

Lancaster County Council Regular Meeting Agenda

Monday, November 23, 2015

County Administration Building, County Council Chambers
101 N. Main Street
Lancaster, SC 29720

1. **Call Meeting to Order – Chairman Bob Bundy** 6:30 pm.
2. **Welcome and Recognition – Chairman Bob Bundy**
3. **Pledge of Allegiance and Invocation – Council Member Charlene McGriff**
4. **Approval of the agenda** *[deletions and additions of non-substantive matter]*
5. **Special Presentations:**
 - a. Employee of the Quarter – Russell Dawkins
 - b. Charlotte Regional Partnership presentation by Mr. Ronnie Bryant
 - c. Audit presentation by Mr. David Irwin of Mauldin and Jenkins
6. **Citizen Comments** *[Speakers are allowed approximately 3 minutes. If there are still people on the list who have not spoken at the end of thirty (30) minutes, Council may extend the citizen comments section or delay it until a later time in the agenda]*
7. **Consent Agenda**
 - Minutes of the November 9, 2015 regular meeting - pgs. 5-12
8. **Non-Consent Agenda**

Resolution

- a. **Resolution 0902-R2015 – zoning map error correction regarding parcel 0013 -00-061.01**
Resolution Title: A Resolution taking note of a zoning map error and that county staff will take steps to correct the zoning map. *Steve Willis – pgs. 13-14*

Ordinance Readings

b. Public Hearing and 3rd Reading of Ordinance 2015-1378 regarding Ansley Park Development (portion of PDD 21) amendment needed

Ordinance Title: An Ordinance to approve a Development Agreement between Forestar (USA) Real Estate Group Inc., and the County of Lancaster relating to the Ansley Park Development; to authorize certain county officials to execute and deliver the Development Agreement; and to provide for other matters related thereto. *(Favorable – I&R Committee) Council approved 2nd Reading 7-0 at the November 9, 2015 meeting. John Weaver/Penelope Karagounis – pgs. 15-42*

c. Public Hearing and 3rd Reading of Ordinance 2015-1379 regarding the Fee Agreement for Movement Mortgage amendment needed

Ordinance Title: An Ordinance to authorize the execution and delivery of a fee agreement by and among Lancaster county and Movement Mortgage, LLC and TKC CCII, LLC providing for the payment of a fee-in-lieu of taxes and the provision of special source revenue credits; to express the intention of council to provide monies to the economic development fund; and to provide for other matters related thereto. *Council approved 2nd Reading 7-0 at the November 9, 2015 meeting. John Weaver – pgs. 43-73*

d. 2nd Reading of Ordinance 2015-1366 regarding the Fee Agreement between Lancaster County and LCI-Lineberger Construction, Inc. amendment needed

Ordinance Title: An Ordinance to authorize the execution and delivery of a fee agreement by and between Lancaster County and LCI-Lineberger Construction, Inc., providing for the payment of a Fee-In-Lieu of taxes and the provision of special source revenue credits; to express the intention of Council to provide monies to the Economic Development Fund; and to provide for other matters related thereto. *(Favorable - Administration Committee). Council approved 1st Reading 7-0 on August 24, 2015. John Weaver – pgs. 74-102*

e. *Executive Session regarding an Economic Development matter - Project 2015-04 SC Code §30-4-70(5) - prior to the 1st Reading of Ordinance 2015-1381 below.*

f. 1st Reading of Ordinance 2015-1381 Amendment to the Multi-County Park with Chesterfield County to add one parcel regarding Project 2015-04 and five parcels regarding Lineberger.

Ordinance Title: An Ordinance to amend the amended and restated master Multi-County Park Agreement between Chesterfield County, South Carolina and Lancaster County, South Carolina, as amended and restated as of November 9, 2015, so as to add to the agreement property located in Lancaster County (one parcel – Project 2015-04; five parcels – Lineberger); and to provide for other matters related thereto. *(Administration Committee to give recommendation at the meeting). John Weaver – pgs. 103-105*

9. Discussion and Action Items

- a. Request to close Bumble Bee Road by Haile Gold Mine. *John Weaver – pgs. 106-108*
- b. Historical Commission appointments – *Debbie Hardin – pgs. 109*
 - Don Frangenberg – advisory position
 - Miles Gardner – advisory position
 - Linda Bell – District 3 representative (unexpired term)
- c. Committee Reports
 - 1. Public Safety – Committee Chairman Steve Harper
 - 2. Infrastructure and Regulation (I&R) – Committee Chairman Larry Honeycutt
 - 3. Administration – Committee Chairman Brian Carnes
- d. 2016 Strategic Plan. *Steve Willis – pgs. 110-119*
- e. Monthly Finance Report. *Kimberly Hill – pgs. 120-133*
- f. County roads that are serving single residence. *Steve Willis – pgs. 134-136*
- g. Information only – funding shortfall regarding HOME Consortium. *Steve Willis – pgs. 137*

10. Status of items tabled, recommitted, deferred or held

- a. 3rd Reading of Ordinance 2015-1367 regarding modifications to the Edenmoor Improvement District (now known as Walnut Creek)
- b. 3rd Reading of Ordinance 2015-1368 to authorize and provide for issuance and sale of Walnut Creek Improvement District Revenue Bonds and other related matters
- c. 1st Reading of Ordinance 2015-1369 Avondale PDD
- d. 1st Reading of Ordinance 2015-1370 Avondale Development Agreement

11. Miscellaneous Reports and Correspondence – pgs. 138-147

- a. Governor's Office appointments to the Lancaster County Water and Sewer District
- b. Time Warner Cable
- c. Letter of intent to apply for recreation trails program funding
- d. New flooring at the Springdale Recreation facility
- e. UDO time line update

12. Calendar of Events – pg. 148

13. Citizens Comments *[if Council delays until end of meeting]*

14. Executive Session

- a. *Economic Development Matters – SC Code §30-4-70(5)*
- Project 2015-01
 - Project 2015-02
 - Fee in lieu extension request

15. Adjournment

Anyone requiring special services to attend this meeting should contact 285-1565 at least 24 hours in advance of this meeting.

Lancaster County Council agendas are posted at the Lancaster County Administration Building and are available on the Website:

www.mylancastersc.org



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Members of Lancaster County Council
Bob Bundy, District 3, Chairman
Brian Carnes, District 7, Vice Chairman
Steve Harper, District 5, Secretary
Jack Estridge, District 6
Larry Honeycutt, District 4
Larry McCullough, District 1
Charlene McGriff, District 2

Minutes of the Lancaster County Council Regular Meeting
101 N. Main Street, Lancaster, SC 29720

Monday, November 9, 2015

Council Members present were Bob Bundy, Jack Estridge, Brian Carnes, Larry Honeycutt, Larry McCullough, Steve Harper and Charlene McGriff. Also present was Steve Willis, Debbie Hardin, Brenisha Wells, Penelope Karagounis, Veronica Thompson, John Weaver, the press and spectators. A quorum of Lancaster County Council was present for the meeting.

The following press was notified of the meeting by e-mail or by fax in accordance with the Freedom of Information Act: *The Lancaster News*, *Kershaw News Era*, *The Rock Hill Herald*, *The Fort Mill Times*, Cable News 2, Channel 9 and the local Government Channel. The agenda was also posted in the lobby of the County Administration Building the required length of time and on the county website.

Call meeting to order

Chairman Bob Bundy called the regular meeting of Council to order at 6:30 p.m.

Welcome and recognition/pledge of allegiance and invocation

Chairman Bob Bundy welcomed everyone to the meeting, and announced the press notification was met. Council Member Steve Harper led the Pledge of Allegiance to the American Flag and provided the invocation.

Approval of the agenda

Charlene McGriff moved to approve the agenda as written. **SECONDED** by Brian Carnes. Passed 7-0.

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Special Presentation

Homelessness Awareness Initiative

Chairman Bob Bundy presented Councilwoman Charlene McGriff with a proclamation declaring November 9th – 13th Homelessness Awareness week. Councilwoman McGriff recognized the members of the initiative committee and turned the presentation over to Melanie Outlaw of the United Way.

Citizen Comments

The following citizens signed up to speak during citizens comments regarding Ordinance 2015-1365/McClancy Seasoning rezoning:

Richard Dole, 3056 Drummond Avenue, Indian Land
William Sperow, 7182 Harcourt Crossing, Indian Land
Jeff Lamb, 4329 Rochard Lane, Indian Land (distributed the attached schedule A)
Terry Montgomery, 1020 Estates Avenue, Indian Land (distributed the attached schedule B)
Chaplin Spencer, 226 East Main Street, Rock Hill, SC
Rob Luley, 14252 Grantham Court, Indian Land
Jerry Holt, 3207 Kendall Trace, Indian Land
Gary Holland, 8728 Collins Road, Indian Land (distributed the attached schedule C)
Allen Davis, 828 Jim Wilson Road, Indian Land
Edward Washington, 18432 East Marbella Lane, Indian Land
Melissa Williams, 3223 Kendall Trace, Indian Land
Laura Hakeem, 3022 Manchester Court, Indian Land (deferred time when called upon to speak)
Dan Shoemaker, 4291 Rochard Lane, Indian Land
Rebecca Myer, Harcourt Crossing, Indian Land (deferred time when called upon to speak)
Wanda Rosa, 86614 Arrington Road, Indian Land
Pam Kance, 8011 S. Dorchester, Indian Land (deferred time when called upon to speak)
Howard Kance, 8011 S. Dorchester, Indian Land
Mike Theodore, 2648 Cardinal Place, Indian Land (deferred time when called upon to speak)
Reid Wilkerson, 10808 Young Poplar Place, Charlotte NC
Dr. Ekkehard Maldfeld, 2601 Cardinal Place, Indian Land

The following citizens spoke regarding other topics

Donna Hercheck, 2506 Deertrack Circle, spoke regarding the Coalition for Healthy Youth initiative.

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Consent Agenda

Minutes of the October 26, 2015 regular meeting and October 29, 2015 special meeting

MOTION was made by Larry Honeycutt to approve the minutes of the October 26, 2015 regular meeting and the October 29, 2015 special meeting. SECONDED by Charlene McGriff. Passed 7-0.

Non-Consent Agenda

Resolutions

Resolution 0900-R2015 – regarding Twelve Mile Creek Road and the Development Agreement with Twelve Mile Creek Land Ventures, LLC.

A Resolution to approve a waiver by Lancaster County of Section 4.04(2) (b) of a Development Agreement with Twelve Mile Creek Land Ventures, LLC associated with Ordinance No. 2014-1284.

Brian Carnes moved to approve Resolution 0900-R2015. SECONDED by Charlene McGriff. Passed 7-0.

Ordinance Readings

Public Hearing {110 in attendance} and 3rd Reading of Ordinance 2015-1348 Amendments to the 2010 Nutramax Incentive, Fee and Infrastructure Credit Agreements

Ordinance Title: An ordinance to authorize the execution and delivery of Amendments to a 2010 Incentive Agreement, Fee Agreement, and Infrastructure Credit Agreement by and among Lancaster County, South Carolina, Nutramax Manufacturing Inc., Nutramax Laboratories, Inc., Nutramax Properties, LLC, Nutramax Land Holdings, Inc., The City of Lancaster, and the Lancaster County Economic Development Corporation; and to provide for other matters related thereto.

MOTION was made by Larry Honeycutt to approve 3rd Reading of Ordinance 2015-1348. SECONDED by Steve Harper. Passed 7-0.

Public Hearing {110 in attendance} and 3rd Reading of Ordinance 2015-1377 regarding the transfer of a fee in lieu of tax arrangement between Lancaster County and the Gillette Company

Ordinance Title: An Ordinance authorizing and approving the transfer of a fee in lieu of tax arrangement between Lancaster County, South Carolina, and the Gillette Company, as successor to Duracell Inc., under Title 4, Chapter 29 of the Code of Laws of South Carolina 1976, as amended, to an arrangement under Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended; authorizing and approving the assignment of three fee in lieu of tax

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arrangements between the Gillette Company and the county to Duracell Manufacturing, Inc.; and providing for other matters related thereto.

Chairman Bundy called for a Public Hearing regarding this ordinance. No citizen spoke.

MOTION was made by Steve Harper to approve 3rd Reading of Ordinance 2015-1377.

SECONDED by Brian Carnes. Passed 7-0.

Public Hearing {110 people in attendance} and 3rd Reading of Ordinance 2015-1352 Multi-County Park Agreement between Lancaster County and Chesterfield County

Ordinance Title: An Ordinance to authorize and approve an amended and restated Master Multi-County park agreement between Chesterfield County, South Carolina and Lancaster County, South Carolina; and to provide for other matters related thereto.

Chairman Bundy called for a Public Hearing regarding this ordinance. No citizen spoke.

MOTION was made by Larry Honeycutt to approve 3rd Reading of Ordinance 2015-1352.

SECONDED by Charlene McGriff. Passed 7-0.

3rd Reading of Ordinance 2015-1365 to rezone property of Reid Wilkerson/NBI Investments, III, LLC

Ordinance Title: An Ordinance to amend the official zoning map of Lancaster County so as to rezone property of Reid Wilkerson/NBI Investments III, LLC, located at 182 Spice Road, from R-15P, Moderate Density Residential/Agricultural Panhandle District to I-1, Light Industrial District; and to provide for other matters related thereto.

Larry McCullough moved to table 3rd Reading of Ordinance 2015-1365 and instruct the Administrator to withdraw the application. SECONDED by Brian Carnes (Larry Honeycutt initially seconded the motion however, withdrew) MOTION FAILED 3-4. (Larry McCullough, Brian Carnes and Jack Estridge voted for the motion. Bob Bundy, Steve Harper, Charlene McGriff and Larry Honeycutt opposed).

Larry McCullough asked if this motion does not pass (to table and withdraw) and the ordinance gets denied, when could it be brought back up again.

County Attorney, John Weaver, responded that if it were not for the Unified Development Ordinance (UDO) being rewritten, it would be one year from the date of the original application and he deferred to Penelope Karagounis, Planning Director, to confirm that similar language would be in the new UDO.

Penelope Karagounis noted that applicants would have to wait until the moratorium is lifted (A moratorium is in place on property located in Indian Land north of Highway 5 through March 2016 and can be extended 90 days through June 2016).

Larry McCullough asked if the motion passes to table and withdraw what happens. John Weaver responded that Mr. Wilkerson could continue business as is with no expansions. If he decides to expand, he would need to follow the process to rezone, once the moratorium is lifted.

Charlene McGriff asked if there were any other options. Penelope Karagounis responded that it has been silent until Thursday, when John Weaver received a letter from Mr. Wilkerson's attorney requesting consideration of the following:

1. Have covenant deed restrictions. *Penelope Karagounis noted that the County does not enforce deed restrictions.*
2. Create a new zoning district for food processing plants. *Ms. Karagounis noted that we are not creating zoning for specific types of businesses.*
3. To amend the current UDO to expand a legal nonconforming use in certain cases.
4. Ask for a variance. *Ms. Karagounis did not recommend.*
5. Create this floating zone. *Ms. Karagounis did not recommend.*

Ms. Karagounis stated that she felt with these options, the best option would be #3. Ms. Karagounis further explained that in rewriting the UDO, if Council decides on this option, it means any legal nonconforming use and she further urged Council to have specific criteria about expanding to overt future issues.

