RESOLUTION

No. _____

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE YANFENG US AUTOMOTIVE INTERIOR SYSTEMS I LLC 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 "Board") the authority to negotiate and accept payments in lieu of ad valorem taxes from lessees of the Board upon a finding by the City that such payments are deemed to be in furtherance of the Board's public purposes; and

WHEREAS, Yanfeng US Automotive Interior Systems I LLC (the "Company") is contemplating the acquisition and installation of certain machinery, equipment and other personal property to be located in a manufacturing facility in Chattanooga, Hamilton County, Tennessee, (the "Project") and because of the substantial economic benefits to the City and Hamilton County resulting from the Project, has asked the Board 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 Board'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 Project 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 Board's public purposes; and

That, having made such a finding in this instance, we do hereby delegate to the Board 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 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.

AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES

THIS AGREEMENT (the "Agreement") is made and entered into as of this the ____day of _____, 2016, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **YANFENG US AUTOMOTIVE INTERIOR SYSTEMS I LLC** (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 **WILLIAM C. BENNETT 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 the acquisition of machinery, equipment and other personal property, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Property"), for installation in connection with the Company's facility to be located in Chattanooga, Hamilton County, Tennessee (the "Project"), resulting in an investment of at least $48 million and the creation of at least 325 full-time jobs (directly or through one or more staffing companies) which jobs shall have an average annual wage (excluding benefits) equal to at least $50,000.00 between September 1, 2015 and September 1, 2018 (collectively the "Investment, Jobs and Wage Projection"), and 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 Property, together with all additions thereto, replacements thereof, and substitutions therefor and to lease the Property to the Company (the "Lease"); 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 their 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 agent to receive the In Lieu Payments in accordance with the terms of this Agreement;

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 Treasurer, 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. Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Treasurer and the Trustee and as its agent 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 Paragraph 4. The In Lieu Payments shall be made 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. For the fourteen (14) year period covering and inclusive of years 2017 through 2030 for the Property (the "Tax Abatement

Period"), the Company shall make In Lieu Payments with respect to the Property 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 Property if it were subject to property taxes for the respective years shown:

Year	City General Fund	County General Fund	County School Fund
2017	50%	50%	100%
2018	50%	50%	100%
2019	50%	50%	100%
2020	50%	50%	100%
2021	50%	50%	100%
2022	50%	50%	100%
2023	50%	50%	100%
2024	50%	50%	100%
2025	50%	50%	100%
2026	50%	50%	100%
2027	50%	50%	100%
2028	50%	50%	100%
2029	50%	50%	100%
2030	50%	50%	100%

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 49.64% of the amount of the total County taxes that would have been payable on the Property if it were subject to property taxes (the "School Portion"), and (ii) In Lieu Payments in an amount equal to 50% of all other ad valorem taxes of the City and the County, excluding the educational portion of the County ad valorem taxes.

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 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 the 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 any 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.

(a) Minimum Requirements. The Company must meet one hundred percent (100%) of the Minimum Jobs Requirement and the Company must meet one hundred percent (100%) of the Minimum Investment Requirement by September 1, 2018 (the "Determination Date") and during each calendar year thereafter through and including calendar year 2025. For purposes of this Section, the "Minimum Jobs Requirement" equals two hundred-sixty (260) full-time jobs (directly or through one or more staffing companies), and the "Minimum Investment Requirement" equals $38,400,000 (Thirty-eight Million Four Hundred Thousand Dollars).

(b) Annual Employment Review. If the Company fails to achieve the Minimum Jobs Requirement during the calendar year in which the Determination Date occurs or during any calendar year thereafter through and including calendar year 2025, the City and the County reserve the right but are not obligated to increase the amount of the general fund In Lieu Payments applicable to the Property for the same calendar year in which such failure occurs by a percentage equal to 100% less the "Company Job Performance" for such calendar year (the "Job In Lieu Payment Percentage Increase"). The "Company Job Performance" for any calendar year means the proportion, expressed as a percentage, that the average number of full-time jobs actually maintained by the Company (directly or through one or more staffing companies) bears to the Minimum Jobs Requirement. In no event shall the Company's annual General Fund In Lieu Payments exceed one hundred percent (100%) of the general fund taxes that would be assessed against the Property if it were subject to general fund taxes.

