

DRAFT

FEE AGREEMENT

between

GREENVILLE COUNTY, SOUTH CAROLINA

and

JTEKT AUTOMOTIVE SOUTH CAROLINA, INC.
a South Carolina corporation

Dated as of ____, 2012

The County and the Company hereby agree to waive, to the full extent allowed by law, the requirements of Section 12-44-55 Code of Laws of South Carolina 1976, as amended, with regard to the Fee Agreement for the Project, to the extent and so long as the Company makes and continues to make all other filings with the County required by Title 12, Chapter 44 Code of Laws of South Carolina 1976, as amended.

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Greenville County, South Carolina

FEE AGREEMENT

THIS FEE AGREEMENT (this "Fee Agreement" or this "Agreement") is made and entered into as of _____, 2012, by and between GREENVILLE COUNTY, SOUTH CAROLINA (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), acting by and through the Greenville County Council (the "County Council") as the governing body of the County, and JTEKT AUTOMOTIVE SOUTH CAROLINA, INC. (the "Company"), a corporation duly incorporated and existing under the laws of the State of South Carolina.

WITNESSETH:

Recitals.

The County is authorized by Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (the "Act") to enter into a fee agreement with entities meeting the requirements of such Act, which identifies certain property of such entities as economic development property, to induce such industries to locate in the State and to encourage industries now located in the State to expand their investments and thus make use of and employ manpower and other resources of the State.

The County, acting by and through the County Council, is authorized by Section 4-1-175 of the Code of Laws of South Carolina, 1976, as amended, to provide financing or reimbursement of expenses, secured by and payable solely from revenues of the County derived from payments in lieu of taxes pursuant to Article VIII, Section 13 of the South Carolina Constitution, for the purpose of defraying the cost of designing, acquiring, constructing, improving, or expanding the infrastructure

serving the County and for improved and unimproved real estate used in a manufacturing enterprise in order to enhance the economic development of the County

Pursuant to the Act, based on information provided by the Company, the County finds that (a) the Project (as defined below) is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefit not otherwise adequately provided locally; (b) the Project gives rise to no pecuniary liability of the County or incorporated municipality and to no charge against its general credit or taxing power; (c) the purposes to be accomplished by the Project are proper governmental and public purposes; and (d) the benefits of the Project to the public are greater than the costs to the public.

Pursuant to an Inducement Agreement executed by the County on April 3, 2012, and by the Company on _____ (referred to herein as the "Inducement Agreement") authorized by a resolution adopted by the County Council on April 3, 2012 (referred to herein as the "Inducement Resolution"), the Company has agreed to expand, acquire and equip by construction, purchase, lease-purchase, lease or otherwise its automotive parts and products manufacturing facility in the County, consisting of the acquisition, construction, installation, expansion, improvement, design and engineering, in phases, of machinery and equipment, buildings, improvements or fixtures (the "Project") involving non-exempt investment of at least Ninety Million Dollars (\$90,000,000) (the "Minimum Investment") during the investment period, as defined by the Act and described herein (the "Investment Period"), which level of investment will be maintained for not less than twelve (12) years, with a non-exempt investment level of not less than Seventy Million Dollars (\$70,000,000) to be maintained for the remaining term of this Fee Agreement.

Pursuant to an Ordinance adopted on June 19, 2012, the County Council authorized the County to execute and deliver this Fee Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties hereto agree as follows, with the understanding that no obligation of the County described herein shall create a pecuniary liability or charge upon its general credit or taxing powers, but shall be payable solely out of the sources of payment described herein and shall not under any circumstances be deemed to constitute a general obligation of the County.

ARTICLE I

DEFINITIONS

The terms defined in this Article shall for all purposes of this Fee Agreement have the meaning herein specified, unless the context clearly requires otherwise.

"Act" shall mean Title 12, Chapter 44 of the Code, and all future acts supplemental thereto or amendatory thereof.

"Authorized Company Representative" shall mean any person designated from time to time to act on behalf of the Company by its President or one of its vice presidents, its chief executive officer, its general counsel, its treasurer or any assistant treasurer, its secretary or any assistant secretary as evidenced by a written certificate or certificates furnished to the County containing the specimen signature of each such person, signed on behalf of the Company by its President, one of its vice presidents, its chief executive officer, its general counsel, its treasurer or any assistant treasurer, its secretary or any assistant secretary. Such certificates may designate an alternate or alternates, and

may designate different Authorized Company Representatives to act for the Company with respect to different provisions of this Fee Agreement.

“Authorized County Representative” shall mean the Chairman of County Council, the County Administrator or their designee as evidenced by a written certificate of the Chairman of County Council or the County Administrator.

"Chairman" shall mean the Chairman of the County Council.

"Clerk to County Council" shall mean the Clerk to the County Council.

"Closing" or "Closing Date" shall mean the date of the execution and delivery hereof.

