

INDUCEMENT AND MILLAGE RATE AGREEMENT

THIS INDUCEMENT AND MILLAGE RATE AGREEMENT made and entered into 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 Blue Sky (the "Company").

WITNESSETH :

ARTICLE I

RECITATION OF FACTS

Section 1.1. As a means of setting forth the matters of mutual inducement which 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 12, Chapter 44, Code of Laws of South Carolina, 1976 (the "Act") 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, as such term is defined in the Act, is considering the location of commercial facilities within the County construction and improvement of certain real properties and improvements thereto located within the County and of the certain machinery, equipment, fixtures and furnishings to be purchased and installed in connection therewith for the operation of such facilities related to the business and other legal activities of the Company and its affiliates (the "Project"). The Project would involve a projected investment in excess of Eleven Million Dollars (\$11,000,000) as required by the Act and could involve the creation of forty (40) or more new, full-time jobs in the County within five (5) years from the end of the year of execution of a fee in lieu of tax agreement between the County and the Company (the "Fee Agreement").
- (c) The Company has requested the County to assist it through (i) the incentive of a payment in lieu of ad valorem taxes as authorized by the Act, (ii) providing an infrastructure improvement credit (the "Infrastructure Credit") as described in Section 4-1-175, Section 4-29-68 and Section 12-44-70 of the Code of Laws of South Carolina, 1976, as amended (collectively, the "Infrastructure Act"), and (iii) the placement of the Project in a multi-county business or industrial development park established by the County and another contiguous South Carolina county to be

selected by the County.

- (d) The County has given due consideration to the economic development impact of the Project, has found that the Project, the payments in lieu of ad valorem taxes and joint-county park set forth herein are beneficial to the Project and that the Project would benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either; and, that 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 and that the inducement of the location or expansion of the Project within the County and State is of paramount importance and that 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.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

Subject to the general provisions contained in Article IV hereof, the County agrees as follows:

Section 2.1. The Project, as represented to the County, will represent a taxable investment in an aggregate principal amount of not less than Eleven Million Dollars (\$11,000,000) within five (5) years from the end of the year in which the Fee Agreement is executed. The Project will be constructed or installed by the Company on the sites owned by the Company. The Fee Agreement will contain suitable provisions for acquisition and construction of the Project by the Company at the completion or earlier termination of the Fee Agreement.

Section 2.2. The terms and provisions of the Fee Agreement by and between the County and the Company shall be substantially in the form generally utilized in connection with the Act as agreed upon by the County and the Company. Such Fee Agreement shall contain, in substance, the following provisions:

- (a) The term of the Fee Agreement will coincide with the maximum term of the negotiated fee pursuant to the Act.
- (b) The Company will maintain the Project.
- (c) The Fee 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 its part or by the State or any incorporated municipality, but shall be payable solely from the payments received under such Fee

Agreement and, under certain circumstances, insurance proceeds and condemnation awards.

- (d) The Fee Agreement shall contain agreements providing for the indemnification of the County and the individual officers, agents and employees thereof for all expenses or attorney's fees incurred by them and for any claim of loss suffered or damage to property or any injury or death of any person occurring in connection with the planning, design, acquisition, construction and carrying out of the Project, including without limitation any environmental liability.
- (e) The Fee Agreement shall contain a provision requiring the Company to make payments in lieu of taxes. Pursuant to the Act, such payments shall continue for a period of up to thirty (30) years from the date of the Fee Agreement (or such longer period, if permitted by the Act) the annual capital investments made under the Fee Agreement for the first five years (or such longer period, if permitted by the Act), and any amendments or supplements to the Fee Agreement to the extent permitted by law. The amounts of such payments shall be determined by using an assessment ratio of 6.0% (or such lower assessment ratio, if permitted by the Act), a millage rate based on the millage rate in effect on June 30 of the calendar year immediately preceding the execution of the Fee Agreement or in effect on June 30 of the calendar year in which the Fee Agreement is executed, which millage rate shall remain fixed for the duration of the Fee Agreement, and the fair market value (which value is not subject to reassessment as provided in the Act) as determined by using original cost for any real property and original cost less allowable depreciation for any personal property in accordance with Title 12, Chapter 37, Code of Laws of South Carolina 1976, as amended. In addition, the Fee Agreement shall provide that, based on a commitment by the Company to make a taxable investment (without regard to depreciation) in the Project of at least Eleven Million Dollars (\$11,000,000) within five years after the end of the year in which the Fee Agreement is executed (the "Investment Period"), the County shall grant to the Company an Infrastructure Credit to assist in defraying the costs of designing, acquiring, constructing, improving, or expanding infrastructure, land and improvements as defined in the Infrastructure Act incurred after, or within sixty (60) days before, the date of the County's resolution inducing the Project (the "Infrastructure Project") in an amount equal to ten percent (10%) of the net fee in lieu of tax payments retained by the County's taxing entities with respect to a five (5) year period, which shall commence not earlier than the payment due on January 15, 2018 or such earlier date as the Company may notify the County and such date is approved by the County, which approval shall not be unreasonably withheld.
- (f) The County and the Company agree, in accordance with the Act, that the Company may dispose of property subject to fee payments, as set forth in this Section.
 - (1) When the Company disposes of property subject to the fee, the fee payment must be reduced by the amount of the fee payment applicable to that property, subject always, to the continuing requirement to maintain at least Eleven

