

FEE AGREEMENT

between

GREENVILLE COUNTY, SOUTH CAROLINA

and

GREENCO BEVERAGE CO., INC.

Dated as of February 1, 2016

TABLE OF CONTENTS

	Page
RECITALS	1
ARTICLE I DEFINITIONS	3
ARTICLE II REPRESENTATIONS AND WARRANTIES	10
SECTION 2.1 REPRESENTATIONS OF THE COUNTY	10
SECTION 2.2 REPRESENTATIONS OF THE COMPANY	11
SECTION 2.3 ENVIRONMENTAL INDEMNIFICATION.....	12
ARTICLE III COMMENCEMENT AND COMPLETION OF THE PROJECT	13
SECTION 3.1 THE PROJECT	13
SECTION 3.2 DILIGENT COMPLETION.....	13
SECTION 3.3 INVESTMENT BY AFFILIATES.....	13
ARTICLE IV PAYMENTS IN LIEU OF TAXES	14
SECTION 4.1 NEGOTIATED PAYMENTS	14
SECTION 4.2 INFRASTRUCTURE CREDIT	18
SECTION 4.3 COST OF COMPLETION	20
SECTION 4.4 PAYMENTS IN LIEU OF TAXES ON REPLACEMENT PROPERTY	20
SECTION 4.5 REDUCTIONS IN PAYMENTS OF TAXES UPON REMOVAL, CONDEMNATION OR CASUALTY	22
SECTION 4.6 PLACE AND ALLOCATION OF PAYMENTS IN LIEU OF TAXES	22
SECTION 4.7 REMOVAL OF EQUIPMENT.....	22
SECTION 4.8 DAMAGE OR DESTRUCTION OF PROJECT.....	23
SECTION 4.9 CONDEMNATION	23
SECTION 4.10 MAINTENANCE OF EXISTENCE.....	24
SECTION 4.11 INDEMNIFICATION COVENANTS; NO PERSONAL LIABILITY	24
SECTION 4.12 CONFIDENTIALITY/LIMITATION ON ACCESS TO PROJECT	26
SECTION 4.13 ASSIGNMENT AND SUBLETTING.....	27
SECTION 4.14 EVENTS OF DEFAULT	28
SECTION 4.15 REMEDIES ON DEFAULT.....	28
SECTION 4.16 REMEDIES NOT EXCLUSIVE.....	28
SECTION 4.17 REIMBURSEMENT OF LEGAL FEES AND EXPENSES	29
SECTION 4.18 NO WAIVER	29
ARTICLE V MISCELLANEOUS.....	30
SECTION 5.1 NOTICES.....	30
SECTION 5.2 BINDING EFFECT	30
SECTION 5.3 COUNTERPARTS	31
SECTION 5.4 GOVERNING LAW.....	31
SECTION 5.5 HEADINGS.....	31
SECTION 5.6 AMENDMENTS	31
SECTION 5.7 FURTHER ASSURANCE.....	31
SECTION 5.8 SEVERABILITY.....	31
SECTION 5.9 LIMITED OBLIGATION	32
SECTION 5.10 FORCE MAJEURE	32

Greenville County, South Carolina

FEE AGREEMENT

THIS FEE AGREEMENT (this “Fee Agreement”) is made and entered into as of February 1, 2016, 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 GREENCO BEVERAGE CO., INC. (together with any of its subsidiaries or affiliates which may become parties to this Fee Agreement, the “Company”), a South Carolina corporation and known to the County Council at the time of execution of this Fee Agreement.

WITNESSETH:

Recitals.

The County is authorized by Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (the “Act”) to enter into a fee agreement with manufacturing entities meeting the requirements of such Act which identifies certain property of such manufacturers 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 the Act, the County finds that (a) the Project (as defined herein) is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefit not otherwise provided locally; (b) the Project gives rise to no pecuniary liability of the County or incorporated municipality or to no charge against its general credit or taxing power; (c) the purposes to be accomplished by the Project are proper governmental and

public purposes; and (d) the benefits of the Project to the public are greater than the costs to the public.

