

R E S O L U T I O N

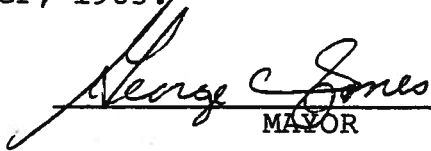
BE IT RESOLVED by the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee, that the agreement dated November 7, 1985, by and among Saturn Corporation, the Industrial Development Board of Maury County, Tennessee, the County Commissioners of Maury County, Tennessee, the Town of Spring Hill, Tennessee, the City of Columbia, Tennessee, and the Town of Mount Pleasant, pertaining to payments to the Industrial Development Board of Maury County, Tennessee of certain sums in lieu of taxes be and the same is hereby approved. A copy of this agreement is attached to this Resolution as Exhibit 1 and is hereby made a part hereof.

BE IT FURTHER RESOLVED that the agreement between the Industrial Development Board of Maury County, Tennessee and the Town of Spring Hill pertaining to the distribution of a portion of the in lieu of tax payments to the Town of Spring Hill is hereby approved. A copy of this agreement is attached to this Resolution as Exhibit 2 and is hereby made a part hereof.

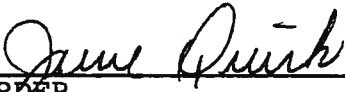
BE IT FURTHER RESOLVED that the Mayor and the Town Attorney are hereby authorized and directed to execute the contract among Maury County, Tennessee, the Industrial Development Board of Maury County and the three incorporated municipalities lying within Maury County, Tennessee, and the Mayor and Recorder are hereby authorized and directed to execute the contract between the Town of Spring Hill and the Industrial Development Board of Maury County.

BE IT FURTHER RESOLVED that all acts of the Mayor in negotiating the terms of these agreements are hereby in all things ratified, confirmed and approved.

Passed and adopted by the Board of Mayor and Aldermen on this the 7th day of November, 1985.

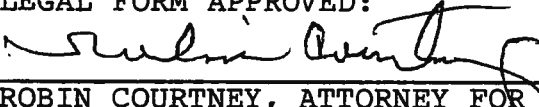


MAYOR



RECORDER

LEGAL FORM APPROVED:



ROBIN COURTNEY, ATTORNEY FOR THE
TOWN OF SPRING HILL

AGREEMENT

THIS AGREEMENT is entered into as of this _____ day of November, 1985, by and among SATURN CORPORATION, a Delaware corporation ("Saturn" or the "Company"), the INDUSTRIAL DEVELOPMENT BOARD OF MAURY COUNTY, TENNESSEE, a public corporation organized under the laws of the State of Tennessee (the "Board"), the COUNTY COMMISSIONERS OF MAURY COUNTY, TENNESSEE (being the Legislative Body of Maury County, Tennessee, the "County"), the TOWN OF SPRING HILL, TENNESSEE, a duly incorporated municipality in Maury County, Tennessee ("Spring Hill"), the CITY OF COLUMBIA, TENNESSEE, a duly incorporated municipality in Maury County, Tennessee ("Columbia"), and the TOWN OF MT. PLEASANT, TENNESSEE, a duly incorporated municipality in Maury County, Tennessee ("Mt. Pleasant") (Spring Hill, Columbia and Mt. Pleasant being sometimes referred to herein, singly, as a "Municipality" or, collectively, as the "Municipalities");

1. Preliminary Statements. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) Saturn has announced its tentative decision to locate and operate an automobile manufacturing facility (the "Facility") in Maury County and thereby make a substantial investment of funds (presently estimated to be approximately \$3.5 Billion) to acquire, construct and equip the Facility, resulting in significantly increased employment opportunities for the citizens of Maury County.

(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 from Saturn, in connection with an industrial revenue bond financing lease (the "Lease") of the Facility, payments in lieu of ad valorem taxes.

(c) The County, and to the extent necessary and relevant, the Municipalities, 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 Saturn with respect to the Facility.

