

RESOLUTION
(GREENVILLE COUNTY)

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO INDUCEMENT AGREEMENT AND MILLAGE RATE AGREEMENT DATED NOVEMBER 21, 2006 AND FEE IN LIEU OF TAX AGREEMENT BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA AND PRECISION VALVE CORPORATION DATED MAY 20, 2008 AND OTHER RELATED MATTERS.

WHEREAS, Greenville County, South Carolina (hereinafter referred to as the “County”), acting by and through its County Council (the “County Council”), is empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the “Act”), to enter into fee agreements with industries in connection with the acquisition, enlargement or improvement of industrial enterprises within the State of South Carolina (the “State”); and

WHEREAS, under the terms of the Act, the County may enter into an arrangement which provides for a fee in lieu of taxes for a qualifying project as provided in Section 12-44-20 of the Act; and

WHEREAS, Precision Valve Corporation, a corporation organized and existing under the laws of the State of New York (the “Company”) operates and has been expanding a manufacturing facility in the County, has been engaged in the relocation and expansion of a research and development facility in the County, and has been engaged in the relocation of a regional corporate headquarters to the County (as defined in the Fee Agreement, and collectively the “Project”); and

WHEREAS, the County and the Company entered into that certain Inducement Agreement and Millage Rate Agreement dated as of November 21, 2006 (the “Inducement Agreement”) and that certain Fee in Lieu of Tax Agreement dated as of May 20, 2008 (the “Fee Agreement” and, collectively with the Inducement Agreement, the “Agreements”), by which there was created a fee-in-lieu-of-tax arrangement with respect to certain property owned by Company and located at the Project; and

WHEREAS, pursuant to the Agreements, the Company committed to invest at least \$50,000,000 (the “Minimum Investment”) and create at least 200 new full-time jobs (the “Jobs Creation Commitment”) at the Project by December 31, 2013 (the “Threshold Date”); and

WHEREAS, further, the Agreements provided for an extension of five (5) years beyond the Threshold Date within which the Company may invest additional property in the County to complete the Project and have such additional property treated as Economic Development Property (as that term is defined in the Fee Agreement), with such extended investment period ending on December 31, 2018; and

WHEREAS, the Agreements also provided for a special source revenue credit equal to 35% of the Company's fee-in-lieu-of-tax payments for a period of ten (10) years (the "SSRC"); and

WHEREAS, since the date of the Fee Agreement, the Company has met or exceeded the Jobs Creation Commitment; and

WHEREAS, since the date of the Fee Agreement and prior to December 31, 2013, the Company has invested over \$25 million in taxable building additions, improvements, machinery and equipment, as well as other non-taxable investment, at its facility in the County; and

WHEREAS, the Company intends to make continuing and further investment in the Project and has requested the County to amend the Agreements to authorize the reduction of the required Minimum Investment to \$25,000,000 (the "Minimum Investment Reduction"), to authorize the prospective elimination of the SSRC (the "SSRC Elimination"), but that the Agreements shall otherwise remain in full force and effect; and

WHEREAS, the Company will retain the benefit of any SSRC received in all property tax periods of the Company ended on or before May 31, 2013, but will waive any right to claim a refund for fee-in-lieu-of-tax overpayments made for the property tax periods ended May 31, 2008 through and including May 31, 2013; and

WHEREAS, the County is amenable to amending the Agreements as requested by the Company.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Greenville County, South Carolina, as follows:

Section 1. Findings. It is hereby found, determined and declared on the basis of the information supplied to it by the Company as follows:

a. The Project and the requested amendments are anticipated to benefit substantially the general welfare of the County by providing services, employment, recreation or other public benefits not otherwise adequately provided locally.

b. The Project and the requested amendments give rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either.

c. The purposes to be accomplished by the Project and the requested amendments are proper governmental and public purposes, and the benefits of the Project to the public will be greater than the costs.

Section 2. Reduction of Minimum Investment. The County hereby approves the Company's request that Minimum Investment Reduction and the Minimum Investment under the Agreements be reduced from \$50 million to \$25 million as set forth in the First Amendment of

Inducement Agreement and Millage Rate Agreement and Fee in Lieu of Tax Agreement (the "Amendment") by and between the County and the Company (the "Amendment"). The Agreements shall also be modified so that the amount of \$50 million as stated in each instance in the Agreements shall be deleted and replaced with the amount of \$25 million in each instance and throughout the Agreements.

Section 3. Elimination of SSRC. The County hereby approves the SSRC Elimination, and the SSRC is prospectively eliminated as set forth in the Amendment; provided, however, that the Company shall retain the benefit of the SSRC received in all property tax periods of the Company ended on or before May 31, 2013.

Section 4. Waiver of Overpayments. The County hereby acknowledges and accepts the Company's waiver of any right to claim a refund for fee-in-lieu-of-tax overpayments made for the property tax periods ended May 31, 2008 through and including May 31, 2013.

