

INDUCEMENT AGREEMENT  
(Project Coast)

THIS INDUCEMENT AGREEMENT (this "Agreement") is made and entered into effective as of \_\_\_\_\_, 2012 by and between **GREENVILLE COUNTY, SOUTH CAROLINA**, a body politic and corporate and a political subdivision of the State of South Carolina (the "County") and \_\_\_\_\_, LLC, a South Carolina limited liability company, known as "Project Coast" (the "Company") or any assignee or co-owner that is an affiliated company (within the meaning ascribed in the Internal Revenue Code).

WITNESSETH:

ARTICLE 1

RECITATION OF FACTS

Section 1.1. As a means of setting forth the matters of mutual inducement that have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

(a) The County is authorized and empowered by the provisions of Title 4, Chapter 1, Code of Laws of South Carolina, 1976, as amended (the "Act"), to induce the Company to acquire, enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State of South Carolina (the "State") will be promoted and trade developed by inducing new industries to locate in the State and by encouraging industries now located in the State to expand their investments and thus utilize and employ manpower and other resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally.

(b) The Company is considering acquisition by construction, purchase or lease of facilities and capabilities to be used for operating a reconditioning service business (the "Project") in Greenville County. The Project will involve a taxable investment of at least \$3,900,000 and the creation of at least 89 new full-time jobs, all over a five (5) year period ending on December 31, 2016.

(c) The Project will include the acquisition of improved real property as well as machinery and equipment, all within the meaning of Section 4-29-68, Code of Laws of South Carolina, 1976, as amended (the "Infrastructure").

(d) The Company has requested, and the County has determined to enter into an infrastructure credit agreement by and between the Company and the County (the "Infrastructure Credit Agreement"), whereby the County will reimburse the company for certain investment by the Company in Infrastructure with respect to the Project pursuant to the provision of an infrastructure credit (the "Infrastructure Credit") pursuant to and in accordance with Section 4-1-

175 of the Act and the Infrastructure Credit Agreement, based on and subject to the Project site being located in a joint county industrial and business park, created by the County pursuant to and in accordance with Section 4-1-170 of the Act (the "Park").

(e) The County has given due consideration to the economic development impact of the Project, and hereby finds and determines, based on information supplied by the Company, that (i) the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally, (ii) the Project will give rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either, (iii) the purposes to be accomplished by the Project, i.e., economic development, creation of jobs and addition to the tax base of the County, are proper governmental and public purposes, (iv) the inducement of the location or expansion of the Project within the County and State is of paramount importance and (v) the benefits of the Project will be greater than the costs; and has agreed to effect the issuance and delivery of this Agreement, pursuant to the Act, and on the terms and conditions hereafter set forth.

(e) To the extent within its authority and control, the County will use its best efforts to include the Project site in a Park, either existing or to be created, with an adjoining county, and provide an infrastructure credit against payments in lieu of taxes from the Project in the Park in an annual amount equal to 20% of the payments in lieu of taxes allocated to the County taxing entities pursuant to the agreement creating the Park (the "Park Agreement") for five (5) years of fee in lieu of tax payments by the Project in the Park pursuant to the Park Agreement, beginning with the payment due (without penalty) with respect to taxable investment made during calendar year 2012. No Infrastructure Credit will be due, at all, if the County is unable to place the Project Property into a Park, despite using its best reasonable efforts to do so. The execution and delivery of the Infrastructure Credit Agreement and the provision of the Infrastructure Credit to the Company and the creation or amendment are subject in all events to the provisions of the Act and the Home Rule Act regarding the procedural requirements for the enactment of approving ordinances.

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE COUNTY

Subject to the provisions of Article IV hereof, the County agrees as follows:

Section 2.1. The Infrastructure Credit Agreement shall provide that, in the performance of the agreements contained therein on the part of the County, any obligations the County may incur for the payment of money shall not create a pecuniary liability of the County nor create a general obligation on it part or by the State or any incorporated municipality.

