

RESOLUTION No. _____

A RESOLUTION DESIGNATING AND APPROVING A SPONSOR AFFILIATE IN SATISFACTION OF THE REQUIREMENTS OF TITLE 12, CHAPTER 44 OF THE SOUTH CAROLINA CODE, SO AS TO ALLOW THE SPONSOR AFFILIATE TO QUALIFY FOR BENEFITS PURSUANT TO FEE-IN-LIEU OF *AD VALOREM* TAXES ARRANGEMENTS WITH GREENVILLE COUNTY, SOUTH CAROLINA; AND OTHER MATTERS RELATED THERETO.

WHEREAS, Greenville County (the “County”) is a political subdivision of the State of South Carolina and, as such, has all powers granted to counties by the Constitution and the general law of this State;

WHEREAS, the County, acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (collectively, the “Fee in Lieu of Tax Act”) (i) to enter into agreements with qualifying companies to encourage investment in projects constituting economic development property through which the economic development of the State of South Carolina will be promoted by inducing new and existing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ manpower and other resources of the State; and (ii) to covenant with such industry to accept certain fee payments in lieu of *ad valorem* taxes (“FILOT”) with respect to such investment;

1994 FILOT Arrangement

WHEREAS, on January 20, 2004, the County, acting by and through its County Council, enacted Ordinance No. 3757 and entered into that certain Fee-in-lieu of Ad Valorem Taxes Agreement Converting and Replacing the Following Documents: Lease Agreement dated as of December 1, 1994 (filed December 21, 1994), as modified by the following: Amended and Restated Lease Agreement (filed July 16, 1998); Second Amended and Restated Lease Agreement (filed July 13, 1999); Amendment to the Second Amended and Restated Lease Agreement (filed August 7, 2001); between Drive Automotive Industries of America, Inc. (“Sponsor”), Granite REIT America Inc. (formerly known as MID Realty Holdings LLC) (“Granite”), and the County, effective January 1, 2004 (the “Amended 1994 Fee Agreement”);

WHEREAS, on or about September 13, 2018, MGSC001 LLC, a Delaware limited liability company (“MGSC”), purchased all of the real property owned by Granite that was previously placed in service as economic development property pursuant to the Amended 1994 Fee Agreement (“Transfer”);

WHEREAS, under Section 3.12 of the Amended 1994 Fee Agreement and Section 12-44-120 of the Fee in Lieu of Tax Act, the Transfer is a permitted transfer whereby Granite transferred both the economic development property and the FILOT benefits associated with such economic development property to MGSC;

WHEREAS, the County, Sponsor, and MGSC desire to document the Transfer and formally reflect the replacement of Granite with MGSC as a sponsor affiliate under Section 12-44-130(A) of the Fee in Lieu of Tax Act; and

WHEREAS, MGSC has executed a Joinder Agreement, attached hereto as **Exhibit A**, which agreement binds MGSC to the terms of the Amended 1994 Fee Agreement, as required by S.C. Code Ann. § 12-44-130(A).

2002 FILOT Arrangement

WHEREAS, the County, acting by and through its County Council, entered into that certain Fee-in-lieu of Ad Valorem Taxes and Incentive Agreement effective April 2, 2002 (the “2002 Fee Agreement”), between the County, Drive Automotive Industries of America, Inc. (“Sponsor”), and Granite REIT America Inc. (formerly known as MID Realty Holdings LLC) (“Granite”), as a sponsor affiliate;

WHEREAS, on or about September 13, 2018, MGSC001 LLC, a Delaware limited liability company (“MGSC”), purchased all of the real property owned by Granite that was previously placed in service as economic development property pursuant to the 2002 Fee Agreement (“Transfer”);

WHEREAS, under Section 3.12 of the 2002 Fee Agreement and Section 12-44-120 of the Fee in Lieu of Tax Act, the Transfer is a permitted transfer whereby Granite transferred both the economic development property and the FILOT benefits associated with such economic development property to MGSC;

WHEREAS, the County, Sponsor, and MGSC desire to document the Transfer and formally reflect the replacement of Granite with MGSC as a sponsor affiliate under Section 12-44-130(A) of the Fee in Lieu of Tax Act; and

WHEREAS, MGSC and Sponsor have executed a Joinder Agreement, attached hereto as **Exhibit B**, which agreement binds MGSC to the terms of the 2002 Fee Agreement, as required by S.C. Code Ann. § 12-44-130(A).