John Weaver noted that Ms. Karagounis stated her opinion in an email that he has placed at their desk (attached as schedule D). Mr. Weaver also stated that he received a phone call from Ms. Ewing, Attorney for McClancy Seasoning, and stated that Mr. Wilkerson is willing to agree to a rezoning from I-1 to a B-3 with the understanding that when the UDO is rewritten and considered by Council that he will be permitted to expand under the new UDO writings as B-3 manufacturing proposal. It would not be any I-1 or I-2 type operation.

Ms. Karagounis clarified that manufacturing is not allowed in B-3 zoning. It is only for wholesale and distribution.

Brian Carnes asked Ms. Karagounis' about expanding nonconforming use, and was she speaking of expanding his facility under R-15 or rezoning to B-3. Ms. Karagounis noted that based on the correspondence from Mr. Wilkerson's attorney, the option would be to amend the current UDO to expand a legal nonconforming use in certain cases but it would not just be for McClancy. It would be for the entire county. Certain types of criteria would allow nonconforming uses to expand. That is something that we need to discuss further with Council and the Consultant working on the UDO rewrite.

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Steve Harper noted that we are late in the process; however, can it be sent back as B-3 instead of an I-1. John Weaver noted that there is a motion on the table that is appropriate for a vote. If that fails, then a motion to amend rezoning to B-3 and send back to the Planning Commission contingent upon Planning Commission's favorable recommendation would be in order.

Steve Harper moved to defer 3rd Reading of Ordinance 2015-1365 and send this item back to the Planning Commission for its consideration of a B-3 zoning. SECONDED by Charlene McGriff. MOTION FAILED 3-4. (Charlene McGriff, Steve Harper and Larry Honeycutt voted in favor of the motion. Jack Estridge, Larry McCullough, Bob Bundy and Brian Carnes opposed.)

Larry McCullough moved to deny 3rd Reading of Ordinance 2015-1365. SECONDED by Brian Carnes. Passed 4-3. Larry McCullough, Brian Carnes, Bob Bundy and Steve Harper voted in favor of denial. Charlene McGriff, Larry Honeycutt and Jack Estridge opposed. MOTION CARRIED.

Public Hearing {11 people in attendance} and 3rd Reading of Ordinance 2015-1380 regarding a Infrastructure Credit and Incentive Agreement with 3i Products, Inc. (Project Seating)

Ordinance Title: An Ordinance to authorize the execution and delivery of an infrastructure credit and incentive agreement by and between Lancaster County, South Carolina, and 3i Products, Inc.,(Project Seating) providing for special source revenue credits and the sale to project seating of approximately 15.58 acres of land located at 3888 Chester Highway (S.C. 9), tax parcel no. 0066-00-033.00; and to provide for other matters related thereto.

Chairman Bundy called for a Public Hearing regarding this ordinance. No citizen spoke.

MOTION was made by Charlene McGriff to approve 3rd Reading of Ordinance 2015-1380. SECONDED by Jack Estridge.

Larry Honeycutt moved to amend Ordinance 2015-1380 to include the projects actual name of 3i Products, Inc. SECONDED by Brian Carnes. Passed 7-0.

Council voted 6-1 to approve 3rd Reading of Ordinance 2015-1380 as amended. Larry McCullough opposed.

2nd Reading of Ordinance 2015-1378 regarding Ansley Park Development (portion of PDD 21)

Ordinance Title: An Ordinance to approve a Development Agreement between Forestar (USA) Real Estate Group Inc., and the County of Lancaster relating to the Ansley Park Development; to authorize certain county officials to execute and deliver the Development Agreement; and to provide for other matters related thereto.

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MOTION was made by Larry Honeycutt to approve 2nd Reading of Ordinance 2015-1378.
SECONDED by Charlene McGriff.

Charlene McGriff moved to amend Ordinance 2015-1378 to include the home state of the corporation and the number of houses to be built annually. SECONDED by Larry McCullough.
Passed 7-0.

Council voted 7-0 to approve Ordinance 2015-1378 as amended.

2nd Reading of Ordinance 2015-1379 regarding the Fee Agreement for Movement Mortgage

Ordinance Title: An Ordinance to authorize the execution and delivery of a fee agreement by and among Lancaster county and Movement Mortgage, LLC and TKC CCII, LLC providing for the payment of a fee-in-lieu of taxes and the provision of special source revenue credits; to express the intention of council to provide monies to the economic development fund; and to provide for other matters related thereto.

MOTION was made by Brian Carnes to approve 2nd Reading of Ordinance 2015-1379.
SECONDED by Charlene McGriff.

MOTION was made by Larry Honeycutt to amend Ordinance 2015-1379 to include the cost benefit analysis as found in Section 4 of the ordinance. SECONDED by Charlene McGriff.
Passed 6-1. Larry McCullough opposed.

Council voted on the original motion as amended. Passed 7-0.

Councilman McCullough requested that in the future documents also include historic data such as the number of jobs, timing of jobs and salary information. Council discussed the issue and requested that as soon as possible (depending on the project confidentiality issues) but no later than Third Reading, the aforesaid information be added to the ordinance for historical purposes.

Discussion and Action Items

Residency Requirement

Councilman Larry Honeycutt requested that this item be placed back on the agenda for further consideration of Council. Councilman Honeycutt addressed Council with the following remarks:

I believe employees of Lancaster County who are department heads should be residents of Lancaster County. Employees who have input on how our tax revenues are spent should reside in this county and pay taxes in Lancaster County. We have department heads employed now that

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does not live in Lancaster County. Their work status will not be affected. Department head vacancies in the future should be filled by a resident of this County or by someone who is going to move to this county at a time line, which will be set. Department head vacancies filled by anyone not living in Lancaster County must become a citizen of Lancaster County within a time frame set by County Council. This should be a condition of employment with Lancaster County.

MOTION was made by Brian Carnes that the County Attorney prepares an ordinance to require the Administrator, County Attorney and Economic Development Director to reside in Lancaster County (within a year of employment). SECONDED by Larry McCullough. Passed 7-0.

Councilwoman McGriff asked if positions could be added to the list stated, such as Deputy County Administrator. County Attorney John Weaver noted that it could be changed by a three reading Ordinance of Council. Mr. Weaver will prepare the Ordinance for Council consideration at the December 14, 2015 meeting.

Councilman Brian Carnes noted that he checked with surrounding counties and no other county has this residency requirement.

Executive Session

Brian Carnes made a MOTION to move into Executive Session. SECONDED by Charlene McGriff. Passed 7-0.

Brian Carnes made a MOTION to move out of Executive Session. SECONDED by Charlene McGriff. Passed 7-0.

Attorney John Weaver stated while in Executive Session Council discussed economic development projects where no votes were taken and no motions were made.

Adjournment

Larry Honeycutt made a MOTION to adjourn. SECONDED by Brian Carnes. Passed 7-0.

Respectfully Submitted:

Approved by Council, November 9, 2015

Debbie C. Hardin
Clerk to Council

Steve Harper, Secretary

STATE OF SOUTH CAROLINA
COUNTY OF LANCASTER

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RESOLUTION NO. 0902-R2015

A RESOLUTION

**TAKING NOTE OF A ZONING MAP ERROR AND THAT COUNTY STAFF
WILL TAKE STEPS TO CORRECT THE ZONING MAP**

Be it resolved by the Council of Lancaster County, South Carolina:

WHEREAS, it was brought to the attention of county staff that the on-line zoning map shows Roy Hardin Park, parcel number 0013-00-061.01, as being zoned R-15P rather than PDD; and

WHEREAS, the Planning Director has verified that no rezoning of that parcel to R-15P has taken place; and

WHEREAS, the County Administrator has directed the GIS and Assessor's staff to make the necessary corrections;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Lancaster, South Carolina, that Council recognizes that changing the on-line map is simply correcting an administrative error and does not constitute a rezoning.

AND IT IS SO RESOLVED this 23rd day of November, 2015.

LANCASTER COUNTY, SOUTH CAROLINA

(SEAL)

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

ATTEST:

Debbie Hardin, Clerk to Council

Approved as to form:

John Weaver, County Attorney

The Lancaster News

701 North White Street
PO Box 640
Lancaster, SC 29721
803-283-1133

NOTICE OF PUBLIC HEARING LANCASTER COUNTY COUNCIL

The Lancaster County Council has scheduled a public hearing for Monday, November 23, at 6:30 p.m. in County Council Chambers, second floor of the County Administration Building, 101 North Main Street, Lancaster, South Carolina. The purpose of the public hearing is to receive public comment on the proposed Development Agreement (a portion of the Ansley Park Development) by and between Forestar (USA) Real Estate Group, Inc., and Lancaster County, South Carolina. This public hearing is one of the two required public hearings for the proposed Development Agreement (a portion of the Ansley Park Development). The Lancaster County Planning Commission will hold a public hearing on the proposed Development Agreement (a portion of the Ansley Park Development) on Tuesday, November 17, at 6:30 p.m. in County Council Chambers, second floor of the County Administration Building, 101 North Main Street, Lancaster, South Carolina. At both public hearings and at any adjournment of them, all interested persons may be heard either in person or by their designees.

It is Lancaster County Council's intent to consider the proposed Development Agreement (a portion of the Ansley Park Development). The property subject to the proposed Development Agreement (a portion of the Ansley Park Development) is approximately 157 acres and is located in the Indian Land area of the County between Marvin Road and Henry Harris Road. The tax map number for the property is 0010-00-008.00. The development uses proposed on the property is single-family residential. A copy of the proposed Development Agreement (a portion of the Ansley Park Development) may be obtained at the office of the Clerk to Council, County Administration Building, second floor, 101 North Main Street, Lancaster, South Carolina or the office of the Lancaster County Planning Commission, County Administration Building, first floor, 101 North Main Street, Lancaster, South Carolina.

This is to certify that the attached Legal Notice was published in The Lancaster News in the issue of 10/16/15


Notary Public of South Carolina

My Commission Expires February 10, 2020

Lancaster County Planning Department

101 N. Main St., Ste. 108

P.O. Box 1809

Lancaster, South Carolina 29721-1809

Telephone (803) 285-6005

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LANCASTER COUNTY PLANNING COMMISSION

REPORT TO COUNTY COUNCIL

DEVELOPMENT AGREEMENT – Portion of Ansley Park Development (PDD-21), FORESTAR (USA) Real Estate Group Inc.

Pursuant to Sections 23.5d and 23.5e of the Unified Development Ordinance of Lancaster County, the Planning Commission has reviewed as received from FORESTAR (USA) Real Estate Group Inc. the proposed Development Agreement – Portion of Ansley Park Development, PDD-21.

At its meeting on Tuesday, November 17, 2015, the Planning Commission conducted a public hearing on the proposed Development Agreement – Portion of Ansley Park Development (PDD-21) by FORESTAR (USA) Real Estate Group Incorporation. The Planning Commission voted to recommend to County Council approval of the Development Agreement – Portion of Ansley Park Development (PDD-21) by a vote of (5-1).

Respectfully submitted,



Charles Keith Deese

Chair, Lancaster County Planning Commission

STATE OF SOUTH CAROLINA

)

ORDINANCE NO. 2015-1378

COUNTY OF LANCASTER

)

AN ORDINANCE

TO APPROVE A DEVELOPMENT AGREEMENT BETWEEN FORESTAR (USA) REAL ESTATE GROUP INC. AND THE COUNTY OF LANCASTER RELATING TO A PORTION OF THE ANSLEY PARK (PDD-21) DEVELOPMENT; TO AUTHORIZE CERTAIN COUNTY OFFICIALS TO EXECUTE AND DELIVER THE DEVELOPMENT AGREEMENT; AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO.

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. Findings and Determinations.

The Council finds and determines that:

(a) Lancaster County is authorized by the South Carolina Local Government Development Agreement Act, codified as Sections 6-31-10 to -160, Code of Laws of South Carolina 1976, as amended (the "Act"), and by the Development Agreement Ordinance for Lancaster County, South Carolina, Ordinance No. 663 (the "Ordinance"), to enter into development agreements with developers;

(b) Forestar (USA) Real Estate Group Inc. seeks to enter into a development agreement with Lancaster County relating to a portion of the Ansley Park (PDD-21) development; and

(c) the Act and Ordinance require a development agreement to be approved by the county governing body by the adoption of an ordinance.

Section 2. Approval of Agreement; Authorization to Act.

A. The Council Chair and Council Secretary are each authorized, empowered and directed to execute, acknowledge and deliver a Development Agreement between Forestar (USA) Real Estate Group Inc. and the County of Lancaster relating to a portion of the Ansley Park (PDD-21) development (the "Development Agreement") in the name and on behalf of the County of Lancaster. The form of the Development Agreement is attached hereto as Exhibit A and all terms, provisions and conditions of the Development Agreement are incorporated herein by reference as if the Development Agreement were set out in this ordinance in its entirety. By adoption of this ordinance, the Lancaster County Council

approves the Development Agreement and all of its terms, provisions and conditions. The Development Agreement is to be in substantially the form as attached to this ordinance and hereby approved, or with such minor changes therein as shall be approved by the officials of Lancaster County executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Development Agreement attached to this ordinance.

B. The Council Chair and Council Secretary are each authorized to execute and deliver any related instruments, documents, certificates and other papers as are necessary to effect the delivery of the Development Agreement. The Council and its duly elected or appointed officers and any other County official are authorized to take any and all action as may be necessary to effectuate the purposes of this ordinance.

Section 3. Severability.

If any section, subsection or clause of this ordinance is held to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

Section 4. Controlling Provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, orders and resolutions, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 5. Effective Date.

This ordinance is effective upon third reading.

And it is so ordained, this ____ day of _____, 2015.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

Attest:

Debbie C. Hardin, Clerk to Council

| | | |
|-------------------------------------|-------------------|------------|
| Planning Commission Public Hearing: | November 17, 2015 | Tentative |
| First Reading: | October 26, 2015 | Passed 7-0 |
| Second Reading: | November 9, 2015 | Passed 7-0 |
| Council Public Hearing: | November 23, 2015 | Tentative |
| Third Reading: | November 23, 2015 | Tentative |

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Exhibit A to Ordinance No. 2015-1378

**Development Agreement
Between
Forestar (USA) Real Estate Group Inc. and the County of Lancaster
A Portion of the Ansley Park (PDD-21) Development**

See attached.

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| | | |
|--------------------------------|---|--------------------------------|
| STATE OF SOUTH CAROLINA |) | DEVELOPMENT AGREEMENT |
| |) | PORTION OF |
| COUNTY OF LANCASTER |) | ANSLEY PARK DEVELOPMENT |

This **DEVELOPMENT AGREEMENT** (the "Agreement") is made and entered into as of the ____ day of _____, 2015 ("Agreement Date"), by and between **FORESTAR (USA) REAL ESTATE GROUP INC.** ("Developer"), a Delaware corporation, and the **COUNTY OF LANCASTER** (the "County"), a body politic and corporate, a political subdivision of the State of South Carolina.

RECITALS

WHEREAS, Developer has obtained the right to acquire certain real property consisting of approximately 157 acres, more or less, located in the County and known as a portion of the Ansley Park development.

WHEREAS, the Property is currently zoned planned development district pursuant to Ordinance No. 650, PDD-21, Ansley Park Planned Development District-21 approved January 31, 2005 and amended by Ordinance No. 796 dated January 28, 2007.

WHEREAS, Developer and County have determined that it is in the best interests of the County and Developer to enter into this Agreement to set forth the terms and conditions of the development in order to more fully protect the Developer's development rights, thereby providing certainty and predictability to the Developer of those rights and providing certainty and predictability to the County on the scope and terms of the development.