"Code" shall mean the Code of Laws of South Carolina, 1976, as amended.

"Company" shall mean JTEKT Automotive South Carolina, Inc., a South Carolina corporation duly qualified to transact business in the State.

"County" shall mean Greenville County, South Carolina, a body politic and corporate and a political subdivision of the State, its successors and assigns, acting by and through the County Council as the governing body of the County.

“County Administrator” shall mean the Administrator of Greenville County, South Carolina.

"County Council" shall mean the Greenville County Council, the governing body of the County.

“Department” shall mean the South Carolina Department of Revenue.

"Diminution of Value" in respect of any Phase of the Project shall mean any reduction in the value based on original fair market value as determined in Step 1 of Section 4.1 of this Fee Agreement, of the items which constitute a part of the Phase which may be caused by (i) the Company's removal of equipment pursuant to Section 4.6 of this Fee Agreement, (ii) a casualty to

such Phase of the Project, or any part thereof, described in Section 4.7 of this Fee Agreement or (iii) a condemnation to such Phase of the Project, or any part thereof, described in Section 4.8 of this Fee Agreement.

"Economic Development Property" shall mean all items of real and/or tangible personal property comprising the Project which are eligible for inclusion as economic development property under the Act, become subject to the Fee Agreement, and which are identified by the Company in connection with its required annual filing of a SCDOR PT-100, PT-300 or comparable form with the Department (as such filing may be amended from time to time) for each year within the Investment Period. Title to all Economic Development Property shall at all times remain vested in the Company.

"Equipment" shall mean, with respect to the Facility, all of the machinery, equipment, furniture and fixtures, together with any and all additions, accessions, replacements and substitutions thereto or therefor to the extent such machinery, equipment and fixtures constitute Economic Development Property and are made a part of the Project under the terms of this Fee Agreement.

"Event of Default" shall mean any Event of Default specified in Section 5.5 of this Fee Agreement.

"Facility" shall mean the Company's facilities located on the Real Property.

"Fee Agreement" shall mean this Fee Agreement.

"Fee Term" or "Term" shall mean the period from the date of delivery of this Fee Agreement until the last Phase Termination Date unless sooner terminated or extended pursuant to the terms of this Fee Agreement.

“FILOT Payments” shall mean those payments due by the Company pursuant to Section 4.1 hereof.

"Improvements" shall mean, with respect to the Facility, improvements, together with any and all additions, accessions, replacements and substitutions thereto or therefor, but only to the extent such additions, accessions, replacements, and substitutions constitute Economic Development Property and are made a part of the Project under the terms of this Fee Agreement.

"Inducement Agreement" shall mean the Inducement Agreement entered into between the County on April 3, 2012 and the Company on ____, 2012 as authorized by the Inducement Resolution.

"Inducement Resolution" shall mean the resolution of the County Council adopted on April 3, 2012, authorizing the County to enter into the Inducement Agreement.

“Infrastructure Credits” shall mean those credits against the fee in lieu of tax payments to be made by the Company to the County as authorized by Section 4-1-175 of the Code and Section 4.9 hereof.

"Investment Period" shall mean the period commencing January 1, 2012 and ending on December 31, 2017, unless otherwise extended by the County in accordance with the Act.

“Minimum Investment” shall have the meaning as set forth in Section 2.2(e) hereof.

“Minimum Investment Maintenance Period” shall mean the period beginning January 1, 2018 and ending December 31, 2029.

“Net FILOT Payments” shall mean the FILOT Payment less the payment made by the County to Anderson County.

“Park Agreement” shall mean the joint county industrial and business park agreement between the County and Anderson County dated October 6, 1998, as amended.

"Phase" or "Phases" in respect of the Project shall mean the Equipment, Improvements and Real Property, if any, placed in service during each year of the Investment Period.

"Phase Termination Date" shall mean with respect to each Phase of the Project, the day which is twenty years after the date each such Phase of the Project becomes subject to the terms of this Fee Agreement.

"Project" shall mean the Equipment, Improvements, and/or Real Property.

“Qualifying Infrastructure Improvements” means the infrastructure and other investment in improved or unimproved real estate referred to in Section 4-19-68(A)(2)(i) of the Code.

"Real Property" shall mean the real property described in Exhibit A, together with all and singular the rights, members, hereditaments and appurtenances belonging or in any way incident or appertaining thereto to the extent such shall become a part of the Project under the terms of this Fee Agreement; all Improvements now or hereafter constructed thereon subsequent to January 1, 2012; and all fixtures now or hereafter attached thereto, but only to the extent such Improvements and fixtures are made a part of the Project under the terms of this Fee Agreement.

