

EXECUTION COPY

FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT

BETWEEN

SOUTH CAROLINA PLASTICS, LLC, AS SPONSOR

AND

WIRTHWEIN REAL ESTATE, LLC, AS SPONSOR AFFILIATE

AND

GREENVILLE COUNTY, SOUTH CAROLINA

October 2, 2012

PREPARED BY:

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FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT

THIS FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT ("Fee Agreement") is made and entered into as of October 2, 2012, by and between Greenville County, South Carolina ("County"), a body politic and corporate and a political subdivision of the State of South Carolina ("State"), acting by and through the Greenville County Council ("County Council") as the governing body of the County, and) South Carolina Plastics, LLC, a North Carolina limited liability company authorized to transact business in the State of South Carolina, along with affiliated or related entities, and assigns as Sponsor (collectively, "Company") and Wirthwein Real Estate LLC, a North Carolina limited liability company, as Sponsor Affiliate ("Sponsor Affiliate") (hereinafter, the County, the Company, and the Sponsor Affiliate are referred to individually as a "Party" and, collectively, as "Parties").

WITNESSETH:

(a) The County acting by and through its County Council is authorized and empowered under and pursuant to the provisions of Title 4 and Title 12 of the Code of Laws of South Carolina, 1976, as amended (collectively, "Act") (i) to enter into agreements with qualifying companies to encourage investment in projects constituting economic development property through which the economic development of the State will be promoted by inducing new and existing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ manpower and other resources of the State; (ii) to covenant with such industry to accept certain fee payments in lieu of ad valorem taxes ("FILOT") with respect to such investment; (iii) under Section 4-1-170 of the Code of Laws of South Carolina 1976, as amended ("MCIP Act") to create multi-county industrial parks with one or more contiguous counties and include certain properties therein, and, in its discretion, include within the boundaries of these parks the property of qualifying industries, and under the authority provided in the MCIP Act, the County has created previously a multi-county park with Anderson County, South Carolina ("Park"); (iv) to provide credits to qualifying companies to offset qualifying infrastructure related expenditures pursuant to Sections 4-1-175, 4-29-68 and 12-44-70 of the Code of Laws of South Carolina 1976, as amended ("Infrastructure Credit Act"); and to make and execute contracts pursuant to Section 4-9-30 of the Act; and

(b) Pursuant to the Act, and based on information provided by the Company, the County has determined that (i) the Project (as defined herein) will 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 not give rise to any pecuniary liability of the County or any incorporated municipality or to any charge against any of their general credit or taxing power; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project to the public will be greater than the costs to the public; and

(c) The Company, as Sponsor, along with one or more existing, or to-be-formed or acquired subsidiaries, or affiliated or related entities, and any Sponsor Affiliates, within the meaning of Section 12-44-30 of the Act, that Company may designate and have the County approve herein or by subsequent resolution, is planning an investment consisting of the aggregate expenditure of approximately \$13,000,000 ("Investment Estimate"), which exceeds the minimum requirement under the Act, and the creation of approximately 119 jobs ("Job Creation Estimate"), in connection with its acquisition by construction, lease and purchase certain land, buildings, furnishings, fixtures, apparatus, and equipment, for the purpose of establishing a manufacturing facility to be located in the County (collectively, "Project"); and

(d) Pursuant to a Resolution adopted September 4, 2012, the County Council identified the Project, as required under the Act, and pursuant to County Council Ordinance No. _____ adopted October 2, 2012 (“Fee Ordinance”), authorized (i) the execution and delivery of this Fee Agreement with the Company; (ii) the inclusion of the Project in the Park, pursuant to the terms of that “Agreement for Development of Joint County Industrial and Business Park” between the County and Anderson County dated October 6, 1998, as amended (“MCIP Agreement”); and (iii) the provision of Special Source Revenue Credits in amounts as more fully described in that Infrastructure Credit Agreement dated October 2, 2012 between the County and Wirthwein Real Estate, LLC, the Sponsor Affiliate, an entity that is affiliated and related to the Company.