WHEREAS, the Developer desires to obtain from the County in connection with the development, and the County is willing to provide, assurances: (1) that the property will be appropriately zoned for the duration of this Agreement; (2) that upon receipt of its development and construction permits it may proceed with the planned development and construction; and (3) that the development rights will be vested for the duration of this Agreement.

WHEREAS, in connection with the proposed development, Developer and County recognize that the scope and term of the planned development under this Agreement accomplish the statutory aims of comprehensive, orderly planning and development within the County, thus providing benefits to the citizens of the County and providing public benefits through, among other things, the donation of funds or financing of those public facilities and services described and identified in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth in this Agreement, the receipt and sufficiency of such consideration being acknowledged by the parties, and pursuant to the South Carolina Local Government Development Agreement Act, codified as Sections 6-31-10 to -160, Code of Laws of South Carolina 1976, as amended (the “Act”) and the Development Agreement Ordinance for Lancaster County, South Carolina (“Ordinance No. 663”), the parties to this Agreement, intending to be legally bound to a development agreement in accordance with the Act and Ordinance No. 663, agree as follows:

ARTICLE I

GENERAL

Section 1.01. Incorporation. The above recitals are incorporated in this Agreement as if the recitals were set out in this Agreement in its entirety. The findings contained in the Act are incorporated into this Agreement as if it were set out in this Agreement in its entirety.

Section 1.02. Definitions. (A) As used in this Agreement:

(1) “Act” means the South Carolina Local Government Development Agreement Act, codified as Sections 6-31-10 to -160, Code of Laws of South Carolina 1976, as amended.

(2) “Agreement” means this Development Agreement.

(2A) “Agreement Date” means the date of this Agreement as set forth above.

(3) “County” means the County of Lancaster, a body politic and corporate, a political subdivision of the State of South Carolina.

(4) “County Council” means the governing body of the County.

(5) “Developer” means Forestar (USA) Real Estate Group Inc., a Delaware corporation, and its successors in title to the Property who undertake Development of the Property or who are transferred Development Rights.

(6) “Development Rights” means the right of the Developer to develop all or part of the Property in accordance with this Agreement.

(7) Reserved.

(8) “Laws and Land Development Regulations” means the County’s applicable rules and regulations governing development of real property as set forth on Exhibit E hereto.

(9) “Ordinance No. 663” means Ordinance No. 663 of the County which is cited as the Development Agreement Ordinance for Lancaster County, South Carolina.

(10) “Ordinance No. 650” means Ordinance No. 650, PDD-21, Ansley Park Planned Development District-21 approved January 31, 2005, as amended by Ordinance No. 796 dated January 29, 2007, zoning the Property planned development district (PDD-21).

(11) “Ordinance No. 2015-1378” means Ordinance No. 2015-1378 of the County approving this Agreement.

(12) “Parties” means County and Developer.

(12A) “PDD-21” means Ordinance No. 650.

(13) “Property” means the land, and any improvements thereon, described in Section 1.04.

(14) “Forestar Related Entity” means (i) an entity that is owned or controlled by Developer, or is owned or controlled by any entity that owns at least a fifty percent (50%) membership interest in Developer; and (ii) any entity that is the successor in interest to Developer via merger or operation of law.

(15) “UDO” means Ordinance No. 309, as amended, as of January 31, 2005, and which is cited as the Unified Development Ordinance of Lancaster County. The UDO includes Ordinance No. 328, as amended, as of January 31, 2005, and which is cited as the Land Development Regulations of Lancaster County.

(B) Unless the context clearly indicates otherwise, terms not otherwise defined in this Agreement have the meanings set forth in the Act and Ordinance No. 663.

Section 1.03. Parties. The parties to this Agreement are County and Developer.

Section 1.04. Property. This Agreement applies to the land described in Exhibit A, attached hereto and incorporated herein by reference as if the exhibit were set out in this Agreement in its entirety. The Property is generally known as a portion of the Ansley Park development.

Section 1.05. Zoning. The Property is zoned planned development district (PDD-21) pursuant to Ordinance No. 650.

Section 1.06. Permitted Uses. (A) PDD-21 and the UDO provide for the development uses on the Property, including population densities, building intensities and height.

(B) All lots for the Development must meet all of the standards contained in this Agreement and if no specific standard is contained in this Agreement, then the standards contained in PDD-21 and the UDO apply.

Section 1.07. Development Schedule. (A) The estimated development schedule for the Property is set forth on Exhibit C, attached hereto and incorporated herein by reference as if the exhibit were set out in this Agreement in its entirety.

(B) County and Developer acknowledge that the development schedule is an estimate. The failure of the Developer to meet a commencement or completion date does not, in and of itself, constitute a material breach of this Agreement, but must be judged based on the totality of the circumstances. The development schedule is a planning and forecasting tool only. County and Developer acknowledge that actual development is likely to take place at a different pace than set forth in the development schedule because of future market forces.

(C) County agrees that if Developer requests an adjustment to the development schedule, including commencement dates and interim completion dates, then the dates must be modified if

the Developer is able to demonstrate and establish that there is good cause to modify those dates. “Good cause” includes, but is not limited to, changes in market conditions.

(D) Periodic adjustments to the development schedule do not require a formal amendment to this Agreement and are not considered a major modification. To adjust the development schedule, the Developer shall submit a proposed adjustment to the Clerk to Council who shall forward copies of the proposed adjustment to each member of County Council. The proposed adjustment must be accompanied by an explanation and justification. The proposed adjustment is effective sixty (60) days from receipt by the Clerk to Council unless the County Council has disapproved the proposed adjustment by passage of a resolution to that effect within the sixty (60) day period.

Section 1.08. Relationship of Parties. This Agreement creates a contractual relationship among the Parties. This Agreement is not intended to create, and does not create, the relationship of partnership, joint venture, or any other relationship wherein any one of the parties may be held responsible for the acts of any other party. This Agreement is not intended to create, and does not create, a relationship whereby any one of the parties may be rendered liable in any manner for the debts or obligations of any other party, to any person or entity whatsoever, whether the debt or obligation arises under this Agreement or outside of this Agreement.

Section 1.09. Benefits and Burdens. (A) The Parties agree that the burdens of this Agreement are binding upon, and the benefits of this Agreement shall inure to, all successors in interests to the Parties to this Agreement.

(B) Except for the owners and lessees of completed residences on individual lots who are the end users and not developers thereof and the owners and lessees of individual lots, who are not developers and who intend to build a residence on the lot for the owner or lessee to occupy, any purchaser or other successor in title is responsible for performance of Developer’s obligations pursuant to this Agreement as to the portion of the Property so transferred. Developer must give notice to the County of the transfer of property to a developer in the manner prescribed in Section 3.05.

(C) Developer acknowledges and agrees that it (i) is responsible for the development of the Property when Developer acquires title to or development rights for the Property, and (ii) will develop the Property in accordance with the terms and conditions of this Agreement. It is the express intention of the Parties that the obligations of this Agreement are intended to run with the Property. If the Property is sold, either in whole or in part, and the Developer’s obligations are transferred to a purchaser or successor in title to the Property as provided herein and in Section 3.05 below, Developer shall be relieved of any further liability for the performance of Developer’s obligations as provided in this Agreement as it relates to the portion of the Property sold if the Developer is then current with its obligations pursuant to this Agreement.

Section 1.10. Term. The term of this Agreement commences on the Agreement Date and terminates five (5) years thereafter.

Section 1.11. Required Information. Ordinance No. 663 requires a development agreement to include certain information. Exhibit D contains the required information or

identifies where the information may be found in this Agreement. Exhibit D is incorporated herein by reference as if the exhibit were set out in this Agreement in its entirety.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of County. (A) The County represents that it finds the development permitted by this Agreement is consistent with the County's comprehensive plan and land development regulations.

(B) The County represents that it has approved this Agreement by adoption of Ordinance No. 2015-1378 in accordance with the procedural requirements of the Act, Ordinance No. 663 and any other applicable state law.

(C) The County represents that prior to the final reading of Ordinance No. 2015-1378 that at least two public hearings were held after publication of the required notice and the publication of a notice of intent to consider a proposed development agreement.

Section 2.02. Representations and Warranties of Developer. (A) Developer represents that the number of acres of highland contained in the Property is twenty-five (25) or more, the same being approximately one hundred and fifty seven (157) or more acres.

(B) Developer represents that, as of the Agreement Date, it has contractual rights to acquire the Property and that, following acquisition, Developer shall be the only legal and equitable owner of the Property.

(C) Developer represents and warrants that the execution, delivery and performance by the individual or entity signing this Agreement on behalf of the Developer has been duly authorized and approved by all requisite action on the part of Developer.

ARTICLE III

DEVELOPMENT RIGHTS

Section 3.01. Vested Right to Develop. (A) County agrees that the Developer, upon receipt of its development permits as identified in Section 3.04, may proceed to develop the Property according to the terms and conditions of this Agreement. The right of Developer to develop the Property as set forth in this Agreement is deemed vested with Developer for the term of this Agreement when the Developer has complied with all of the requirements of Section 5.19.

(B) Except as otherwise provided in this Agreement, County agrees that the specific Laws and Land Development Regulations in force as of the Agreement Date as set forth in Exhibit E to this Agreement, attached hereto and incorporated herein by reference as if the exhibit were set out in this Agreement in its entirety, shall govern all aspects of the development of the Property, according to the terms and standards as stated in this Agreement, for the term of this Agreement.

(C) The Developer has a vested right to proceed with the development of the Property in accordance with the zoning classification set forth in Ordinance No. 650, the UDO and the terms of this Agreement when the Developer has complied with all of the requirements of Section 5.19.

(D) Except as may be otherwise provided for in this Agreement, the Act or Ordinance No. 663, no future changes or amendments to the Laws and Land Development Regulations shall apply to the Property, and no other local land development legislative enactments shall apply to the development, the Property, or this Agreement which have a direct or indirect adverse effect on the ability of the Developer to develop the Property in accordance with the Laws and Land Development Regulations.

(E) (1) To the extent that this Agreement may contain zoning and development standards which conflict with existing zoning and development standards, including zoning and development standards contained in Ordinance No. 650 and the UDO, the standards contained in this Agreement supersede all other standards and this Agreement is deemed controlling, (2) To the extent that Ordinance No. 650 may contain zoning and development standards which conflict with zoning and development standards contained in the UDO, the standards contained in Ordinance No. 650 supersede all other standards and Ordinance No. 650 is deemed controlling except as provided in subsection (E)(1).

(F) For purposes of Subsection (D) of this Section 3.01 and Section 3.03(A)(3), the Laws and Land Development Regulations are anticipated to be amended subsequent to the Agreement Date to provide for requirements and standards applicable to storm water runoff conveyance systems and drainage improvements. The anticipated amendments are expected to include, but not be limited to, minimum standards for the design and sizing of storm drainage piping systems and access easements. These amendments to the Laws and Land Development Regulations will apply to the Property.

Section 3.02. Effect on Vested Rights Act and County Ordinance No. 673. The Parties agree that vested rights conferred upon Developer in this Agreement are not affected by the provisions of the Vested Rights Act, codified as Sections 6-29-1510 to -1560, Code of Laws of South Carolina 1976, as amended, or the provisions of Ordinance No. 673, the County's ordinance relating to the Vested Rights Act.

Section 3.03. Applicability of Subsequently Adopted Laws and Land Development Regulations. (A) County may apply laws adopted after the execution of this Agreement to the development of the Property only if the County Council holds a public hearing and determines:

(1) the laws are not in conflict with the laws governing this Agreement and do not prevent the development set forth in this Agreement and "laws" which prevent development include, but are not limited to, a moratorium, or any other similar restriction that curtails the rate at which development can occur on the Property;

(2) the laws are essential to the public health, safety, or welfare and the laws expressly state that they apply to the development that is subject to this Agreement;

(3) the laws are specifically anticipated and provided for in this Agreement;

(4) that substantial changes have occurred in pertinent conditions existing at the time this Agreement was approved which changes, if not addressed by County, would pose a serious threat to the public health, safety, or welfare; or

(5) that this Agreement was based on substantially and materially inaccurate information supplied by the Developer that materially affected the terms and provisions of this Agreement.

(B) Developer agrees to comply with any county-wide building, housing, electrical, plumbing, fire and gas codes required to be enforced pursuant to the laws of South Carolina after the Agreement Date and in force at the time plans for buildings are submitted to the County for review. Nothing in this Agreement is intended to supersede or contravene the requirements of any building, housing, electrical, plumbing, fire or gas code adopted by County Council.

Section 3.04. Development Permits. (A) Developer agrees to obtain all local development permits for the development of the property. Local development permits, approvals and processes, some of which may have been obtained or complied with as of the Agreement Date, include, but are not limited to:

- (1) Development Review Committee process;
- (2) Preliminary plan approval;
- (3) Final plat approval;
- (4) Zoning permits;
- (5) Building permits; and
- (6) Sign permits.

(B) The failure of this Agreement to address a particular permit, condition, term, or restriction does not relieve the Developer of the necessity of complying with the law governing the permitting requirements, conditions, terms or restrictions.

Section 3.05. Transfer of Development Rights. Developer may, at its sole discretion, transfer its Development Rights to other developers. The transferring Developer must give notice to the County of the transfer of any Development Rights. The notice to the County must include the identity and address of the transferring Developer, the identity and address of the acquiring Developer, the acquiring Developer's contact person, the location and number of acres of the Property associated with the transfer and the number of residential units subject to the transfer. If the acquiring Developer is an entity, then, at the request of the County, the acquiring Developer shall provide the County the opportunity to view a listing of the names and addresses of the entity's officers and owners. Any Developer acquiring Development Rights is required to file with the County an acknowledgment of this Agreement and the transfer of Development Rights is effective only when the County receives a commitment from the acquiring Developer to be bound by it. This provision does not apply to the purchaser or other successor in title to the Developer who is the owner or lessee of a completed residence and is the end user and not the developer thereof or who is the owner or lessee of an individual lot, who is not a developer and who intends to build a residence on the lot for the owner or lessee to occupy.

Section 3.06. Lot Widths; Bridges. County and Developer acknowledge, agree and ratify two minor changes to the Ansley Park Master Plan made pursuant to and in accordance with the provisions of Ordinance No. 650: (1) two lots widths; and (2) the removal of a bridge crossing Six Mile Creek.

ARTICLE IV

DEDICATIONS AND FEES AND RELATED AGREEMENTS

Section 4.01. Purpose of Article. The Parties understand and agree that Development of the Property imposes certain burdens and costs on the County, including those for certain services and infrastructure improvements. Eventually, *ad valorem* taxes collected from the property may meet or exceed the burdens and costs placed upon the County, but certain initial costs and capital expenditures are now required that are not to be funded by any increase in taxes paid by existing residents of the County. The purpose of this article is to identify the matters agreed upon to be provided by the Developer to mitigate such burdens and costs.

Section 4.01A. Funds for Public Safety. Developer agrees to pay County THREE HUNDRED TEN THOUSAND AND NO/100 DOLLARS (\$310,000.00) upon the earlier of either June 30, 2017, or the closing on the sale of any portion of the Ansley Park development by the Developer to an individual or entity other than a Forestar Related Entity (the “Public Safety Payment”). Upon receipt of the Public Safety Payment, the monies must be accounted for separate and distinct from other monies of the County. The Public Safety Payment must be used for non-recurring purposes for law enforcement, fire and emergency medical service in the panhandle area of the County. The determination of the specific uses for the Public Safety Payment is at the discretion of the County Council. As used in this section, “Developer” means Forestar (USA) Real Estate Group Inc., a Delaware corporation, and does not include its successors or assigns but does include a Forestar Related Entity that holds title to the Property.