"Removed Components" shall mean the following types of components or Phases of the Project or portions thereof, all of which the Company shall be entitled to remove from the Project with the result that the same shall no longer be subject to the terms of the Fee Agreement: (a) components or Phases of the Project or portions thereof which the Company, in its sole discretion, determines to be inadequate, obsolete, worn-out, uneconomic, damaged, unsuitable, undesirable or unnecessary; or (b) components or Phases of the Project or portions thereof which the Company in

its sole discretion, elects to remove pursuant to Section 4.7(c) or Section 4.8(b)(iii) of this Fee Agreement.

"Replacement Property" shall mean any property which is placed in service as a replacement of any item of Equipment or any Improvement which is scrapped or sold by the Company and treated as a Removed Component under Sections 4.6, 4.7 or 4.8 hereof regardless of whether such property serves the same function as the property it is replacing and regardless of whether more than one piece of property replaces any item of Equipment or any Improvement.

“State” shall mean the State of South Carolina.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall be deemed to include any and all amendments, supplements, addenda, and modifications to such agreement or document.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations of the County. The County hereby represents and warrants to the Company as follows:

(a) The County is a body politic and corporate and a political subdivision of the State which acts through the County Council as its governing body and by the provisions of the Act is authorized and empowered to enter into the transactions contemplated by this Fee Agreement and to carry out its obligations hereunder. The County has duly authorized the execution and delivery of this Fee Agreement and any and all other agreements described herein or therein.

(b) The Project, as represented by the Company to the County, constitutes a "project" within the meaning of the Act.

(c) By due corporate action, the County has agreed that, subject to compliance with applicable laws, each item of real and tangible personal property comprising the Project shall be considered Economic Development Property under the Act.

Section 2.2 Representations of the Company. The Company hereby represents and warrants to the County as follows:

(a) The Company is duly organized and in good standing under the laws of the State of South Carolina, is qualified to do business in the State, has power to enter into this Fee Agreement, and by proper company action has duly authorized the execution and delivery of this Fee Agreement.

(b) The Company's execution and delivery of this Fee Agreement and its compliance with the provisions hereof will not result in a default, not waived or cured, under any company organizational document or any agreement or instrument to which the Company is now a party or by which it is bound.

(c) The Company intends to operate the Project as a "project" within the meaning of the Act as in effect on the date hereof. The Company intends to operate the Project for the purpose of manufacturing automotive parts and products _and other legal activities and functions with respect thereto, and for such other purposes permitted under the Act as the Company may deem appropriate.

(d) The availability of the payment in lieu of taxes with regard to the Economic Development Property authorized by the Act has induced the Company to expand and improve the Facility.

(e) The Company will invest not less than \$90,000,000 in non-exempt Economic Development Property (the "Minimum Investment") on or before the end of the Investment Period,

which level of investment will be maintained during the Minimum Investment Maintenance Period, with a non-exempt investment level of not less than Seventy Million Dollars (\$70,000,000) to be thereafter maintained for the remaining term of this Fee Agreement.

The Company acknowledges that in the event the Company does not achieve the Minimum Investment within the Investment Period, it shall be obligated to repay to the County all Infrastructure Credits previously received. The aggregate Infrastructure Credits received by the Company shall never exceed, at any point in time, the actual cost of Qualifying Infrastructure Improvements to that point. The Infrastructure Credits will be payable exclusively from payments in lieu of taxes which the County receives and retains from the Company for the Project in the Park under this Fee Agreement. The Infrastructure Credits shall not constitute a general obligation or indebtedness of the County nor a pledge of the full faith and credit or the taxing power of the County. Provided, for so long as this Fee Agreement remains in full force and effect, the Infrastructure Credits shall be paid solely by setoff by the Company against fee in lieu of tax payments due under this Fee Agreement.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT

Section 3.1 The Project. The Company has acquired, constructed and/or installed or made plans for the acquisition, lease, construction, expansion and/or installation of certain land, buildings, improvements, fixtures, machinery and equipment which comprise the Project.

Pursuant to the Act, the Company and the County hereby agree that the property comprising the Project is intended to be Economic Development Property as defined under the Act.

Section 3.2 Diligent Completion. The Company agrees to use its reasonable efforts to cause the acquisition, construction and installation of the Project to be completed as soon as practicable, but in any event by the end of the Investment Period. Anything contained in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project in the event that it pays all amounts due by it under the terms of this Agreement.

Section 3.3. Filings

(a) On or before May 1 of each year up to and including the May 1 immediately following the preceding December 31 of the year in which any Phase of the Project has been placed in service, the Company shall provide the Greenville County Auditor with a list of all Project property as was placed in service during the year ended as of the prior December 31.

(b) The Company shall deliver to the Greenville County Auditor copies of all annual filings made with the Department with respect to the Project during the term of this Agreement, not later than thirty (30) days following delivery thereof to the Department.

(c) The Company shall cause a copy of this Agreement to be filed with the Greenville County Auditor, Greenville County Assessor and the Department within thirty (30) days after the date of execution and delivery hereof.

