

FEE AGREEMENT

between

GREENVILLE COUNTY, SOUTH CAROLINA

and

IONIC TECHNOLOGIES, INC.  
a South Carolina corporation

Dated as of April 1, 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") is made and entered into as of April 1, 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 IONIC TECHNOLOGIES, 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 in lieu of tax 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.

Pursuant to an Inducement Agreement executed by the County on February 21, 2012, and by the Company on March 19, 2012 authorized by a resolution adopted by the County Council on February 21, 2012, the Company has agreed to expand, acquire and equip by construction, lease-purchase, lease or otherwise its manufacturing and heat treating facility (the "Facility") which is located in the County, which would consist of the acquisition, construction, installation, expansion, improvement, design and engineering, in phases, of additional or improved

machinery and equipment, buildings, improvements or fixtures which will constitute the project (the "Project"). The Project will involve an initial investment of at least \$10,000,000 in otherwise taxable qualifying Economic Development Property (hereinafter defined).

Pursuant to the Act, based on information provided by the Company, the County has found that (a) the Project 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 will give no rise to or 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 will be greater than the costs to the public.

Pursuant to an Ordinance adopted on April 3, 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 of Laws of South Carolina, 1976, as amended, 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 sections of this Fee Agreement.

"Authorized County Representative" shall mean the Chairman or the County Administrator or their respective designees as evidenced by a written certificate of the Chairman 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 Ionic Technologies, 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 the County.

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

"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 the Phase of the Project, or any part thereof, described in Section 4.7 of this Fee Agreement or (iii) a condemnation to the 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 South Carolina Department of Revenue (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 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 become a part of the Project under 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 improvements to the Real Property, together with any and all additions, accessions, replacements and substitutions thereto or therefor, but only to the extent such additions, accessions, replacements, and substitutions are deemed to become part of the Project under the terms of this Fee Agreement.

"Inducement Agreement" shall mean the Inducement Agreement entered into between the County on February 21, 2012 and the Company on March 19, 2012 as authorized by the Inducement Resolution.

"Inducement Resolution" shall mean the resolution of the County Council adopted on February 21, 2012, authorizing the County to enter into the Inducement Agreement.



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

"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 twenty years after each such Phase of the Project becomes subject to the terms of this Fee Agreement.

"Project" shall mean such of the Equipment, Improvements, and/or Real Property as is located at the Facility and constitutes Economic Development Property.

"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 situated thereon; and all fixtures now or hereafter attached thereto, but only to the extent such Improvements and fixtures are deemed to become 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 to which it is a party 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 incorporated 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 a manufacturing and heat treating facility 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 or to locate the Project in the State.

(e) The Company will invest not less than \$10,000,000 in otherwise taxable Economic Development Property (the “Required Minimum Investment”) on or before December 31, 2017. As provided in Section 4.2 hereof, should the Required Minimum Investment not be met, the Company will lose the benefit of the Fee Agreement, the Project will revert to normal tax treatment, and the Company shall be liable for the payments set forth in said Section 4.2.

### 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 shall be Economic Development Property as defined under the Act. Anything contained in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project provided it makes the payments required hereunder, subject to provisions of Section 4.2 hereof.

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 on or prior to December 31, 2017. 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 the completion of the Project has occurred, 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 South Carolina Department of Revenue.

(c) The Company shall cause a copy of this Agreement to be filed with the Greenville County Auditor, Greenville County Assessor and the South Carolina Department of Revenue 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 South Carolina Department of Revenue, (ii) for computing (as a guide only) the fee in lieu of tax owed to the County with respect to the Economic Development Property and (iii) for paying the fee in lieu of tax 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 amount of the payments in lieu of taxes in accordance therewith. 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 December 31, 2017, 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 arms length transaction, fair market value is deemed to equal the original income tax basis, otherwise, the Department of Revenue 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 on June 30, 2012, which the parties believe to be 309.5 mills (which millage rate shall be a five-year adjustable rate for the term of this Fee Agreement pursuant to Section 12-44-50(A)(1)(b)(ii) of the Act), 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.

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 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 Fee Agreement to apply for 20 years with respect to each Phase Increment. The County agrees that if, and only if, this Agreement would otherwise be deemed unenforceable by virtue of such 20 year term, the term shall be extended to December 31 of the year which is the twenty-ninth (29<sup>th</sup>) year following the first year in which each Phase Increment is placed in service, provided that in such case, the Company agrees to elect to terminate this Fee Agreement with respect to each Phase Increment after the Company has received 20 years of benefits with respect to such Phase Increment.