Million Dollars (\$11,000,000) in taxable investment (without regard to depreciation) in the Project as required by the Act.

- (2) Property shall be considered disposed of for purposes of this Section only when it is scrapped or sold in accordance with the Fee Agreement.
- (g) The County and the Company agree that the Company may purchase replacement property which replacement property will be included into the fee to the full extent allowed pursuant to the Act.
- (h) The County shall locate the Project within the boundaries of an existing or new joint-county industrial or business park with a contiguous South Carolina county selected by the County.

Section 2.3. Upon the request of the Company, the County will permit the planning, design, acquisition, construction and carrying out of the Project to commence prior to the execution and delivery of the Fee Agreement. Contracts for construction and for purchase of machinery, equipment and related real and personal property deemed necessary under the Fee Agreement may be let by the Company.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE COMPANY

Section 3.1. Prior to execution of the Fee Agreement and subsequent to this Agreement, the Company may advance any acquisition or construction funds required in connection with the planning, design, acquisition, construction and carrying out of the Project and be entitled to subject the constructed or acquired property to the Fee Agreement.

Section 3.2. The County will have no obligation to assist the Company in finding a lender 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.

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

- (a) To enter into the Fee Agreement, under the terms of which it will obligate itself to pay to the County sums sufficient to pay payments in lieu of tax in accordance with Section 2.2(e) hereof, to the extent and when the same may become due and payable with the Fee Agreement to be in form and to contain such provisions, consistent with those set forth in Section 2.2 hereof as shall be satisfactory to the County and to the Company;
- (b) To indemnify, defend, and hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement 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 and consummate the proposed financing;
- (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 individual directors, 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 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 expenses not hereinbefore mentioned incurred by the County in connection with the Project, including without limitation its reasonable attorney's fees. This indemnity shall be superseded by a similar indemnity in the Fee Agreement;
- (f) To obtain the fee in lieu of tax incentive described in Section 2.2(e) hereof, and to obtain the Infrastructure Credit described in Section 2.2(e) hereof, invest not less than Eleven Million Dollars (\$11,000,000) in taxable investments in the Project by the end of the Investment Period.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1. All commitments of the County under Article II hereof are subject to compliance by the County with the provisions of the South Carolina Home Rule Act and all of the provisions of the 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 and that this Agreement is subject to compliance for enactment by the County of all further acts, legislation, and ordinances required or envisioned by this Agreement.

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.

Section 4.3. If for any reason this Agreement is not executed and delivered by the Company on or before December 31, 2015 the provisions of this Agreement shall be cancelled and neither party shall have any rights against the other and no third parties shall have any rights against either party except:

- (a) The Company will pay the County for all expenses which have been authorized by the Company and incurred by the County in connection with the planning, design,

acquisition, construction and carrying out of the Project and for all expenses incurred by the County in connection with the authorization and approval of the Fee Agreement or this Agreement;

- (b) The Company will assume and be responsible for all contracts for construction or purchase of the Project entered into by the County at the request or direction of the Company in connection with the Project.

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 parties' 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 and the Sponsors, if applicable, may, with the prior consent of the County, assign (including, without limitation, absolute, collateral, and other assignments) all or a part of its rights and/or obligations under this Agreement, the Fee Agreement, or any other agreement related hereto or thereto, to one or more other entities without adversely affecting the benefits to the Company or its assignees pursuant to any such agreement or the Act.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Inducement Agreement on the respective dates indicated below.

GREENVILLE COUNTY, SOUTH CAROLINA

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

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

ATTEST:

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

Date: _____

PROJECT BLUE SKY

By: _____

Its: _____

Date: _____