Pursuant to an Inducement and Millage Rate Agreement dated November 9, 2015 (the “Inducement Agreement”) between the County and the Company, which was authorized by a Resolution adopted by the County Council on November 3, 2015 (the “Inducement Resolution”), the Company proposes to establish and construct a new commercial facility (the “Facility”) located within the County, which would consist of the acquisition, purchase, construction and improvement of land, expansions to buildings and other structures thereon or therein, machinery and 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 subsidiaries and affiliates (collectively, the “Project”). The Project in the County would involve an initial investment of at least \$11,000,000 and could provide employment by the Company and/or its subsidiaries and affiliates within the County of up to forty (40) employees, which is sufficient to qualify the Project for the benefits provided by the Act.

Pursuant to an Ordinance adopted on February 16, 2016 (the “Ordinance”), as an inducement to the Company to develop the Project, the County Council authorized the County to enter into this Fee Agreement, which identifies the Company as a commercial wholesale distribution company and the property comprising the Project as economic development property under the Act.

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. Except where the context requires otherwise, words importing the singular number shall include the plural number and vice versa.

Act:

“Act” shall mean Title 12, Chapter 44, Code of Laws of South Carolina, 1976, and all future acts supplemental thereto or amendatory thereof.

Authorized Company Representative:

“Authorized Company Representative” shall mean any person designated from time to time to act on behalf of the Company 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. 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.

Chairman:

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

Closing:

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

Code:

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

Company:

“Company” shall mean Greenco Beverage Co., Inc., a South Carolina corporation, and its subsidiaries, affiliates and permitted successors and assigns.

County:

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

County Administrator:

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

County Council:

“County Council” shall mean the Greenville County Council, the governing body of the County.

Diminution of Value:

“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(a) 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 4.7 of this Fee Agreement, (ii) a casualty to the Phase of the Project, or any part thereof, described in Section 4.8 of this Fee Agreement or (iii) a

condemnation to the Phase of the Project, or any part thereof, described in Section 4.9 of this Fee Agreement.

Economic Development Property:

“Economic Development Property” shall mean all items of real and 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 annual filing of a SCDOR PT-100 (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 or its permitted successors and assigns.

Environmental Claims:

“Environmental Claims” shall mean any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including monitoring and cleanup costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered or asserted as a direct or indirect result of (i) any violation of any Environmental Laws (as hereinafter defined), or (ii) the falsity in any material respect of any warranty or representation made by the Company.

Environmental Laws:

“Environmental Laws” shall mean, collectively, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, as amended, the Clean Air Act, the Toxic Substances Control Act, as amended, the South Carolina Pollution Control Act, the South Carolina Hazardous Waste Management Act, any other “Superfund” or “Superlien” law or any other federal, state or local

statute, law, ordinance, code, rule, regulation, order or decree relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or industrial waste, substance or material, as now or at any time hereafter in effect.

Equipment:

“Equipment” shall mean all of the machinery, equipment and fixtures, together with any and all additions, accessions, replacements and substitutions thereto or therefor to the extent such machinery, equipment and fixtures become a part of the Project under this Fee Agreement.

Event of Default:

“Event of Default” shall mean any Event of Default specified in Section 4.14 of this Fee Agreement.

Facility:

“Facility” shall mean the Company's distribution and office facility in Greenville County, South Carolina.

Fee Agreement or Agreement:

“Fee Agreement” or “Agreement” shall mean this Fee Agreement.

Fee Payments:

“Fee Payments” shall mean the payments in lieu of ad valorem taxes to be made by the Company to the County pursuant to Section 4.1 hereof.

Fee Term or Term:

“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.

Improvements:

“Improvements” shall mean improvements to 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.

Infrastructure Act:

“Infrastructure Act” shall mean Title 4, Chapter 1, Section 4-29-68 and Section 12-44-70 of the Code, and all future acts supplemental thereto or amendatory thereof.

Infrastructure Credit:

“Infrastructure Credit” shall mean the credit granted by the County to the Company against the Company’s Fee Payments for Qualifying Infrastructure Improvements made by the Company in connection with the Project, pursuant to Section 4.2 hereof.