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

(e) The Board, with the approval, concurrence and recommendation of the County and the Municipalities, has found, and does hereby so state its finding, based upon information and factors deemed relevant by the Board, that the Board's agreement to accept such payments from Saturn with respect to the Facility will significantly increase employment opportunities in Maury County and otherwise will be in furtherance of the Board's public purposes as defined in the Act.

(f) Concurrently herewith the Board and Saturn are entering into an agreement (the "Financing Agreement") pursuant to which the Board has agreed to issue its industrial revenue bonds and pollution control bonds in order to finance and defray the costs of the acquisition, construction and equipping of (and certain other costs related to) the Facility pursuant to, and in accordance with, the Act.

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

2. Nature of the Payments. The payments in lieu of ad valorem taxes (the "Payments") provided for herein shall be paid by Saturn and accepted by the Board, the County and the Municipalities in lieu of all ad valorem, real and personal property or similar taxes or assessments, whether presently in effect or hereafter imposed on the Facility, or any part or component thereof (including land, improvements, buildings, equipment, data processing equipment, replacement equipment and any other tangible real or personal property including Saturn's interest in leased property) during the term of this Agreement, by or on behalf of the County or any of the Municipalities, or their successors, including, without limitation, any tax on the leasehold interests of the Company, its affiliates (as defined in Section 8 hereinbelow) or its assigns. Saturn shall receive as a credit (or set-off) against the Payments any amounts paid by Saturn, or its affiliates or assigns, (a) upon any asserted County ad valorem tax on Saturn's or any such affiliate's or assigns' leasehold or other estate in the Facility, or (b) any County ad

valorem tax on raw materials, supplies or goods in process inventories; Saturn may deduct and receive credit for any such amounts paid as taxes from and with respect to its Payments. The Payments provided in Section 3 hereinbelow will relate to the Facility in its initial scope and configuration (presently estimated to cost approximately \$3.5 Billion) and to all replacements, enhancements, additions and expansions subjected to the Lease during the term thereof; provided, however, that any such replacements, enhancements, additions and expansions shall be considered as if it were additional assessable property in the determination of the Standard Tax referred to in Section 3 hereinbelow. The Board, the County and the Municipalities will cooperate with Saturn to allow Saturn 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 Saturn of any tax burdens, including sales tax payments in connection with the equipping of the Facility. Saturn will cooperate with the County to allow the County to receive the benefit of sales and use taxes paid in connection with the construction of the Facility. It is agreed that the proposed Lease, on the terms and conditions contemplated in the Financing Agreement, will provide for rental and other payments, including the Payments hereunder, which are acknowledged to be the full and fair market rental value of the Facility during the term of the Lease.

3. Amount of Payments. During 1986, Saturn will make the following Payments: on February 28 - \$2,000,000; on June 1 - \$2,000,000; and on October 1 - \$3,500,000. On October 1 of each year beginning October 1, 1987, Saturn will make the following Payments for the periods indicated:

<u>Year(s)</u>	<u>Amount of Annual Payment</u>
1987-8	3,500,000
1989-95	3,000,000
1996-2005	25% of "Standard Tax" (as defined below)
2006-2010	30% of Standard Tax
2011-2015	35% of Standard Tax
2016-2025.	40% of Standard Tax

provided, however; that the annual Payments for each of the years 1996 through 2005, inclusive, shall be not less than \$2,000,000; and, provided, further, however, that Saturn

shall not be required to make any then further Payments after the date, which date shall be not later than December 31, 1986, it shall have notified the other parties hereto that it has abandoned the Saturn project. For the purposes of this Agreement, "Standard Tax" shall mean the amount of ad valorem, real and personal property taxes which, but for this Agreement and the Lease, Saturn, if it were the holder of legal title to the Facility, otherwise would be assessed and be required to pay with respect to the Facility in accordance with the then applicable County rates (without giving effect to the rates of any municipality within the County), laws, regulations and assessment and valuation methods and procedures uniformly applied throughout Maury County with respect to industrial or manufacturing facilities. Any disputes with respect to the determination of the Standard Tax or the calculation of the amount of the annual Payments in the years 1996 through 2025, inclusive, shall be resolved in accordance with the procedures for resolving disputes regarding property taxes then in effect as though Saturn were the holder of the legal title to the Facility and the Facility were subject to taxation. It is specifically understood and agreed that Saturn shall have recourse to the State Board of Tax Equalization with respect to any determination of the amount of the Standard Tax and/or, at the election of Saturn, may file a declaratory judgment action in the Chancery Court of Maury County, Tennessee, the final judgment of which shall be binding upon the parties hereto.

