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MADISON ANNEX
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M-TEK/Kasai North America

M-TEK filed for exemption in 2004 for 2003 assets as a new enterprise under MS Code 27-31-101.

The exemption included:	Raw Materials	3,200,000
	Work in Process	56,000
	Machinery/Equip	11,022,284
	Real Property	20,652,916 (building)
	Land	329,813

They have filed for additional exemptions for expansions as allowed under MS Code 27-31-105 since the original exemption. (2007, 2009, 2013, 2014 and 2015)

Exemptions on Real and Personal property are allowed 10 year exemption.

In April 2016 M-TEK changed their name to Kasai North America Inc.

2017 Exemption request includes the following:

Furn/Fixtures	143,050
Machinery /Equip	1,758,590
*Raw Materials	3,697,138
*Work in Process	379,956
*Finished goods	1,573,126
Total	7,551,863

We recommend the 2017 exemption be granted for Furniture/Fixtures and Machinery /Equipment under MS Code 27-31-105 as an expansion for the 2016 assets Total \$1,901,640.

ORIGINAL

POSITION STATEMENT OF TAX ASSESSOR
EXEMPTION OF REALTY AND/OR PERSONAL PROPERTY

TRADE NAME OF APPLICANT: Kasai North America, Inc. (formerly, M-Tek, Inc.)

LOCATION: 435 Church Road, Madison, Mississippi 39110

EXEMPTION RELATES TO MISS. CODE OF 1972, SECTION: 27-31-105

TYPE OF BUSINESS: Automotive parts manufacturer (Nissan supplier)

FINISHED PRODUCTS ARE: Motor vehicle interior parts and related products

STATE THE ENUMERATION THIS APPLICATION IDENTIFIES WITH: Manufacturing equipment, furniture and fixtures, testing equipment, dies, tools and jigs, racks, office and computer equipment, material handling equipment and related items, comprising an expansion of manufacturing facility.

HAS THIS ENTERPRISE ENJOYED AN EXEMPTION PREVIOUSLY? (YES/NO) Yes

UNDER ANY OTHER TRADE NAME? (YES/NO) Yes – formerly M-Tek, Inc.

ANY OTHER LOCATION? (YES/NO) No

UNDER ANY OTHER OWNERSHIP? The exemptions previously granted to Applicant were granted to its predecessor-in-interest, M-Tek Mississippi, Inc. On February 22, 2007, M-Tek Mississippi, Inc. was merged with and into M-Tek, Inc. with M-Tek, Inc. as the surviving entity in connection with such merger, Applicant was assigned and assumed all of the assets of M-Tek Mississippi, Inc., including those assets located at 435 Church Road, Madison, Mississippi 39110. On April 1, 2016, M-Tek, Inc. changed its corporate name to "Kasai North America, Inc.", and by properly filing Articles of Amendment with the Office of the Tennessee Secretary of State.

NUMBER OF NEW JOBS CREATED WITHIN 1 YEAR? N/A per guidelines – Nissan supplier
(10 JOB MINIMUM)

AVERAGE WAGE PAID TO NEW EMPLOYEES: N/A per guidelines – Nissan supplier

ESTIMATED ANNUAL PAYROLL: N/A per guidelines – Nissan supplier

CAPITAL INVESTMENT (200K MINIMUM); Expansion Only - \$1,901,640.56, plus the true value of any and all inventory as of January 1, 2017 (i.e., up to \$5,650,223) reported to the Madison County Tax Assessor on the Applicant's Personal Property Rendition, including raw materials, work-in-progress and finished goods, which is not otherwise subject to a free port warehouse exemption previously granted to Applicant pursuant to Code Sections 27-31-51 through 27-31-61.

IF APPLICABLE, AMOUNT OF FUNDS SPENT ON RENOVATION OF FACILITY TO BE OCCUPIED: N/A per guidelines – Nissan supplier CONSTRUCTION PERIOD (MONTHS) N/A per guidelines – Nissan supplier

YEARS OF OPERATION AT CURRENT SITE (APPLIES TO EXPANSION): Ten-(10) years since the original facility was completed and placed into service, and less than one (1) year since the

LAND: (YES NO) No VALUE N/A
IMPROVEMENTS: (YES NO) Yes VALUE N/A

PERSONAL PROPERTY:

LEASEHOLD INTEREST	VALUE	\$	<u>0</u>
FURN. & FIX	VALUE	\$	<u>143,050.48</u>
MACH. EQUIP.	VALUE	\$	<u>1,758,590.08*</u>
RAW MATERIALS	VALUE	\$	<u>3,697,138.00**</u>
WORK IN PROCESS	VALUE	\$	<u>379,959.00**</u>
FINISHED GOODS	VALUE	\$	<u>1,573,126.00**</u>
PERSONAL PROPERTY TOTAL:		\$	<u>7,551,863.56</u>
EXEMPTION TOTAL VALUE:		\$	<u>7,551,863.56</u>

LAND AND IMPROVEMENTS:

OWNER OF LAND: Kasai North America, Inc. (formerly, M-Tek, Inc.)