Investment Period:

“Investment Period” shall mean the period commencing January 1, 2015 and ending on the last day of the fifth property tax year following the earlier of the first property tax year in which economic development property is placed in service or the property tax year in which this Agreement is executed; provided a later date may be agreed to by the County pursuant to Section 12-44-30(13) of the Act.

Net Fee Payments:

“Net Fee Payments” shall mean the Fee Payments retained by the County taxing entities during the Qualifying Period under the Agreement.

Park:

“Park” means that certain Joint County Industrial and Business Park (2010 Park) established by the County and Anderson County, South Carolina pursuant to the Park Agreement.

Park Agreement:

“Park Agreement” means that certain Agreement for Development for Joint County Industrial and Business Park (2010 Park) dated as of December 1, 2010 between the County and Anderson County, South Carolina.

Phase:

“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:

“Phase Termination Date” shall mean with respect to each Phase of the Project the day twenty years after the date each such Phase of the Project becomes subject to the terms of this Fee Agreement; provided, however, that in the event such twentieth anniversary date does not fall on December 30, the Term with respect to such Phase shall be extended to the December 30 immediately following such anniversary date. Anything contained herein to the contrary notwithstanding, the last Phase Termination Date shall be no later than December 30 of the year of the expiration of the maximum period of years that the annual fee payment is available to the Company under the Act, as amended.

Project:

“Project” shall mean the Equipment, Improvements, and Real Property, together with the acquisition, construction, installation, design and engineering thereof, in phases, which are used by the Company and which shall constitute expansions construction of and to the Facility. Based on

the representations of the Company, the Project involves an initial investment of sufficient sums to qualify under the Act.

Qualifying Infrastructure Improvements:

“Qualifying Infrastructure Improvements” mean those improvements referred to in Section 12-44-70(B)(2), and only to the extent the investment in the same is certified by an Authorized Company Representative to the County.

Qualifying Period:

“Qualifying Period” shall mean the five (5) year period commencing upon the date that the Company notifies the County that the Qualifying Period should commence, but not later than January 15, 2018; provided, however, that the Company shall have made a taxable capital investment in the Project, without regard to depreciation, of at least Eleven Million Dollars (\$11,000,000) prior to such commencement date.

Real Property:

“Real Property” shall mean real property, together with all and singular the rights, members and hereditaments and appurtenances belonging or in any way incident or appertaining thereto to the extent such become 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:

“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(c) of this Fee Agreement.

Replacement Property:

“Replacement Property” shall mean 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 treated as a Removed Component under Section 4.7 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:

“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 by the provisions of the Act 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) Based on the representations of the Company, 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. The Company hereby represents and warrants to the County as follows:

(a) The Company is duly organized and in good standing under the laws of the state of South Carolina, is qualified to do business in the State, has power to enter into this Fee Agreement, and by proper corporate 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 corporate restriction 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 commercial facility and 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 commercial distribution of beverages and related products and to conduct other legal activities and functions with respect thereto, and for such other purposes

permitted under the Act as the Company or its permitted successors and assigns may deem appropriate.

(d) The availability of the payment in lieu of taxes with regard to the Economic Development Property authorized by the Act have induced the Company to locate the Project within the County and the State.

(e) Inasmuch as at present the Company anticipates that the Cost of the Project will exceed \$2,500,000, the cost of the Project will exceed the minimum investment required by the Act.

Section 2.3 Environmental Indemnification. The Company shall indemnify and hold the County harmless from and against any and all Environmental Claims, except those resulting from the acts of the County or its successors, suffered by or asserted against the Company or the County as a direct or indirect result of the breach by the Company, or any party holding possession through the Company or its predecessors in title, of any Environmental Laws with regard to any real property owned by the Company which is subject to the terms of this Fee Agreement, or as a direct or indirect result of any requirement under any Environmental Laws which require the County, the Company or any transferee of the Company to eliminate or remove any hazardous materials, substances, wastes or other environmentally regulated substances contained in any real property subject to the terms of this Fee Agreement as a result of the action or omissions of the Company or its predecessors in title.

