

## AMENDMENT TO THE 2015 FEE-IN-LIEU OF TAX AGREEMENT

This Amendment (the "Amendment") to the 2015 Fee-in-Lieu of Taxes Agreement by and among GREENVILLE COUNTY, SOUTH CAROLINA (the "County") and SCANSOURCE, INC. (the "Company") is made and entered into this day of \_\_\_\_\_, 2019.

### WITNESSETH:

WHEREAS, the County, acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (the "Act") to enter into fee in lieu of tax agreements with companies meeting the requirements of the Act; and

WHEREAS, pursuant to the Act, and in order to induce certain investments in the County, the County entered into a Fee Agreement with the Company dated December 8, 2015 (the "2015 Fee Agreement"); and

WHEREAS, the Company is considering an additional investment in the County of approximately \$39,570,500 that is anticipated to create 250 new, full-time jobs in the County (the "Project"), and the Company further anticipates that its overall workforce will consist of a large percentage of highly-skilled labor as a result of its expansion efforts, and the Company has requested that the County amend the 2015 Fee Agreement in order to provide enhanced benefits that will apply to the additional investment; and

WHEREAS, the Company applied for an extension of the investment period under the 2015 Agreement prior to December 31, 2020 in accordance with Section 12-44-30(13) of the Act; and

WHEREAS, pursuant to an Ordinance of the County Council of even date herewith, the County Council has approved the execution of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County and the Company agree as follows:

1. The Project shall be eligible for the benefits provided under and shall be included as part of the 2015 Fee Agreement subject to the terms and conditions stated therein.

2. Section 1.02 of the 2015 Fee Agreement is amended to replace the definition of "Investment Period" and insert the following definition in its place:

*"Investment Period"* shall mean the period beginning with the first day that the Controlled Group purchased Economic Development Property and ending on the date that is ten years from the end of the property tax year in which this Agreement is executed by the Company

and the County. The Company's current fiscal year-end is June 30, and barring any change in the Company's fiscal year, the Investment Period will end on June 30, 2026.

3. The 2015 Fee Agreement is further amended to revise all additional references to the Investment Period and/or Completion Date to reflect the additional three-year extension of the Investment Period as provided above.

4. Section 1.02 of the 2015 Fee Agreement is amended to insert the following definitions:

*"Infrastructure"* shall mean (i) the infrastructure serving the County or the Project, (ii) improved and unimproved real estate, and personal property, including machinery and equipment, used in the operation of a manufacturing or commercial enterprise, or (iii) such other items as may be described in or permitted under Section 4-29-68 of the Code.

*"Infrastructure Credit"* shall mean the credit provided to the Company pursuant to Section 12-44-70 of the Act and Section 5.02 of this Fee Agreement, with respect to the Infrastructure. Infrastructure Credits are to be used for the payment of Infrastructure constituting real property before any use for the payment of Infrastructure constituting personal property, notwithstanding any presumptions to the contrary in the Multi-County Park Act or otherwise.

*"Infrastructure Credit Minimum Investment"* shall mean \$20,000,000 (over and above the original Investment Requirement) on or before the end of the Investment Period.

*"Project Expansion"* shall mean additional investments in the Project beginning on July 1, 2018 and ending on the last day of the Investment Period, which is anticipated to be June 30, 2026, which are eligible for the benefits of this Agreement pursuant to the terms of the Simplified FILOT Act. The Project Expansion shall be considered part of the Project and shall be eligible for the benefits of this Agreement.

5. Article V of the 2015 Fee Agreement is amended to add Sections 5.02 as follows:

Section 5.02. Infrastructure Credits.

(a) To assist the Company in paying for costs of Infrastructure, the FILOT Payments due for property tax years 2019-2028 shall be reduced by twenty-five percent (25%). In no event may the Company's aggregate Infrastructure Credit claimed pursuant to this Section exceed the aggregate expenditures by the Company on Infrastructure.

(b) Notwithstanding anything herein to the contrary, under no circumstances shall the Company be entitled to claim or receive any abatement of *ad valorem* taxes for any portion of the investment in the Project Expansion for which an Infrastructure Credit is taken.

(c) Should the Infrastructure Credit Minimum Investment not be met by the end of the Investment Period, any Infrastructure Credits otherwise payable under this Agreement shall no longer be payable by the County and the Company shall be retroactively liable to the County for the amount of the Infrastructure Credits previously received by the Company, plus interest at the

rate payable for late payment of taxes. Any amounts determined to be owing pursuant to the foregoing sentence shall be payable to the County on or before the one hundred twentieth (120<sup>th</sup>) day following the last day of the Investment Period. In the event the Company achieves the Infrastructure Credit Minimum Investment but thereafter subsequently fails to maintain the Infrastructure Credit Minimum Investment during the remainder of the 10-year term of the Infrastructure Credits, the Company shall not be entitled to receive or claim the Infrastructure Credit with respect to the year of such failure or for the remainder of the 10-year term of the Infrastructure Credit.

(d) As provided in Section 4-29-68 of the Code, to the extent any Infrastructure Credit is taken against fee in lieu of tax payments on personal property, and the personal property is removed from the Project at any time during the term of this Agreement (and not replaced with qualifying replacement property), the amount of the fee in lieu of taxes due on the personal property for the year in which the personal property was removed from the Project Expansion shall be due for the two (2) years immediately following such removal.

(e) Each annual Infrastructure Credit shall be reflected by the County Auditor or other authorized County official or representative on each bill for FILOT Payments sent to the Company by the County for each applicable property tax year, by reducing such FILOT Payments otherwise due by the amount of the Infrastructure Credit to be provided to the Company for such property tax year.

(f) The Infrastructure Credits are payable solely from the FILOT Payments, are not secured by, or in any way entitled to, a pledge of the full faith, credit or taxing power of the County, are not an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation, are payable solely from a special source that does not include revenues from any tax or license, and are not a pecuniary liability of the County or a charge against the general credit or taxing power of the County.

(g) The Company shall file an annual certification with the County Auditor on or before August 1 of each year stating (i) the Infrastructure Credits claimed as of the end of the prior fiscal year, (ii) the cumulative investment in the Project as of the end of the prior fiscal year, (iii) the total Infrastructure investment in the Project as of the end of the prior fiscal year. Provided, this certification requirement shall be waived in any year in which the Company submits its annual PT-300 filing to the County Auditor as required by Section 4.02(a) of this Agreement.

6. Except as otherwise provided herein, the 2015 Fee Agreement shall remain in full force and effect.

(Signature Page Follows)

IN WITNESS WHEREOF, GREENVILLE COUNTY, SOUTH CAROLINA  
SCANSOURCE, INC., each pursuant to due authority, have executed this Amendment as of the  
date first written above.

**GREENVILLE COUNTY, SOUTH CAROLINA**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

ATTEST:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Clerk to Greenville County Council

**SCANSOURCE, INC.**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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