OWNER OF IMPROVEMENTS: Kasai North America, Inc. (formerly, M-Tek, Inc.)

DATE OF IMPROVEMENTS: COMPLETED: N/A EXPANDED: Throughout 2016

ANY PRIOR EXEMPTION: Yes - Initial exemptions granted in 2004 for land, new manufacturing facility and improvements, manufacturing equipment and other tangible personal property; and subsequent exemptions granted in 2007, 2009, 2013, 2014 and 2015 for substantial expansion of manufacturing equipment and other tangible personal property.

YEARS OF EXEMPTION APPLIED FOR: 2017 THRU 2026

APPLICANT'S REPRESENTATIVE: Christopher S. Pace, Jones Walker, LLP

ADDRESS: P. O. Box 427, Jackson, MS 39205-0427; Telephone: 601-949-4839

INVESTIGATED BY: [Signature]

AMOUNT PAID WITHOUT EXEMPTION:

COMMENTS: Request for F&F M&E be processed but

NOT RM, WIP & FG as WYRS has already been enjoyed.

DATE: 4/25/2017

TAX ASSESSOR: [Signature]

* Includes Testing Equipment, Dies, Tools and Jigs, Racking Equipment and Office and Computer Equipment, each of which is described in requisite detail in the Application for Ad Valorem Tax Exemptions submitted to the Madison County Board of Supervisors.



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February 28, 2017

Via Hand Delivery

Madison County Board of Supervisors
c/o Ronnie Lott,
Madison County Chancery Clerk
125 West North Street
Canton, MS 39046

Re: **Kasai North America**, Inc. (formerly, M-Tek, Inc.) / Application for Ad Valorem Tax Exemptions in Connection with Expansion in 2016

Dear Mr. Lott:

Enclosed please find (i) four (4) original applications for exemption from ad valorem taxes with respect to a significant expansion in 2016 by Kasai North America, Inc. (formerly, M-Tek, Inc.) of its manufacturing facility located in Madison County, Mississippi (the "County"); and (ii) two (2) copies of the associated "tax position statement" for the County Tax Assessor, as required by the County's guidelines for submission of the enclosed applications. Also enclosed is a proposed copy of the resolution and the final order of the Madison County Board of Supervisors (the "Board") to be adopted thereby in connection with the application referenced herein.

Accordingly, we respectfully request that you please accept three (3) of the original applications for filing with the Board and one (1) copy of the completed "tax position statement" for filing with the County Tax Assessor, stamp as "filed" the remaining application and tax position statement (each of which is marked as a COPY), and return the stamped copies with our messenger. Thank you for your assistance and please notify us once these matters have been set on the Board's meeting agenda for consideration. I look forward to speaking with you soon. With kindest regards, I remain,

Very truly yours,

JONES WALKER, LLP

Christopher S. Pace

CSP/jb

cc: Norman A. Cannady, Jr. (via email w/encl.)
Ken Oilschlager (via email w/encl.)
Jerry DuFresne (via email w/encl.)

JONES WALKER LLP

APPLICATION TO THE BOARD OF SUPERVISORS

ORIGINAL

OF

MADISON COUNTY, MISSISSIPPI

FOR EXEMPTION FROM
AD VALOREM TAXES

FILED
MADISON COUNTY

FEB 28 2017

RONNY LOTT/CHANCERY CLERK

BY Clark D.C.

APPLICATION OF **KASAI NORTH AMERICA, INC. (FORMERLY M-TEK, INC.)** FOR EXEMPTION FROM AD VALOREM TAXES FOR A TEN (10) YEAR PERIOD AS AUTHORIZED BY SECTION 27-31-105 OF THE MISSISSIPPI CODE OF 1972, AS AMENDED.