The Company's obligations hereunder shall not be limited to any extent by the terms of this Fee Agreement, and, as to any act or occurrence prior to fulfillment of the terms of this Fee Agreement which give rise to liability hereunder, shall continue, survive, and remain in full force and effect notwithstanding fulfillment of the terms of this Fee Agreement.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT

Section 3.1 The Project. The Company has acquired, constructed and/or installed or made plans for the acquisition, purchase, construction and/or installation of certain land, improvements to buildings and other structures thereon or therein, machinery, equipment furnishings and fixtures which comprise the Project to be located at the Facility.

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.

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 the end of the Investment Period. Anything contained in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project in the event that it pays all amounts due by it under the terms of this Fee Agreement.

Section 3.3 Investment by Affiliates. The County and the Company agree that, to the extent permitted by Section 12-44-130 of the Act, investments in the Project may also be made by subsidiaries or affiliates of the Company, which shall qualify for the benefits provided to the Company hereunder; provided that such subsidiaries or affiliates are approved in writing by the County and such subsidiaries or affiliates agree to be bound by the provisions of this Fee Agreement. At any time and from time to time hereafter, the Company may request approval from the County for subsidiaries or affiliates of the Company to be permitted to make

investments in the Project and obtain the benefits provided to the Company hereunder. Any approval by the County shall be made by the Chairman of the County Council and the County Administrator, which approval shall be in writing. The Company agrees to notify the South Carolina Department of Revenue of the identity of all subsidiaries or affiliates making investments in the Project as required by Section 12-44-130(B) of the Act.

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 to the County with respect to the Project in lieu of ad valorem taxes. Inasmuch as the Company anticipates the Project will involve an initial investment of sufficient sums to qualify as a “minimum investment” as defined under the Act, 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 for a period of thirty (30) years with respect to each Phase until the Phase Termination Date for such Phase, 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 each December 30 through the end of the Investment Period, said payments to be made annually and to be due and payable and subject to penalty assessments on the same dates and in the same manner as prescribed by the County for ad valorem taxes. 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 29 years using original income tax basis for State income tax purposes for any Real Property (provided, if any 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, Code of Laws of South Carolina, 1976, as amended and in effect on December 30 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 30 of the year in which each Phase becomes subject to the Fee Agreement.

Step 2: Apply an assessment ratio of six (6%) percent 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 twenty-nine years thereafter.

Step 3: Using the millage rate applicable to the Project site on June 30, 2014 (which the parties understand to be 346.3 mills), determine the amount of the payments in lieu of taxes which would be due in each of the thirty years listed on the payment dates prescribed by the County for such payments.

Step 4: Combine the annual payment for each Phase of the Project to determine the total annual payment in lieu of taxes to be made by the Company to the County for each year of the Fee Term.

(b) Illustration of Calculation of Negotiated Payments. By way of illustration (and subject, in any event, to the required procedures under the Act), if on December 30, 2016 the cost or fair market value of the calendar year 2016 Phase of the Project is determined to be \$10,000,000 and 10% thereof, or \$9,000,000, is real property and the remainder, or \$1,000,000, is personal property, the millage rate is 346.3 mills, the annual depreciation rate on personal property is eleven (11%) percent of the original income tax basis of such property until the adjusted cost equals ten (10%) percent of original income tax basis, then the annual payments in lieu of taxes due hereunder would be determined as follows:

<u>Step 1</u>		<u>Step 2</u>	<u>Step 3</u>		
FMV Date	Property Value:		Payment		Payment Due Without Penalty On:
12/30/16	\$9,890,000	X 6%	x 346.3 mills =	\$205,494	1/15/18
12/30/17	9,780,000	X 6%	x 346.3 mills =	203,209	1/15/19
12/30/18	9,670,000	X 6%	x 346.3 mills =	200,923	1/15/20
12/30/19	9,560,000	X 6%	x 346.3 mills =	198,638	1/15/21
12/30/20	9,540,000	X 6%	x 346.3 mills =	198,222	1/15/22
12/30/21	9,430,000	X 6%	x 346.3 mills =	195,937	1/15/23
12/30/22	9,320,000	X 6%	x 346.3 mills =	193,651	1/15/24
12/30/23	9,210,000	X 6%	x 346.3 mills =	191,365	1/15/25
12/30/24	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/26
12/30/25	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/27
12/30/26	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/28
12/30/27	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/29
12/30/28	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/30
12/30/29	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/31
12/30/30	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/32
12/30/31	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/33
12/30/32	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/34
12/30/33	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/35
12/30/34	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/36
12/30/35	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/37
12/30/36	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/38
12/30/37	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/39
12/30/38	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/40
12/30/39	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/41
12/30/40	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/42