(d) The Company shall be responsible to the County (i) for filing annual tax reports to the Department, (ii) for computing the FILOT Payments owed to the County, and (iii) for paying the

FILOT Payments to the County.

ARTICLE IV

PAYMENTS IN LIEU OF TAXES

Section 4.1 Negotiated Payments. Pursuant to Section 12-44-50 of the Act, the Company is required to make payments in lieu of ad valorem taxes to the County with respect to the Project. Inasmuch as the Company anticipates the Project will involve an initial investment of sufficient sums to qualify to enter into a fee in lieu of tax arrangement under Section 12-44-50(A)(1) of the Act, and to meet the investment representation of Section 2.2(e), hereof, the County and the Company have negotiated the FILOT Payments as provided herein. In accordance therewith, the Company shall make payments in lieu of ad valorem taxes on all real and personal property which comprises the Project and is placed in service, as follows: the Company shall make payments in lieu of ad valorem taxes with respect to each Phase of the Project placed in service on or before each December 31 through and including the end of the Investment Period, said payments to be made annually and to be due and payable and subject to penalty assessments on the same dates and in the same manner as prescribed by the County for ad valorem taxes until each Phased Termination Date. The amount of such equal annual payments in lieu of taxes shall be determined by the following procedure (subject, in any event, to the required procedures under the Act):

- Step 1: Determine the fair market value of the Phase of the Project placed in service in any given year for such year and for the following 19 years using original income tax basis for State income tax purposes for any real property (provided, if real property is constructed for the fee or is purchased in an arm's length transaction, fair market value is deemed to equal the original income tax basis, otherwise, the Department will determine fair market value by appraisal) and original income tax basis for State income tax purposes less depreciation for each year allowable to the Company for any personal property as determined in accordance with Title 12 of the Code, as amended and in effect on

December 31 of the year in which each Phase becomes subject to the Fee Agreement, except that no extraordinary obsolescence shall be allowable but taking into account all applicable property tax exemptions which would be allowed to the Company under State law, if the property were taxable, except those exemptions specifically disallowed under Section 12-44-50(A)(2) of the Act, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement.

Step 2: Apply an assessment ratio of six percent (6%) to the fair market value as determined for each year in Step 1 to establish the taxable value of each Phase of the Project in the year it is placed in service and in each of the nineteen years thereafter or such longer period of years that the annual fee payment is permitted to be made by the Company under the Act, as amended, if the County approves, in writing, the use of such longer period created by any such amendment.

Step 3: Multiply the taxable values, from Step 2, by the millage rate in effect for the Project site for fiscal year ending June 30, 2012, which the parties believe to be 272.1 mills (which millage rate shall remain fixed for the term of this Fee Agreement), to determine the amount of the payments in lieu of taxes which would be due in each of the twenty years listed on the payment dates prescribed by the County for such payments, or such longer period of years that the County may subsequently agree, in writing, that the annual fee payment is permitted to be made by the Company under the Act, as amended.

Subject to the terms and provisions herein contained and with the consent of the County, with respect to each Phase, this Agreement shall be and remain in full force and effect for a term commencing on the date hereof, and ending at midnight on December 31 of the year which is the nineteenth (19th) year following the first year in which each Phase is placed in service, unless sooner terminated as herein permitted; provided that, if at the expiration of the term of this Agreement payment of all FILOT Payments under this Section 4.01 relating to the operation of the Project during such term have not been made, such term shall expire on such later date as such payments shall have been made in full or so provided for; provided, further, that such extension of such term

shall not increase the number of FILOT Payments for each phase for which the Company qualifies under this Section.

The Company and the County understand that legislation is being considered that would clarify that Section 12-44-30(21) of the Act authorizes fee in lieu of tax agreements with termination dates that are no later than the last day of a property tax year that is twenty-nine (29) years following the property tax year in which an applicable piece of economic development property is placed in service. The Company and the County agree that their intention is for the benefits provided under this Agreement to apply for twenty (20) years with respect to each Phase. The County agrees that if, and only if, this Agreement would otherwise be deemed unenforceable by virtue of such twenty (20) year term, the term shall be extended to December 31 of the year which is the twenty-ninth (29th) year following the first year in which each Phase is placed in service, provided that in such case, the Company agrees to elect to terminate the Agreement with respect to each Phase after the Company has received twenty (20) years of benefits with respect to such Phase.

In the event that it is determined by a final order of a court of competent jurisdiction or by agreement of the parties that the minimum payment in lieu of taxes applicable to this transaction is to be calculated differently than described above, the payment shall be reset at the minimum permitted level so determined, but not lower than the level described in this Agreement with respect to the Project without the express, written consent of the County.

