

FIRST AMENDMENT OF FEE IN LIEU OF TAX AGREEMENT

This First Amendment of Fee in Lieu of Tax Agreement (the “First Amendment”) is made and entered into as of _____, by and among Greenville County, a body politic and corporate and political subdivision of the State of South Carolina (the “County”), and SAGE AUTOMOTIVE INTERIORS, INC., a South Carolina corporation (the “Company”).

WHEREAS, all capitalized terms not specifically defined herein shall have the meaning as defined and described in the Fee Agreement (as that term is defined below), and if not defined therein shall have the meanings as defined in Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the “Code”), and if not defined therein shall have the meanings as defined in Title 4, Chapters 1 and 29 of the Code; and

WHEREAS, the County and the Company previously entered into a Fee in Lieu of Tax Agreement dated as of December 8, 2015 (the “Fee Agreement”), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Fee Agreement originally provided for, among other things, a fee-in-lieu of *ad valorem* taxes benefit to the Company in connection with an investment of not less than \$5,000,000 in the Project by the end of the Compliance Period; and

WHEREAS, the Company is planning to expand the Project and increase its investment commitment thereunder by at least \$6,000,000 (the “Expansion Project”) by the end of the Compliance Period as such term is amended hereby; and

WHEREAS, in connection with the Expansion Project, the Company has requested that the County amend the Fee Agreement (i) to extend the Term of the Fee Agreement by ten (10) years, (ii) to extend the Compliance Period by five (5) years, and (iii) to provide for special source revenue credits in support of the Expansion Project pursuant to Section 4-1-175 of the Code (“Special Source Revenue Credits”); and

WHEREAS, County has approved and authorized the execution of this First Amendment by an Ordinance of County Council adopted _____, 2021.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the County and the Company agree as follows:

1. The Fee Agreement is hereby amended such that the Term of the Fee Agreement be extended by ten (10) years, including but not limited to such reference in Section 5.01(b)(i) of the Fee Agreement.

2. The Fee Agreement is hereby amended such that the Compliance Period of the Fee Agreement be extended by five (5) years, including but not limited to such reference in the definition of “Compliance Period” in Section 1.01 of the Fee Agreement, which is hereby amended to read as follows:

“**Compliance Period**” shall mean the period commencing with the first day that Negotiated FILOT Property was purchased or acquired and ending on the tenth anniversary of the end of the Property Tax Year in which the initial Negotiated FILOT Property comprising any portion of the Project was placed in service.

3. The Fee Agreement is hereby amended to provide Special Source Revenue Credits to the Expansion Project only, by adding the following Section 5.03 to the Fee Agreement:

Section 5.03 Special Source Credits

(a) In accordance with and pursuant to Section 12-44-70 of the Negotiated FILOT Act and Section 4-1-175 of the Multi-County Industrial Park Act (“MCIP Act”), in order to reimburse the Company for qualifying capital expenditures incurred for costs of the Project incurred from April 1, 2021 through the end of the Compliance Period (the “Expansion Project”), as amended, the Company shall be entitled to receive, and the County agrees to provide, annual special source credits pursuant to Section 4-1-175 of the Code (“Special Source Revenue Credits”) against the Company’s Negotiated FILOT Payments for a period of five (5) consecutive Property Tax Years in an amount equal to ten percent (10%) of that portion of Negotiated FILOT Payments payable by the Company with respect to the Expansion Project (that is, with respect to investment made by the Company in the Project from April 1, 2021 through the end of the Compliance Period), calculated and applied after payment of the amount due the non-host county under the MCIP Agreement. The application of the Special Source Revenue Credits provided under this Section shall commence with the first Property Tax Year of the Company for which Negotiated FILOT Payments are due with respect to property constituting any portion of the Expansion Project (anticipated to be the Company’s Property Tax Year ending March 31, 2023).

(b) Should the Company fail to invest at least \$11,000,000 in the Project by the end of the Compliance Period, any Special Source Credits otherwise payable under this Fee Agreement shall no longer be payable by the County, and the Company shall be retroactively liable to the County for the amount of the Special Source Credits previously received by the Company as pertaining to the Expansion Project, 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 (120th) day following the last day of the Compliance Period.

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

(d) The Special Source Credits are payable solely from the Negotiated 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.

6. If any term, provision, or any portion of this First Amendment shall, to any extent and for any reason, be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this First Amendment shall not be affected thereby and shall nevertheless remain in full force and effect, and each term and provision of this First Amendment shall be valid and enforceable to the fullest extent permitted by the law. To the extent that any benefits for the Company provided under this First Amendment are held invalid or unenforceable, the County, to the extent permitted by the law, shall take whatever action required and permitted under the law to provide the Company with incentives that would afford the Company the same or substantially similar value of those benefits found invalid or unenforceable.

7. The parties may execute this First Amendment in counterparts, each of which is an original and all of which, together, constitutes one and the same First Amendment.

[signatures on following pages]

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this First Amendment to be effective as of the date first written above.

GREENVILLE COUNTY, SOUTH CAROLINA

Joe Kernell
County Administrator

ATTEST:

Regina McCaskill
Clerk to County Council

SAGE AUTOMOTIVE INTERIORS, Inc.

By: _____

Its: _____

Date: _____

EXHIBIT A
Fee Agreement