NOW, THEREFORE, 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 to the County:

ARTICLE I DEFINITIONS

Section 1.1 Terms. 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.

“Chair” means the Chair of the County Council.

“Clerk of County Council” means the Clerk to the County Council.

“Code” means the South Carolina Code of Laws, 1976, as amended.

“Commencement Date” means the earlier of: (a) the last day of the first property tax year during which Economic Development Property (defined below) is placed in service or (b) the last day of the property tax year that is three years from the year in which the Parties entered into this Fee Agreement.

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

“County Council” means the Greenville County Council, the governing body of the County.

“Department” means the South Carolina Department of Revenue.

“Diminution of Value” in respect of any Phase of the Project means any reduction in the value based on original fair market value as determined in Step 1 of Section 3.1 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 3.5 of this Fee Agreement, (ii) a casualty to the Phase of the Project, or any part thereof, described in Section 3.6 of this Fee Agreement, or (iii) a condemnation to the Phase of the Project, or any part thereof, described in Section 3.7 of this Fee Agreement.

“Economic Development Property” means all items of real and tangible personal property comprising the Project which qualify as economic development property under the Act, become subject to this Fee Agreement, and which are identified by the Company and, as applicable, any Sponsor Affiliate in

connection with its annual filing of a SCDOR PT-100, PT-300 or comparable forms 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 and, as applicable, in the Sponsor Affiliate, except as may be necessary to take advantage of the effect of Section 12-44-160 of the Act.

“Equipment” means all of the machinery, equipment, furniture and fixtures, together with any and all additions, accessions, replacements and substitutions thereto or therefor acquired by the Company and, as applicable, the Sponsor Affiliate during the Investment Period as a part of the Project.

“Event of Default” means any Event of Default specified in Section 3.12 of this Fee Agreement.

“Fee Term” or “Term” means 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” means fee in lieu of *ad valorem* tax.

“FILOT Payments” means the payments in lieu of *ad valorem* taxes which the Company and, as applicable, the Sponsor Affiliate is obligated to pay to the County.

“Improvements” mean improvements, together with any and all additions, accessions, replacements and substitutions thereto or therefor acquired by the Company and, as applicable, the Sponsor Affiliate during the Investment Period as part of the Project.

“Investment” shall include but not be limited to (i) taxable and non-taxable capital expenditures, without regard to depreciation, that are made towards or for the benefit of the Project; (ii) capital expenditures, whether considered Economic Development Property or non-Economic Development property, without regard to the depreciation that are made towards or for the benefit of the Project, regardless of the source of payment of such expenditures; (iii) the value of any assets leased by the Company and, as applicable, the Sponsor Affiliate, without regard to the depreciation, regardless of the source of payment of such expenditures; and (iv) any other expenditures made by the Company and, as applicable, the Sponsor Affiliate that the County and the Company and, as applicable, the Sponsor Affiliates may mutually agree upon in a writing that is executed by an authorized representative of the Company and the County Administrator. The Investment for purposes of the Investment Estimate and the Minimum Investment Commitment stated herein shall include those expenditures made by both the Company and the Sponsor Affiliate prior to the end of the Investment Period as defined herein.

“Investment Period” means the period beginning with the first day that economic development property is purchased or acquired and ending five years after the Commencement Date. The minimum investment must be completed within five years of the Commencement Date. The Investment Period is expected to end December 31, 2017. Pursuant to Section 12-44-30(13) of the Act, the County may, at its discretion, extend this period.

“Minimum Investment Commitment” shall be equal to seventy percent (70%) of the Investment Estimate, which equals \$9,100,000. For the purpose of calculating the Minimum Investment Commitment, any Investment made by any Sponsor Affiliates shall be considered.

“Phase” or “Phases” in respect to the Project means the Equipment, Improvements and Real Property, if any, placed in service during each year of the Investment Period.