In the event that the Act and/or the above-described payments in lieu of taxes are declared invalid or unenforceable, in whole or in part, for any reason, the parties express their intentions that such payments be reformed so as to most closely effectuate the legal, valid, and enforceable intent thereof and so as to afford the Company with the benefits to be derived herefrom, it being the

intention of the County to offer the Company a strong inducement to locate the Project in the County. If the Project is deemed to be subject to ad valorem taxation, the payment in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount which would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the Project did not constitute Economic Development Property under the Act, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company if the Project was and had not been Economic Development Property under the Act. In such event, any amount determined to be due and owing to the County from the Company, with respect to a year or years for which payments in lieu of ad valorem taxes have been previously remitted by the Company to the County hereunder, shall be reduced by the actual amount of payments in lieu of ad valorem taxes already paid by the Company to the County with respect to the Project pursuant to the terms hereof.

Section 4.2 Certain Payment Adjustments. (a) Should the Company not maintain the Minimum Investment during the Minimum Investment Maintenance Period, and, thereafter, at least \$70,000,000 of non-exempt investment in the Project during the remaining term of this Agreement, then, as of the time of any such failure to so maintain, the payments in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount as would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the items of property comprising the Project were not Economic Development Property, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company in such a case.

(b) Notwithstanding any other provision of this Agreement to the contrary, in the event that investment (within the meaning of the Act) in the Project has not equaled the Minimum Investment by the end of the Investment Period, then beginning with the payment finally due on January 15, 2019, the negotiated FILOT Payments shall cease and the payment in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount as would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the items of property comprising the Project were not Economic Development Property, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company in such a case. In addition to the foregoing, in such event, the Company shall pay to the County, by June 30, 2018, an amount which is equal to the difference, if any, of (i) the total amount of FILOT Payments actually made by the Company to the County with respect to the Project through and including January 15, 2017, after taking into account all Infrastructure Credit enjoyed by the Company, and (ii) the total amount of payments in lieu of ad valorem taxes which would have otherwise been payable by the Company, with respect to the Project through and including January 15, 2017 as required by law and as referred to above. Any amounts determined owing pursuant to the foregoing sentence shall be subject to interest as provided under State law for non-payment of ad valorem taxes.

Section 4.3 Payments in Lieu of Taxes on Replacement Property. If the Company elects to replace any Removed Components and to substitute such Removed Components with Replacement Property as a part of the Project, then, pursuant and subject to Section 12-44-60 of the Act or any successor provision, the Company shall make statutory payments in lieu of ad

valorem taxes with regard to such Replacement Property as follows (but in all events subject to the provisions of the Act):

- (i) to the extent that the income tax basis of the Replacement Property (the "Replacement Value") is less than or equal to the original income tax basis of the Removed Components (the "Original Value") the amount of the payments in lieu of taxes to be made by the Company with respect to such Replacement Property shall be calculated in accordance with Section 4.1 hereof; provided, however, in making such calculations, the original cost to be used in Step 1 of Section 4.1 shall be equal to the lesser of (x) the Replacement Value and (y) the Original Value, and the number of annual payments to be made with respect to the Replacement Property shall be equal to twenty (20) (or, if greater, pursuant to subsequent written agreement with the County, the maximum number of years for which the annual fee payments are available to the Company for each portion of the Project under the Act, as amended) minus the number of annual payments which have been made with respect to the Removed Components; and provided, further, however, that in the event a varying number of annual payments have been made with respect to such Removed Components as a result of such Removed Components being included within more than one Phase of the Project, then the number of annual payments which shall be deemed to have been made shall be the greater of such number of annual payments; and
- (ii) to the extent that the Replacement Value exceeds the Original Value of the Removed Components (the "Excess Value"), the payments in lieu of taxes to be made by the

Company with respect to the Excess Value shall be equal to the payment that would be due if the property were not Economic Development Property.

Section 4.4 Reductions in Payments of Taxes Upon Removal, Condemnation or Casualty. (a) In the event of a Diminution in Value of any Phase of the Project, the payment in lieu of taxes with regard to that Phase of the Project shall be reduced in the same proportion as the amount of such Diminution in Value bears to the original fair market value of that Phase of the Project as determined pursuant to Step 1 of Section 4.1 hereof, provided, that the FILOT Payment must be recomputed in accordance with Section 12-44-50(B)(2) of the Act. In no event shall such a recomputation result in an increase in any Infrastructure Credit previously enjoyed.

(b) Notwithstanding any other requirement under Section 12-44-30(13) of the Act, the Company agrees to maintain during the term of this Agreement, the minimum investment in the Project required by Section 12-44-50(A)(3) of the Act. Should such minimum investment for Section 12-44-50(A)(3) not be maintained by the Company, then each annual FILOT Payment starting with the payment for the year in which the minimum enhanced investment was not maintained, shall be computed pursuant to Section 12-44-50(A)(1)(b)(i) using the millage rate

contained in Section 4.1 Step 3 above. In addition, the Company shall pay to the County the additional payment required by Section 12-44-50(A)(3) within 120 days of the year end in which it ceases to maintain the enhanced investment.