Section 5. Approval of Amendment to Agreements. The forms, terms and provisions of the Amendment, a copy of which is attached hereto as Exhibit A, presented to this meeting and filed with the Clerk to County Council are hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the same were set out in this Resolution in their entirety. The Chairman of County Council (or in the absence of the Chairman, for any reason, the Vice Chairman or acting Chairman), the County Administrator of the County and the Clerk to County Council (or in the absence of the Clerk, for any reason, the acting Clerk) are hereby authorized, empowered and directed to execute, acknowledge and deliver the Amendment in the name and on behalf of the County, and thereupon to cause the same to be delivered to the Company. The Amendment is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as may be required or deemed appropriate by the officials of the County executing the same, with the advice of counsel, in order to accomplish the purposes of the transactions authorized by this Resolution, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Amendment now before this meeting. The above-referenced officials of the County are authorized to execute and deliver such other closing and related instruments, documents, certificates and other papers as are necessary to affect the delivery of the Amendment as are customary in arrangements of this type.

Section 6. Future Approvals Under Fee Agreement. If, under the Fee Agreement or the Act any future actions of the Corporation (including, without limitation, the assignment of all or part of the Project, or the assignment of any or all interest in the Fee Agreement) require the approval of the County, such approval, to the extent permitted by law, can be given on behalf of the County by the Chairman and the County Administrator upon affirmative resolution of the County Council. The execution of a written approval by County officials shall constitute conclusive evidence that the County has approved the respective actions of the Corporation.

Section 7. Execution of Documents. The above-referenced officials of the County are authorized to execute and deliver such other closing and related instruments, documents,

certificates and other papers as are necessary to affect the delivery of the Amendment as are customary in arrangements of this type.

Section 8. Severability. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 9. Effectiveness of Resolution. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its passage.

Passed and approved on the 3rd day of December, 2013.

GREENVILLE COUNTY, SOUTH CAROLINA

By: _____
Bob Taylor, Chairman, County Council
of Greenville County, South Carolina

ATTEST:

Theresa Kizer, Clerk to Council
of Greenville County, South Carolina

By: _____
Joseph Kernell,
Greenville County Administrator

Certification

I, the undersigned Clerk of Greenville County Council, South Carolina, do hereby certify this resolution is a true, accurate and complete copy of an resolution which was approved, by the County Council at its meeting of December 3, 2013, at which meeting a quorum of members of County Council were present and voted, and an original of which resolution is filed in the permanent records of the County Council.

Theresa Kizer, Clerk of Greenville County Council

Dated: _____, 2013

**FIRST AMENDMENT TO INDUCEMENT AGREEMENT AND MILLAGE RATE
AGREEMENT AND FEE IN LIEU OF TAX AGREEMENT**

This First Amendment to Inducement Agreement and Millage Rate Agreement and Fee In Lieu of Agreement (the “Amendment”) is made and entered into as of _____, 2013 by and between Greenville County, South Carolina (the “County”), a body politic and corporate and a political subdivision of the State of South Carolina, and Precision Valve Corporation, a corporation organized and existing under the laws of the State of New York (the “Corporation”).

WHEREAS, all capitalized terms not specifically defined herein shall have the meaning as defined in the Fee Agreement (as that term is defined below), and if not defined therein shall have the meaning as defined in Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the “Act”); and

WHEREAS, the Corporation operates and has been expanding a manufacturing facility in the County, has been engaged in the relocation and expansion of a research and development facility in the County, and has been engaged in the relocation of a regional corporate headquarters to the County (as defined in the Fee Agreement, and collectively the “Project”); and

WHEREAS, the County and the Corporation entered into that certain Inducement Agreement and Millage Rate Agreement dated as of November 21, 2006 (the “Inducement Agreement”) and that certain Fee in Lieu of Tax Agreement dated as of May 20, 2008 (the “Fee Agreement” and, collectively with the Inducement Agreement, the “Agreements”), copies of which are attached hereto as Exhibits A and B, respectively, by which there was created a fee-in-lieu-of-tax arrangement with respect to certain property owned by Corporation and located at the Project; and

WHEREAS, pursuant to the Agreements, the Corporation committed to invest at least \$50,000,000 (the “Minimum Investment”) and create at least 200 new jobs (the “Jobs Creation Commitment”) at the Project by December 31, 2013 (the “Threshold Date”); and

WHEREAS, the Agreements also provided for an extension of five (5) years beyond the Threshold Date within which the Corporation may invest additional property in the County to complete the Project and have such additional property treated as Economic Development Property (as that term is defined in the Fee Agreement), with such extended investment period ending on December 31, 2018; and

WHEREAS, the Agreements also provided for a special source revenue credit equal to 35% of the Corporation’s fee-in-lieu-of-tax payments for a period of ten (10) years (the “SSRC”); and