4. Allocation of Payments. The Payments shall be allocated among the County and the Municipalities as set forth in the agreements between the County and each respective Municipality, which agreements are attached hereto as collective Exhibit I and incorporated by reference herein. Saturn shall have discharged its obligations under this Agreement upon making the Payments as provided herein to the Board, and it shall be the duty and obligation of the Board promptly to deliver the Payments to the County which shall distribute the Payments among the County and the Municipalities in accordance with Exhibit I. If any of the Municipalities takes legal action to annex within its corporate boundaries the site upon which the Facility is located, such Municipality shall relinquish any portion of the Payments allocated to it and the Payments shall be reduced by such amount.

5. Term. This Agreement shall become effective and its term shall begin on January 1, 1986, provided that Saturn shall have then exercised its options to purchase at least 1,800 acres of the site in Maury County upon which the Facility is

proposed to be located. This Agreement shall expire December 31, 2025 or at such earlier time as Saturn shall have taken legal title to the Facility by the exercise of its purchase option under the Lease.

6. Representations and Warranties.

(a) Saturn 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 Delaware 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 Saturn and this Agreement constitutes the valid and binding obligation of Saturn.

(b) Each of the Board, the County and the Municipalities hereby represents and warrants to Saturn 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 the Municipalities), 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 obligations 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 Saturn and its counsel, with respect to the matters set forth in paragraphs (a) and (b) of this Section 6 relative to such party, and with respect to such other matters as Saturn and its counsel reasonably may request.

7. 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.

8. Assignment and Use. Saturn, at its election, may assign all or any portion of this Agreement or the benefits hereunder to its successors and assigns; provided, however, that any such successor or assignee shall be its parent corporation, General Motors Corporation, or a subsidiary or division thereof ("affiliate"). At the election of Saturn, any such affiliate may operate all or any portion of the Facility. It is contemplated and understood, for example, that an affiliate will acquire the data processing equipment on behalf of the Board, and enter into a Lease with the Board and a sublease with Saturn with respect thereto.

9. Annual Reports. On or before March 31 of each year beginning 1987, Saturn will furnish the Board a detailed annual report of Saturn's investment in the Facility, and Saturn, at convenient times and places, will provide the Board reasonable access to Saturn's records as they pertain to Saturn's investment in the Facility.

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

11. Entire Agreement. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and may be changed or supplemented only by a writing agreement signed by the parties hereto.

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

SATURN CORPORATION

ATTEST:

By: _____
Title:

Secretary

**INDUSTRIAL DEVELOPMENT BOARD OF
MAURY COUNTY, TENNESSEE**

ATTEST:

By: _____
President,

Secretary

**COUNTY COMMISSIONERS OF MAURY
COUNTY, TENNESSEE**

ATTEST:

By: _____
County Executive

County Clerk

TOWN OF SPRING HILL, TENNESSEE

ATTEST:

By: _____
Mayor

Town Attorney

CITY OF COLUMBIA, TENNESSEE

By: _____
Mayor

ATTEST:

City Attorney

TOWN OF MT. PLEASANT, TENNESSEE

By: _____
Mayor

ATTEST:

Town Attorney

APPROVED:

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

Director of Accounts & Budget

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Commissioner

County Attorney

WITNESS OUR SIGNATURES, this ____ day of _____, 1985.

CITY OF SPRING HILL

BY: _____
George Jones, Mayor

BY: _____
June Quirk, City Recorder

MAURY COUNTY, TENNESSEE

BY: _____
Taylor Rayburn, County Executive

BY: _____
Nancy W. Thompson, County Clerk

MAURY COUNTY BUDGET COMMITTEE

Charles Tisher, Chairman

James A. Cook, Jr.

William D. English

Clyde Farris

James H. Jones, Jr.