“Phase Termination Date” means with respect to each Phase of the Project the day nineteen years after each such Phase of the Project becomes subject to the terms of this Fee Agreement. Anything contained herein to the contrary notwithstanding, the last Phase Termination Date shall be no later than December 31 of the year of the expiration of the nineteenth full calendar year, after the Commencement Date.

“Project” means the Equipment, Improvements, and Real Property, together with the acquisition, construction, installation, design and engineering thereof, in phases.

“Real Property” means real property, together with all and singular the rights, members, hereditaments and appurtenances belonging or in any way incident or appertaining thereto acquired or constructed by the Company and, as applicable, the Sponsor Affiliate; 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” means the following types of components or Phases of the Project or portions thereof, all of which the Company and, as applicable, the Sponsor Affiliate, as the case may be, 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 and, as applicable, the Sponsor Affiliate, in their sole discretion, determine 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 and, as applicable, the Sponsor Affiliate in their sole discretion, elect to remove pursuant to Section 3.6(c) or Section 3.7(b)(iii) of this Fee Agreement.

“Replacement Property” means any property which is placed in service as a replacement for any item of Equipment or any Improvement which is scrapped or sold by the Company and, as applicable, the Sponsor Affiliate and treated as a Removed Component under Section 3.5 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.

“Sponsor Affiliate” means an affiliate that joins with or is an affiliate of the Company, including Wirthwein Real Estate, LLC, whose Investment with respect to the Project shall be considered part of the Investment and qualify for FILOT Payments pursuant to Section 3.1 hereof and Section 12-44-30(A)(19) and Section 12-44-130 of the Act, all in accordance with Section 3.11 hereof.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement is 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 and, as applicable, the Sponsor Affiliate 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 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 and the Sponsor Affiliate. The Company and the Sponsor Affiliate hereby represent and warrant to the County as follows:

(a) Each of the Company and the Sponsor Affiliate are corporate entities, duly organized and in good standing under the laws of the State of North Carolina, and are authorized to transact business in the State of South Carolina, and have power to enter into this Fee Agreement.

(b) The Company’s and the Sponsor Affiliate’s execution and delivery of this Fee Agreement and their compliance with the provisions hereof do not result in a default, not waived or cured, under any Company or Sponsor Affiliate restriction or any agreement or instrument to which the Company or Sponsor Affiliate is now a party or by which it is bound.

(c) The Company and the Sponsor Affiliate intend to operate the Project as a “project” within the meaning of the Act as in effect on the date hereof. The Company and the Sponsor Affiliate intend to operate the Project for such purposes as permitted under the Act, as the Company may deem appropriate.

(d) The availability of the FILOT with regard to the Economic Development Property authorized by the Act, along with other incentives provided by the County, has induced the Company and the Sponsor Affiliate to undertake the Project in the County.

(e) The Company and the Sponsor Affiliate will use commercially best reasonable efforts to invest in the Project during the Investment Period in an amount at least equal to the Investment Estimate and, in that period, to meet the Job Creation Estimate.

ARTICLE III FILOT PAYMENTS

Section 3.1 Negotiated Payments.

(a) Pursuant to Section 12-44-50 of the Act, the Company and, as applicable, the Sponsor Affiliate are required to make FILOT Payments on all Economic Development Property comprising the Project and placed in service, as follows: (i) the Company shall make FILOT Payments in lieu of *ad valorem* taxes with respect to each Phase of the Project placed in service on or before each December 31 during the Investment Period.

(b) The amount of such annual FILOT Payments shall be determined by the following procedure (subject, in any event, to the required procedures under the Act and to Section 3.3 hereof):

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 nineteen years, unless extended by the Parties in accordance with the Act, 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 and, as applicable, the Sponsor Affiliate 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 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 6.5% 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 and, as applicable, the Sponsor Affiliate under the Act, as amended.
- Step 3: Multiply the taxable value determined in the preceding step by a millage rate equal to 292.3 mills, which is believed to be that rate in effect on June 30, 2012, for all taxing entities for the Project site (which millage rate shall be a fixed rate for the term of this Fee Agreement), to determine the amount of the FILOT Payments which would be due in each year of the Fee Term on the payment dates prescribed by the County for such payments for a total of twenty (20) years for each item of eligible Project property, or such longer period of years that the annual fee payment is permitted to be made by the Company and, as applicable, the Sponsor Affiliate under the Act, as amended, if so approved by the County.