Example 1:

Total number of full-time jobs as of September 1, 2018 = 325

Minimum Jobs Requirement = 260

No increase in In Lieu Payments for 2018

(Minimum Jobs Requirement has been exceeded)

Example 2:

Total number of full-time jobs as of September 1, 2018 = 234

Minimum Jobs Requirement = 260

Company Job Performance = 90%

Job In Lieu Payment Percentage Increase for 2018 = 10%

(In Lieu Payment Percentages for 2018 for City General Fund and County General Fund may each be increased by 10%. In this example, the In Lieu Payment Percentages for 2018 may be increased from 50% to 60%.)

(c) Annual Investment Review. If the Company fails to achieve the Minimum Investment Requirement during the calendar year in which the Determination Date occurs or during each calendar year thereafter through and including calendar year 2025, the City and the County reserve the right but are not obligated to increase the amount of the general fund In Lieu Payments applicable to the Property 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 General Fund In Lieu Payments exceed one hundred percent (100%) of the general fund taxes that would be assessed against the Property if it were subject to general fund taxes.

Example 3:

Total amount of capital investment through January 1, 2019 = $50,000,000

Minimum Investment Requirement = $38,400,000

No increase in In Lieu Payments for 2019 (Minimum Investment Requirement has been exceeded)

Example 4:

Total amount of capital investment through January 1, 2019 = $36,450,000

Minimum Investment Requirement = $38,400,000

Company's Investment Performance = 95%

Investment In Lieu Payment Percentage Increase for 2019 = 5%

(In Lieu Payment Percentages for 2019 for City General Fund and County General Fund may each be increased by 5%. In this example, the In Lieu Payment Percentages for 2018 may be increased from 50% to 55%.)

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 the County elect to increase the In Lieu Payments for such calendar year, then the City and the 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 the County increase 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 the County may elect to either (i) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 6(b) by 10% or (ii) increase the amount of the In Lieu Payments to the City General Fund and the County General Fund under Section 6(c) by 5%. 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 Treasurer and 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 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. Disbursements by the Treasurer and Trustee. All sums received by the Treasurer pursuant to Paragraph 3 for the benefit of the City general fund shall be disbursed to the general funds of the City in accordance with this paragraph 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 Paragraph 3 for the benefit of the County general fund shall be disbursed to the general fund of the County in accordance with this paragraph 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 shall be divided 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 Paragraph 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.

8. Economic Development Lease Payment

(a) City of Chattanooga. For each calendar year beginning with 2017 in which the In Lieu Payment Percentage as to the City General Fund (see chart in Section 4) is less than 100%, an economic development lease payment (an "Economic Development Payment") equal to 15% of the City property taxes that would otherwise be payable for such year on the Property if it were subject to property taxes (as calculated by the Treasurer pursuant to Section 2, above) shall be computed and collected by the Treasurer; provided, however, in no event shall the total of the Company's annual City General Fund In Lieu Payments plus the Economic Development Payment to the City exceed one hundred percent (100%) of City general fund taxes that would be assessed against the Property if it were subject to general fund taxes. Beginning in 2017, this Economic Development Payment will be paid for each year that the Property is owned by the Board through and including 2030 if the In Lieu Payment Percentage as to the City General Fund (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. The Treasurer shall add the Economic Development Payment as a separate line item on the Tax Bill, and the Company shall pay 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 Treasurer shall disburse the City's Economic Development Payment to the City of Chattanooga's Industrial Development Board. The City of Chattanooga's Industrial Development Board shall hold such funds to be used for economic development purposes, as directed by the Mayor of the City.

(b) [Reserved.]

9. 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, the Treasurer 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, the Treasurer 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.

10. 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.

11. 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 have made all payments required hereunder, whichever shall later occur.

