RESOLUTION

WHEREAS, Memphis is the primary hub of the Mid-South Region and center of commerce for an ever-expanding global marketplace; and

WHEREAS, the City of Memphis desires to attract and promote international trade and commerce to benefit the local and regional economy; and

WHEREAS, the Memphis and Shelby County Office of Economic Development (OED), under the Memphis and Shelby County Division of Planning and Development, is the agency responsible for the administration of Foreign-Trade Zone No. 77 (FTZ No. 77) for the City of Memphis as Grantee of FTZ No. 77; and

WHEREAS, the Memphis and Shelby County OED has determined that the economic viability of FTZ No. 77 would be increased and ensured by the establishment, operation and maintenance of a new Special Purpose Subzone of FTZ No. 77 to be operated by Delta Faucet Company of Tennessee ("Delta Faucet"), located at 3441 Ridgecrest Road Extended in Jackson, Tennessee.

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Memphis deems it desirable to support the strategic position that Memphis holds in the region and global marketplace and authorizes the application to the Foreign-Trade Zones Board for Subzone Status for Delta Faucet; and

BE IT FURTHER RESOLVED, that the Mayor of the City of Memphis, Tennessee, is hereby authorized on behalf of the Grantee to execute and deliver all instruments and documents necessary for the submission of the Subzone Application on behalf of the City of Memphis, Tennessee to the Executive Secretary of the Foreign-Trade Zones Board, Department of Commerce, Washington, D.C. and take such further action as deemed appropriate to secure the approval by the Foreign-Trade Zones Board with respect to the Delta Faucet Subzone Application.

DELTA
FAUCET COMPANY

December 1, 2009

Maggie Conway
Deputy Administrator
Memphis & Shelby County Office of Economic Development
125 N. Main, Room 468
Memphis, TN 38103

Dear Maggie,

On behalf of Delta Faucet Company ("Delta"), we are requesting the support of the City of Memphis as Grantee of Foreign Trade Zone No. 77 to establish a new subzone in Jackson.

Headquartered in Indianapolis, IN, Delta employs more than 1,704 company-wide with facilities in Indianapolis, IN, Jackson, TN, Greensburg, IN Morgantown, KY, and Guangzhou City, China. Delta is a world-class leader in the design, manufacture and distribution of faucets and related products for residential and commercial use. The Jackson facility assembles and distributes faucets and related components, employs over 690, and positively impacts the local economy.

Intense competition in the industry has led to pressures on both pricing and employment. Delta anticipates that the savings generated from FTZ operations in Jackson will foster Delta's ability to retain current employees and hire additional individuals from the Jackson area. Without the FTZ savings, Delta may have to consider moving additional operations oversees to remain competitive.

The proposed subzone would be located at the following address:

Delta Faucet Co of Tennessee
3441 Ridgecrest Road Extended
Jackson, TN 38305

Delta is prepared to operate the subzone pursuant to a contractual subzone operator agreement with the City of Memphis, Tennessee, as Grantee of FTZ No. 77.

Delta will prepare the subzone application and submit to the appropriate City of Memphis officials for review and comment.

Customs officials from the Port of Memphis have visited the site and support the use of the site as an FTZ.

We look forward to working with the City of Memphis to establish a FTZ subzone that will further the goal of economic development in the region.

If you have any questions, please feel free to call Andrea Hardebeck directly at (317) 574-5294.

Sincerely,

Robert C. Skavroneck

Robert C. Skavroneck
Director of Logistics