

**Fast Track PILOT Term Sheet**  
**OMO Energy & Technology, Inc.**  
**April 18, 2018**

OMO Energy & Technology, Inc. ("Applicant") is seeking a ten-year Fast Track PILOT to enable the company to create 25 net new jobs and invest \$3,098,000 at 2560 Channel Avenue.

The total project investment includes \$595,000 for the location purchase, \$300,000 for renovation of an existing structure and \$2,203,000 for office equipment, manufacturing machinery and storage tanks.

The Applicant will hire 25 net new employees with an average salary of \$50,866 excluding benefits. This commitment meets the threshold required for a Fast Track PILOT.

Parcel 050115 00030 (2560 Channel Avenue) is 0.69 acres and contains a 17,375 square foot warehouse. Parcel 050115 00003C (2550 Channel Avenue) is 4.34 acres. Almost 42,000 square feet of functionally obsolete manufacturing space was recently demolished and removed from this parcel. Both real property and personal property investments at this location will be included in the PILOT. The Applicant is requesting Community Reinvestment Credit.

Headquartered in Lanham, Maryland, OMO Energy & Technology, Inc. distributes petroleum products directly from suppliers. The company is seeking a central United States location in an industrial area served by rail and port facilities for its first owned and operated bio-diesel plant.

The applicant is particularly interested in the Delta Region as a source for renewable products. The plant's feedstock will be Glycerin and Fatty Acids. The plant will blend and package lubricants, motor oils and greases.

The site will accommodate administrative and sales offices, a quality assurance laboratory and product manufacturing. Storage will be accommodated by 27 to 30 above-ground tanks with a capacity of 30,000 gallons each that will be placed in a pit with dykes to protect the site from spillage. Additionally, 55-gallon drums and 5-gallon pails will be stored in the warehouse.

Staff projects \$1,134,790 in local total tax revenues to be received during the PILOT term of this project and an estimated \$299,925 benefit to the Applicant.

### Project Summary

CATEGORY	DATA
Total Jobs	25
Average Wage	\$50,866
Capital Investment	\$3,098,000
Required Local Business Participation	\$119,989

The 10-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-10 25%	Personal Property	Year 1-10 25%
Real Property	Year 1-10 25%	Real Property	Year 1-10 25%

### Ramp-Up Period

The Applicant will have a two (2) year Ramp-Up Period within which to achieve its project commitments. This two (2) year period shall begin upon the date when any property, in whole or in part, is conveyed to EDGE, covered by a PILOT Lease, and begins to enjoy the benefits of the PILOT incentive.

### Project Budget Detail

REAL PROPERTY	
Purchase Price (Land & Building Receiving CRC)	\$595,000
Hard Construction and Site Work	\$300,000
Sub-Total	\$895,000
PERSONAL PROPERTY	
New	\$2,203,000
Transferred*	\$0
Sub-Total	\$2,203,000
<b>Total Investment in PILOT</b>	<b>\$3,098,000</b>

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$0
Fees & Soft Costs	\$0
Sub-Total	\$0
<b>Total Capital Investment</b>	<b>\$3,098,000</b>

*\*Personal property relocated from a facility outside of Shelby County is considered at its depreciated, current value.*

### Local Business Participation

Spending with City of Memphis or Shelby County certified minority and women business enterprises (MWBs) shall be an amount equal to or greater than:

				<b>*Minimum For Bonus Opportunity</b>	
		<b>Basis</b>	<b>\$ LBP</b>	<b>1 Added Year</b>	<b>2 Added Years</b>
	25%	Construction/Site Work	\$75,000	\$105,000	\$135,000
+	15%	Real & Personal Property Savings	\$44,989	\$82,479	\$125,969
=	<b>Total</b>		<b>\$119,989</b>	<b>\$187,479</b>	<b>\$260,969</b>

*\*The minimum required spending is based on 35% of Construction/Site Work and 25% of total PILOT Savings for one additional year and 45% of Construction/Site Work and 35% of total PILOT Savings for two additional years.*

### Identified Labor Source

Per section X (C) (ii) of the Fast Track PILOT Policies and Procedures, the PILOT Recipient is required to list all Net New Jobs with the Workforce Investment Network (WIN) and the Greater Memphis Alliance for a Competitive Workforce (GMACW), and give due consideration to individuals referred by those organizations for open positions.

## Conditions

Award of a PILOT in accordance with the recommendations of the Economic Development Growth Engine (EDGE) Industrial Development Board of the City of Memphis and County of Shelby, Tennessee staff, as set forth herein, is subject to the following conditions.

1. The award of a PILOT to the real property used for Applicant's project is subject to Board Counsel's review and approval of the environmental impact study for said real property to be produced or procured by Applicant.
2. The award is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
3. The EDGE Board of Directors (the "Board") reserves the right to assign the PILOT, or its rights with respect thereto, to the Memphis and Shelby County Industrial Development Board (the "IDB"), in accordance with the service agreement between the Board and the IDB, if the Board ultimately deems it beneficial.
4. Except as explicitly provided in this term sheet or in a resolution of the Board, the award of a PILOT is subject to the provisions of the Fast Track PILOT Policies and Procedures.
5. The award is subject to the negotiation and execution of PILOT lease agreements requiring the payment of rent in the amount of \$100.00 per year, which agreements shall be in a form substantially similar to EDGE's standard form as approved by the Board at its meeting of March 21, 2018, and consistent with the provisions of this Term Sheet.
6. In the absence of an explicit written waiver of this condition, no conveyance will be deemed to have been accepted by EDGE, the IDB or any other affiliate or agent of EDGE unless and until all of the documents for the subject transaction, including the PILOT lease agreement, have been negotiated and delivered.
7. In the absence of an explicit written waiver of this condition, no conveyance will be deemed to have been accepted by EDGE, the IDB or any other affiliate or agent of EDGE unless and until all of the documents for the subject transaction, including the PILOT lease agreement, have been negotiated and delivered. The lease shall contain environmental indemnification provisions to EDGE from the applicant and its owners. The lease shall also contain environmental covenants including, but not limited to i) Applicant must obtain and maintain all necessary environmental permits (including air, solid waste and storm water) for its operation on the site and a commitment to contemporaneously provide copies of all reports to and correspondence with any local, state or federal environmental regulation; ii) Applicant's

employees must visually inspect Applicant's tanks on the site on a weekly basis and all tanks must be electrostatically tested by a licensed professional on an annual basis; iii) Applicant shall create, maintain and comply with a spill prevention control and countermeasure (SPCC) plan reviewed and stamped by a professional engineer; and iv) Applicant shall promptly take any necessary corrective action associated with any of i) – iii) above. Compliance with all environmental covenants shall be certified to EDGE on an annual basis as part of the Applicant's annual report to EDGE.

8. Applicant shall maintain 25 full-time equivalent jobs at a wage in excess of \$12 per hour and offer to pay at least one half of health insurance costs in accordance with Fast Track PILOT Policies and Procedures.