12. Leasehold Taxation. The Board, the City, the County, the Treasurer, the Trustee and the Assessor acknowledge and agree that the Company's personal property leasehold interest in the Property shall not be subject to assessment for ad valorem tax purposes, as the Company's leasehold interest is subject to this agreement for payments in lieu of taxes. If the leasehold interest 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. Additionally, in the event the Company determines, in the exercise of reasonable discretion, that there is a possibility, notwithstanding the foregoing agreement, of a positive taxable leasehold interest in the Property, the Company shall have the continuing option to require the Board take all reasonable steps, at no additional cost to the Board, to restructure this Agreement to eliminate the positive leasehold value and to deliver the same economic benefit to the Company as is contemplated under this Agreement without the imposition of any ad valorem taxes on such leasehold value. Such options may include, but are not limited to, an arrangement by which the Board issues and the Company purchase industrial revenue bonds to finance all or a portion of the Property, provided that such bonds shall be limited obligations of the Board and non-recourse to the City and the County.

13. 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 or to the City:	Wade A. Hinton City Attorney City of Chattanooga Suite 200, 100 E. 11th Street Chattanooga, Tennessee 37402
The County:	Rheubin M. Taylor County Attorney Hamilton County Government Room 204, County Courthouse Chattanooga, Tennessee 37402
Company:	[YFAI NOTICE]

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 Chattanooga, TN 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.

14. 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.

15. 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.

16. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. 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.

17. 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.

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

19. 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.

20. Annual Report. 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 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 the annual report may occur, but no more than once annually, if requested by the City or County during any calendar year of this Agreement.

21. Stormwater Fees. The Company shall be responsible for all stormwater fees assessed by the City against the Property.

22. Compliance with Laws. The Company understands the relevant and applicable federal and state laws that apply to the terms and conditions of this Agreement and agrees to comply with these relevant and applicable federal and state laws.

[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

YANFENG US AUTOMOTIVE INTERIOR SYSTEMS I LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
County Mayor

WILLIAM F. HULLANDER

By: _____
Hamilton County Trustee

WILLIAM C. BENNETT

By: _____
Hamilton County Assessor of Property

EXHIBIT "A"
TO PILOT AGREEMENT

THE PROPERTY

During the Tax Abatement Period, the Property 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 Company's facilities located at and around 7463 Bonnyshire Drive, Chattanooga, Tennessee 37416 between September 1, 2015 and December 31, 2030, together with replacements thereof and substitutions therefor, in connection with the Company's facilities and operations on the Company's facilities on such property or at or about any other owned or leased real property in Hamilton County, Tennessee where the Company conducts operations.

This Instrument Prepared By:
Miller & Martin PLLC (MWS)
Suite 1200 Volunteer Building
832 Georgia Avenue
Chattanooga, TN 37402

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered as of the ____ day of _____, 2016, by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA,** a public corporation duly created and existing under the laws of the State of Tennessee (the "Board"), and **YANFENG US AUTOMOTIVE INTERIOR SYSTEMS I LLC**, a Delaware limited liability company (the "Company").

W I T N E S S E T H :

In consideration of the respective covenants and agreements hereinafter contained, the Board and the Company agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. The following terms when used in this Agreement, unless the context shall clearly indicate another or different meaning or intent, shall be construed as follows:

"Act" means the Tennessee Industrial Development Corporations Act of 1955, Chapter 210 of the Public Acts of 1955, as codified in Tennessee Code Annotated Sections 7-53-101 et seq., as heretofore amended and as hereafter amended from time to time.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the Company or the Board under any applicable bankruptcy, insolvency or similar law as now or hereafter in effect.

"Agreement" means this Lease Agreement as it now exists and as it may hereafter be amended.

"City" means the City of Chattanooga, Tennessee.

"County" means Hamilton County, Tennessee.

The terms "default" and "event of default" mean any occurrence or event specified in Section 10.01 hereof.

"Board" means The Industrial Development Board of the City of Chattanooga, a public corporation duly created and existing under the Act, and its successors and assigns.

The term "pending" with respect to any proceedings commenced by an Act of Bankruptcy means that such proceedings have not been dismissed, or are subject to further appeal.

"Permitted Encumbrances" means liens, licenses or other restrictions of record on the Project created by or with the consent of the Company.