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 never lower than the level described in this Agreement for the investment in 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 made by the Company with respect to the Project pursuant to the terms hereof.

Section 4.2    Failure to Make Minimum Investment. Notwithstanding any other provision of this Fee Agreement to the contrary, in the event that investment (within the meaning of the Act) in the Project has not exceeded \$10,000,000 in non-exempt (subject to the fee) investment by December 31, 2017, then, beginning with the payment finally due on January 15, 2018, 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, and the Investment Period will be terminated at that point. In addition to the foregoing, the Company shall pay to the County an amount which is equal to the excess, if any, of (i) the total amount of ad valorem taxes that would have been payable to the County with respect to the Project through and including January 15, 2017 using the calculations described in this Section, over, (ii) the total amount of payments in lieu of ad valorem taxes actually made by the Company with respect to the Project through and including January 15, 2017. 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:

- (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. 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, always, however, and notwithstanding any other provision of this Agreement, that if at any time subsequent to December

31, 2017, the total value of the Project based on the original income tax basis of the Equipment, Real Property and Improvements contained therein, without deduction for depreciation, is less than \$10,000,000 in taxable (fee-in-lieu of tax) investment then, beginning with the first payment thereafter due hereunder and continuing until the end of the Fee Term, the Company shall make payments equal to the payments which would be due if the property were not Economic Development Property.

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 or Rebuild. In the event the Project is damaged by fire, explosion, or any other casualty, the Company may (i) elect to terminate this Agreement (but in such event the Company shall remain liable for all sums otherwise payable as of such time under the terms of this Fee Agreement) or (ii) 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.

(b) 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 (but in such event the Company shall remain liable for all sums otherwise payable as of such time under the terms of this Fee Agreement).

(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.

## 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, elected officials, employees, officers, and agents (the "Indemnified Parties") harmless against and from all claims by or on behalf of any person, firm or corporation arising directly 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.

(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 and could thereby have a significant detrimental impact on the Company's employees and also upon the County. 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 it 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. Notwithstanding the expectation that the County will not have any confidential or proprietary information of the

Company, if the Company does provide such information to the County, if the Company will clearly and conspicuously mark such information as “Confidential” or “Proprietary”, or both, then, in that event, prior to disclosing any confidential or proprietary information or allowing inspections of the Project, the Facility or any property associated therewith, the Company may require the execution of reasonable, individual, 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) to provide copies of all filings made by the Company with the Greenville County Auditor or the South Carolina Department of Revenue 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 set forth in Section 5.5(a), 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.

(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 this 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 or this Fee Agreement. 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: Ionic Technologies, Inc.  
207 Fairforest Way  
Greenville, South Carolina 29607  
Attention: Ray Monahan

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 and any other amounts payable hereunder to the County or any Indemnified Parties, 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.

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 Chairman of the County Council and 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

IONIC TECHNOLOGIES, INC.

By: \_\_\_\_\_  
Its:

EXHIBIT A  
LAND DESCRIPTION

**Parcel 1**

All that certain piece, parcel or lot of land shown on that certain plat entitled “Property of Dennis G. Poterala” and prepared by Site Design, Inc. dated October 23, 1991 and recorded in the Register of Deeds Office for Greenville County in Plat Book 21-H at Page 52 and containing 2.23 acres.

Also shown on a more recent survey for Ionic Technologies prepared by Triad Surveyors and Land Planners, Inc. dated November 6, 2004 and recorded in the Office of the Register of Deeds Office for Greenville County in Plat Book 49U at page 2.

This being the same property conveyed to Ionic Technologies, Inc. by Deed of Dennis Poterala and recorded in Deed Book 2139 at page 1865 on April 18, 2005.

Tax Map No. (15) 500-M11.1-1-3.17

**Parcel 2**

All that certain piece, parcel or lot of land containing 0.012 acre (517 square feet), more or less and all improvements thereon conveyed to Ionic Technologies, Inc. by deed of City of Greenville, South Carolina and recorded in Deed Book 2366 at page 5373 on January 7, 2010.

Tax Map No. M011010100317.

**Parcel 3**

All that certain piece, parcel or lot of land containing 0.56 acres, more or less and shown on a plat entitled “Survey of Dennis Cleveland Property” prepared by Triad Surveyors, Inc. dated September 24, 2011 and recorded in the Office for the Register of Deeds for Greenville County in plat Book 1131 at page 29 and as shown on deed by Dennis I. Cleveland to Ionic Technologies, Inc. and recorded in Deed Book 2399 at page 2471 on January 6, 2012.

Tax Map No. M011-02-01-001.01