Section 4.01B. School Payments. Developer agrees to pay to the County for the benefit of the Lancaster County School District ONE HUNDRED FIFTY-FIVE THOUSAND AND NO/100 DOLLARS (\$155,000.00) upon the earlier of either June 30, 2017 or the closing on the sale of any portion of the Ansley Park development to an individual or entity other than a Forestar Related Entity (the “School Payment”). Developer acknowledges and agrees that County is responsible only for the remittance of the School Payment to the Lancaster County School District and that the County has no other obligation or responsibility for the School Payment. As used in this section, “Developer” means Forestar (USA) Real Estate Group Inc., a Delaware corporation, and does not include its successors or assigns but does include a Forestar Related Entity that holds title to the Property.

Section 4.02. Payment of Costs. Upon submission of appropriate documentation of the expenditure, Developer agrees to reimburse the County, not later than December 31, 2015, for the County’s reasonable unreimbursed actual costs related to this Agreement. The foregoing cost reimbursement is capped at ten thousand dollars (\$10,000.00) and is limited to County payments to third-party vendors and service providers that have not been otherwise reimbursed from the fee paid by Developer pursuant to Section 10 of Ordinance No. 663.

Section 4.03. Other Charges or Fees. (A) Nothing in this Agreement shall be construed as relieving Developer from the payment of any fees or charges in effect at the time of collection as may be assessed by entities other than the County.

(B) Developer is subject to the payment of any and all present or future fees enacted by the County that are of County-wide application and that relate to the County's costs of processing applications, issuing development permits, reviewing plans, conducting inspections or similar type processing costs.

Section 4.04. Infrastructure and Services. The Parties recognize that the majority of the direct costs associated with the Development of the Property will be borne by Developer, and many necessary infrastructure improvements and services will be provided by Developer or other governmental or quasi-governmental entities, and not by the County. For clarification, the Parties make specific note of and acknowledge the following:

(A) **Roads.** (1)(a) Developer is responsible for the construction and costs of all roads, whether for public or private use, within the Property including but not limited to any necessary entrance and intersection improvements as required by the South Carolina Department of Transportation related to the development of the Property. All roads must be constructed in accordance with the County's road standards. The road improvements are expected to be implemented on a schedule consistent with the development of the Property as contained in the development schedule and as necessary to serve the development.

(b) Developer shall cause to be prepared a traffic impact analysis conducted and sealed by a licensed South Carolina professional engineer. Any road improvements, which are determined to be necessary, based on the results of the traffic impact analysis, shall be incorporated into the final site plan prior to County approval and the Developer is responsible for all costs of the road improvements. The traffic impact analysis shall be reviewed by the County and in conjunction with the South Carolina Department of Transportation. If a County-level traffic planner is not available to review the traffic impact analysis at the time of submittal, the County may choose to hire a third-party consultant to assist in this review. The cost of the traffic impact analysis, including any additional reviews requested by the County, shall be paid by the Developer. Improvements set forth in the traffic impact analysis may be installed based on a phasing study prepared by a licensed South Carolina professional engineer at the expense of Developer. The installation of new traffic signals or improvements to existing traffic signals shall be based on warrant studies conducted by a licensed South Carolina professional engineer at established specific times and at the expense of Developer.

(c) If a signalized intersection is required by the traffic impact analysis, or additional poles are required at an existing signalized intersection, a mast-arm traffic signal shall be installed. At a minimum, the standard metal mast-arm poles used by Duke Energy Corporation shall be installed. Complete cost of the installation of the mast-arm traffic signal shall be paid by Developer. Developer shall furnish a financial guarantee, acceptable to the County in its discretion, to cover future repairs and replacement of the mast-arm traffic signal. Developer may transfer its obligation for future repairs and replacement for the mast-arm traffic signal to a homeowners' or property owners' association, or similar organization.

(2) Developer is responsible for all construction and maintenance, and the costs thereof, associated with the roads within the Property. Developer may transfer the ownership of the

roads and its obligations for the roads to a homeowners' or property owners' association, or similar organization.

(3) Developer agrees to maintain the landscaping at the entrance to the Property and obtain any necessary easements therefor from the South Carolina Department of Transportation. Developer's obligation to maintain the landscaping is limited to mowing and planting of grass, trimming and planting of shrubs, trees and other vegetation, and maintenance and operation of any associated irrigation system. County agrees to cooperate with Developer in obtaining an easement or other related approvals. Developer may transfer its maintenance obligation to a homeowners' or property owners' association, or similar organization.

(4) County is not responsible for any construction, maintenance, or costs associated with the roads within the Property. Developer acknowledges that County will not accept the roads within the Property into the County road system for any purpose, including, but not limited to, maintenance. Developer agrees to provide County prior to final plat approval documentation that a mechanism, such as a property owners' association, is in place for the perpetual maintenance of all roads within the Property. Developer acknowledges and agrees that the provisions of Section 26-27(B)(3)(a) and (b) of the Lancaster County Code, as amended by Ordinance No. 2014-1299, apply to the roads within the Property.

(B) Potable Water. Potable water will be supplied to the Property by the Lancaster County Water and Sewer District. Developer will construct, or cause to be constructed, all necessary water service infrastructure within the Property and the water service infrastructure will be maintained by the provider. County is not responsible for any construction, treatment, maintenance, or costs associated with water service or water service infrastructure to or within the Property. The water service infrastructure is expected to be implemented on a schedule consistent with the development of the Property as contained in the development schedule and as necessary to serve the development. Developer acknowledges that County has no authority or responsibility for providing potable water services in the County and that the Lancaster County Water and Sewer District is a governmental entity separate and distinct from the County.

(C) Sewage Treatment and Disposal. Sewage treatment and disposal will be provided by the Lancaster County Water and Sewer District. Developer will construct, or cause to be constructed, all necessary sewer service infrastructure within the Property and the sewer service infrastructure will be maintained by the provider. County is not responsible for any construction, treatment, maintenance, or costs associated with sewer service or sewer service infrastructure. Sewer service infrastructure is expected to be implemented on a schedule consistent with the development of the Property as contained in the development schedule and as necessary to serve the development. Developer acknowledges that County has no authority or responsibility for providing sewage treatment and disposal services in the County and that the Lancaster County Water and Sewer District is a governmental entity separate and distinct from the County.

(D) Storm Water Management. Developer will construct or cause to be constructed all storm water runoff conveyance systems and drainage improvements within the Property required by the development of the Property. All inlets, piping within a system, associated swales or other conveyance system shall be designed for a minimum twenty-five (25) year storm event. Individual culvert crossing shall be designed for a minimum twenty-five (25) year storm event. Developer agrees to construct or cause to be constructed permanent water quantity and water quality systems and improvements in accordance with best management practices. The applicable requirements and standards shall be the more stringent of either the requirements and

standards contained in the Laws and Land Development Regulations as may be modified pursuant to Section 3.01(F) or the requirements and standards set by the South Carolina Department of Health and Environmental Control or its successor agency. All storm water systems and improvements will be maintained by Developer or a homeowners' association. County is not responsible for any construction, maintenance or costs associated with the storm water runoff and drainage for the Property. Storm water management improvements are expected to be implemented on a schedule consistent with the development of the Property as contained in the development schedule and as necessary to serve the development.

(E) Solid Waste Collection. The County shall provide solid waste collection to the Property on the same basis as is provided to other residents and businesses within the County. It is understood and acknowledged that the County does not presently provide solid waste disposal for single, multi-family or commercial developments. Residential units shall be served by a private waste hauling company.

(F) Law Enforcement Protection. The County shall provide law enforcement protection services to the Property on the same basis as is provided to other residents and businesses within the County.

(G) Recycling Services. The County shall provide recycling services to the Property on the same basis as is provided to other residents and businesses within the County.

(H) Emergency Medical Services (EMS). Emergency medical services shall be provided by the County to the Property on the same basis as is provided to other residents and businesses within the County.

(I) Fire Services. The Property is located in the Pleasant Valley Fire Protection District and fire services will be provided by the Pleasant Valley Fire Department, or successor entities.

(J) Library Service. The County shall provide library services on the same basis as is provided to other residents within the County.

(K) School Services. Public school services are now provided by the Lancaster County School District. Developer acknowledges that County has no authority or responsibility for providing public school services in the County.

(L) Parks and Recreation. The County shall provide parks and recreation services on the same basis as is provided to other residents within the County.

Section 4.05. Maximum Density. Notwithstanding the maximum density set forth in the UDO, the maximum density for residential use for the Property is as set forth in Ordinance No. 650, PDD-21.

Section 4.05A. Final Plat Approval. Notwithstanding any other provision of this Agreement or any provision of the UDO, Developer agrees that prior to seeking final plat approval: (i) all water and sewer infrastructure for the area that is the subject of the final plat shall be installed by the Developer and subsequently tested, inspected, and found to be in acceptable condition by the applicable water or sewer provider, and (ii) the appropriate permits from the South Carolina Department of Health and Environmental Control (DHEC) have been obtained by the Developer for storm water management and the Developer shall provide proof that DHEC has issued the appropriate permits.

ARTICLE V

MISCELLANEOUS

Section 5.01. Notices. Any notice, election, demand, request or other communication to be provided under this Agreement shall be in writing and shall be effective (i) when delivered to the party named below, (ii) when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, or (iii) when deposited in Federal Express (or any other reputable national “next day” delivery service) addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms hereof require receipt rather than sending of any notice, in which case such provision shall control:

To the County: County of Lancaster
 Attn: County Administrator
 101 N. Main St. (29720)
 P.O. Box 1809 (29721)
 Lancaster, SC

With Copy to: County of Lancaster
 Attn: County Attorney
 101 N. Main St. (29720)
 P.O. Box 1809 (29721)
 Lancaster, SC

And to Developer: Forestar (USA) Real Estate Group Inc.
 3330 Cumberland Blvd., Suite 275
 Atlanta, GA 30339
 Attn: Larry Long and Brian Blythe

 Bayard Development, LLC
 11220 Elm Lane, 205B
 Charlotte, NC 28277
 Attn: Timothy F. Coey

With Copy to: Nexsen Pruet, PLLC
 Attn: Joseph D. McCullough
 227 W. Trade Street, Suite 1550
 Charlotte, North Carolina 28202

Section 5.02. Amendments. (A) This Agreement may be amended or cancelled by mutual consent of the parties to the Agreement. An amendment to this Agreement must be in writing. No statement, action or agreement made after the Agreement Date shall be effective to change, amend, waive, modify, discharge, terminate or effect an abandonment of this Agreement in whole or in part unless such statement, action or agreement is in writing and signed by the

party against whom the change, amendment, waiver, modification, discharge, termination or abandonment is sought to be enforced.

(B) An amendment to this Agreement must be processed and considered in the same manner as set forth in Ordinance No. 663 for a proposed development agreement. Any amendment to this Agreement constitutes a major modification and the major modification may occur only after public notice and a public hearing by the County Council.

(C) This Agreement must be modified or suspended as may be necessary to comply with any state or federal laws or regulations enacted after the Agreement Date which prevents or precludes compliance with one or more of the provisions of this Agreement but only to the extent necessary to effectuate compliance with the state or federal law.

Section 5.03. Periodic Review. At least every twelve (12) months, the Chief Zoning Officer for the County or the designee of the Chief Zoning Officer for the County, or the successor to the Chief Zoning Officer for the County, must review compliance with this Agreement by the Developer. At the time of review the Developer must demonstrate good faith compliance with the terms of the Agreement.

Section 5.04. Breach of Agreement. (A) If, as a result of the periodic review provided in Section 5.03 of this Agreement or at any other time, the Chief Zoning Officer for the County finds and determines that the Developer has committed a material breach of the terms or conditions of this Agreement, the Chief Zoning Officer for the County shall serve notice in writing, within a reasonable time after making the finding and determination of a material breach, upon the Developer setting forth with reasonable particularity the nature of the breach and the evidence supporting the finding and determination, and providing the Developer a reasonable time in which to cure the material breach.

(B) If the Developer fails to cure the material breach within a reasonable time and is not proceeding expeditiously and with diligence to cure the breach, then the County Council may unilaterally terminate or modify this Agreement. Prior to terminating or modifying this Agreement as provided in this section, the County Council must first give the Developer the opportunity (i) to rebut the finding and determination, or (ii) to consent to amend the Agreement to meet the concerns of the County Council with respect to the findings and determinations.

Section 5.05. Enforcement. The Parties shall each have the right to enforce the terms, provisions and conditions of this Agreement, if not cured within the applicable cure period, by any remedy available at law or in equity, including specific performance, and the right to recover attorney's fees and costs associated with enforcement.

Section 5.06. No Third Party Beneficiary. The provisions of this Agreement may be enforced only by the Parties. No other persons shall have any rights hereunder.

Section 5.07. Recording of Agreement. The Parties agree that Developer shall record this Agreement with the County Register of Deeds within fourteen (14) days of the date of execution of this Agreement.

Section 5.08. Administration of Agreement. County is the only local government that is a party to this Agreement and the County is responsible for the Agreement's administration.

Section 5.09. Effect of Annexation and Incorporation. The Parties agree that this Agreement remains in effect if the Property is, in whole or in part, included in a newly-incorporated municipality or is annexed into a municipality. The Parties acknowledge that upon incorporation or annexation the application and duration of this Agreement is controlled by Section 6-31-110 of the Act. County reserves the right to enter into an agreement with the newly-incorporated municipality or the annexing municipality for the administration and enforcement of this Agreement after the date of incorporation or annexation.

Section 5.10. Estoppel Certificate. Any of the Parties may, at any time, and from time to time, deliver written notice to the other party requesting the party to certify in writing (i) that this Agreement is in full force and effect, (ii) that this Agreement has not been amended or modified, or if so amended, identifying the amendments, (iii) whether, to the knowledge of the party, the requesting party is in default or claimed default in the performance of its obligation under this Agreement, and, if so, describing the nature and amount, if any, of any such default or claimed default, and (iv) whether, to the knowledge of the party, any event has occurred or failed to occur which, with the passage of time or the giving of notice, or both, would constitute a default and, if so, specifying each such event.

Section 5.11. Entire Agreement. This Agreement sets forth, and incorporates by reference all of the agreements, conditions, and understandings among the Parties relative to the Property and its Development and there are no promises, agreements, conditions or understandings, oral or written, expressed or implied, among the Parties relative to the matters addressed in this Agreement other than as set forth or as referred to in this Agreement.

Section 5.12. Covenant to Sign other Documents. County and Developer acknowledge that consummation of the transactions contemplated by this Agreement may require the execution contemporaneously with the execution of this Agreement and thereafter of certain documents in addition to this Agreement and County and Developer agree to cooperate with the execution thereof.

Section 5.13. Construction of Agreement. The Parties agree that each party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

Section 5.14. Assignment. The rights, obligations, duties and responsibilities devolved by this Agreement on or to the Developer are assignable to any other person, firm, corporation or entity except that the assignment must conform to the requirements of Section 1.09 and Section 3.05. County may assign its rights, obligations, duties and responsibilities devolved by this Agreement on or to the County to any other person, firm, corporation, or entity.

Section 5.15. Governing Law; Jurisdiction; and Venue. (A) This Agreement is governed by the laws of the State of South Carolina.