"PILOT Agreement" means the Agreement for Payments in Lieu of Ad Valorem Taxes entered into by and among the Board, the Company, the City and the County.

"Project" means machinery, equipment and related property acquired, installed or placed into service by the Company between [September 1, 2015 and December 31, 2030] together with additions thereto, replacements thereof and substitutions therefor, in connection with the Company's facilities on the real property identified in Exhibit "A" or on or about any other owned or leased real property in Hamilton County, Tennessee where the Company conducts operations.

ARTICLE II
CERTIFICATIONS

Section 2.01. Certifications by Board. The Board makes the following certifications as the basis for the undertakings on its part herein contained:

(a) The Board is a public corporation of the State of Tennessee, duly organized and existing under the provisions of the Act. The Act authorizes the Board to acquire land, buildings, machinery and equipment and related facilities and to own, lease and dispose of the same for the purpose of maintaining and increasing employment opportunities by promoting industry, trade and commerce and by inducing manufacturing, industrial and commercial enterprises to locate in or remain in the State of Tennessee. The Board is authorized to act in furtherance of such purposes in the State of Tennessee.

(b) The Board has found and does hereby declare that the acquisition, construction and equipping of the Project and the leasing of the same to the Company will increase employment in the State of Tennessee, and will be in furtherance of the public purposes for which the Board was created.

(c) The Board has been induced to enter into this undertaking by the promise of the Company to construct and equip expansions to its existing facilities in the State of Tennessee.

(d) There are no actions, suits, proceedings, inquiries or investigations pending, or to the knowledge of the Board threatened, against or affecting the Board in any court or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the transactions contemplated by this Agreement or which, in any way, would materially and adversely affect the validity or enforceability of this Agreement or any agreement or instrument to which the Board is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby.

Section 2.02. Certifications by Company. The Company makes the following certifications as the basis for the undertakings on its part herein contained:

(a) The Company consists of a limited liability company duly formed under the laws of the State of Delaware, in good standing under its formation documents, with full power and authority to enter into this Agreement and to perform all obligations contained herein and therein, and has, by proper partnership action, been duly authorized to execute and deliver this Agreement and, when executed and delivered by the parties thereto, this Agreement will constitute the valid and binding obligation of the Company enforceable in accordance with its terms.

(b) The agreement of the Board to own the Project and lease it to the Company induced the Company to locate the Project in the State of Tennessee, which will increase employment in the State of Tennessee.

(c) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated herein by the Company, nor the fulfillment of or compliance with the terms and conditions of this Agreement, does or will conflict with or result in a breach of the terms, conditions or provisions of any restriction or internal governing document of the Company or any agreement or instrument to which the Company is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree to which it is subject, or constitutes a default under any of the foregoing or, except as contemplated hereby, results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement.

(d) There are no proceedings pending, or to the knowledge of the Company threatened, against or affecting the Company in any court or before any governmental authority, arbitration board or tribunal which involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of the Company, or the ability of the Company to perform its obligations under this Agreement. The Company is not in default with respect to an order of any court, governmental authority, arbitration board or tribunal.

(e) No event has occurred and no condition exists with respect to the Company that would constitute an "event of default" under this Agreement, or which, with the lapse of time or with the giving of notice, or both, would become such an "event of default."

ARTICLE III
LEASING CLAUSES; WARRANTY OF TITLE

Section 3.01. Lease of Project. The Board hereby leases to the Company, and the Company hereby leases from the Board, the Project, for the consideration set forth in Section 5.03 hereof and in accordance with the provisions of this Agreement.

Section 3.02. Title. The Board will obtain upon the acquisition thereof good and marketable title to the Project, free from all encumbrances.

Section 3.03. Quiet Enjoyment. The Board covenants and agrees that it will warrant and defend the Company in the quiet enjoyment and peaceable possession of the Project, free from all claims of all persons whatsoever except for claims arising from the Permitted Encumbrances, throughout the Lease Term, so long as the Company shall perform the covenants, conditions and agreements to be performed by it hereunder, or so long as the period for remedying any default in such performance shall not have expired. If the Board shall at any time be called upon to defend the title to said property as aforesaid, it shall not be required to incur any costs or expenses in connection therewith unless indemnified to its satisfaction against all such costs and expenses.