(c) The County agrees to use its best efforts to provide that the Project is incorporated and remains in the Park during the Fee Term. If, for any reason, the MCIP Agreement is modified, or otherwise terminated, then the County shall use its best efforts to provide that the Project shall be immediately placed into another multi-county park arrangement established pursuant to the MCIP Act, to which the County is party and that would enable the Sponsor Affiliate to receive SSRC benefits, equal to the SSRC benefits set forth in the Infrastructure Credit Agreement.

(d) In the event that the Company achieves less than the Minimum Investment Commitment by the end of the Investment Period, then the fee in lieu of *ad valorem* taxes to be paid to the County by the Company shall become equal, retroactive to the first year with respect to which FILOT Payments were to have been made, to the amount which would result from *ad valorem* taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the Project was and had not been subject to the Act. Any amount determined to be due and owing to the County from the Company with respect to a year or years, during the Investment Period, for which fee in lieu of *ad valorem* taxes have been previously remitted by the Company to the County hereunder, shall be reduced by the total amount of fee in lieu of *ad valorem* taxes made by the Company with respect to the Project pursuant to the terms hereof, and further reduced by any abatements provided by law, and shall be payable within ninety (90) days after the end of the Investment Period. Such repayment amount shall be subject to interest at the statutory rate for non-payment of *ad valorem* taxes. The Company's failure to achieve the Minimum Investment Commitment by the end of the Investment Period does not constitute an

Event of Default under Section 3.12. If the Company meets or exceeds the Minimum Investment Commitment, then no repayment of the fee in lieu of *ad valorem* tax benefits shall apply and such benefits shall continue for the remainder of the Fee Term.

(e) In the event that the Act and/or the above-described FILOT Payments are declared invalid or unenforceable, in whole or in part, for any reason, the parties express their intentions that such payments and this Fee Agreement be reformed so as to most closely effectuate the legal, valid, and enforceable intent thereof and so as to afford the Company and, as applicable, the Sponsor Affiliate, with the benefits to be derived hereunder. 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 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, as the case may be, 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 total amount of payments in lieu of *ad valorem* taxes made by the Company with respect to the Project pursuant to the terms hereof, and further reduced by any abatements provided by law.

Section 3.2 FILOT Payments on Replacement Property. If the Company and, as applicable, the Sponsor Affiliate elect 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, the Company and, as applicable, the Sponsor Affiliate shall make statutory payments in lieu of *ad valorem taxes* with regard to such Replacement Property as follows:

(a) to the extent that the income tax basis of the Replacement Property (“Replacement Value”) is less than or equal to the original income tax basis of the Removed Components (“Original Value”) the amount of the FILOT Payments to be made by the Company and, as applicable, the Sponsor Affiliate with respect to such Replacement Property shall be calculated in accordance with Section 3.1 hereof; provided, however, in making such calculations, the original cost to be used in Step 1 of Section 3.1 shall be equal to the lesser of (x) the Replacement Value or (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, the maximum number of years for which the annual fee payments are available to the Company and, as applicable, the Sponsor Affiliate 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 oldest Removed Components disposed of in the same property tax year as the Replacement Property is placed in service; and

(b) to the extent that the Replacement Value exceeds the Original Value of the Removed Components (“Excess Value”), the FILOT Payments to be made by the Company and, as applicable, the Sponsor Affiliate 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 3.3 Reductions in Payments of Taxes Upon Removal, Condemnation or Casualty. In the event of a Diminution in Value of any Phase of the Project after the Investment Period and during the remainder of the FILOT Term, 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 3.1 hereof.