(c) Should the Company not maintain the Minimum Investment in the Project during the Minimum Investment Maintenance Period, or fail to thereafter maintain at least \$70,000,000 of non-exempt investment with respect to the Project for the remaining term of this Agreement, then, as of the time of any such failure to so maintain, the payments in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount as would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the items of property comprising the Project were not Economic Development Property, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company in such a case.

Section 4.5 Place and Allocation of Payments in Lieu of Taxes. The Company shall make the above-described payments in lieu of taxes directly to the County in accordance with applicable law as to time, place, method of payment, and penalties and enforcement of collection.

Section 4.6 Removal of Equipment. Provided that no Event of Default shall have occurred and be continuing under this Fee Agreement, and subject to Section 4.4, hereof, the Company shall be entitled to remove the following types of components or Phases of the Project from the Project with the result that said components or Phases (the "Removed Components") shall no longer be considered a part of the Project and shall no longer be subject to the terms of this Fee Agreement: (a) components or Phases which become subject to statutory payments in lieu of ad valorem taxes; (b) components or Phases of the Project or portions thereof which the Company, in

its sole discretion, determines to be inadequate, obsolete, uneconomic, worn-out, damaged, unsuitable, undesirable or unnecessary; or (c) components or Phases of the Project or portions thereof which the Company, in its sole discretion, elects to remove pursuant to Section 4.7(c) or Section 4.8(b)(iii) hereof. The Company shall provide annual written notice to the County of the Removed Components in conjunction with the filing of the PT300 property tax form.

Section 4.7 Damage or Destruction of Project.

(a) Election to Terminate. In the event the Project is damaged by fire, explosion, or any other casualty, the Company shall be entitled to terminate this Agreement.

(b) Election to Rebuild. In the event the Project is damaged by fire, explosion, or any other casualty, and if the Company does not elect to terminate this Agreement, the Company may commence to restore the Project with such reductions or enlargements in the scope of the Project, changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company, subject to the provisions of Section 4.4 hereof. All such restorations and replacements shall be considered substitutions of the destroyed portions of the Project and shall be considered part of the Project for all purposes hereof, including, but not limited to any amounts due by the Company to the County under Section 4.1 hereof.

(c) Election to Remove. In the event the Company elects not to terminate this Agreement pursuant to subsection (a) and elects not to rebuild pursuant to subsection (b), the damaged portions of the Project shall be treated as Removed Components.

Section 4.8 Condemnation.

(a) Complete Taking. If at any time during the Fee Term title to or temporary use of the entire Project should become vested in a public or quasi-public authority by virtue of the exercise of

a taking by condemnation, inverse condemnation or the right of eminent domain, or by voluntary transfer under threat of such taking, or in the event that title to a portion of the Project shall be taken rendering continued occupancy of the Project commercially infeasible in the judgment of the Company, the Company shall have the option to terminate this Fee Agreement as of the time of vesting of title by sending written notice to the County within a reasonable period of time following such vesting.

(b) Partial Taking. In the event of a partial taking of the Project or a transfer in lieu thereof, and subject to Section 4.4, hereof, the Company may elect: (i) to terminate this Fee Agreement; (ii) to repair and restore the Project, with such reductions or enlargements in the scope of the Project, changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company; or (iii) to treat the portions of the Project so taken as Removed Components.

Section 4.9 Infrastructure Credit. The County agrees that the Company shall be entitled to Infrastructure Credits as a reimbursement of the Company's investment in Qualifying Infrastructure Improvements, to be taken as a set off against the FILOT Payments owed in each of the first twelve (12) years, beginning with the FILOT Payment due and payable on January 15, 2014, and ending with such payment due and payable on January 15, 2025 in an annual amount equal to forty percent (40%) of the Net Filot Payments generated by the Project, and are based on the Company's achieving the Minimum Investment within the Investment Period. In the event the Company fails to make the Minimum Investment by the end of the Investment Period, the Infrastructure Credit shall cease and the Company shall repay to the County, by June 30, 2018, all Infrastructure Credits previously received by the Company. Such Infrastructure Credits may be taken by the Company

only to the extent that the Company has invested in Qualifying Infrastructure Improvements. The Company shall be responsible for certifying to the County the amount of Qualified Improvements incurred. Based on this certification, the Treasurer of the County shall display and subtract the Infrastructure Credits from the fee in lieu of tax payment statement sent to the Company for the duration of the Infrastructure Credits. At no time shall the aggregate of Infrastructure Credits received by the Company exceed the certified amount of Qualified Infrastructure Improvements.