Section 2.2. The County hereby permits the planning, design, acquisition and construction of the Project to commence prior to the execution and delivery of the Infrastructure Credit Agreement.

Section 2.3. (a) To the extent within its authority and control, using its best reasonable efforts, the County hereby agrees, subject to the requirements of Section 4-1-170 and Section 4-1-175 of the Act, respectively, and the Home Rule Act, to insuring that the Project site will be placed in a Park and to assist the Company in its preparation of an ordinance authorizing the provision of the Infrastructure Credit which shall be made available to the Company to pay or reimburse the payment of a portion of or all of the costs of the Infrastructure with respect to the Project. The amount of the Infrastructure Credit will be limited such that the amount of the credit will be twenty percent (20%) of the fee-in-lieu of tax payments from the Project in the Park retained by the County taxing authorities for five (5) years of fee in lieu of tax payment by the Project in the Park pursuant to the Park Agreement, beginning with the payment due (without penalty) with respect to taxable investment made during calendar year 2012, and such that the Infrastructure Credit will never exceed, at any point in time, the actual cost of investment by the Company in Project Infrastructure to that point. The Infrastructure Credit will be payable exclusively from payment in lieu of taxes which the County receives and retains from the Company for the Project in the Park under the Infrastructure Credit Agreement. The Infrastructure Credit shall not constitute a general obligation or indebtedness of the County nor a pledge of the full faith and credit of the taxing power of the County. Provided, for so long as the Infrastructure Credit Agreement remains in full force and effect, the Infrastructure Credit shall be paid solely by setoff by the Company against fee in lieu of tax payments due. The Company and the County agree that if the County is unable to place the Project in a Park despite using its best reasonable efforts to do so, the County will not be obligated to provide any Infrastructure Credit to the Company.

(b) The undertakings of the County are contingent upon the County being able to place the Project Property into a Park, using its best reasonable efforts, and the Company providing the County with such further evidence as may be satisfactory to the County as to compliance with applicable statutes and regulations and this Agreement and the Company's commitments hereunder.

### ARTICLE III

#### UNDERTAKINGS ON THE PART OF THE COMPANY

Section 3.1. Prior to execution of the Infrastructure Credit Agreement and subsequent to this Agreement, the Company may pay any acquisition or construction funds required in connection with the planning, design, acquisition, construction or carrying out of the Project including any infrastructure.

Section 3.2. The County will have no obligation to assist the Company in finding any source of financing for all or any portion of the property constituting the Project and the Company may endeavor to finance the Project to the extent required to finance the cost of the acquisition and installation of the Project and the costs of the transaction.

Section 3.3. If the Project proceeds as contemplated, the Company further agrees as follows:

(a) To acquire title to the assets constituting the Project;

(b) With respect to the Project, to indemnify, defend and hold the County harmless from all pecuniary liability with respect to the Infrastructure Credit Agreement and the Project and to reimburse it for all reasonable out-of-pocket costs, including reasonable attorneys' fees of the County, and other reasonable out-of-pocket expenses to which it might be put in the fulfillment of the County's obligations under this Agreement, the Infrastructure Credit Agreement, and any resolutions or ordinances approved same, and in the negotiation and implementation of its terms and provisions;

(c) To perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings hereunder;

(d) To apply for, and use its best efforts to obtain, all permits, licenses, authorizations and approvals required by all governmental authorities in connection with the acquisition, construction, operation and use of the Project;

(e) To indemnify, defend and hold the County and the elected officials, individual members, officers, agents and employees thereof harmless against any claim or loss or damage to property or any injury or death of any person or persons occurring in connection with the planning, design, acquisition, construction, leasing, operation and carrying out of the Project, including without limitation any environmental liability. The Company also agrees to reimburse or otherwise pay, on behalf of the County, any and all reasonable out-of-pocket expenses not hereinbefore mentioned incurred by the County in connection with the Project, including but not limited to the County's attorneys fees. Any defense provided hereunder shall be with counsel acceptable to the County, the acceptance of which shall not be unreasonably withheld. This indemnity shall be superseded by an equivalent or greater indemnity in the Infrastructure Credit Agreement; and

(f) To invest not less than Three Million Nine Hundred Thousand Dollars (\$3,900,000) of taxable investment in the Project by December 31, 2016. Such investment requirement shall hereinafter be referred to as the "Investment Requirement". To create at least 89 new full time jobs by December 31, 2016. Such job creation requirement shall hereinafter be referred to as the "Job Requirement".