Section 3.4 Place and Allocation of FILOT Payments. The Company and, as applicable, the Sponsor Affiliate shall make the above-described FILOT Payments directly to the County in accordance

with applicable law as to payment, collection and enforcement of FILOT Payments. FILOT Payments are to be allocated in accordance with the Act.

Section 3.5 Removal of Equipment. Subject always to Section 3.3, the Company and, as applicable, the Sponsor Affiliate 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 (“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 3.6(c) or Section 3.7(b)(iii) hereof.

Section 3.6 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 and, as applicable, the Sponsor Affiliate shall be entitled to terminate this Fee Agreement.

(b) *Election to Rebuild.* In the event the Project is damaged by fire, explosion, or any other casualty, and if the Company and, as applicable, the Sponsor Affiliate do not elect to terminate this Fee Agreement, the Company and, as applicable, the Sponsor Affiliate may, in their sole discretion, 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 and, as applicable, the Sponsor Affiliate. 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 and, as applicable, the Sponsor Affiliate to the County under Section 3.1 hereof, to the extent allowed by the Act.

(c) *Election to Remove.* In the event the Company and, as applicable, the Sponsor Affiliate elect not to terminate this Fee 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 3.7 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 and, as applicable, the Sponsor Affiliate then the Company or the Sponsor Affiliate (with respect to its Project property only) 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 transfer in lieu thereof, the Company and, as applicable, the Sponsor Affiliate 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 and, as applicable, the Sponsor Affiliate; or (iii) to treat the portions of the Project so taken as Removed Components.

Section 3.8 Maintenance of Existence. The Company and, as applicable, the Sponsor Affiliate agree (i) that they shall not take any action which will materially impair the maintenance of their corporate existence and (ii) that they will maintain their good standing under all applicable provisions of State law. Notwithstanding the foregoing, any changes in the corporate existence of the Company or, as applicable, the Sponsor Affiliate, that result from internal restructuring or reorganization of the Company or, as applicable, the Sponsor Affiliate, or their parents are specifically authorized hereunder; and further, subject to the provisions of Section 3.12(d) hereof, the Company and, as applicable, the Sponsor Affiliate are entitled to cease operations of the Project at any time without that cessation constituting an Event of Default under this Fee Agreement. Likewise, benefits granted to the Company and, as applicable, the Sponsor Affiliate under this Fee Agreement shall, in the event of any such restructuring or reorganization, be transferred to the successor entity under the provisions of Section 3.10 hereof. Such transfers to a successor entity substantially similar in nature and function to the Company and, as applicable, the Sponsor Affiliate are specifically approved and authorized by the County without any further action by the County Council.

Section 3.9 Confidentiality/Limitation on Access to Project. The County acknowledges and understands that the Company and, as applicable, the Sponsor Affiliate utilize confidential and proprietary “state-of-the-art” information and data in their operations, and that a disclosure of any information, including, but not limited to, disclosures of financial or other information concerning the Company’s operations and, as applicable, the Sponsor Affiliate’s operations, could result in substantial harm to them and could thereby have a significant detrimental impact on their employees and also upon the County. Therefore, the County agrees that, except as required by law and pursuant to the County’s police powers, 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 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 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. Prior to disclosing any confidential or proprietary information or allowing inspections of the Project or any property associated therewith, the Company and, as applicable, the Sponsor Affiliate 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.

Section 3.10 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 and, as applicable, the Sponsor Affiliate so long as such assignment or sublease is made in compliance with Section 12-44-120 of the Act. To the extent any consent of the County for such assignment or sublease is required by the Act and requested, the County may grant such consent by adoption of a Resolution, not to be unreasonably withheld.

Section 3.11 Addition of Sponsor Affiliates. Upon request of and at the expense of the Company, the County may approve any Sponsor Affiliate (other than Wirthwein Real Estate, LLC) that qualifies under the Act for the benefits offered under this Fee Agreement and which agrees to be bound by the provisions hereof.