TO THE HONORABLE BOARD OF SUPERVISORS OF MADISON COUNTY, MISSISSIPPI:

Comes now **Kasai North America, Inc.** (formerly M-Tek, Inc.) (the "Applicant") and files this Application in triplicate for exemption from ad valorem taxation, except ad valorem taxes levied for school district purposes ("school district taxes") and the "mandated levies" described in Section 27-39-329 of the Mississippi Code of 1972, as amended (the "Code"), and respectfully makes the following representations unto the Honorable Board of Supervisors of Madison County, Mississippi (the "Board") as follows:

1. Applicant is a corporation organized in Tennessee, qualified to do business in the State of Mississippi, and is currently engaged in business activities in Madison County, Mississippi.
2. Prior to February 22, 2007, M-Tek, Inc. was the parent company of M-Tek Mississippi, Inc., a Mississippi corporation which previously owned and operated all the project assets in Mississippi.
3. On February 22, 2007, M-Tek Mississippi, Inc. was merged into M-Tek, Inc., with M-Tek, Inc. as the surviving entity.
4. On April 1, 2016, M-Tek, Inc. changed its corporate name to "Kasai North America, Inc.", and by properly filing Articles of Amendment with the Office of the Tennessee Secretary of State.
5. On November 11, 2016, Applicant filed a Certificate of Amendment with the Office of the Mississippi Secretary of State notifying the Office of the Mississippi Secretary of State that its corporate name was changed to "Kasai North America, Inc."
6. Hereafter, "Applicant" shall be deemed to refer to M-Tek Mississippi, Inc. when referencing events occurring prior to February 22, 2007, to Kasai North America, Inc. (formerly M-Tek, Inc.) when referencing events occurring on or after February 22, 2007.
7. In order to induce Applicant to locate its operations in Madison County, Mississippi, the Board and the Madison County Economic Development Authority issued a commitment letter to Applicant on November 6, 2001, wherein the Board stated that it was "committed to providing any and all tax exemptions, to your company, as allowed by Mississippi law." A copy of this letter is attached hereto as **Exhibit "A"**.
8. The intent underlying the aforementioned commitment letter was subsequently embodied within a Resolution of Intent dated June 21, 2002, wherein the Board assured Applicant that it would grant all applicable ad valorem tax exemptions for which Applicant might qualify, including exemptions permitted under Code Section 27-31-105 with respect to future expansions such as that at issue herein. A copy of this Resolution of Intent is attached hereto as **Exhibit "B"**.

Tax Exemptions for Suppliers. The County agrees to approve ad valorem tax exemptions under current law for suppliers of Nissan for periods of ten (10) years upon the submission by the suppliers of proper and timely applications under Mississippi law. Such agreement to approve supplier ad valorem tax exemptions shall be for a period of twenty (20) years from the Effective Date.

10. Applicant is now operating a motor vehicle interior parts manufacturing facility (the "Facility") at the Central Mississippi Industrial Center, 435 Church Road, within Madison County, Mississippi, to supply the nearby Nissan assembly plant.

11. The Facility qualifies as a "manufacturing or other industrial enterprise of public utility" within the meaning of Code Section 27-31-105 and related Mississippi statutes.

12. The Facility was originally completed (within the meaning of the applicable statutes of the State of Mississippi) on December 1, 2003, and in 2004 the Board granted the Applicant a ten (10) year ad valorem exemption pursuant to Code Section 27-31-101 as well as Code Sections 57-10-255 and/or 57-10-439(2).

13. In 2016, Applicant expanded the Facility by replacing and upgrading existing machinery and equipment and adding new machinery and equipment and other tangible personal property (collectively, the "Expansion"). The Expansion was conducted throughout 2016 as the new machinery, equipment and other tangible personal property was acquired or transferred to the Facility and placed into service.

14. Following the Expansion, the Facility currently employs approximately 865 employees.

15. This Application seeks the exemption of all real and tangible personal property (other than tagged over-the-road motor vehicles) associated with the Expansion that is used in connection with the operation of the Facility, including but not limited to all leased property and all inventory as of January 1, 2017 (*i.e.*, up to \$5,650,223) reported to the Madison County Tax Assessor on the Applicant's Personal Property Rendition (including raw materials, work-in-progress and finished goods), which is not otherwise subject to any free port warehouse exemption previously granted to Applicant pursuant to Code Sections 27-31-51 through 27-31-61 (collectively, the "Expansion Property"), as shown on **Exhibit "D"** attached hereto.