ARTICLE V

MISCELLANEOUS

Section 5.1 Maintenance of Existence. The Company agrees (i) that it shall not take any action which will materially impair the maintenance of its company existence and (ii) that it will maintain its good standing under all applicable provisions of State law. Provided, however, the Company may merge with or be acquired by another Company so long as the surviving Company has a net asset value equal to or greater than that of the Company net asset value.

Section 5.2 Indemnification Covenants; Fees and Expenses of County.

(a) The Company shall and agrees to indemnify and save the County, its County Council members and elected officials, its employees, officers, and agents (the "Indemnified Parties") harmless against and from all claims by or on behalf of any person, firm or corporation arising from the County's entry into this Agreement or the Company's operation of the Project. The Company shall indemnify and save the Indemnified Parties harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon, and upon notice from the County; the Company shall defend

them in any such action, prosecution or proceeding. The Company's obligations under this paragraph shall survive any termination of this Agreement.

(b) The Company further agrees to pay all reasonable and necessary expenses incurred by the County with respect to the preparation and delivery, and administration, of this Agreement, including but not limited to attorneys fees and expenses.

Section 5.3 Confidentiality/Limitation on Access to Project. The County acknowledges and understands that the Company utilizes confidential and proprietary "state of the art" equipment and techniques and that any disclosure of any information relating to such equipment or techniques, including but not limited to disclosures of financial or other information concerning the Company's operations could result in substantial harm to the Company. Therefore, the County agrees that, except as required by law and pursuant to the County's police powers or as reasonably deemed necessary by the County in the required performance of its statutorily mandated duties, neither the County nor any employee, agent or contractor of the County: (i) shall request or be entitled to receive any such confidential or proprietary information; (ii) shall request or be entitled to inspect the Project, the Facility or any property associated therewith; provided, however, that if an Event of Default shall have occurred and be continuing hereunder, the County shall be entitled to inspect the Project provided they shall comply with the remaining provisions of this Section; or (iii) shall use its best, good faith efforts to not knowingly and intentionally disclose or otherwise divulge any such confidential or proprietary information to any other person, firm, governmental body or agency, or any other entity unless specifically required to do so by State law. If the Company is required to provide such information to the County, then prior to disclosing any confidential or proprietary information or allowing inspections of the Project, the Company may clearly and conspicuously

mark such information as “Confidential” or “Proprietary”, or both, and may require the execution of reasonable, lawful, confidentiality and non-disclosure agreements by any officers, employees or agents of the County or any supporting or cooperating governmental agencies who would gather, receive or review such information or conduct or review the results of any inspections. Notwithstanding the above, the Company agrees:

- (i) to maintain complete books and records accounting for the acquisition, financing, construction and operation of the Project. Such books and records shall permit ready identification of the components of the Project;
- (ii) confirm the dates on which each portions of the Project are placed in service; and
- (iii) include copies of all filings made by the Company with the Greenville County Auditor or the Department with respect to property placed in service as part of the Project.

Section 5.4 Assignment and Subletting. This Fee Agreement may be assigned in whole or in part and the Project may be subleased as a whole or in part by the Company with the prior consent of the County, which consent will not unreasonably be withheld, so long as such assignment or sublease is made in compliance with Section 12-44-120 of the Act.

Section 5.5 Events of Default. The following shall be "Events of Default" under this Fee Agreement, and the term "Events of Default" shall mean, whenever used with reference to this Fee Agreement, any one or more of the following occurrences:

(a) Failure by the Company to pay any other amounts due hereunder or to make, upon levy, the FILOT Payments or any other amounts payable hereunder; provided, however, that the Company shall be entitled to all redemption rights granted by applicable statutes; or

(b) Failure by the Company to perform any of the material terms, conditions, obligations or covenants of the Company hereunder, other than those already noted in this Section 5.5 which failure shall continue for a period of ninety (90) days after written notice from the County to the Company specifying such failure and requesting that it be remedied, unless the County shall agree in writing to an extension of such time prior to its expiration; or

(c) The Company shall file a voluntary petition seeking an order for relief in bankruptcy, or shall be adjudicated insolvent, or shall file any petition or answer or commence a case seeking any reorganization, composition, readjustment, liquidation or similar order for relief or relief for itself under any present or future statute, law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of either of the Company or of the Project, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

Section 5.6 Remedies on Default. Whenever any Event of Default shall have occurred and shall be continuing, the County may take any one or more of the following remedial actions:

(a) Terminate the Fee Agreement; or

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the other amounts due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Fee Agreement, including, without limitation, those actions previously specified in this Agreement.

In addition to all other remedies herein provided, the nonpayment of payments in lieu of taxes herein shall constitute a lien for tax purposes as provided in Section 12-44-90 of the Act. In this regard, and notwithstanding anything in this Agreement to the contrary, the County may exercise the remedies provided by general law (including Title 12, Chapter 49, of the South Carolina Code) relating to the enforced collection of ad valorem taxes to collect any payments in lieu of taxes due hereunder.

