

RESOLUTION

(GREENVILLE COUNTY)

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO INDUCEMENT AGREEMENT AND MILLAGE RATE AGREEMENT DATED NOVEMBER 21, 2006 AND FEE IN LIEU OF TAX AGREEMENT DATED MAY 20, 2008 BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA AND PRECISION VALVE CORPORATION, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO INDUCEMENT AGREEMENT AND MILLAGE RATE AGREEMENT AND FEE IN LIEU OF TAX AGREEMENT DATED DECEMBER 3, 2013 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 incorporated 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 executed and entered into that certain Inducement Agreement and Millage Rate Agreement dated November 21, 2006 (the “Inducement Agreement”) and that certain Fee in Lieu of Tax Agreement (“Fee Agreement”) dated May 20, 2008, as amended by that certain First Amendment to Inducement Agreement and Millage Rate Agreement and Fee in Lieu of Tax Agreement dated December 3, 2013 (the “First Amendment” and, collectively with the Inducement Agreement and Fee Agreement, the “Agreements”), by which there was created a fee-in-lieu-of-tax arrangement with respect to certain property owned by the Company and located at the Project; and

WHEREAS, the Company subsequently reorganized its business and formed a new wholly-owned subsidiary, Precision Valve North America, Inc. (the “Assignee”) to which all of the assets of the Company located in South Carolina, including the Agreements, were transferred and assigned as of June 2, 2014; and

WHEREAS, by Resolution dated May 6, 2014, the County approved and consented to the transfer and assignment of all of the Company’ rights, title, interests, and obligations under the Agreements to the Assignee, effective June 2, 2014; and

WHEREAS, STORE Master Funding X, LLC, is a limited liability company organized and existing under the laws of the State of Delaware (“STORE”); and

WHEREAS, the Assignee has agreed to transfer, convey, and assign certain of its assets used in connection with the Project, and subject to the Agreements, to STORE pursuant to a sale/leaseback financing arrangement, where Assignee will continue to operate the Project but ownership of certain assets used in connection with the Project will now be owned by STORE and leased to Assignee; and

WHEREAS, pursuant to Section 12-44-40(K)(1) of the Act, Sections 4.5. and 4.6 of the Inducement Agreement, and Section 12.09 of the Fee Agreement, the County and Assignee now desire to amend the Agreements to add STORE as a “sponsor affiliate” (as that term is defined in the Act) to the Agreements and STORE desires to be a party to such Agreements (the “Sponsor Affiliate Addition”); and

WHEREAS, all capitalized terms not specifically defined herein, shall have the meaning as defined in the Fee Agreement, and if not defined therein shall have the meaning as defined in the Act; and

WHEREAS, the County has determined that the Sponsor Affiliate Addition would directly and substantially benefit the general public welfare of the County by inducing STORE and Assignee to make investments in the County thereby providing for the creation of jobs and employment in the County, the increase of the ad valorem tax base of the County, and service, employment or other public benefits not otherwise provided locally; and, that the Sponsor Affiliate Addition will give rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and

WHEREAS, the purposes to be accomplished by the Sponsor Affiliate Addition, i.e., economic development, creation/retention of jobs, and addition to the tax base of the County, are proper governmental and public purposes and the inducement of the continued utilization of the Project will be greater than the costs; and

WHEREAS, both Assignee and STORE have caused to be prepared and presented to this meeting a form of Second Amendment to Inducement Agreement and Millage Rate Agreement and Fee in Lieu of Tax Agreement (the “Second Amendment”) by and among the County, Assignee, and STORE authorizing the Sponsor Affiliate Addition, a form substantially of which is attached hereto as Exhibit A; and

WHEREAS, the County desires to authorize, ~~and~~ approve and ratify the Sponsor Affiliate Addition and the execution and delivery of the Second Amendment by and on behalf of the County, and it appears that the Second Amendment now before this meeting is an appropriate instrument to be executed and delivered by the County for the purposes intended; and

WHEREAS, pursuant to the First Amendment, the approval of any future actions of the Company (now the Assignee) under the Agreements or the Act requiring County approval can be

given on behalf of the County by the Chairman and the County Administrator upon affirmative resolution of the County Council which constitutes conclusive evidence that the County has approved and ratified the respective actions of the Company (and now the Assignee), and the County is amenable to amending the Agreements as requested by the Assignee.

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, Sponsor Affiliate Addition, and the requested Second Amendment 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, Sponsor Affiliate Addition, and the requested Second Amendment shall 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, Sponsor Affiliate Addition, and the requested Second Amendment are proper governmental and public purposes, and the benefits to the public of the Project, Sponsor Affiliate Addition, and the requested Second Amendment will be greater than the costs.

Section 2. Approval and Ratification of Sponsor Affiliate Addition. The County hereby approves and ratifies the Sponsor Affiliate Addition.

Section 3. Approval of Second Amendment. The forms, terms and provisions of the Second Amendment presented to this meeting and filed with the Clerk to County Council are hereby approved and ratified 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 Second Amendment in the name and on behalf of the County, and thereupon to cause the same to be delivered to the Assignee. The Second 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 Second 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 Second Amendment as are customary in arrangements of this type.

Section 4. 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 5. 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; provided, however, that the Sponsor Affiliate Addition shall be effective upon the date the contemplated sale/leaseback financing arrangement between Assignee and STORE shall become effective and this Resolution shall be considered an express ratification of such Sponsor Affiliate Addition:

Passed and approved on the _____ day of _____, 2016.

GREENVILLE COUNTY, SOUTH CAROLINA

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

ATTEST:

Theresa B. 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 _____, 2016, 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 B. Kizer, Clerk of Greenville County Council

Dated: _____, 2016