(B) The Parties agree that jurisdiction and venue for disputes relating to this Agreement is the Sixth (6th) Judicial Circuit of the State of South Carolina.

Section 5.16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

Section 5.17. Eminent Domain. Nothing contained in this Agreement shall limit, impair or restrict the County's right and power of eminent domain under the laws of the State of South Carolina.

Section 5.18. Severability. If any provision in this Agreement or the application of any provision of this Agreement is held invalid, the invalidity shall apply only to the invalid provision, and the remaining provisions of this Agreement, and the application of this Agreement or any other provision of this Agreement, shall remain in full force and effect. However, if the invalid provision would prevent or materially impair Developer's right or ability to complete performance of this Agreement, the Parties agree to use their best efforts to renegotiate that provision in order for Developer to complete performance of this Agreement.

Section 5.19. When Agreement takes Effect. This Agreement is dated as of the Agreement Date and takes effect when (i) the County and Developer have each executed the Agreement, and (ii) the Developer has delivered to the County Administrator clocked-in copies, with book and page numbers, of the recorded deeds conveying the Property to Developer. If the County Administrator has not received clocked-in copies of the deeds conveying the Property to Developer by 5:00 p.m., February 15, 2016, then this Agreement is automatically terminated without further action of either the County or Developer. The obligation of the Developer pursuant to Section 4.02 is effective on the date the last Party to sign this Agreement executes this Agreement and the obligations imposed on Developer pursuant to Section 4.02 survives the termination of this Agreement pursuant to this Section.

SIGNATURES FOLLOW ON NEXT PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date below found.

WITNESSES:

DEVELOPER:

FORESTAR (USA) REAL ESTATE GROUP INC.,
a _____ corporation

By: _____

Name: _____

Title: _____

Date: _____

STATE OF _____)

_____)

COUNTY OF _____)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Forestar (USA) Real Estate Group Inc., by its duly authorized officer/s sign, seal and as its act and deed deliver the within written instrument and that (s)he with the other witness above subscribed, witnessed the execution thereof.

First Witness Signs Again Here

Seal

SWORN to before me this
_____ day of _____, 2015.

Notary Public Signs AS NOTARY

Notary Public for the State of _____

My Commission Expires: _____

COUNTY SIGNATURES FOLLOW ON NEXT PAGE.

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Exhibit A
Property Description

Ansley Park Development

Tax Parcel No. 0010-00008.00

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Exhibit B

THIS EXHIBIT IS INTENTIONALLY LEFT BLANK.

Exhibit C
Development Schedule

| | <u>Begin</u> | <u>End</u> |
|--|---------------|--------------|
| Engineering and Permitting | January, 2016 | July, 2016 |
| Phased Land Development | August, 2016 | August, 2021 |
| Home Construction Starts | April, 2017 | August, 2020 |
| Year 1 Home Closings – Approx. 62 per year | August, 2017 | August, 2018 |
| Year 2 Home Closings – Approx. 62 per year | August, 2018 | August, 2019 |
| Year 3 Home Closings – Approx. 62 per year | August, 2019 | August, 2020 |
| Year 4 Home Closings – Approx. 62 per year | August, 2020 | August, 2021 |
| Year 5 Home Closings – Approx. 62 per year | August, 2021 | August, 2022 |

This Development Schedule is an estimate. The provisions of Section 1.07 of this Agreement apply to this exhibit.

NOTE: County and Developer acknowledge that development of the Property is limited to three hundred ten (310) residential units.

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Exhibit D
Required Information

The Act and Ordinance No. 663 require a development agreement to include certain information. The following information is provided in conformance with the Act and Ordinance No. 663.

(A) *a legal description of the property subject to the agreement and the names of the property's legal and equitable owners.* The legal description of the Property is set forth in Exhibit A. As of the Agreement Date, Developer has contractual rights to acquire the Property and, following acquisition, Developer shall be the only legal and equitable owner of the Property. As of the Agreement Date, the legal owner of the Property is Jacqueline S. White, Trustee, Milbern Charles White Family Trust under agreement dated June 15, 2009.

(B) *the duration of the agreement which must comply with Code Section 6-31-40.* See Section 1.10.

(C) *a representation by the developer of the number of acres of highland contained in the property subject to the agreement.* See Section 2.02.

(D) *the then current zoning of the property and a statement, if applicable, of any proposed re-zoning of the property.* See Section 1.05.

(E) *the development uses that would be permitted on the property pursuant to the agreement, including population densities, building intensities and height.* See Section 1.06 and Section 4.05.

(F) *a description of the public facilities that will service the development, including who provides the facilities, the date any new facilities, if needed, will be constructed, and a schedule to assure public facilities are available concurrent with the impacts of the development construction timeline for those facilities. If the agreement provides that the County shall provide certain public facilities, the agreement shall provide that the delivery date of the public facilities will be tied to defined completion percentages or other defined performance standards to be met by the developer.* See Article IV.

(G) *a description, where appropriate, of any reservation or dedication of land for public purposes and any provisions to protect environmentally sensitive property as may be required or permitted pursuant to laws in effect at the time of entering into the agreement.* Developer agrees to comply with all applicable environmental laws.

(H) *a description of all local development permits approved or needed to be approved for the development of the property together with a statement indicating that the failure of the agreement to address a particular permit, condition, term, or restriction does not relieve the developer of the necessity of complying with the law governing the permitting requirements, conditions, terms or restrictions.* See Section 3.04.

(I) *a finding that the development permitted or proposed is consistent, or will be consistent by the time of execution of the agreement, with the County's comprehensive plan and land development regulations. See Section 2.01(A).*

(J) *a description, where appropriate, of any provisions for the preservation and restoration of historic structures. Developer agrees to comply with all laws applicable to the preservation and restoration of historic structures within the Property.*

(K) *a development schedule including commencement dates and interim completion dates at no greater than five year intervals. See Section 1.07 and Exhibit C.*

(L) *if more than one local government is made party to the agreement, a provision stating which local government is responsible for the overall administration of the agreement. See Section 5.08.*

(M) *a listing of the laws and land development regulations that will apply to the development of the property subject to the agreement, including citation to specific ordinance numbers or portions of the County Code of Ordinances or both. See Section 3.01(B) and Exhibit E.*

(N) *a provision, consistent with Code Section 6-31-80, addressing the circumstances under which laws and land development regulations adopted subsequent to the execution of the agreement apply to the property subject to the agreement. See Section 3.03.*

(O) *a provision stating whether the agreement continues to apply to the property or portions of it that are annexed into a municipality or included in a newly-incorporated area and, if so, that the provisions of Code Section 6-31-110 apply. See Section 5.09.*

(P) *a provision relating to the amendment, cancellation, modification or suspension of the agreement. See Section 5.02.*

(Q) *a provision for periodic review, consistent with the provisions of Section 8 of Ordinance No. 663. See Section 5.03.*

(R) *a provision addressing the effects of a material breach of the agreement, consistent with the provisions of Section 9 of Ordinance No. 663. See Section 5.04.*

(S) *a provision that the developer, within fourteen days after the County enters into the agreement, will record the agreement with the County Register of Deeds. See Section 5.07.*

(T) *a provision that the burdens of the agreement are binding upon, and the benefits of the agreement shall inure to, all successors in interest to the parties to the agreement. See Section 1.09(A).*

(U) *a provision addressing the conditions and procedures by which the agreement may be assigned. See Section 1.09(B), Section 3.05 and Section 5.14.*

Exhibit E
Laws and Land Development Regulations

1. Ordinance No. 650, as amended, zoning the Property planned development district (PDD-21).
2. Ordinance No. 2015-1378, approving this Development Agreement.
3. The Development Agreement Ordinance for Lancaster County, South Carolina: Ordinance No. 663.
4. Unified Development Ordinance of Lancaster County (UDO): Ordinance No. 309, as amended as of January 31, 2005. The UDO includes Ordinance No. 328, as amended, as of January 31, 2005 and which is cited as the Land Development Regulations of Lancaster County, as amended as of January 31, 2005.
5. Land Development Regulations of Lancaster County: See Unified Development Ordinance of Lancaster County.
6. Article V, Chapter 26, Lancaster County Code of Ordinances, Road Construction Standards, as of the Agreement Date, including, but not limited to, Section 26-27(B)(3)(a) and (b) of the Lancaster County Code of Ordinances, as amended by Ordinance No. 2014-1299.

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NOTICE OF PUBLIC HEARING
LANCASTER COUNTY, SOUTH CAROLINA

NOTICE IS HEREBY GIVEN that a public hearing will be held by the County Council of Lancaster County (the "County Council"), South Carolina, in the Lancaster County Council Chambers, Second Floor, County Administration Building, 101 North Main Street, Lancaster, South Carolina, on November 23, 2015, at **6:30 p.m.**

The purpose of such public hearing is to consider an ordinance to authorize the execution and delivery of a Fee Agreement by and among Lancaster County, Movement Mortgage, LLC and TKC CCII, LLC, providing for the payment of a fee-in-lieu of taxes and the provision of special source revenue credits; to express the intention of council to provide monies to the Economic Development Fund; and to provide for other matters related thereto.

At the public hearing all taxpayers and residents of Lancaster County and other interested persons who appear will be given an opportunity to express their views for or against the ordinance.

STATE OF SOUTH CAROLINA

)

ORDINANCE NO. 2015-1379

COUNTY OF LANCASTER

)

)

AN ORDINANCE

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND AMONG LANCASTER COUNTY AND MOVEMENT MORTGAGE, LLC AND TKC CCII, LLC PROVIDING FOR THE PAYMENT OF A FEE-IN-LIEU OF TAXES AND THE PROVISION OF SPECIAL SOURCE REVENUE CREDITS; TO EXPRESS THE INTENTION OF COUNCIL TO PROVIDE MONIES TO THE ECONOMIC DEVELOPMENT FUND; AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO.

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. Findings.

The Lancaster County Council finds that:

(a) Lancaster County, South Carolina (the "County") acting by and through its County Council (the "Council") is authorized and empowered 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 ("FILOT") agreements with any industry, with said agreements identifying certain properties of such industries as economic development property, through which powers the industrial development of the State of South Carolina (the "State") and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate, remain, and expand in the State and the County and thus utilize and employ the manpower, products, and natural resources and benefit the general public welfare of the State and County by providing services, employment, or other public benefits not otherwise adequately provided locally;

(b) the County is authorized by Sections 4-1-175 and 4-29-68 of the Code of Laws of South Carolina 1976, as amended, to provide special source revenue credits for the purpose of defraying the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County and for improved and unimproved real estate and personal property, including machinery and equipment, used in the operation of a manufacturing facility or commercial enterprise in order to enhance the economic development of the County;

(c) Movement Mortgage, LLC (the "Sponsor") is considering investing, through itself and/or one or more existing or to be formed affiliated entities and/or one or more unrelated parties, including TKC CCII, LLC (the "Sponsor Affiliate"), in personal property and certain real estate improvements located in

the County which would constitute a project within the meaning of the Act and which are eligible for inclusion as economic development property, the cost of which is estimated to be approximately Twenty-One Million, Two Hundred Thousand Dollars (\$21,200,000.00) over five (5) years (the "Project");

(d) pursuant to Resolution No. 0857-R2014, adopted December 8, 2014, the Council approved an Inducement Resolution providing for, among other things, the agreement of the County to enter into a fee-in-lieu of tax incentive with the Sponsor and the provision of special source revenue credits;

(e) the Sponsor and Sponsor Affiliate have caused to be prepared and presented to the Council the form of the Fee Agreement by and among the County, the Sponsor and the Sponsor Affiliate (the "Fee Agreement"), which provides for fee-in-lieu of tax payments utilizing a six percent (6%) assessment ratio and fixed millage rate as of June 30, 2014 (which is understood to be 282.4 mills) for a period of thirty (30) years for the Project or each component thereof placed in service during the initial investment period and any investment period extension to which the County, the Sponsor and the Sponsor Affiliate agree, and for special source revenue credits equal to fifty percent (50%) of the fee-in-lieu of tax payments for years one (1) through five (5) and twenty-five percent (25%) of the fee-in-lieu of tax payments for years six (6) through ten (10); and

(f) it appears that the Fee Agreement, which is attached to this ordinance, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended.

Section 2. Approval of Fee Agreement.

Subject to the provisions of Section 5 of this ordinance, and, in order to promote industry, develop trade, and utilize and employ the manpower, products, and natural resources of the State by assisting the Sponsor and Sponsor Affiliate to expand or locate an industrial facility in the State, the Fee Agreement is hereby authorized, ratified, and approved.

Section 3. Statutory Findings.

Council makes the following additional findings:

(a) The Project will constitute a "project" as the term is referred to and defined in the Act, and the County's actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) The Project and the payments in lieu of taxes set forth herein are beneficial to the County, and the County has evaluated the Project based upon all criteria prescribed by law, including the anticipated dollar amount and nature of the investment to be made.

(c) The Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally.

(d) 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.

(e) The purposes to be accomplished by the Project, *i.e.*, economic development and addition to the tax base of the County, are proper governmental and public purposes.

(f) The inducement of the location or expansion of the Project within the County and State is of paramount importance.

(g) The benefits of the Project to the public will be greater than the costs to the public.

Section 4. Cost-Benefit Findings.

Council makes the following findings concerning the costs and benefits of the Project:

(a) The benefits of providing the incentives arrangement set forth in the Fee Agreement include: (i) investment in personal property and certain real estate improvements of at least \$21,200,000; (ii) construction benefit of \$2,857,200; (iii) facility operation benefit of \$24,265,284; (iv) employee benefit of \$68,945; and (v) visitor benefit of \$0. The total benefit is estimated at \$27,191,429;

(b) The cost of providing the incentives arrangement is estimated at: (i) development costs of \$0; (ii) operational costs of \$1,398,606; and (iii) employee costs of \$323,685. The total cost is estimated at \$1,722,291.

(c) The benefit to cost ratio in year one is estimated at \$15.79:1 and after year one at \$14.13:1.

(d) The value of the FILOT incentive to the Sponsor and the Sponsor Affiliate is estimated at \$2,050,716 and the special source revenue credits at \$1,398,606.

(e) Over a five-year period, a total of 672 new, full-time jobs will be created with an average annual wage of \$56,472..

Section 5. Approval and Execution of Fee Agreement.

The form, terms, and provisions of the Fee Agreement, attached hereto as Exhibit A, are approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Fee Agreement was set out in this ordinance in its entirety. The Council Chair and Council Secretary are authorized, empowered, and directed to execute and acknowledge the Fee Agreement in the name of and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Sponsor and the Sponsor Affiliate. The Fee Agreement is to be in substantially the form as attached to this ordinance and hereby approved, with such changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of counsel to the County, such officer's execution thereof to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form of the Fee Agreement attached to this ordinance.

Section 6. Economic Development Fund.

(A) Council finds that (i) by passage of Ordinance No. 2014-1260, Council created an Economic Development Fund with the intent to make monies available to the fund from new revenues to the County derived from new and expanded businesses and industry, and (ii) the ability to make monies available to the Economic Development Fund can be difficult because of complexities and legalities applicable to fee-in-lieu of tax arrangements and multi-county parks.

(B) It is the intent of Council, in the annual County budget, to appropriate monies to the Economic Development Fund based on the new revenue that the County receives pursuant to the Fee Agreement. Specifically, it is Council's intent to appropriate from the General Fund of the County an amount based on the following formula: Seven percent (7%) times the amount of money received pursuant to the Fee Agreement by the County after distribution to other taxing entities in the most recently completed tax year.