WHEREAS, since the date of the Fee Agreement, the Corporation has met or exceeded the Jobs Creation Commitment; and

WHEREAS, since the date of the Fee Agreement and prior to December 31, 2013, the Company has invested over \$25,000,000 in taxable building additions, improvements, machinery and equipment, as well as other non-taxable investment, at its facility in the County; and

WHEREAS, the Corporation desires to continue to operate its manufacturing facility in the County, and make further investment in the Project, and has requested that the County amend the Agreements to reduce the required Minimum Investment from \$50,000,000 to \$25,000,000, to prospectively eliminate the SSRC, and for related matters, but that the Agreements will otherwise remain in full force and effect; and

WHEREAS, the County has determined that this proposed amendment of the Agreements would benefit the general public welfare of the County by assisting the Corporation to weather these economically adverse times, thereby securing the jobs and employment in the County, the ad valorem tax base of the County, and other public benefits; and that the proposed amendment of the Agreements gives rise to no pecuniary liability of the County or an incorporated municipality or a charge against the general credit or taxing power of either; and

WHEREAS, the purposes to be accomplished by the continued operation of the Project and the amendment of the Agreements, i.e., economic development, creation or retention of jobs, and addition to or maintenance of the tax base of the County, are proper governmental and public purposes; the location of the Project within the County and State of South Carolina is of paramount importance; and the benefits of the Project will continue to be greater than the costs; and

WHEREAS, the County desires to accommodate the Corporation's request to amend the Agreements to reduce the required Minimum Investment to \$25,000,000, to prospectively eliminate the SSRC, and for related matters, but that the Agreements shall otherwise remain in full force and effect; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Corporation agree that the Agreements are amended in all respects as follows:

1. Reduction of Minimum Investment. The Agreements shall be amended to reduce the required Minimum Investment from \$50,000,000 to \$25,000,000. The Agreements shall also be amended so that the amount of "\$50,000,000" shall be deleted and "\$25,000,000" shall be substituted in lieu thereof in all instances in the Agreements, including, but not limited to, Sections 1.1(c), 2.2, 2.2(e), 2.2(f)(1), 2.5, and 3.3(f) of the Inducement Agreement and Sections 2.02(e), 4.01(a), 4.01(b), 5.01(d), 5.01(f), and 10.02 of the Fee Agreement.
2. Elimination of SSRC. The SSRC is hereby prospectively eliminated; provided, however, that the Corporation shall retain the benefit of the SSRC received in all property tax periods of the Corporation ended on or before May 31, 2013.

3. Waiver of Overpayments. The Corporation waives any right to claim a refund for fee-in-lieu-of-tax overpayments made for the property tax periods ended May 31, 2008 through and including May 31, 2013.
4. Waiver of Recapitulation Requirement. Pursuant to Section 12-44-55(B) of the Act the parties agree to waive the recapitulation herein of the terms hereof and all the other items described in Section 12-44-55 of the Act.
5. Future Approvals Under Fee Agreement. If, under the Fee Agreement or the Act any future actions of the Corporation (including, without limitation, the assignment of all or part of the Project, or the assignment of any or all interest in the Fee Agreement) require the approval of the County, such approval, to the extent permitted by law, can be given on behalf of the County by the Chairman and the County Administrator upon affirmative resolution of the County Council. The execution of a written approval by County officials shall constitute conclusive evidence that the County has approved the respective actions of the Corporation.
6. Other Terms and Provisions of Fee Agreement. All other terms and provisions of the Fee Agreement shall remain in full force and effect.
7. Severability. If any material provision of this Fee Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof unless the effect thereof would render enforcement of the remaining provisions unconscionable.
8. Headings; References. The headings of this Amendment are for convenience of reference only and shall not define or limit the provisions hereof or affect the meaning or interpretation hereof.
9. Multiple Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

[signatures on following page]

IN WITNESS WHEREOF, Greenville County, South Carolina has executed this First Amendment to Fee Agreement by causing its name to be hereunto subscribed by the Chairman of its County Council and its County Administrator, and Precision Valve Corporation has executed this First Amendment of Fee Agreement by causing its corporate name to be hereunto subscribed by its authorized representative, all being done as of the day and year first written above.

WITNESSES:

GREENVILLE COUNTY, SOUTH CAROLINA

By: _____
Bob Taylor, Chairman, County Council
of Greenville County, South Carolina

ATTEST:

Theresa Kizer, Clerk to Council
of Greenville County, South Carolina

By: _____
Joseph Kernell,
Greenville County Administrator

WITNESSES:

PRECISION VALVE CORPORATION

By: _____
Its: CFO _____
By: _____
Its: General Manager _____

EXHIBIT A

Inducement Agreement

EXHIBIT B

Fee Agreement