<u>Step 1</u>		<u>Step 2</u>	<u>Step 3</u>		
FMV Date	Property Value:		Payment		Payment Due Without Penalty On:
12/30/41	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/43
12/30/42	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/44
12/30/43	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/45
12/30/44	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/46
12/30/45	9,100,000	X 6%	x 346.3 mills =	189,080	1/15/47
<u>Step 4:</u>					
The Company's first Fee Payment would be \$205,494, the second would be \$203,209, and so on.					

Continuing this illustration, the Company would make its first payment in lieu of taxes for this Phase of the Project of \$205,494 by January 15, 2018 in order to avoid the application of any penalty. The Company would continue to make the annual payments in lieu of taxes for the 2016 Phase in each year according to the schedule prescribed by the County for payments of ad valorem taxes and would make its last payment, which would be assessed as of December 30, 2047, without penalty by January 15, 2047.

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 payment levels agreed upon herein unless so approved in writing by the County Council then in office.

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 total amount of payments in lieu of ad valorem taxes made by the Company with respect to the Project pursuant to the terms hereof.

Section 4.2 Infrastructure Credit

(a) In order to finance the costs of designing, acquiring, constructing, expanding and improving the Infrastructure in connection with the proposed Project, based upon the Company's commitment to a taxable capital investment in the Project, without regard to depreciation of at least Eleven Million Dollars (\$11,000,000) within the Investment Period, the County will grant to the Company the Infrastructure Credit pursuant to the Infrastructure Act which will be limited such that the total amount of the Infrastructure Credit over the Qualifying Period will be ten (10%) percent of the Net Fee Payments during the Qualifying Period. The County has included the Company's Real Property upon which the Project is to be located in the

Park pursuant to the Park Agreement in order to enable the County to grant the Infrastructure Credit to the Company as described herein. The Infrastructure Credit will be payable exclusively from payments in lieu of taxes the County receives and retains from the Company during the Qualifying Period. The Infrastructure Credit shall not constitute a general obligation of indebtedness of the County nor a pledge of the full faith and credit or the taxing power of the County. The Infrastructure Credit shall be paid solely by setoff by the Company against the fee in lieu of tax payments due each year during the Qualifying Period. The Qualifying Period shall not commence until January 15, 2018 unless or until the Company shall notify the County in writing earlier of the date of commencement of the Qualifying Period. Notwithstanding anything herein to the contrary, the aggregate amount of Infrastructure Credits to be taken shall not exceed the aggregate amount of Company investment in Qualifying Infrastructure Improvements.

(b) NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, THE INFRASTRUCTURE CREDITS BECOMING DUE HEREON ARE LIMITED OBLIGATIONS OF THE COUNTY PROVIDED BY THE COUNTY SOLELY FROM THE FEE PAYMENTS DERIVED BY THE COUNTY PURSUANT TO THE AGREEMENT, AND DO NOT AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION (OTHER THAN THE PROVISIONS OF ARTICLE X, SECTION 14(10) OF THE SOUTH CAROLINA CONSTITUTION) OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT, AND TAXING POWER OF THE COUNTY ARE NOT PLEDGED FOR THE INFRASTRUCTURE CREDITS.

Section 4.3 Cost of Completion

(a) At the same time that the Company files its annual property tax return (Form PT-300) with the South Carolina Department of Revenue, the Company shall furnish to the County Assessor, County Auditor and County Treasurer on an annual basis through the end of the Investment period a report on the total amount invested by the Company with respect to the Project through such period, together with a copy of the Company's Form PT-300 for such year. The Company shall also make all other filings required by Section 12-44-90 of the Act.