Section 3.12 Events of Default. The following are “Events of Default” under this Fee Agreement, and the term “Events of Default” means, whenever used with reference to this Fee Agreement, any one or more of the following occurrences:

(a) Failure by the Company or, as applicable, the Sponsor Affiliate, to make, upon levy, the FILOT Payments described in Section 3.1 hereof; provided, however, that the Company or, as applicable, the Sponsor Affiliate shall be entitled to all redemption rights for non-payment of taxes granted by applicable statutes; or

(b) Failure of the Company or, as applicable, the Sponsor Affiliate to make payment of any other amounts payable to the County under the Agreement, of which default has not been cured within thirty (30) days of written notice of nonpayment from the County.

(c) Failure by the Company or, as applicable, the Sponsor Affiliate to perform any of the other material terms, conditions, obligations or covenants of the Company or, as applicable, the Sponsor Affiliate hereunder, which failure shall continue for a period of ninety (90) days after written notice from the County to the Company or, as applicable, the Sponsor Affiliate 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.

(d) Failure by the Company and the Sponsor Affiliate, in the aggregate, to maintain the Minimum Investment Commitment, without regard to depreciation, following the end of the Investment Period, throughout the Fee Term, or until the early termination of this Fee Agreement.

Section 3.13 Remedies on Default. Whenever any Event of Default shall have occurred and shall be continuing, the County, after having given written notice to the Company or, as applicable, the Sponsor Affiliate of such default and after the expiration of a thirty (30) day cure period, except as provided for in Section 3.12(b), shall have the option to 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 that 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 or, as applicable, the Sponsor Affiliate under this Fee Agreement.

(c) With respect to Default under Section 3.12(d), the County’s exclusive remedy shall be the termination of this Fee Agreement. In such event, the Company or, as applicable, the Sponsor Affiliate shall not be required to reimburse the County any of the benefits received under this Fee Agreement.

Section 3.14 Collection of FILOT Payments. In addition to all other remedies herein provided, the nonpayment of FILOT Payments shall constitute a lien on the Project 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 Code) relating to the enforced collection of *ad valorem* taxes to collect any FILOT Payments due hereunder.

Section 3.15 Remedies Not Exclusive. Subject to Section 3.13(c), 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 3.16 *Leased Equipment.* To the extent that applicable law allows or is revised or construed to allow the benefits of the Act, in the form of FILOT Payments as described in Section 3.1 hereof, to be applicable to personal property to be installed at the Project and leased to but not purchased by the Company and, as applicable, the Sponsor Affiliate from at least one third party, under any form of lease, then that personal property, at the Company's or Sponsor Affiliate's sole election and with prior written notice to the County, not to be unreasonably withheld, will become subject to FILOT Payments to the same extent as the Equipment under this Fee Agreement, upon proper application of the law and applicable procedures by the Company. This Fee Agreement shall be deemed interpreted or modified as appropriate to give proper application of such addition property to this Fee Agreement without any amendment to this Fee Agreement; therefore, no action by County Council shall be required to effect the addition of such property. The County Administrator, after consulting with the County Attorney, is authorized to make such notations or take such related action as may be appropriate to give effect to this Section.

Section 3.17 *Waiver of Recapitulation Requirements.* As permitted under Section 12-44-55 of the Act, the Company and County hereby waive application of any of the recapitulation requirements as set forth in Section 12-44-55, to the extent that, and so long as, the Company provides the County with copies of all filings which the Company is required to make pursuant to the Act.

Section 3.18 *Fiscal Year; Property Tax Year.* If the Company's fiscal year changes so as to cause a change in the Company's property tax year, then the timing of the requirements of this Fee Agreement are automatically revised accordingly.

Section 3.19 *Reports; Filings.*

(a) On or before May 1 of each year up to and including the May 1 immediately following the end of the Investment Period, the Company shall provide the Greenville County Auditor with a list of all property constituting the Phase as was placed in service as of the prior December 31.