Section 3.4. Partial Clawback. The Company understands and agrees that the failure of the Company to satisfy and maintain the Job Requirement and the Investment Requirement as set forth in Section 3.3(f) above may result in repayment of all or a portion of the Infrastructure Credit previously given to the Company. On December 31, 2016, the number of jobs created by the Company at the Project may not be less than the Job Requirement (89 jobs), and the investment by the Company at the Project may not be less than the Investment Requirement (\$3,900,000). If the Company fails to meet the Job Requirement and/or the Investment Requirement or meets but then fails to maintain the Job Requirement and/or the Investment Requirement through December 31, 2016, the Company will be required to repay a portion of the Infrastructure Credit previously given to the Company. Specifically, in such event, the Company shall be required to repay a pro-rata amount of the Infrastructure Credit previously given to the

Company based on the actual number of jobs created and/or investment level achieved as of December 31, 2016. For purposes of this Section 3.4, pro rata repayment for failure to meet either the Job Requirement or the Investment Requirement will be calculated independently with each calculation based on 50% of the Infrastructure Credit previously and actually given to the Company.

#### ARTICLE IV

##### GENERAL PROVISIONS

Section 4.1. All commitments of the County hereunder are subject to all of the provisions of the Act and the Home Rule Act, including, without limitation, the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing powers of either.

Section 4.2. All commitments of the County and the Company hereunder are subject to the condition that the County and the Company agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof, and the compliance by the County (and the partner county in the case of the Park) with the requirements of the Home Rule Act, including the adoption by the County Council of an ordinance authorizing the execution and delivery of such documents and approving the terms thereof.

Section 4.3. If for any reason this Agreement is not executed and delivered by the Company on or before December 31, 2012, the provisions of this Agreement may be cancelled by the County by delivery of written notice of cancellation signed by the County Administrator and delivered to the Company; thereafter neither party shall have any further rights against the other and no third party shall have any rights against either party except:

(a) The Company will pay the County for all reasonable out-of-pocket expenses which have been incurred by the County in connection with the planning, design, acquisition, construction and carrying out of the Project and for all out-of-pocket expenses incurred by the County in connection with the authorization and approval of the Infrastructure Credit Agreement or this Agreement, including its reasonable attorneys' fees; and

(b) The Company will pay the out-of-pocket reasonable expenses of officers, agents and employees of the County and counsel for the County incurred in connection with the Project and the execution of the Infrastructure Credit Agreement.

Section 4.4. The parties understand that the Company may choose not to proceed with the Project, in which event this Agreement shall be cancelled and, subject to Company's obligations described in Section 4.3, neither party shall have any further rights against the other, and no third party shall have any rights against either party.

Section 4.5. To the maximum extent allowable under the Act, the Company may, without the prior consent of the County, assign (including, without limitation, by absolute, collateral or other assignments) all or part of its rights and/or obligations under this Agreement, the Infrastructure Credit Agreement or any other agreement related hereto or thereto, to one or more other entities which are “Related Parties” within the meaning of the Internal Revenue Code without adversely affecting the benefits to the Company or its assignees pursuant hereto or pursuant to an such agreement or the Act.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Inducement Agreement effective as of the date first above written.

GREENVILLE COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Chairman, County Council of  
Greenville County, South Carolina

By: \_\_\_\_\_  
County Administrator  
Greenville County, South Carolina

ATTEST:

By: \_\_\_\_\_  
Clerk, County Council of  
Greenville County, South Carolina

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

Title: \_\_\_\_\_