(b) In the event that the cost of completion of the Project has not exceeded Five Million Dollars (\$5,000,000) by the end of the Investment Period, beginning with the payment due for the last year of such Investment Period, the Fee Payments 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 Project were taxable, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company if the Project were taxable. 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 for tax years through and including the last year of the Investment Period, taking into account and calculating appropriate reductions for all applicable exemptions and allowable depreciation over (ii) the total amount of Fee Payments actually made by the Company with respect to the Project for tax years through and including the last year of the Investment Period.

Section 4.4 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, 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 thirty (30) 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 Replacement Property to the County shall be equal to the payment that would be due if the property were not Economic Development Property.

Section 4.5 Reductions in Payments of Taxes Upon Removal, Condemnation or Casualty.

In the event of a Diminution in Value of any Phase of the Project due to removal, condemnation, casualty, or otherwise, 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, however, that if at any time subsequent to the end of the Investment Period, 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 Five Million Dollars (\$5,000,000), beginning with the next payment 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 4.6 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. The County shall be responsible for allocating the payments in lieu of taxes among the County, any municipality or municipalities, school districts and other political units entitled under applicable law to receive portions of such payments.

Section 4.7 Removal of Equipment. Provided that no Event of Default shall have occurred and be continuing under this Fee Agreement, the Company shall be entitled upon written notice to the County 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;
- or (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 4.8(c) or Section 4.9(c) hereof.

Section 4.8 Damage or Destruction of Project.

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

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

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

(d) Effect of Election. The Company's election under this Section 4.8 shall not operate to relieve the Company of its obligation to pay any amounts that may become due under Section 4.3(b) hereof or other amounts then due and payable to the County under this Agreement.

Section 4.9 Condemnation.

(a) Complete Taking. If at any time during the Fee Term title to or temporary use of the entire Project should become vested in a public or quasi-public authority by virtue of the exercise of a taking by condemnation, inverse condemnation or the right of eminent domain, or by voluntary transfer under threat of such taking, or in the event that title to a portion of the Project shall be taken rendering continued occupancy of the Project commercially infeasible in the judgment of the Company, the Company shall have the option to terminate this Fee Agreement as of the time of vesting of title by sending written notice to the County within a reasonable period of time following such vesting.

(b) Partial Taking. In the event of a partial taking of the Project or a transfer in lieu thereof, the Company may elect: (i) to terminate this Fee Agreement; or (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.

(c) Effect of Election. The Company's election under this Section 4.9 shall not operate to relieve the Company of its obligation to pay any amounts that may become due under Section 4.3(b) hereof or other amounts then due and payable to the County under this Agreement.

Section 4.10 Maintenance of Existence. The Company agrees that it shall not take any action which will materially impair the maintenance of its corporate existence and maintain its good standing under all applicable provisions of its state of incorporation and State law.

Section 4.11 Indemnification Covenants; No Personal Liability. The Company releases the County including the members of the governing body of the County, and the elected officials, employees, officers, and agents of the County (herein collectively referred to as the "Indemnified Parties") from, agrees that Indemnified Parties shall not be liable for, and agrees to hold

Indemnified Parties harmless against, any loss or damage to property or any injury to or death of any person or any liability whatsoever, including without limitation, liability under any environmental or other regulatory laws, that may be occasioned by any cause whatsoever pertaining to this Agreement, the Project, or the use thereof except for that occasioned by grossly negligent or intentional acts of an Indemnified Party. The Company further agrees to indemnify and save harmless Indemnified Parties against and from any and all costs, liabilities, expenses, including, but not limited to, reasonable attorney's fees, and claims arising from the performance of an Indemnified Party of any obligations of the County under this Agreement or any breach or default on the part of the Company in the performance of any covenant or agreement on the part of the Company to be performed pursuant to the terms of this Agreement or arising from any act or negligence of, or failure to act by, the Company, or any of its agents, contractors, servants, employees, or licensees, and from and against all cost, liability, and expenses, including, but not limited to, reasonable attorney's fees, incurred in or in connection with any such claim or action or proceeding brought thereon.