ARTICLE IV
ACQUISITION, CONSTRUCTION AND INSTALLATION OF PROJECT

Section 4.01. Agreement to Acquire, Construct and Install Project. The Company agrees that:

(a) It will cause title in and to the Project to be vested in the Board.

(b) It will acquire, construct and install the Project in the name of and on behalf of the Board.

(c) It will complete the acquisition, construction and equipping of the Project as promptly as practicable.

ARTICLE V
EFFECTIVE DATE; DURATION OF LEASE TERM; CONSIDERATION

Section 5.01. Effective Date of this Agreement; Duration of Lease Term. This Agreement shall become effective upon its delivery, and the leasehold estate created hereunder shall then begin, and, subject to the other provisions of this Agreement, shall expire at midnight, December 31, 2030. This Agreement shall thereafter continue on a month-to-month basis until either party gives notice of termination to the other, which notice shall be effective upon no less than sixty (60) days' prior written notice.

Section 5.02. Delivery and Acceptance of Possession. The Board agrees to deliver to the Company sole and exclusive possession of the Project, and the Company agrees to accept possession of the Project upon such delivery.

Section 5.03. Consideration for Lease. In consideration of the lease granted hereunder the Company agrees to:

(a) Acquire, construct and install the Project as described in Section 4.01 hereof;

(b) Operate the Project for its own benefit and for the benefit of the citizens of the County and the City; and

(c) Make the payments required under the PILOT Agreement.

ARTICLE VI
MAINTENANCE; MODIFICATION; TAXES AND INSURANCE

Section 6.01. Maintenance and Modification of Project by Company. The Company agrees that throughout the term of this Agreement it will, at its own expense, keep the Project (i) in as reasonably safe condition as its operations shall permit, and (ii) in good repair and in good operating condition, normal wear and tear and obsolescence excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof.

Section 6.02. Removal of Machinery and Equipment Included in Project. The Board shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary machinery or equipment constituting a part of the Project. In any instance where the Company in its sole discretion determines that any items of such machinery or equipment have become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the Company may remove such items of machinery or equipment and (on behalf of the Board) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Board therefor.

Section 6.03. Taxes, Other Governmental Charges and Utility Charges. The Board and the Company acknowledge that under present law the Project will be exempt from taxation in the State of Tennessee. The Company will pay, as the same become lawfully due and payable, (i) all taxes and governmental charges of any kind whatsoever upon or with respect to the Project and (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

The Company may, at its own expense and in its own name, in good faith contest any such taxes, assessments or other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. The Board will cooperate fully with the Company in any such contest.

Section 6.04. Maintenance of Insurance. Throughout the term of this Agreement, the Company shall keep the Project continuously insured against such risks as are customarily insured against with respect to property similar to the Project by businesses of like size and type (other than business interruption insurance), paying as the same become due all premiums in respect thereto.

Section 6.05. Indemnification of Board. The Company shall and hereby agrees to indemnify and save the Board and its officers, directors, agents, servants and employees harmless from and against all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Project during the term of this Agreement, and against and from all claims arising during the term of this Agreement, from

(a) any condition of the Project caused by the Company;

(b) any breach or default on the part of the Company in the performance of any its obligations under this Agreement;

(c) any act of negligence of the Company or of any agents, contractors, servants, employees or licensees of the Company or of any assignee or sublessee of the Company; and

(d) any claim arising from the Permitted Encumbrances.

The Company shall indemnify and save the Board and its officers, directors, agents, servants and employees harmless from and against all costs and expenses incurred in or in connection with any action or proceeding brought thereon, and, upon notice from the Board, the Company shall defend the Board and any such officer, director, agent, servant or employee or any of them in any such action or proceeding.

Section 6.06. Board Expenses. In addition to other payments required to be made by the Company hereunder, the Company shall pay any reasonable expenses not specifically mentioned herein which are incurred by the Board in connection with the Project or this Agreement.