(b) Each year during the term of this Fee Agreement, the Company shall deliver to the Greenville County Auditor a copy of their most recent annual filings, showing investments and calculating fee payments, made with the Department with respect to the applicable portions of the Project, not later than thirty (30) days following delivery thereof to the Department.

(c) The Company shall cause a copy of this Agreement, as well as a copy of the completed forms PT-443 of the Department, to be filed with the Greenville County Auditor, the Greenville County Assessor and the Department within thirty (30) days after the date of execution and delivery hereof.

Section 3.20 *Indemnification Covenants*

(a) Notwithstanding any other provisions in this Fee Agreement or in any other agreements with the County (a) the Company agrees to indemnify and save the County, its members, elected officials, officers, employees, servants and agents (collectively, the "Indemnified Parties"), harmless against and from

all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on the Project during the Fee Term, and, the Company further, shall indemnify and save the Indemnified Parties harmless against and from all claims arising during the Fee Term from (i) any condition of the Project, (ii) any breach or default on the part of any of the Company in the performance of any of their obligations under this Fee Agreement, (iii) any act of negligence of a Company, or of any agents, contractors, servants, employees or licensees, (iv) any act of negligence of any assignee or sublessee of a Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of a Company, (v) any environmental violation, condition, or effect. The Company shall indemnify and save the County 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 it in any such action, prosecution or proceeding.

(b) Notwithstanding the fact that it is the intention of the parties that the Indemnified Parties shall not incur pecuniary liability by reason of the terms of this Fee Agreement, or the undertakings required of the County hereunder, by reason of the granting of the fee in lieu of tax, by reason of the execution of this Fee Agreement, by reason of the performance of any act requested of it by a Company, or by reason of the County's relationship to the Project or the operation of the Project by a Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the County, its agents, officers or employees should incur any such pecuniary liability, then in such event the Company shall indemnify and hold them harmless against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice, the Company shall defend them in any such action or proceeding; provided, however, that such indemnity shall not apply to the extent that any such claim is attributable to (i) the gross negligent acts or omissions or willful misconduct of the County, its agents, officers or employees, or (ii) any breach of this Fee Agreement by the County.

(c) The above-referenced indemnification covenants shall be considered included in and incorporated by reference in subsequent documents after the delivery of this Fee Agreement which the County is requested to sign on behalf of the Company with respect to the Project, and any other indemnification covenants in any subsequent documents shall not be construed to reduce or limit the above indemnification covenants.

(d) No termination of this Fee Agreement pursuant to any provision elsewhere in this Fee Agreement shall relieve the Company of its liability and obligations to make the payments required by this Section 32.0, all of which shall survive any such termination.

Section 3.21 *Payment of Administrative Expenses.* The Company will reimburse, or cause reimbursement to, the County from time to time for reasonable and necessary amounts that are customary and standard, including reasonable attorney's fees and costs, actually incurred, or that will be actually incurred, by the County with respect to the County's fulfillment of its obligations under the Infrastructure Credit Agreement and the Fee Agreement ("Transaction Documents") in the implementation of their terms and provisions ("Administrative Expenses"). The Company will make such reimbursement of Administrative Expenses upon written request therefor, but in no event later than sixty (60) days after receiving written notice from the County specifying the nature of such expense and requesting the payment of the same. The County acknowledges that it imposes no charges in the nature of impact fees or recurring fees in connection with the incentives authorized by the Transaction Documents, and, aside from reasonable attorneys' fees set forth below, or as may be necessitated in the future by request of the Company pertaining to matters outside of the immediate scope of this Agreement, the County anticipates (but cannot guarantee) that no out of pocket expenses in connection with the Transaction Documents and

the transactions authorized hereby should arise in the future. The parties understand that counsel to the County may invoice the Company for those expenses related to the review of the Transaction Documents and all resolutions, ordinances and other documentation related thereto in an amount not to exceed \$7,500.