2013 FILOT Arrangement

WHEREAS, the County, acting by and through its County Council, entered into that certain Fee-in-lieu of Ad Valorem Taxes and Incentive Agreement effective September 3, 2013 (the “2013 Fee Agreement”), between the County, Drive Automotive Industries of America, Inc. (“Sponsor”), and Granite REIT America Inc. (formerly known as MI Developments (America) Inc.) (“Granite”), as a sponsor affiliate, and that First Amendment to Fee Agreement effective November 3, 2015 (the “First Amendment to 2013 Fee Agreement” and, together with the 2013 Fee Agreement, the “Amended 2013 Fee Agreement”), among Greenville County, Sponsor, Granite, and Decostar Industries, Inc. (“Decostar”), as an additional sponsor affiliate;

WHEREAS, pursuant to the terms and conditions of the Amended 2013 Fee Agreement, South Carolina Becknell Investors 2007 LLC, a Delaware limited liability company (“Becknell”), and Proper Polymers – Greenville, LLC, a Michigan limited liability company (“Proper Polymers”), have each executed Joinder Agreements, which agreements bind Becknell and Proper Polymers to the terms of the Amended 2013 Fee Agreement as sponsor affiliates, as required by S.C. Code Ann. § 12-44-130(A);

WHEREAS, on or about September 13, 2018, MGSC001 LLC, a Delaware limited liability company (“MGSC”), purchased all of the real property owned by Granite that was previously placed in service as economic development property pursuant to the Amended 2013 Fee Agreement (“Transfer”);

WHEREAS, under Section 3.14 of the Amended 2013 Fee Agreement and Section 12-44-120 of the Fee in Lieu of Tax Act, the Transfer is a Permitted Transfer whereby Granite transferred both the economic development property and the FILOT benefits associated with such economic development property to MGSC;

WHEREAS, the County, Sponsor, and MGSC desire to document the Transfer and formally reflect the replacement of Granite with MGSC as a sponsor affiliate under Section 3.13 of the Amended 2013 Fee Agreement; and

WHEREAS, pursuant to Section 3.13 of the Amended 2013 Fee Agreement, MGSC and Sponsor have executed a Joinder Agreement, attached hereto as **Exhibit C**, which agreement binds MGSC to the terms of the Amended 2013 Fee Agreement, as required by S.C. Code Ann. § 12-44-130(A).

NOW, THEREFORE, BE IT RESOLVED by the County Council as follows:

Section 1. **Approval of Sponsor Affiliate to Amended 1994 Fee Agreement for Purposes of the Act.** The County hereby designates and specifically approves MGSC001 LLC as a Sponsor Affiliate in replacement of Granite REIT America, Inc. under the Amended 1994 Fee Agreement within the meaning of the Fee in Lieu of Tax Act.

Section 2. **Approval of Sponsor Affiliate to 2002 Fee Agreement for Purposes of the Act.** The County hereby designates and specifically approves MGSC001 LLC as a Sponsor Affiliate in replacement of Granite REIT America, Inc. under the 2002 Fee Agreement within the meaning of the Fee in Lieu of Tax Act.

Section 3. **Approval of Sponsor Affiliate to Amended 2013 Fee Agreement for Purposes of the Act.** The County hereby designates and specifically approves MGSC001 LLC as a Sponsor Affiliate in replacement of Granite REIT America, Inc. under the Amended 2013 Fee Agreement within the meaning of the Fee in Lieu of Tax Act.

Section 4. **Authorization.** The County Council authorizes the Chairman of the County Council, or the Vice Chairman in the absence of the Chairman, the County Administrator, and the Clerk to County Council, for and on behalf of the County, to take whatever further actions reasonably necessary and prudent to effect the intent of this Resolution.

Section 5. **Severability.** Should any part, provision, or term of this Resolution be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such finding or determination shall not affect the rest and remainder of the Resolution or any part, provision or term thereof, all of which is hereby deemed separable.

Section 6. **Repealer Clause.** All orders, resolutions, or any parts of either, in conflict with this Resolution are, to the extent of that conflict, repealed. This Resolution is effective and remains in effect as of its adoption by the County Council.

DONE IN REGULAR MEETING THIS 3rd DAY OF DECEMBER, 2019.

GREENVILLE COUNTY, SOUTH CAROLINA

Butch Kirven, Chairman
Greenville County Council

(SEAL)

ATTEST:

Joseph Kernell
County Administrator

Regina McCaskill, Clerk to Council
Greenville County Council

EXHIBIT A

JOINDER AGREEMENT TO
AMENDED 1994 FEE AGREEMENT