
**FIRST AMENDMENT TO
FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT**

by and between

GREENVILLE COUNTY, SOUTH CAROLINA

and

MICHELIN NORTH AMERICA, INC.

Dated as of December _____, 2020

This Amendment pertains to that certain Fee in Lieu of Tax and Incentive Agreement dated as of December 4, 2012 between Greenville County, South Carolina and Michelin North America, Inc.

FIRST AMENDMENT TO FEE IN LIEU TAX AND INCENTIVE AGREEMENT

THIS FIRST AMENDMENT TO FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT (the “First Amendment”), dated as of _____, _____ 2020, by and between **GREENVILLE COUNTY, SOUTH CAROLINA** (the “County”), a body politic and corporate and a political subdivision of the State of South Carolina, and **MICHELIN NORTH AMERICA, INC.** a corporation organized and existing under the laws of the State of New York (the “Company”).

WITNESSETH:

WHEREAS, Greenville County, South Carolina (the “County”), acting by and through its County Council (the “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 “Simplified FILOT Act”) and Title 4, Chapter 1 of the Code (the “Multi-County Park Act” or, as to Section 4-1-175 thereof, and Section 4-29-68 of the Code by incorporation, the “Special Source Act”) (collectively, the “Act”) and by Article VIII, Section 13(D) of the South Carolina Constitution: (i) to enter into agreements with certain investors to construct, operate, maintain, and improve certain projects through which the economic development of the State of South Carolina (the “State”) will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products, and natural resources of the State; (ii) to covenant with such investors to accept certain negotiated fee in lieu of *ad valorem* tax (“Negotiated FILOT”) payments, with respect to a project; (iii) to permit investors to claim special source revenue credits against their FILOT payments (“Special Source Credits”) to reimburse such investors for expenditures in connection with infrastructure serving the County and improved or unimproved real estate and personal property, including machinery and equipment, used in the operation of a manufacturing or commercial enterprise in order to enhance the economic development of the County (“Special Source Improvements”); and (iv) to create, in conjunction with one or more other counties, a multi-county industrial or business park in order to afford certain enhanced income tax credits to such investors and facilitate the grant of Special Source Credits; and

WHEREAS, in connection with the expansion of certain manufacturing and related facilities in the County (the “Expansion Project”) by Michelin North America, Inc. (“Michelin”), and pursuant to the Simplified FILOT Act and an Ordinance duly enacted by the Council, the County and Michelin entered into that certain Fee in Lieu of Tax and Incentive Agreement dated as of December 4, 2012 (the “FILOT Agreement”), whereby the County agreed to provide, amongst other things, certain Negotiated FILOT benefits and Special Source Revenue Credits to the Company with respect to the Expansion Project for an initial term as set forth therein (the “Initial Negotiated FILOT Term”); and

WHEREAS, Michelin has invested over \$442,000,000 in the Expansion Project under the FILOT Agreement as of the date of this First Amendment; and

WHEREAS, pursuant to Section 12-44-30(13) of the Simplified FILOT Act and the FILOT Agreement, and due to Michelin’s level of investment in the Expanded Project exceeding

\$200,000,000 by the end of the Enhanced Investment FILOT Compliance Period, Michelin has ten (10) years to complete the Expansion Project (the “Initial Investment Period”); and

WHEREAS, pursuant to the Special Source Act and the FILOT Agreement, the County has granted Michelin Special Source Credits against each Negotiated FILOT Payment due with respect to the Expansion Project for a period of twenty (20) consecutive Property Tax Years, in an amount equal to forty percent (40%) of each such Negotiated FILOT Payment; and

WHEREAS, pursuant to Section 12-44-30(13) of the Simplified FILOT Act, the County desires to extend the Investment Period by five (5) years, for a total period for completion of the Expansion Project of fifteen (15) years (the “Extended Investment Period”); and

WHEREAS, in consideration of Michelin’s continued investment and employment in the County, in accordance with Section 12-44-30(21) of the Simplified FILOT Act, the County has determined to approve an extension of the Negotiated FILOT payment period, from, and effective as of, the expiration of the Initial Negotiated FILOT Term, such that the extended period shall amount to a term of forty (40) years with respect to each annual increment of investment in the Expansion Project under the FILOT Agreement, all as memorialized and ratified herein; and

WHEREAS, in consideration of, and conditioned on Michelin’s commitment to invest an additional \$100,000,000 in the Expansion Project under the FILOT Agreement for a total investment of \$542,000,000 by the end of the Extended Investment Period, and as authorized by the Special Source Act and the Simplified FILOT Act, the County desires to extend the period during which Michelin will receive Special Source Credits against each Negotiated FILOT Payment due with respect to the Expansion Project by ten (10) years, for a total period of thirty (30) consecutive Property Tax Years, in an amount equal to forty percent (40%) of each such Negotiated FILOT Payment; and

WHEREAS, as permitted by Section 12-44-30(13) and (21) of the Simplified FILOT Act, and the Special Source Act, the County authorized the foregoing actions to be taken for the benefit of Michelin pursuant to that certain Resolution adopted by the Council with respect to this First Amendment on August 24, 2020.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference and other lawful consideration, and respective representations and agreements hereinafter contained, the receipt and sufficiency of which are hereby acknowledged, the County and the Company agree as follows:

Section 1. Amendment of FILOT Agreement. The FILOT Agreement is hereby amended to:

- (a) extend the Initial Investment Period, from, and effective as of, the expiration of the Initial Investment Period, such that such extended period shall provide the Company a total of fifteen (15) years to complete the Expansion Project;

(b) extend by ten (10) years the Negotiated FILOT payment period, from, and effective as of, the expiration of the Initial Negotiated FILOT Term, such that such extended period shall amount to a term of forty (40) years with respect to each annual increment of investment in the Expansion Project under the FILOT Agreement;

(c) extend the period during which the Company will receive Special Source Credits against each Negotiated FILOT Payment due with respect to the Expansion Project, such that such extended period shall amount to a total period of thirty (30) consecutive Property Tax Years for which the Company is eligible for Special Source Credits; provided, however, that if the Company fails to invest an additional \$100,000,000, for a total of \$542,000,000 by the end of the Extended Investment Period at the Expansion Project, then such extension of the period during which the Company is eligible to receive Special Source Credits will not apply, and the period will revert back to twenty (20) consecutive Property Tax Years.

Section 2. Remaining Terms and Provisions. Except as expressly amended hereby, the terms and provisions of the FILOT Agreement shall remain unchanged and in full force and effect.

Section 3. Entire Understanding. The FILOT Agreement, as amended by this First Amendment, expresses the entire understanding and all agreements of the parties hereto pertaining to the matters set forth herein and therein.

Section 4. Severability. In the event that any clause or provision of this First Amendment shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof.

Section 5. Multiple Counterparts. This First Amendment may be executed in multiple counterparts, each of which shall be an original but all of which shall constitute but one and the same instrument.

[Execution page to follow]

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

GREENVILLE COUNTY, SOUTH CAROLINA

By: _____ (SEAL)
Butch Kirven, Chairman, County Council
Greenville County, South Carolina

By: _____ (SEAL)
Joseph Kernell, County Administrator
Greenville County, South Carolina

Attest:

By: _____ (SEAL)
Regina McCaskill, Clerk to Council
Greenville County, South Carolina

MICHELIN NORTH AMERICA, INC.

By: _____
Name: _____
Title: _____