Section 6.07. Depreciation and Investment Credit. The Board covenants and agrees that depreciation expenses and investment tax credit, if any, with respect to the Project shall be made available to the Company, and the Board will fully cooperate with the Company in any effort by the Company to avail itself of any such depreciation expenses or investment tax credit, but the Board shall have no responsibility or liability for failure of the Company to receive any such expenses or credits.

ARTICLE VII
DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.01. Damage and Destruction. If during the term hereof the Project is damaged by fire or other casualty, the Board shall cause the proceeds received by it from insurance to be paid to the Company for application in one or both of the following ways, as shall be determined by the Company:

(a) Repair, rebuilding or restoration of the property damaged.

(b) Reimbursement to the Company for loss in value of its interest in the Project.

Section 7.02. Condemnation of Project. If title in and to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Board shall cause the proceeds received by it from any award made in such eminent domain proceeding to be paid to the Company for application in one or more of the following ways, as shall be determined by the Company:

(a) Restoration of the Project to substantially the same condition as existed prior to the exercise of said power of eminent domain.

(b) Acquisition, by construction or otherwise, of other property having substantially the same use and utility as the property taken in such proceedings (which property will be deemed a part of the Project available for use by the Company under this Agreement).

(c) Reimbursement to the Company for loss in value of its interest in the Project.

The Board shall cooperate fully with the Company in the handling and conduct of any prospective or pending eminent domain proceeding with respect to the Project or any part thereof and shall, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and on behalf of the Board. In no event will the Board voluntarily settle, or consent to the settlement of, any prospective or pending eminent domain proceeding with respect to the Project or any part thereof without the written consent of the Company.

ARTICLE VIII
SPECIAL COVENANTS

Section 8.01. No Warranty of Condition or Suitability by Board. The Board makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the purposes or needs of the Company. The Company releases the Board from, agree that the Board shall not be liable for, and agree to hold the Board and its officers, directors, agents, servants and employees harmless against, any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof. The members of the Board of Directors of the Board shall incur no liability either individually or collectively by reason of the obligations undertaken by the Board hereunder.

Section 8.02. Identification of Machinery and Equipment Included in Project. The Company will at all times maintain in its permanent records a complete list of the machinery and equipment constituting a part of the Project, which will specifically identify each item of such machinery and equipment as being property of the Board.

ARTICLE IX
ASSIGNMENT, SUBLEASING, PLEDGING AND SELLING

Section 9.01. Assignment or Subleasing. This Agreement may be assigned (including collateral assignments, leasehold mortgages and similar pledges) and the Project be subleased, as a whole or in part, by the Company without the prior written consent of the Board provided that:

(a) No assignment shall relieve the Company from primary liability for any of its obligations hereunder, and, in the event of any such assignment, the Company shall continue to remain primarily liable for performance and observance of the agreements on its part herein provided to be performed and observed by it to the same extent as though no assignment had been made.

(b) The assignee or sublessee shall assume the obligations of the Company hereunder to the extent of the interest assigned or subleased.

Section 9.02. Restrictions on Sale of Project by Board. The Board agrees that, except for transactions effected in accordance with Section 11.03 hereof or pursuant to a request from the Company, it will not sell, assign, mortgage, transfer or convey the Project during the Lease Term or create or suffer to be created any debt, lien or charge on the rents, revenues or receipts arising out of or in connection with its ownership of the Project, and it will not take any other action which may reasonably be construed as tending to cause or induce the levy or assessment of ad valorem taxes; provided, that if the laws of the State of Tennessee at the time shall permit, nothing contained in this Section shall prevent the consolidation of the Board with, or merger into, or transfer of the Project as an entirety to, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning, leasing and selling of the Project; provided that such consolidation, merger or transfer shall be authorized by the governing body of the State of Tennessee.

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default Defined. The following shall be "events of default" under this Agreement, and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Board or the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to one party by the other, unless the one giving notice shall agree in writing to an extension of such time prior to its expiration. If a failure under this Section 10.01(a) is such that it can be corrected but not within the applicable period, it shall not constitute an event of default if appropriate corrective action is instituted within the applicable period and diligently pursued until the default is corrected.