Section 7. Authority to Act.

The Council Chair, Council Secretary, Clerk to Council, County Administrator, County Attorney and all other appropriate officials of the County are authorized and directed to do any and all things necessary to effect the execution and delivery of the Fee Agreement and the performance of all obligations of the County under and pursuant to the Fee Agreement.

Section 8. Severability.

If any section, subsection or clause of this ordinance is held to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected.

Section 9. Controlling Provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, resolutions or orders, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 10. Effective Date.

This ordinance is effective upon third reading.

AND IT IS SO ORDAINED, this 23rd day of November, 2015.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

ATTEST:

Debbie C. Hardin, Clerk to Council

| | | |
|-----------------|-------------------|------------|
| First Reading: | October 26, 2015 | Passed 6-1 |
| Second Reading: | November 9, 2015 | Passed 7-0 |
| Public Hearing: | November 23, 2015 | Tentative |
| Third Reading: | November 23, 2015 | Tentative |

Exhibit A to Ordinance No. 2015-1379

**Fee Agreement
Lancaster County, Movement Mortgage, LLC and TKC CCII, LLC**

See attached.

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FEE AGREEMENT

by and among

LANCASTER COUNTY, SOUTH CAROLINA,

MOVEMENT MORTGAGE, LLC, as Sponsor

and

TKC CCII, LLC, as Sponsor Affiliate

Dated as of _____, 2015

FEE AGREEMENT

This FEE AGREEMENT is dated as of _____, 2015, by and among LANCASTER COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), MOVEMENT MORTGAGE, LLC, a Delaware limited liability company, or affiliated or related entities (the "Sponsor") and TKC CCII, LLC, a North Carolina limited liability company, or affiliated or related entities (the "Sponsor Affiliate" and together with the Sponsor referred to herein as the "Company").

WITNESSETH:

WHEREAS, 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 (the "Act") of the Code of Laws of South Carolina 1976, as amended (the "Code") and Sections 4-1-170, 4-1-172, and 4-1-175 of the Code and Article VIII, Section 13(D) of the South Carolina Constitution (the "Multi-County Park Act"): (i) to enter into agreements with certain investors to construct, operate, maintain, and improve certain industrial and commercial properties through which the economic development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the workers, agricultural products, and natural resources of the State; (ii) to covenant with such investors to accept certain payments in lieu of *ad valorem* taxes with respect to the project (a "FILOT"); and (iii) to maintain, create or expand, in conjunction with one or more other counties, a multi-county industrial park in order to afford certain enhanced income tax credits to such investors; and

WHEREAS, the Sponsor proposes to make new taxable investments in the County (the "Project"); and

WHEREAS, the Sponsor Affiliate owns the property where the Project will be located and improvements made thereon and thereto; and

WHEREAS, the Sponsor anticipates that the Project will result in the creation of approximately 672 new, full time jobs and, and the Company anticipates that the Project will result in an investment of approximately \$21,200,000 in the County; and

WHEREAS, as a result of the Sponsor making new and taxable investments in the County, the Sponsor and Sponsor Affiliate requested that the County enter into this Fee Agreement with the Sponsor and Sponsor Affiliate pursuant to the Act, and the Sponsor and Sponsor Affiliate elect to enter into such FILOT arrangement with the County in an effort to encompass the terms surrounding the Project and allowing the Sponsor to make FILOT payments pursuant to the Act; and

WHEREAS, the Project constitutes Economic Development Property within the meaning of the Act; and

WHEREAS, for the purposes set forth above, the County has determined that it is in the best interests of the County to enter into this Fee Agreement with the Sponsor and Sponsor Affiliate, subject to the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, and the sum of \$1.00 in hand, duly paid by the Sponsor and Sponsor Affiliate to the County, the receipt and sufficiency of which are hereby acknowledged, the County and the Sponsor and Sponsor Affiliate agree as follows:

ARTICLE I

DEFINITIONS AND RECAPITULATION

Section 1.01. Statutorily Required Recapitulation; Summary Agreement.

(a) Pursuant to Section 12-44-55(B) of the Act, the County and the Sponsor and Sponsor Affiliate agree to waive the recapitulation requirements of Section 12-44-55 of the Act. Subsection (b) of this section is inserted for convenience only and does not constitute a part of this Agreement or a summary compliant with Section 12-44-55 of the Act.

(b) Summary of Agreement.

1. Legal name of each initial party to this Agreement:
Movement Mortgage, LLC, a Delaware corporation, or its affiliated or related entities (Sponsor) and TKC CCII, LLC, a North Carolina limited liability company, its affiliated or related entities (Sponsor Affiliate) and Lancaster County, South Carolina
2. County and street address of the Project and property to be subject to this Agreement:

8024 Calvin Hall Road, Indian Land, South Carolina, 29707, Lancaster County
3. Minimum investment agreed upon:
\$21,200,000.00
4. Length and term of this Agreement:
30 years for each annual increment of investment in the Project during the Investment Period.
5. Assessment ratio applicable for each year of this Agreement:
6%
6. Millage rate applicable for each year of this Agreement:
Every year of the term: 282.4 mills, the millage rate applicable as of June 30, 2014

7. Schedule showing the amount of the fee and its calculation for each year of this Agreement:
Waived by the County and the Sponsor and Sponsor Affiliate
8. Schedule showing the amount to be distributed annually to each of the affected taxing entities:
Waived by the County and the Sponsor and Sponsor Affiliate
9. Statements
 - (a) The Project is to be located in a multi-county park;
 - (b) Disposal of property, subject to Payments-in-Lieu-of-Taxes is allowed;
 - (c) Special Source Revenue Credits shall be given to the qualifying property in amounts equal to 50% for years 1 – 5, and 25% for years 6 – 10.
 - (d) Payment will not be modified using a net present value calculation; and
 - (e) Replacement property provisions will apply.
10. Any other feature or aspect of this Agreement which may affect the calculation of items (7) and (8) of this summary.
Waived by the County and the Sponsor and Sponsor Affiliate
11. Description of the effect upon the schedules required by items (7) and (8) of this summary of any feature covered by items (9) and (10) not reflected in the schedules for items (7) and (8)
Waived by the County and the Sponsor and Sponsor Affiliate
12. Which party or parties to this Agreement are responsible for updating any information contained in this summary:
Waived by the County and the Sponsor and Sponsor Affiliate

Section 1.02. Definitions. In addition to the words and terms elsewhere defined in this Agreement, the following words and terms as used herein and in the preambles hereto shall have the following meanings, unless the context or use indicates another or different meaning or intent.

“*Act*” or “*Simplified FILOT Act*” shall mean Title 12, Chapter 44 of the Code, as amended through the date hereof.

“*Administration Expense*” shall mean the reasonable and necessary out-of-pocket expenses, including attorneys’ fees, incurred by the County with respect to: (i) the preparation, review, approval and execution of this Fee Agreement, (ii) the preparation, review, approval and execution of other documents related to the Fee Agreement and any multi-county park documents; and (iii) the fulfillment of its obligations under this Fee Agreement and any multi-county park documents, and in the implementation and administration of the terms and provisions of the documents after the date of execution thereof.

"Agreement" shall mean this Fee Agreement by and among the County and the Sponsor and Sponsor Affiliate, as originally executed and from time to time supplemented or amended as permitted herein or by the Act, and dated as of _____, 2015.

"Code" shall mean the Code of Laws of South Carolina 1976, as amended through the date hereof, unless the context clearly requires otherwise.

"County" shall mean Lancaster County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina, and its successors and assigns.

"County Council" shall mean the governing body of the County and its successors.

"Department of Revenue" shall mean the South Carolina Department of Revenue.

"Economic Development Property" shall mean each item of real and tangible personal property comprising the Project, except (if applicable) Non-Qualifying Property, within the meaning of that term as defined and used in Sections 12-44-30(6) and 12-44-40(C) of the Code.

"Equipment" shall mean all machinery, equipment, furnishings, and other personal property acquired by the Sponsor or Sponsor Affiliate and installed as part of the Project during the Investment Period in accordance with this Agreement.

"Event of Default" shall mean an Event of Default of the Sponsor as defined in Section 11.01 hereof.

"Existing Property" shall mean property proscribed from becoming Economic Development Property pursuant to Section 12-44-110 of the Code, including, without limitation, property which has been subject to *ad valorem* taxes in the State prior to the execution and delivery of this Agreement and property included in the Project as part of the repair, alteration, or modification of such previously taxed property; provided, however, that Existing Property shall not include: (a) property acquired or constructed by the Sponsor or Sponsor Affiliate during the Investment Period which has not been placed in service in this State prior to the Investment Period notwithstanding that *ad valorem* taxes have heretofore been paid with respect to such property; or (b) modifications which constitute an expansion of Existing Property.

"FILOT" shall mean the fee-in-lieu of taxes, which the Sponsor is obligated to pay to the County pursuant to Section 5.01 hereof.

"FILOT Payments" shall mean the payments to be made by the Sponsor pursuant to Section 5.01 hereof.

"FILOT Revenues" shall mean the revenues received by the County from the Sponsor's payment of the FILOT.

"Investment Period" shall mean the period beginning with the first day that the Sponsor or Sponsor Affiliate purchased or purchases Economic Development Property and ending on the date that is five years from the end of the property tax year in which this Agreement is executed

by the Sponsor and Sponsor Affiliate and the County, unless extended by agreement of the County and the Sponsor and Sponsor Affiliate pursuant to Section 12-44-30(13) of the Code.

“Indemnified Party” shall mean the County, including the members of the governing body of the County, and the employees, officers, attorneys and agents of the County.

“Land” shall mean the real estate upon which the Project is to be located, as described in Exhibit A attached hereto, as Exhibit A may be supplemented from time to time in accordance with the provisions hereof.

“Multi-County Park” shall mean the multi-county park established pursuant to the Agreement for the Development of a Joint Industrial and Business Park (Lancaster and Chester Counties), dated December 5, 2005, and authorized and approved by Lancaster County Ordinance No. 701 and Chester County Ordinance No. 12-05-05-I, as amended by the party counties (the “Multi-County Park Agreement”), and any successor multi-county park arrangement in which the Land is included.

“Multi-County Park Act” shall mean Sections 4-1-170, 4-1-172, and 4-1-175 of the Code and Article VIII, Section 13(D) of the South Carolina Constitution, as amended through the date hereof.

“Negotiated FILOT Payment” shall mean the FILOT due pursuant to Section 5.01(b) hereof with respect to that portion of the Project consisting of Economic Development Property.

“Non-Qualifying Property” shall mean (if applicable) that portion of the Project consisting of: (i) property as to which the Sponsor or Sponsor Affiliate incurred expenditures prior to the Investment Period or, except as to Replacement Property, after the end of the Investment Period; (ii) Existing Property; and (iii) any Released Property or other property which fails or ceases to qualify for Negotiated FILOT Payments, including without limitation property as to which the Sponsor and Sponsor Affiliate have terminated the Negotiated FILOT pursuant to Section 4.03(a)(iii) hereof. The Sponsor and Sponsor Affiliate agree that the real estate improvements on the Land as of the date of this Agreement shall constitute Non-Qualifying Property for purposes of this Agreement.

“Person” shall mean and include any individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, or government or agency or political subdivision thereof.

“Project” shall mean, collectively herein, the Project, and shall include the buildings and other improvements on the Land to the extent placed thereon by the Sponsor or Sponsor Affiliate including water, sewer treatment and disposal facilities, and other machinery, apparatus, equipment, office facilities, and furnishings which are necessary, suitable, or useful, including the Equipment; and any Replacement Property.

“Project Commitments” shall mean the investment and job commitments of the Sponsor with respect to the Project as set forth in Section 2.02(d) of this Agreement.

“Released Property” shall mean any portion of the Project removed, scrapped, traded in, sold, or otherwise disposed of pursuant to Section 4.03 hereof, any portion of the Project stolen, damaged, destroyed, or taken by condemnation or eminent domain proceedings as described in Article VII hereof, and any infrastructure which the Sponsor and Sponsor Affiliate dedicate to the public use (within the meaning of that phrase as used in Section 12-6-3420(C) of the Code).

“Replacement Property” shall mean all property installed in or on the Land in substitution of, or as replacement for, any portion of the Project, but only to the extent that such property may be included in the calculation of the Negotiated FILOT pursuant to Section 5.01(g) hereof and Section 12-44-60 of the Code.

“Simplified FILOT Act” shall mean Title 12, Chapter 44 of the Code, as amended through the date hereof.

“Special Source Revenue Credits” shall mean the Special Source Revenue Credits described in Section 5.01 hereof.

“Sponsor” shall mean Movement Mortgage, LLC, a Delaware limited liability company and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets permitted under section 8.02 or Article IX hereof; or any assignee hereunder which is designated by the Sponsor and approved or ratified by the County. Except as required by law, the County’s subsequent approval or ratification of an assignee hereunder shall not be required if the subsequent Assignee is Sponsor or Sponsor Affiliate.

“Sponsor Affiliate” shall mean TKC CCII, LLC, a North Carolina limited liability company, or affiliated or related entities as qualified under Section 12-44-30(20) of the Code; provided, however, that such affiliate or related entity must be approved by the County as a sponsor affiliate and must agree in writing to be bound by this Agreement.

“State” shall mean the State of South Carolina.

“Streamlined FILOT Act” shall mean Title 4, Chapter 12 of the Code, as amended through the date hereof.

“Term” shall mean the term of this Agreement, as set forth in Section 10.01 hereof.

“Transfer Provisions” shall mean the provisions of Section 12-44-120 of the Code, as amended through the date hereof.

Section 1.03. References to Agreement. The words “hereof,” “herein,” “hereunder” and other words of similar import refer to this Agreement as a whole.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties by County. The County represents and warrants that: (i) it is a body politic and corporate and a political subdivision of the State; (ii) it is authorized by the Act to enter into this Agreement; (iii) it has approved this Agreement in accordance with the procedural requirements of the Act and any other applicable state law; and (iv) it has authorized its officials to execute and deliver this Fee Agreement.

Section 2.02. Representations and Warranties by Sponsor. The Sponsor makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Movement Mortgage, LLC is a limited liability company, validly existing and in good standing under the laws of the State of Delaware and authorized to do business in the State; has all requisite power to enter into this Agreement; and by proper action has been duly authorized to execute and deliver this Agreement.

(b) The agreements with the County with respect to the FILOT have been instrumental in inducing the Sponsor to locate the Project within Lancaster County and the State.

(c) Except as otherwise disclosed to the County, no actions, suits, proceedings, inquiries, or investigations known to the undersigned representatives of the Sponsor are pending or threatened against or affecting the Sponsor in any court or before any governmental authority or arbitration board or tribunal, which could materially adversely affect the transactions contemplated by this Agreement or which could, in any way, adversely affect the validity or enforceability of this Agreement.

(d) For the Project, and together with the Sponsor Affiliate, the Sponsor anticipates a total investment of approximately Twenty-One Million, Two Hundred Thousand Dollars (\$21,200,000.00) in land, buildings, and personal property, including machinery and equipment, at the Project by the end of the Investment Period, and the Sponsor anticipates the creation of 672 new, full time jobs by the end of the Investment Period. The investment amount shall not include any amount paid by the Sponsor or Sponsor Affiliate for real estate improvements on the land existing as of the date of this Agreement.