Section 5.7 Remedies Not Exclusive. No remedy conferred upon or reserved to the County under this Fee Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other lawful remedy now or hereafter existing. No delay or omission to exercise any right or power accruing upon any continuing default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the County to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be herein expressly required and such notice required at law or equity which the Company is not competent to waive.

Section 5.8 Reimbursement of Legal Fees and Expenses. The Company agrees to reimburse or otherwise pay, on behalf of the County, any and all reasonable expenses not hereinbefore mentioned incurred by the County in connection with the Project. Further if the Company shall default under any of the provisions of this Fee Agreement and the County shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the

Company contained herein, the Company will, within thirty (30) days of demand therefor, reimburse the reasonable fees of such attorneys and such other reasonable expenses so incurred by the County.

Section 5.9 No Waiver. No failure or delay on the part of the County in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No waiver of any provision hereof shall be effective unless the same shall be in writing and signed by the County.

Section 5.10 Notices. Any notice, election, demand, request or other communication to be provided under this Fee Agreement shall be effective when delivered to the party named below or when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, or with overnight deliver with notice being deemed given the next business day after deposit with the carrier, addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms hereof require receipt rather than sending of any notice, in which case such provision shall control:

AS TO THE COUNTY: Greenville County, South Carolina
301 University Ridge, Suite 2400
Greenville, South Carolina 29622
Attention: County Administrator

AS TO THE COMPANY: JTEKT Automotive South Carolina, Inc.
1866 Old Grove Road
Piedmont, South Carolina 29673
Attention: Angela Murdock

WITH A COPY TO: J. Wesley Crum, III P.A.
233 North Main Street, Suite 200F
Greenville, South Carolina 29601
Attention: J. Wesley Crum III, Esquire

Section 5.11 Binding Effect. This Fee Agreement and each document contemplated

hereby or related hereto shall be binding upon and inure to the benefit of the Company and the County and their respective successors and assigns. In the event of the dissolution of the County or the consolidation of any part of the County with any other political subdivision or the transfer of any rights of the County to any other such political subdivision, all of the covenants, stipulations, promises and agreements of this Fee Agreement shall bind and inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County has been transferred.

Section 5.12 Counterparts. This Fee Agreement may be executed in any number of counterparts, and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

Section 5.13 Governing Law. This Fee Agreement and all documents executed in connection herewith shall be construed in accordance with and governed by the laws of the State.

Section 5.14 Headings. The headings of the articles and sections of this Fee Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Fee Agreement.

Section 5.15 Amendments. The provisions of this Fee Agreement may only be modified or amended in writing by any agreement or agreements entered into between the parties.

Section 5.16 Further Assurance. From time to time, and at the sole expense of the Company, the County agrees to execute and deliver to the Company such additional instruments as the Company may reasonably request to effectuate the purposes of this Fee Agreement.

Section 5.17 Severability. If any provision of this Fee Agreement is declared illegal, invalid or unenforceable for any reason, the remaining provisions hereof shall be unimpaired and such illegal, invalid or unenforceable provision shall be reformed so as to most closely effectuate the

legal, valid and enforceable intent thereof and so as to afford the Company with the maximum benefits to be derived herefrom, it being the intention of the County to offer the Company the strongest inducement possible to locate the Project in the County.

Section 5.18 Limited Obligation. ANY OBLIGATION OF THE COUNTY CREATED BY OR ARISING OUT OF THIS FEE AGREEMENT SHALL BE A LIMITED OBLIGATION OF THE COUNTY, PAYABLE BY THE COUNTY SOLELY FROM THE PROCEEDS DERIVED UNDER THIS FEE AGREEMENT AND SHALL NOT UNDER ANY CIRCUMSTANCES BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

Section 5.19 Force Majeure. Except with respect to the timely payment of all fee in lieu of tax payments to the County hereunder or any other amounts payable to the County hereunder, and to the extent recognized by the Act, the Company shall not be responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, fire, floods, inability to obtain materials, conditions arising from government orders or regulations, war or national emergency, acts of God, and any other similar cause beyond the Company's reasonable control.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and behalf by the County Chairman, the County Administrator and to be attested by the Clerk to County Council; and the Company has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

GREENVILLE COUNTY, SOUTH CAROLINA

By: _____
Herman G. Kirven Jr., Chairman of County Council
Greenville County, South Carolina

By: _____
Joseph M. Kernell, County Administrator
Greenville County, South Carolina

ATTEST:

By: _____
Theresa B. Kizer, Clerk to County Council
Greenville County, South Carolina

JTEKT AUTOMOTIVE SOUTH CAROLINA, INC.

By: _____
Its:

EXHIBIT A
LAND DESCRIPTION