16. The total original cost (*i.e.*, true value) of all Expansion Property is **\$1,901,640.56**, plus the true value of any and all inventory as of January 1, 2017 (*i.e.*, up to \$5,650,223) reported to the Madison County Tax Assessor on the Applicant's Personal Property Rendition, including raw materials, work-in-progress and finished goods, which is not otherwise subject to a free port warehouse exemption previously granted to Applicant pursuant to Code Sections 27-31-51 through 27-31-61.

17. All of the Expansion Property is used in connection with and is necessary to the operation of the Facility, and is currently eligible for exemption pursuant to Code Section 27-31-105 (the "Expansion Exemption") from all ad valorem taxation, except school district taxes and the "mandated levies" described in Code Section 27-39-329.

18. The Expansion Exemption should be granted with respect to the Expansion Property, including without limitation, any and all inventory as of January 1, 2017 (*i.e.*, up to \$5,650,223) reported to the Madison County Tax Assessor on the Applicant's Personal Property Rendition, including raw materials, work-in-progress and finished goods, which is not otherwise subject to a free port warehouse exemption previously granted to Applicant pursuant to Code Sections 27-31-51 through 27-31-61, for a ten (10) year period beginning on January 1, 2017.

PRAYER

WHEREFORE, the Applicant prays that the Board enter the following findings and take the

the Resolution of Intent attached hereto as **Exhibit "B"**, and the Nissan Memorandum of Understanding attached hereto as **Exhibit "C"**.

3. That all of the Expansion Property, including without limitation, any and all inventory as of January 1, 2017 (*i.e.*, up to \$5,650,223) reported to the Madison County Tax Assessor on the Applicant's Personal Property Rendition, including raw materials, work-in-progress and finished goods, which is not otherwise subject to a free port warehouse exemption previously granted to Applicant pursuant to Code Sections 27-31-51 through 27-31-61, and the true value thereof shown on Exhibit "D" attached hereto, is used in connection with and is necessary to the operation of the Facility;

4. That the Expansion was completed during 2016 within the meaning of the applicable laws of Mississippi;

5. That the Applicant should be granted an exemption, under Code Section 27-31-105, from ad valorem taxation, except school district taxes and the "mandated levies" described in Code Section 27-39-329, as provided by law, for a ten (10) year period beginning on January 1, 2017, for the Expansion Property as described herein;

6. That the Board should approve this Application by a Resolution spread upon its minutes, declaring that the Expansion Property described herein, including without limitation, any and all inventory as of January 1, 2017 (*i.e.*, up to \$5,650,223) reported to the Madison County Tax Assessor on the Applicant's Personal Property Rendition, including raw materials, work-in-progress and finished goods, which is not otherwise subject to a free port warehouse exemption previously granted to Applicant pursuant to Code Sections 27-31-51 through 27-31-61, shall be exempt from all ad valorem taxation, except school district taxes and the "mandated levies" described in Miss. Code Ann. § 27-39-329, for a ten (10) year period beginning on January 1, 2017; and,

7. That the Board should forward the original Application and a certified transcript of such approval to the Mississippi Department of Revenue and, upon approval of this Application by the Mississippi Department of Revenue and the issuance of its certificate of approval, should enter a Final Order on its minutes granting the prayed for Expansion Exemption and notify the Madison County Tax Assessor of such Expansion Exemption, obtain a certificate of the Madison County Tax Assessor verifying the status of said property as non-taxable on the appropriate tax rolls, and file a copy of the Final Order with the Mississippi Department of Revenue.

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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Application to the Board of Supervisors of Madison County, Mississippi, for Exemption from Ad Valorem Taxes is hereby executed by the undersigned party as of the date set forth in the acknowledgement below and respectfully submitted on this, the 23rd day of February, 2017.

APPLICANT:

Kasai North America, Inc.

By: Jeffrey Rhodes
Name: Jeffrey Rhodes
Title: Plant Controller

STATE OF MISSISSIPPI

COUNTY OF HINDS

Personally appeared before me, the undersigned authority in and for the county and state aforesaid, the within named **Jeffrey Rhodes**, who acknowledged to me that he is the duly authorized representative for **Kasai North America, Inc.**, a corporation organized in Tennessee, and that for and on behalf of said corporation and as its act and deed he swore to and subscribed the foregoing Application as of the day and year therein mentioned, he being first duly authorized so to do.

Given under my hand and official seal, this the 23rd day of February, 2017.

My Commission Expires:



Joann Barnidge
Notary Public