(e) The income tax year of the Sponsor, and accordingly the property tax year, for federal income tax purposes is _____.

(f) No event has occurred and no condition currently exists with respect to the Sponsor, which would constitute a default or an "Event of Default" as defined herein.

(g) The Sponsor intends, with the Project, to make new, taxable investments in the County, and the Project constitutes a "project" and "economic development property" as provided under the Act.

Section 2.03. Representations and Warranties by Sponsor Affiliate. The Sponsor Affiliate makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) TKC CCIL, LLC is a limited liability company validly existing and in good standing under the laws of the State of North Carolina and authorized to do business in the State; has all requisite power to enter into this Agreement; and by proper action has been duly authorized to execute and deliver this Agreement.

(b) No actions, suits, proceedings, inquiries, or investigations known to the undersigned representatives of the Sponsor Affiliate are pending or threatened against or affecting the Sponsor Affiliate in any court or before any governmental authority or arbitration board or tribunal, which could materially adversely affect the transactions contemplated by this Agreement or which could, in any way, adversely affect the validity or enforceability of this Agreement.

ARTICLE III

UNDERTAKINGS OF THE COUNTY

Section 3.01. Agreement to Accept FILOT Payments. The County hereby agrees to accept FILOT Payments made by the Sponsor in accordance with Section 5.01 hereof in lieu of *ad valorem* taxes with respect to the Project until this Agreement expires or is sooner terminated.

Section 3.02. No Warranties by County. The Sponsor and Sponsor Affiliate acknowledge that the County has made no warranties or representations, either express or implied, as to the condition or state of the Project or as to the design or capabilities of the Project or that it will be suitable for the Sponsor's purposes or needs. No representation of the County is hereby made with regard to compliance by the Project or any Person with laws regulating: (i) the construction or acquisition of the Project; (ii) environmental matters pertaining to the Project; (iii) the offer or sale of any securities; or (iv) the marketability of title to any property.

Section 3.03. Multi-County Park Status. The County agrees to keep the Land in the Multi-County Park for the term of this Agreement, *provided, however*, the County may place the Land in another multi-county park established pursuant to the Multi-County Park Act so long as the Land is continuously included within the boundaries of a multi-county park established pursuant to the Multi-County Park Act.

Section 3.04. Execution of Lease. The parties acknowledge that the intent of this Agreement is to afford the Sponsor and Sponsor Affiliate the benefits of the Negotiated FILOT Payments in consideration of the Sponsor's decision to locate the Project within Lancaster County and that this Agreement has been entered into in reliance upon the enactment of the Simplified FILOT Act. In the event that a court of competent jurisdiction holds that the Simplified FILOT Act is unconstitutional or that this Agreement or agreements similar in nature to this Agreement are invalid or unenforceable in any material respect or should the parties

determine that there is a reasonable doubt as to the validity or enforceability of this Agreement in any material respect, then the County, upon the provision by the Sponsor and Sponsor Affiliate of evidence acceptable to the County that the Project is free from environmental contamination and the conveyance of title to the Project to the County at the expense of the Sponsor and Sponsor Affiliate, agrees to lease the Project to the Sponsor and Sponsor Affiliate pursuant to the Streamlined FILOT Act and, to the extent permitted under the law in effect at such time, use its best efforts to ensure that the Sponsor and Sponsor Affiliate receive the benefits of the Negotiated FILOT as contemplated by this Agreement.

In addition to and notwithstanding the foregoing paragraph, the County shall not be obligated to perform any of its obligations or promises under this Section 3.04 unless the Sponsor and Sponsor Affiliate have otherwise complied with or provides satisfactory evidence to the County that they intend to comply with their obligations and responsibilities under this Agreement.

ARTICLE IV

INVESTMENT BY SPONSOR IN PROJECT; MAINTENANCE AND MODIFICATION OF PROJECT

Section 4.01. Investment by Sponsor in Project. For the Project, the Sponsor agrees, together with the Sponsor Affiliate, to cumulatively invest at least Twenty-One Million, Two Hundred Thousand Dollars (\$21,200,000.00) in land, buildings, and personal property, including machinery and equipment, at the Project by the end of the initial Investment Period (the “**Minimum Contractual Investment Requirement**”). Further, the Sponsor agrees to create 672 new, full time jobs by the last day of the Investment Period (“**Minimum Contractual Jobs Requirement**”). The investment amount shall not include any amount paid by the Sponsor or Sponsor Affiliate for real estate improvements on the Land existing as of the date of this Agreement.

Section 4.02. Reporting and Filing.

(a) The Sponsor and Sponsor Affiliate agree to provide a copy of Form PT-443 filed with the Department of Revenue to the County Auditor and the County Assessor of the County and any multi-county park partner county not later than 30 days after execution and delivery of this Agreement. Each year during the term of this Agreement, the Sponsor and Sponsor Affiliate shall deliver to the County, the County Auditor, the County Assessor, and the County Treasurer a copy of their most recent annual filings made with the Department of Revenue with respect to the Project, not later than thirty (30) days following delivery thereof to the Department of Revenue.

(b) (1) The Sponsor and Sponsor Affiliate agree to maintain such books and records with respect to the Project as will permit the identification of those portions of the Project placed in service in each property tax year during the Investment Period, the amount of investment with respect thereto and their computations of all FILOT Payments made hereunder

and will comply with all reporting requirements of the State and the County applicable to property subject to FILOT Payments under the Act, including the reports described in paragraph (a) (collectively, "Filings").

(2) The Sponsor and Sponsor Affiliate agrees that the County and its authorized agents have the right at all reasonable times and upon prior reasonable notice to enter upon and examine and inspect the Project and to have access to and examine and inspect all the of Sponsor's and Sponsor Affiliate's books and records pertaining to the Project and the Filings. The right of examination and inspection shall be exercised only upon reasonable and necessary terms and conditions prescribed by the Sponsor or Sponsor Affiliate to protect the Sponsor or Sponsor Affiliate's confidentiality and proprietary rights. Any such entrance upon and examination and inspection of the Project and Filings shall be at the County's expense.

(c) County acknowledges and understands that the Sponsor and Sponsor Affiliate may have and maintain at the Project certain confidential and proprietary information, including, but not limited to, trade secrets, financial, sales or other information concerning the Sponsor or Sponsor Affiliate's operations and processes ("Confidential Information") and that any disclosure of the Confidential Information could result in substantial harm to the Sponsor and Sponsor Affiliate and could have a significant detrimental impact on the Sponsor's and Sponsor Affiliate's employees and also upon the County. Except as required by law, including, without limitation, court orders, the County agrees to use its best reasonable efforts to keep confidential, and to cause employees, agents and representatives of the County to keep confidential, the Confidential Information which may be obtained from the Sponsor and Sponsor Affiliate, its agents or representatives, when the Confidential Information is clearly marked and identified as Confidential Information and known to the County to be Confidential Information. The County shall not knowingly and willfully disclose and shall cause all employees, agents and representatives of the County not to knowingly and willfully disclose the marked and identified Confidential Information to any person or entity other than in accordance with the terms of this Agreement. If a demand is made for the release, under color of law, to a third party of any Confidential Information, the County shall notify the Sponsor and Sponsor Affiliate and give the Sponsor and Sponsor Affiliate the opportunity to contest the release.

Section 4.03 Modification of Project.

(a) As long as no event of default exists hereunder, the Sponsor and Sponsor Affiliate shall have the right at any time and from time to time during the Term hereof to undertake any of the following:

(i) The Sponsor and Sponsor Affiliate may, at their own expense, add to the Project any real and personal property as the Sponsor and/or Sponsor Affiliate in their discretion deem useful or desirable.

(ii) In any instance where the Sponsor and Sponsor Affiliate in their discretion determine that any items included in the Project have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary for operations at the Project, the Sponsor and Sponsor Affiliate may remove such items or portions from the Project and sell, trade in,

exchange, or otherwise dispose of them (as a whole or in part) without the consent of the County; as such may be permitted under the Simplified FILOT Act.

(iii) The Sponsor and Sponsor Affiliate may, at any time in their discretion by written notice to the County, remove any real or personal property from the Negotiated FILOT (as defined in Section 5.01) set forth in this Agreement, and thereafter such property will be considered Non-Qualifying Property and will be subject to FILOT Payments as set forth in Section 5.01(b)(i)(1) hereof.

ARTICLE V

PAYMENTS IN LIEU OF TAXES

Section 5.01. Payments in Lieu of *Ad Valorem* Taxes.

(a) In accordance with the Act, the parties hereby agree that, during the Term of the Agreement, the Sponsor shall pay annually, with respect to the Project, a FILOT in the amount calculated as set forth in this Section, to be collected and enforced in accordance with Section 12-44-90 of the Act.

(b) The FILOT Payment due with respect to each property tax year shall equal:

(i) For the Project:

(1) With respect to any portion of the Project consisting of Non-Qualifying Property, as long as such property is located in the Multi-County Park, a payment equal to the *ad valorem* taxes that would otherwise be due on such Non-Qualifying Property were it taxable giving effect to all credits, exemptions, rebates and abatement that would be available if such undeveloped land or Non-Qualifying Property were taxable; and

(2) With respect to those portions of the Project consisting of Economic Development Property, for each of the thirty consecutive years following the year in which such portion of the Project is placed in service, a payment calculated each year as set forth in paragraphs (c) and (d) below (a "Negotiated FILOT"); less Special Source Revenue Credits given to the Economic Development Property as set forth in paragraph (d) below.

(c) The Negotiated FILOT Payments shall be calculated with respect to each property tax year based on: (1) the fair market value (determined in accordance with Section 12-44-50(A)(1)(c) of the Code) of the improvements to real property and Equipment included within the Project theretofore placed in service (less, for Equipment, depreciation allowable for property tax purposes as provided in Section 12-44-50(A)(1)(c) of the Code), (2) a fixed millage rate of 282.4 for the entire term of this Agreement, and (3) an assessment ratio of six percent (6%). All such calculations shall take into account all deductions for depreciation or diminution in value allowed by the Code or by the tax laws generally, as well as tax exemptions which would have

been applicable if such property were subject to *ad valorem* taxes, except the exemption allowed pursuant to Section 3(g) of Article X of the Constitution of the State of South Carolina and the exemptions allowed pursuant to Sections 12-37-220(B)(32) and (34) of the Code.

(d) Special Source Revenue Credits shall be given to the Economic Development Property in amounts equal to 50% for years 1 – 5, and 25% for years 6-10.

(e) The FILOT payments are to be recalculated:

(i) to reduce such payments in the event the Sponsor and Sponsor Affiliate dispose of any part of the Project within the meaning of Section 12-44-50(B) of the Code and as provided in Section 4.03 hereof, by the amount applicable to the Released Property;

(ii) to increase such payments in the event the Sponsor and Sponsor Affiliate add property (other than Replacement Property) to the Project; or

(iii) to adjust such payments if the Sponsor and Sponsor Affiliate elect to convert any portion of the Project from the Negotiated FILOT to the FILOT required by Section 5.01(b)(i)(1) above, as permitted by Section 4.03(a)(iii).

(f) To the extent permitted by law, because the FILOT Payments agreed to herein are intended to be paid by the Sponsor to the County in lieu of taxes, it is agreed that said FILOT Payments shall not, as to any year, be in any amount greater than what would otherwise be payable by the Sponsor and Sponsor Affiliate to the County in property taxes if the Sponsor and Sponsor Affiliate had not entered into a fee-in-lieu of taxes arrangement with the County (except it is not intended that said FILOT Payments would necessarily be less than such property taxes to the extent that the constitutional abatement of property taxes would otherwise apply).

(g) Upon the Sponsor and Sponsor Affiliate's installation of any Replacement Property for any portion of the Project removed under Section 4.03 hereof and sold, scrapped, or disposed of by the Sponsor and Sponsor Affiliate, such Replacement Property shall become subject to Negotiated FILOT Payments to the fullest extent allowed by law, subject to the following rules:

(i) Replacement Property does not have to serve the same function as Economic Development Property it is replacing. Replacement Property is deemed to replace the oldest property subject to the FILOT, whether real or personal, which is disposed of in the same property tax year as the Replacement Property is placed in service. Replacement Property qualifies for Negotiated FILOT Payments up to the original income tax basis of Economic Development Property which it is replacing. More than one piece of property can replace a single piece of property. To the extent that the income tax basis of the Replacement Property exceeds the original income tax basis of the Economic Development Property which it is replacing, the excess amount is subject to payments equal to the *ad valorem* taxes which would have been paid on such property but for this Agreement. Replacement property is entitled to the FILOT payment for the period of time remaining on the thirty-year FILOT period for the property which it is replacing.

(ii) The new Replacement Property which qualifies for the Negotiated FILOT payment shall be recorded using its income tax basis, and the Negotiated FILOT Payment shall be calculated using the millage rate and assessment ratio provided on the original property subject to FILOT payment.

(h) In the event that the Act or the FILOT or any portion thereof, are declared, by a court of competent jurisdiction following allowable appeals, invalid or unenforceable, in whole or in part, for any reason, the Sponsor, Sponsor Affiliate and the County express their intentions that such payments be reformed so as to afford the Sponsor and Sponsor Affiliate the maximum benefit then permitted by law, including, without limitation, the benefits afforded under Section 12-44-50 of the Code and, specifically, that the Sponsor and Sponsor Affiliate may, at the Sponsor and Sponsor Affiliate's expense, exercise the rights granted by Section 12-44-160 of the Code. If the Project is deemed not to be eligible for a Negotiated FILOT pursuant to the Act in whole or in part, the Sponsor, Sponsor Affiliate and the County agree that the Sponsor and Sponsor Affiliate shall pay an alternate fee-in-lieu of tax calculated in the manner set forth in Section 5.01(b)(i)(1) hereof. In such event, the Sponsor and Sponsor Affiliate shall be entitled, to the extent permitted by law: (1) to enjoy the five-year exemption from *ad valorem* taxes (or fees in lieu of taxes) provided by Section 3(g) of Article X of the Constitution of the State of South Carolina, and any other exemption allowed by law; and (2) to enjoy all allowable depreciation. The Sponsor and Sponsor Affiliate agree that if the FILOT Payments or this Agreement is reformed pursuant to this subsection (h), that under no circumstance shall the County be required to refund or pay any monies to the Sponsor or Sponsor Affiliate.

(i) For the Project, in the event that the investment in the Project in land, buildings, and personal property, including machinery and equipment, by the Sponsor and Sponsor Affiliate does not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00) by the end of the applicable Investment Period ("**Act Minimum Investment Requirement**"), the Negotiated FILOT Payments will revert retroactively to payments equivalent to what the *ad valorem* taxes would have been with respect to the property absent this Agreement, taking into account exemptions and/or abatements from property taxes that would have been available to the Sponsor and Sponsor Affiliate, including but not limited to any exemption and/or abatement provided pursuant to Section 12-37-220(A)(7) of the Code, less the total amount of Negotiated FILOT Payments actually made by the Sponsor and Sponsor Affiliate. No other penalty shall be asserted against the Sponsor and Sponsor Affiliate, except to the extent required by South Carolina law. The Sponsor and Sponsor Affiliate agree, if the Negotiated FILOT Payments revert to payments equivalent to what the *ad valorem* taxes would be pursuant to this subsection (i), that under no circumstance shall the County be required to refund or pay any monies to the Sponsor or Sponsor Affiliate.

Section 5.02. Clawbacks.

