

RESOLUTION NO. \_\_2008-4  
RESOLUTION OF COUNTY COUNCIL  
OF WARREN COUNTY, INDIANA

WHEREAS, the Letter of Understanding between Warren County, Indiana ("County") and POET Biorefining-West Lebanon, LLC ("POET"), attached hereto and incorporated herein as Exhibit A ("Letter of Understanding"), was presented to this meeting of the County Council;

WHEREAS, POET approached the County to consider participating in actions associated with the development of an ethanol facility ("POET Project");

WHEREAS, the Letter of Understanding presented to this meeting of the County Council represents the Parties agreement, in principal, to the terms and conditions contained therein; and

WHEREAS, the Letter of Understanding represents a good faith commitment on the part of the County to support the POET Project and both Parties recognize that all incentives set forth therein are subject to further actions by various public bodies of the County including open meetings and public hearings;

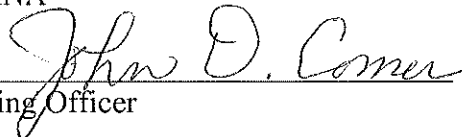
NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF WARREN COUNTY, INDIANA THAT:

Section 1. The Letter of Understanding submitted to this meeting is hereby approved and this County Council hereby authorizes the execution of Letter of Understanding.


Section 2. This resolution shall be in full force and effect immediately upon its passage.

PASSED AND ADOPTED by the County Council of Warren County, Indiana, this \_\_2nd\_\_ day of \_\_May\_\_\_\_\_, 2008.

COUNTY COUNCIL OF WARREN COUNTY,  
INDIANA

  
\_\_\_\_\_  
Presiding Officer

ATTEST:

  
\_\_\_\_\_  
Auditor

# Warren County, Indiana

## *Letter of Understanding*

This Letter of Understanding ("LOU"), hereby executed on the 2nd day of May 2008, identifies and acknowledges the relationship by and between **Warren County, Indiana** ("County"), and **POET Biorefining – West Lebanon, LLC** ("LEB"), herein referred to singularly as "Party" or collectively as "Parties."

### **Scope:**

LEB has approached the County to consider participating in actions associated with the development of an ethanol plant near West Lebanon, Indiana.

The Parties have agreed in principle to the terms and conditions of this LOU. The terms and conditions of this LOU, and such additional terms upon which the parties may agree, shall be included in a future Development Agreement to be negotiated and executed by the parties. In advance of the execution of that agreement, LEB requests that the County begin the due diligence phase of the agreed upon participation items.

In consideration of the construction by LEB of an ethanol plant near West Lebanon, Indiana, the County agrees to the following:

### **Participation Items:**

1. Tax Increment Financing (TIF) – Real/Personal Property Tax:

The County agrees to support the creation of a TIF area to capture real and personal property taxes paid by LEB for a minimum term of 15 years and a maximum term of 20 years, and the establishment of a Redevelopment Commission to manage the TIF area for the LEB plant site, located in all of the SE ¼ of Section 11 that is to the East of Highway 63 and to the South of Highway 28 and to the North of the Norfolk Southern Rail line and most of the SW ¼ of Section 12 that is to the North of Norfolk Southern Rail line, T-21-N, R-9-W, Pike Township, Warren County, Indiana. The eastern-most boundary, not described herein, will be determined and incorporated into the future Development Agreement.

The parties will use their best efforts to maximize the TIF bond proceeds generated from the TIF area based upon the advice of their respective financial advisors. The parties agree that the TIF bonds shall be structured for a term of years (not less than 15 years and not to exceed 20 years as indicated above). The proceeds will be used for both on-site and off-site infrastructure needs, as described below.

Based on the County's willingness to create a TIF area and provide the TIF proceeds described above, LEB is willing to locate the LEB ethanol plant in Warren County, Indiana, and to borrow and utilize the TIF proceeds, as described below, to fund both the on-site and off-site infrastructure requirements needed to build and operate the ethanol plant, which are generally identified as (including, but not limited to):

On-Site Infrastructure:

- Gas, electricity, and water lines and infrastructure, discharge ponds and piping, on-site rail improvements (as described below), and related on-site infrastructure.

Off-Site Infrastructure:

- Water supply line, sanitary discharge line, off-site rail improvements (as described below), natural gas line and electrical infrastructure.

Rail Improvements:

- This includes rail switches on the main line and on-site rail requirements necessary for the Norfolk Southern Railroad to efficiently service the plant site.

The parties agree that the net TIF proceeds shall be first used to pay the costs of the on-site and off-site gas, electrical, sewer and water lines and infrastructure required for the LEB ethanol plant and then for other on-site infrastructure and off-site infrastructure as determined by the parties. The County shall assist LEB in pursuing State incentives to the extent that TIF revenues are insufficient to fund all of the necessary infrastructure and improvements.

## 2. Tax Abatement

If for some reason the TIF process becomes non-applicable despite the County's efforts under paragraph 1 above, LEB is receptive to receiving the maximum county tax abatement for real and personal property permitted by law in lieu of a TIF agreement.

The County agrees to support the creation of a TIF area and to finalize a TIF agreement with LEB as described in this LOU, however, if TIF becomes unavailable, the County will support the maximum abatement as a default incentive in which event LEB shall reimburse the County for reasonable professional fees incurred by the County.

## 3. Rezoning and Annexation:

The County agrees to support LEB's application for zoning approval pursuant to existing County biofuels ordinances. This process should be complete by June 1, 2008.

Although LEB prefers for the plant site not to be annexed into the Town of West Lebanon, LEB is aware that the annexation would generate additional TIF revenue and additional net TIF Bond proceeds. Therefore, the County and LEB agree to allow for further consideration regarding annexation of the plant site into the Town once the project costs, project priorities, and any funding shortfalls are identified.

This Letter of Understanding is designed to represent the good faith commitment of all parties to arrive at the mutual goal for the establishment of an ethanol plant near West Lebanon, Indiana. Each party hereby commits themselves to pursue the objectives of this Letter of Understanding in order to reach a negotiated and agreed upon Development Agreement and to utilize their best efforts to attain that goal. All parties understand that the attainment of the incentives discussed in this Letter of Understanding are subject to actions by various public bodies governed by Indiana law and procedures. Those laws and procedures require, among other actions, that public bodies have open meetings, and, in some cases, conduct public hearings. The County agrees to use its best efforts to effectuate the incentives described in this LOU promptly, subject to those laws and procedures. The parties further understand that their commitments under this Letter of Understanding shall terminate upon LEB's decision to discontinue the development and/or construction of the proposed ethanol plant near West Lebanon, Indiana.

Warren County, IN

POET Biorefining – West Lebanon, LLC

By: John D. Comer

By: \_\_\_\_\_

Name: John D. Comer

Name: \_\_\_\_\_

Title: County Council President

Title: \_\_\_\_\_