(b) A voluntary Act of Bankruptcy or an Act of Bankruptcy which, if resulting from the filing or commencement of involuntary proceedings against the Company or the Board, is not dismissed or discharged within sixty (60) days of the filing or commencement thereof.

The foregoing provisions of subsection (a) of this Section are subject to the following limitations: if by reasons of force majeure, the Board or the Company is unable in whole or in part to carry out the agreements on its part herein referred to, the failure to perform such agreements due to such inability shall not constitute an event of default nor shall it become an event of default upon appropriate notification or the passage of this stated period of time. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; act of public enemies; orders of any kind of the government of the United States of America or of the State of Tennessee or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires, hurricanes, tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the

Board or the Company. The Board and the Company agree, however, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Board or the Company, as the case may be and the Board and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Board or the Company, unfavorable to it.

Section 10.02. Remedies on Default. Whenever any event of default referred to in Section 10.01 hereof shall have occurred and be subsisting, the Board or the Company, as the case may be, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

ARTICLE XI
OPTIONS IN FAVOR OF COMPANY

Section 11.01. Options to Terminate. The Company shall have the following options to cancel or terminate the term of this Agreement:

(a) At any time, the Company may terminate this Agreement by giving written notice to the Board of such termination.

(b) At any time, the Company may terminate this Agreement as to a part of the Project by giving written notice to the Board of such termination, and such termination shall forthwith become effective as to that part of the Project.

Each option to terminate may be exercised whether or not the Company is in default hereunder.

Section 11.02. Option to Purchase Project. Upon termination or expiration of the Agreement or termination of this Agreement as to a part of the Project, the Company shall have, and is hereby granted, the on-going option to purchase the Project or that part of the Project as to which the Agreement has been terminated, as the case may be, for the purchase price, in each case, of One Dollar ($1.00). Each option to purchase may be exercised whether or not the Company is in default hereunder, and each option to purchase shall survive termination of this Agreement for a period of five (5) years.

Section 11.03. Conveyance on Exercise of Option. Upon exercise of the option granted above, the Board will, upon receipt of the purchase price, deliver to the Company documents conveying to the Company title to the Project or part of the Project, as the case shall be, by appropriate bills of sale, subject only to

(a) those liens and encumbrances, if any, to which title to said property was subject when conveyed to the Board;

(b) those liens and encumbrances created by or with the consent of the Company; and

(c) those liens and encumbrances resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Agreement.

ARTICLE XII
MISCELLANEOUS

Section 12.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by first class United States mail, postage prepaid, or sent by telegram addressed as follows:

Board	The Industrial Development Board of the City of Chattanooga 100 E. 11th Street, Suite 200 Chattanooga, Tennessee 37402 Attention: Wade A. Hinton, City Attorney
Company	Yanfeng US Automotive Interior Systems I LLC _____ _____ _____ Attention: President
With a copy to:	Miller & Martin PLLC Suite 1200 Volunteer Building 832 Georgia Avenue Chattanooga, Tennessee 37402 Attention: Mark W. Smith

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.

Section 12.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Company, the Board, and their respective successors and assigns.

Section 12.03. Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.04. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.05. Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope, extent or intent of any provision or Section hereof.

Section 12.06. Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Tennessee.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Board and the Company have caused this Agreement to be duly executed in their respective corporate names, all as of the date first above written.

BOARD:

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA

ATTEST:

By: _____
Secretary

By: _____
Chairman

Date: _____

COMPANY:

YANFENG US AUTOMOTIVE INTERIOR SYSTEMS I LLC,
a Delaware limited liability company

By: _____

Title: _____

EXHIBIT "A"
PROPERTY DESCRIPTION

During the Tax Abatement Period, 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 below between [September 1, 2015 and December 31, 2030,] together with replacements thereof and substitutions therefor, in connection with the Company's facilities and operations on such property or at or about any other owned or leased real property in Hamilton County, Tennessee where the Company conducts operations.

REAL PROPERTY

That certain real property located at and around 7463 Bonnyshire Drive, Chattanooga, Hamilton County, Tennessee.