It is the intent of this Section 3 that Lawrence County and Lawrenceburg shall receive the Applicable Percentage of the amounts which would be payable if the Project were privately owned and fully subject to property taxation, notwithstanding the Board's ownership of all or any part thereof. However, nothing contained in this Section 3 is intended or shall be construed to require the payment by Company of any greater amounts in lieu of taxes than would be payable as taxes if the Project were privately owned as aforesaid. It is accordingly understood and agreed that the amount payable by Company in any year under the provisions of this Section 3 shall be reduced by the amount of any taxes lawfully levied upon the Project or any part thereof, or upon Company's leasehold estate therein, and actually paid by Company pursuant to the requirements of Section 3 hereof.

The percentages shall be as follows:

<u>Year</u>	<u>Percentage</u>
2002	20%
2003	40%
2004	60%
2005	80%
2006 and thereafter	100%

(b) The payments in lieu of taxes provided in this Section 3 shall be due on or before the last day of February for the payments with respect to the immediately preceding year. Company shall receive a credit against the payments in lieu of taxes described above for (i) all payments of ad valorem taxes, if any, with respect to the Project and (ii) all ad valorem taxes paid by the Company with respect to its leasehold interest in the Project. Any such payments of taxes shall be deducted from the payments in lieu of taxes in the order in which such payments in lieu of taxes are due.

Any credits or set-offs against Payments pursuant to this Section 3(b) may be taken by the Company with respect to the Payment for the year in which the costs underlying such credit or set-off were incurred or as soon thereafter as possible.

(c) The amount of the Payment for any year in which this Agreement is in effect for less than the entire year shall be prorated on a daily basis. Such proration shall not effect the amount of credit (or set-off), if any, which the Company is entitled to take against such year's Payment pursuant to Section 3(b) hereof. Additionally, taxes, assessments and other charges with respect to the Project for the year in which the Company acquires title to the Project shall be prorated from the date the Company acquires such title.

(d) Any disputes with respect to the determination of the amount of the annual Payments to be made hereunder shall be resolved in accordance with the procedures for resolving disputes regarding property taxes then in effect as though the Company were the holder of the legal title to the Project and the Project were subject to taxation. It is specifically understood and agreed that the Company shall have recourse to the State Board of Tax Equalization with respect to any determination of the amount of payments to be made hereunder and/or, at the election of the Company, may file a declaratory judgment action in the Chancery Court of Lawrence County, Tennessee.

4. Term. This Agreement shall become effective and its term shall begin as of the date of this Agreement. This Agreement shall expire April 1, 2007 or at such earlier time as either (a) the Company or its assignee shall have taken legal title to the Project by the exercise of its purchase option under the Lease or (b) the Lease otherwise shall have expired.

5. Representations and Warranties.

(a) The Company hereby represents and warrants to the other parties hereto that (i) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Pennsylvania, is duly authorized and in good standing to do business in the State of Tennessee and has all requisite corporate power and authority to enter into this Agreement, and (ii) this Agreement and the Payments contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Company and this Agreement constitutes the valid and binding obligation of the Company.

(b) Each of the Board, the County, and Lawrenceburg hereby represents and warrants to the Company and the other parties hereto that: (i) it is a public corporation (in the case of the Board) or governmental entity (in the cases of the County and Lawrenceburg) duly organized and validly existing under the laws of the State of Tennessee and has all requisite corporate, public and other power and authority to enter into this Agreement and (ii) this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary corporate, governmental or other action on the part of each and this Agreement constitutes the valid and binding obligation of each.

(c) Each of the parties hereto will cause, simultaneously with the execution hereof, its counsel to deliver to the other parties hereto opinions of such respective counsel, in form and substance satisfactory to the other parties and their respective counsel, with respect to the matters set forth in paragraphs (a) and (b) of this Section 5 relative to such party, and with respect to such other matters as the Company and its counsel reasonably may request.

6. Further Acts; Enforceability. The parties hereto agree to take such actions, adopt such resolutions and enter into such further agreements as may be necessary, or reasonably requested by any party to this Agreement, to effect the intent of this Agreement. The parties recognize and acknowledge that it is their intention that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of the State of Tennessee, but that the unenforceability (or the modification to conform with such laws or public policies) of any provisions hereof shall not render unenforceable or impair the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be determined to be invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provisions and to alter the balance of this Agreement in order to render the same valid and enforceable to the fullest extent permissible as aforesaid.

7. Assignment and Use. The Company, at its election, may assign all or any portion of this Agreement or the benefits hereunder to its successors and assigns if such assignment is permitted under the Lease.

8. Heading. The headings herein are for convenience of reference only and shall not be deemed to be part of the substance of this Agreement.

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

10. Counterparts. This Agreement may be executed in two or more counterparts which together shall constitute a single instrument.

10135868
10034915

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

JONES APPAREL GROUP, INC.

By: _____

Its: _____

THE INDUSTRIAL
DEVELOPMENT BOARD
OF THE CITY OF
LAWRENCEBURG

By: _____

Chairman

ATTEST:

Secretary

COUNTY OF LAWRENCE,
TENNESSEE

By: Ed Martin

ATTEST:

Theresa W. Lewis
County Clerk

CITY OF LAWRENCEBURG,
TENNESSEE

By: _____

ATTEST:

10135868
10034915

COUNTY COMMISSION, LAWRENCE COUNTY, TN

KENNETH WEATHERS, COUNTY CLERK

RESOLUTION#	MOTION	SECOND	AYE	NAY	PASS	PRESENT	ABSENT
Adjournment							
9th District	762-3716						
BAILEY, JACKIE	411 6th St., L'burg, TN 38464						
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2nd District	853-6725						
YOCOM, WAYNE A.	148 Rigling Rd., P.O. BOX 185, Loretto 38469						
TOTALS							
Motion carried by a unanimous voice vote.							

Date April 9, 1996

KENNETH WEATHERS, COUNTY CLERK