ARTICLE IV MISCELLANEOUS

Section 4.1 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 three business days after deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, 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
 ATTN: Joseph Kernell
 County Administrator
 301 University Ridge, Suite 2400
 Greenville County Square
 Greenville, South Carolina 29601
 Telephone: (864) 467-7105
 Facsimile: (864) 467-7358
 Email: jKernell@greenvillecounty.org

WITH A COPY TO: Greenville County, South Carolina
(shall not constitute notice) ATTN: Mark W. Tollison
 County Attorney
 301 University Ridge, Suite 2400
 Greenville County Square
 Greenville, South Carolina 29601
 Telephone: (864) 467-7110
 Facsimile: (864) 467-7358
 Email: MTollison@greenvillecounty.org

AS TO THE COMPANY: South Carolina Plastics, LLC
 c/o Carolina Technical Plastics, Inc.
 Attn: Martin J. Kean, Vice President-Operations
 901 Industrial Drive
 New Bern, North Carolina 28562
 Telephone: (252) 634-2871
 Facsimile: (252) 634-9960
 Email: kean@ctplastics.net

AS TO WIRTHWEIN REAL ESTATE, LLC:
(Sponsor Affiliate) c/o Carolina Technical Plastics, Inc.
 Attn: Martin J. Kean, Vice President-Operations
 901 Industrial Drive
 New Bern, North Carolina 28562

Telephone: (252) 634-2871
Facsimile: (252) 634-9960
Email: kean@ctplastics.net

WITH A COPY TO:
(shall not constitute notice)

Parker Poe Adams & Bernstein LLP
ATTN: Sam C. Moses, Esquire
1201 Main Street, Suite 1450
Columbia, South Carolina 29202
Telephone: (803) 255-8000
Facsimile: (803) 255-8017
Email: sammoses@parkerpoe.com

Section 4.2 *Binding Effect.* This Fee Agreement is binding, in accordance with its terms, upon and inure to the benefit of the Company and the County, and their respective successors and assigns, to the extent allowed by law. 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 4.3 *State Grant; Carolina Investment Fund Grant.* In addition to any benefits being provided to the Company by the County pursuant to this Fee Agreement, the County has agreed to receive and administer or cause the receipt and administration of a grant for the benefit of the Project in the amount of \$825,000 from the South Carolina Coordinating Council for Economic Development (“State Grant”) and from Duke Energy, or one or more of its affiliated or related entities, a grant for the benefit of the Project in the amount of at least \$25,000 (“Duke Grant”). The terms and conditions relating to the State Grant and the Duke Grant shall be more fully set forth in whatever ancillary agreements the respective parties deem appropriate.

Section 4.4 *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 4.5 *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 4.6 *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 4.7 *Amendments.* The provisions of this Fee Agreement may only be modified or amended in writing by an agreement or agreements lawfully entered into between the parties.

Section 4.8 *Further Assurance.* From time to time, and at the Company’s expense, the County agrees to execute and deliver to the Company such additional instruments as either may reasonably request to effectuate the purposes of this Fee Agreement.

Section 4.9 *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 strong inducement to locate the Project in the County.

Section 4.10 *Limited Obligation.* NEITHER THE PROJECT NOR THE NEGOTIATION, EXECUTION, DELIVERY OR IMPLEMENTATION OF THIS FEE AGREEMENT SHALL GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY OR ANY INCORPORATED MUNICIPALITY NOR TO ANY CHARGE AGAINST THEIR GENERAL CREDIT OR TAXING POWER.

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and on its behalf by the Chair of 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

Herman G. Kirven, Jr. Chairman
Greenville County Council

Joseph Kernell
County Administrator

(SEAL)

ATTEST:

Theresa B. Kizer
Greenville County, South Carolina

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and on its behalf by the Chair of 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.

SOUTH CAROLINA PLASTICS, LLC

BY _____

ITS _____

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

WIRTHWEIN REAL ESTATE, LLC

BY _____

ITS _____