Notwithstanding the fact that it is the intention of the Indemnified Parties hereto that none of them shall incur any pecuniary liability by reason of the terms of this Agreement, any related agreements or the undertakings required of the County hereunder by reason of the performance of any act requested of the County by the Company, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if any Indemnified Party shall 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 or other legal entity arising out of the same and all costs and expenses, including, but not limited to, reasonable attorney's fees, incurred in connection with any such claim or in

connection with any action or proceeding brought thereon. If any action, suit, or proceeding is brought against any Indemnified Party, such Indemnified Party shall promptly notify the Company and the Company shall have the sole right and duty to assume, and shall assume, the defense thereof, at its expense, with full power to litigate, compromise, or settle the same in its sole discretion; provided the Company shall obtain the prior written consent of the County to settle any such claim unless such claim is for monetary damages for which the Company has the ability to, and does, pay. Notwithstanding the foregoing, if the Indemnified Party is the County, in the event the County reasonably believes there are defenses available to it that are not being pursued or that the counsel engaged by the Company reasonably determines that a conflict of interest exists between the County and the Company, the County may, in its sole discretion, hire independent counsel to pursue its own defense, and the Company shall be liable for the reasonable cost of such counsel.

All covenants, stipulations, promises, agreements, and obligations of the County contained herein shall be deemed to be covenants, stipulations, promises, agreements, and obligations of the County and not of any member of the County Council or any elected official, officer, agent, servant, or employee of the County in his individual capacity, and, absent bad faith, no recourse shall be had for the payment of any moneys hereunder or the performance of any of the covenants and agreements of the County herein contained or for any claims based thereon against any member of the governing body of the County or any elected official, officer, agent, servant, or employee of the County.

Section 4.12 Confidentiality/Limitation on Access to Project. The County acknowledges and understands that the Company utilizes confidential and proprietary “state of the art” manufacturing 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, 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 concerning the Project; (ii) shall request or be entitled to inspect the Project or any property associated therewith, unless the County must do so in order to collect the fee payments due hereunder or to enforce applicable laws relating to the collection of property taxes generally; or (iii) shall knowingly and intentionally disclose or otherwise divulge any such clearly marked 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, the Plant 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.

Section 4.13 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 so long as such assignment or sublease is made in compliance with Section 12-44-120 of the Act, or any successor provision. No consent of the County to such assignment or subletting shall be required for financing related transfers.

Section 4.14 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 (i) upon levy, the payments in lieu of taxes described in Section 4.1 hereof; provided, however, that the Company shall be entitled to all redemption rights granted by applicable statutes; (ii) indemnification payments under Section 4.11 hereof; or (iii) any of the County’s fees and expenses, including, those fees as set forth in Section 4.17 hereof;

(b) Failure by the Company to make the minimum investment required by the Act within the Investment Period, or to maintain such minimum level of investment, without regard to depreciation as required by the Act after the Investment Period has expired;

(c) Failure by the Company to perform any of the other material terms, conditions, obligations or covenants of the Company hereunder, 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.

Section 4.15 Remedies on Default. Whenever any Event of Default shall have occurred and shall be continuing, the County may take any one or more of the following remedial actions:

(a) Terminate the Fee Agreement; or

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the other amounts due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Fee Agreement.

Section 4.16 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 4.17 Reimbursement of Legal Fees and Expenses. The Company shall be responsible for and pay within thirty (30) days of receipt of notice thereof, all of the County's reasonable fees and expenses, including attorney's fees, incurred in the preparation and delivery of this Fee Agreement. 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 4.18 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.

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 5.3 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 5.4 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 5.5 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 5.6 Amendments. The provisions of this Fee Agreement may be modified or amended in writing by any agreement or agreements entered into between the parties.

Section 5.7 Further Assurance. From time to time 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 5.8 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 a strong inducement to locate the Project in the County.

Section 5.9 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 5.10 Force Majeure. Except for its obligations to make payments to the County as provided in Article IV hereof, which shall be paid as and when provided 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 cause, similar or dissimilar, beyond 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 County Council Chairman 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 officers, all as of the day and year first above written.

GREENVILLE COUNTY, SOUTH
CAROLINA

By: _____

Bob Taylor
Chairman, County Council
Greenville, South Carolina

and by: _____

Joseph M. Kernell
County Administrator
Greenville County, South Carolina

Attest:

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

GREENCO BEVERAGE CO., INC.

By: _____

Its: _____