(a) (1) If the Company satisfies the Act Minimum Investment Requirement but does not satisfy either the Minimum Contractual Investment Requirement or the Minimum Contractual Jobs Requirement (note that the Sponsor is responsible for the Minimum Contractual Jobs Requirement and not the Sponsor Affiliate, and therefore if the Minimum Contractual Jobs Requirement is not met but the investment requirements are met, the Sponsor shall be responsible for any resulting clawbacks for failure to meet the Minimum Contractual Jobs

Requirement, if any), or both, the Company shall be required to repay to the County a portion of the Special Source Revenue Credits received and the repayment amount shall be calculated as follows:

Repayment Amount = Total Amount of Special Source Revenue Credits Received minus [dollar amount of Special Source Revenue Credits received times Clawback Achievement Percentage]

Clawback Achievement Percentage = [(Maximum Investment Achieved During Investment Period / \$21,200,000) + (Maximum Number of Jobs Meeting Minimum Contractual Jobs Requirement / 672)] ÷ 2. *Provided, however*, that neither of the two computations may be more than one hundred percent (100%).

For example, and by way of example only, if the Company satisfied the Act Minimum Investment Requirement during the Investment Period, created 700 jobs meeting the Minimum Contractual Jobs Requirement but only achieved a maximum investment of \$20,000,000, and if the Company had received \$500,000 in Special Source Revenue Credits, the Repayment Amount would be \$14,151, calculated as follows:

Clawback Achievement Percentage = (\$20,000,000 / \$21,200,000) + (700/ 675) ÷ 2 = (94.33962% + 100%) ÷ 2 = 194.33962 ÷ 2 = 97.16981%

Repayment Amount = \$500,000 - (\$500,000 x 97.16981%) = \$500,000 - \$485,849 = \$14,151.

(2) If the Sponsor and Sponsor Affiliate are required to make a repayment to the County pursuant to subsection (a)(1) of this section, then the Sponsor and Sponsor Affiliate are not eligible for any Special Source Revenue Credits after the end of the Investment Period.

(3) In the event that both the Minimum Contractual Investment Requirement and the Minimum Contractual Jobs Requirement are satisfied by the end of the Investment Period, but following the Investment Period, investment in the Project, without regard to depreciation or other diminution in value, falls below the investment level set forth in the Minimum Contractual Investment Requirement or the number of new, full-time jobs falls below that set forth in the Minimum Contractual Jobs Requirement, then the Sponsor and Sponsor Affiliate agree that the Sponsor and Sponsor Affiliate forfeit the Special Source Revenue Credit for the year in which either the Minimum Contractual Investment Requirement or the Minimum Contractual Jobs Requirement, or both, is not maintained. On or before May 31 of the year following the end of the Investment Period, and for each year thereafter that the Sponsor and Sponsor Affiliate would be eligible for a Special Source Revenue Credit, the Sponsor and Sponsor Affiliate shall certify to the County Auditor that the Company has complied with the Minimum Contractual Investment Requirement and Minimum Contractual Jobs Requirement, and, to the extent that the credit would apply to a year after the end of the Investment Period, that the Sponsor and Sponsor Affiliate have maintained the Minimum Contractual Investment Requirement and Minimum Contractual Jobs Requirement. If the certification is not made or is received after May 31 of the applicable year, then the Sponsor and Sponsor Affiliate agree that the Special Source Revenue Credit is forfeited for the then applicable year.

(b) Notwithstanding any other provision of this Fee Agreement, the Sponsor and Sponsor Affiliate acknowledges and agrees that County's obligation to provide the FILOT incentive and the Special Source Revenue Credits ends, and this Fee Agreement is terminated, if the Sponsor ceases operations. For purposes of this Section 5.02(b), "**ceases operations**" means closure of the facility. The provisions of Section 5.02(a) relating to clawback apply if this Fee Agreement is terminated in accordance with this subsection prior to the end of the Investment Period and before the Company has achieved the Minimum Contractual Investment Requirement and Minimum Contractual Jobs Requirement. The Sponsor and Sponsor Affiliate agree that if this Agreement is terminated pursuant to this section, that under no circumstance shall the County be required to refund or pay any monies to the Sponsor and Sponsor Affiliate.

ARTICLE VI

PAYMENT OF EXPENSES BY SPONSOR

Section 6.01. Defaulted Payments. In the event the Sponsor should fail to make any of the payments required under this Agreement, the item or installment so in default shall continue as an obligation of the Sponsor until the amount in default shall have been fully paid. If any such default relates to its obligations to make FILOT Payments hereunder, the Sponsor agrees to pay the same with interest as provided in Section 12-44-90 of the Code.

ARTICLE VII

CASUALTY AND CONDEMNATION

Section 7.01. Adjustments in the Event of Damage and Destruction or Condemnation. In the event that the Project or any portion thereof is damaged or destroyed, lost or stolen, or the subject of condemnation proceedings, the Sponsor and Sponsor Affiliate, in their sole discretion, may determine whether or not to repair or replace the same. The parties hereto agree that if the Sponsor and Sponsor Affiliate decide not to repair or replace all or any portion of the Project pursuant to this Section, the FILOT required pursuant to Section 5.01 hereof shall be abated in the same manner and in the same proportion as if *ad valorem* taxes were payable with respect to the Project.

ARTICLE VIII

PARTICULAR COVENANTS AND AGREEMENTS

Section 8.01. Use of Project for Lawful Activities. During the Term of this Agreement, the Sponsor and Sponsor Affiliate shall use the Project for any lawful purpose authorized pursuant to the Act.

Section 8.02. Assignment. The County agrees that, to the maximum extent allowable under the Act (or any amendments thereto), the Sponsor and/or Sponsor Affiliate may assign (including, without limitation, absolute, collateral, and other assignments) all or a part of its rights or obligations under this Agreement, and any lease agreement, lease purchase agreement, or fee agreement, as the case may be, or any other agreement related hereto or thereto, or transfer any and all assets of the Sponsor and/or Sponsor Affiliate, to one or more

Related Entities (as defined in Section 9.01 below) without adversely affecting the benefits of the Sponsor and/or Sponsor Affiliate or their assignees pursuant to any such agreement or the Act. The County agrees that, to the extent permitted by law, the investments in the Project by any Affiliate related to the Sponsor and/or Sponsor Affiliate (except that the investment set for in Section 4.01 hereof must be met in accordance with the terms therein) shall be considered as an investment by the Sponsor and/or Sponsor Affiliate in the Project. The Sponsor and/or Sponsor Affiliate shall provide the County and the Department of Revenue with notice of any such assignment, transfer, or investment in accordance with the Act, and the County agrees, upon the request of the Sponsor and/or Sponsor Affiliate, to take all further action necessary to implement such assignment, transfer, or investment in accordance with the provisions of the Act. To the extent that the Act may require the consent, approval or ratification of or by the County for the assignment of this Agreement, in whole or in part, the County agrees to not unreasonably withhold its consent, approval or ratification.

Section 8.03. Indemnification of the County. The Sponsor and Sponsor Affiliate release the County, including the members of the governing body of the County, and the employees, officers, attorneys and agents of the County (herein collectively referred to as the "Indemnified Parties" and each an "Indemnified Party") from, agrees that the Indemnified Parties shall not be liable for, and agrees to hold the Indemnified Parties harmless against, any loss or damage to property or any injury to or death of any person 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 Sponsor and Sponsor Affiliate further agree to indemnify and save harmless Indemnified Parties against and from any and all costs, liabilities, expenses, and claims arising from any breach or default on the part of the Sponsor and Sponsor Affiliate in the performance of any covenant or agreement on the part of the Sponsor and Sponsor Affiliate to be performed pursuant to the terms of this Agreement or arising from any act or negligence of, or negligent failure to act where there is a duty to do so by, the Sponsor and Sponsor Affiliate, or any of their agents, attorneys, contractors, servants, employees, or licensees, and from and against all cost, liability, and expenses incurred in or in connection with any such claim or action or proceeding brought thereon.

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 officer, agent, attorney, servant, or employee of the County in his or her individual capacity, and, 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 officer, attorney, agent, servant, or employee of the County.

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 Sponsor and Sponsor Affiliate, 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 Sponsor and Sponsor Affiliate 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 incurred in connection with any such claim or in connection with any action or proceeding brought thereon provided, however, that nothing herein shall absolve the Indemnified Parties from, or entitle the Indemnified Parties to indemnification from, any obligation such Indemnified Party has specifically agreed to undertake (including, without limitation, the obligation to place and maintain the Land within a multi-county park). If any action, suit, or proceeding is brought against any Indemnified Party to which such Indemnified Party is entitled to indemnification, such Indemnified Party shall promptly notify the Sponsor and Sponsor Affiliate, and the Sponsor and Sponsor Affiliate 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 their sole discretion; provided the Sponsor and Sponsor Affiliate shall obtain the prior written consent of the County to settle any such claim unless such claim is for monetary damages for which the Sponsor and Sponsor Affiliate have the ability to, and do, pay. Notwithstanding the foregoing, 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 Sponsor and Sponsor Affiliate reasonably determines that a conflict of interest exists between the County and the Sponsor and Sponsor Affiliate, the County may, in its sole discretion, hire independent counsel to pursue its own defense, and the Sponsor and Sponsor Affiliate shall be liable for the reasonable cost of such counsel.

The indemnity specified in this Section shall be in addition to any heretofore extended by the Sponsor and Sponsor Affiliate to any Indemnified Party and shall survive the termination of this Agreement with respect to liability arising out of any event or act occurring prior to such termination.

ARTICLE IX

FINANCING ARRANGEMENTS; CONVEYANCES; ASSIGNMENTS

Section 9.01. Conveyance of Liens and Interests; Assignment. The Sponsor and Sponsor Affiliate may at any time: (a) transfer all or any of its rights and interests hereunder or with respect to the Project to any Person; or (b) enter into any lending, financing, security, or similar arrangement or succession of such arrangements with any financing entity with respect to the Agreement or the Project, including without limitation any sale, leaseback, or other financing lease arrangement; provided that, in connection with any of the foregoing transfers: (i) except in connection with any transfer to the Sponsor or Sponsor Affiliate, any of the Sponsor and Sponsor Affiliate's affiliates (collectively, the "Related Entities"), or transfers pursuant to clause (b) above (as to which such transfers the County hereby consents), the Sponsor and Sponsor Affiliate shall first obtain the prior written consent or subsequent ratification of the County; (ii) except where a financing entity, which is the income tax owner of all or part of the Project, is the transferee pursuant to clause (b) above and such transferee or financing entity assumes in writing the obligations of the Sponsor and Sponsor Affiliate hereunder, or where the County consents in writing, no such transfer shall affect or reduce any of the obligations of the Sponsor and Sponsor Affiliate hereunder, but all obligations of the Sponsor and Sponsor Affiliate hereunder shall continue in full force and effect as the obligations of a principal and not of a guarantor or surety; (iii) the Sponsor and Sponsor Affiliate, transferee, or financing entity shall, within 60 days thereof, furnish or cause to be furnished to the County and the

Department of Revenue a true and complete copy of any such transfer agreement; and (iv) the Sponsor and Sponsor Affiliate and the transferee shall comply with all other requirements of the Transfer Provisions.

The Sponsor and Sponsor Affiliate acknowledge that such a transfer of an interest under this Agreement or in the Project may cause the Project to become ineligible for a Negotiated FILOT or result in penalties under the Act absent compliance by the Sponsor and Sponsor Affiliate with the Transfer Provisions.

Section 9.02. Relative Rights of County and Financing Entities as Secured Parties. The parties acknowledge the application of the provisions of Section 12-44-90 of the Act, and that the County's right to receive FILOT Payments hereunder shall be the same as its rights conferred under Title 12, Chapter 49 and 54, among others, of the Code relating to the collection and enforcement of *ad valorem* property taxes. The County's rights under this Agreement, except for its rights to receive FILOT revenues, shall be subordinate to the rights of any secured party or parties under any financing arrangements undertaken by the Sponsor and Sponsor Affiliate with respect to the Project pursuant to Section 9.01 hereof, such subordination to be effective without any additional action on the part of the County; provided, however, that the County hereby agrees, at the Sponsor's expense, to execute such agreements, documents, and instruments as may be reasonably required by such secured party or parties to effectuate or document such subordination.

ARTICLE X

TERM; TERMINATION

Section 10.01. Term. Unless sooner terminated pursuant to the terms and provisions herein contained, this Agreement shall be and remain in full force and effect for a term commencing on the date on which the Sponsor and Sponsor Affiliate execute this Agreement, and ending at midnight on the last day of the property tax year in which the last Negotiated FILOT Payment is due hereunder. The Project has a term of thirty years, as calculated pursuant to the respective dates when the relevant portions of the Project are placed in service, and as discussed in greater detail in this Agreement. The County's rights to receive indemnification and payment of Administration Expenses pursuant hereto shall survive the expiration or termination of this Agreement.

Section 10.02. Termination. The County and the Sponsor and/or Sponsor Affiliate may agree to terminate this Agreement at any time, or the Sponsor and Sponsor Affiliate, may, at their option, terminate this Agreement at any time upon providing the County 30 days' notice of such termination, in which event the Project shall be subject to *ad valorem* taxes from the date of termination.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default by Sponsor. Any one or more of the following events (herein called an "Event of Default", or collectively "Events of Default") shall constitute an Event of Default by the Sponsor:

(a) if default shall be made in the due and punctual payment of any FILOT Payments, indemnification payments, or Administration Expenses, which default shall not have been cured within 30 days following receipt of written notice thereof from the County;

(b) if default shall be made by the Sponsor in the due performance of or compliance with any of the terms hereof, including payment, other than those referred to in the foregoing paragraph (a), and such default shall continue for 90 days after the County shall have given the Sponsor written notice of such default, provided, the Sponsor shall have such longer period of time as necessary to cure such default if the Sponsor proceeds promptly to cure such default and thereafter to prosecute the curing of such default with due diligence; or

(c) a cessation of operations at the Project.

Section 11.02. Remedies on Event of Default by Sponsor. Upon the occurrence of any Event of Default, the County may exercise any of the following remedies, any of which may be exercised at any time during the periods permitted under the following clauses:

(a) terminate this Agreement by delivery of written notice to the Sponsor and Sponsor Affiliate not less than 30 days prior to the termination date specified therein;

(b) have access to and inspect, examine, and make copies of the books, records, and accounts of the Sponsor pertaining to the construction, acquisition, or maintenance of the Project; or

(c) take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition, or agreement of the Sponsor under this Agreement.

Section 11.03. Default by the County. Upon the default of the County in the performance of any of its obligations hereunder, the Sponsor and Sponsor Affiliate may take whatever action at law or in equity as may appear necessary or desirable to enforce its rights under this Agreement, including without limitation, a suit for mandamus or specific performance. Provided, however, that anything herein to the contrary notwithstanding, any financial obligation the County may incur hereunder, including for the payment of money, shall not be deemed to constitute a pecuniary liability or a debt or general obligation of the County.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Rights and Remedies Cumulative. Each right, power, and remedy of the County or of the Sponsor and Sponsor Affiliate provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity, in any jurisdiction where such rights, powers and remedies are sought to be enforced; and the exercise by the County or by the Sponsor and Sponsor Affiliate of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the County or by the Sponsor and Sponsor Affiliate of any or all such other rights, powers or remedies.

Section 12.02. Administration Expenses.

(a) The Sponsor agrees to reimburse the County from time to time for its Administration Expenses promptly upon written request therefore, but in no event later than thirty (30) days after receiving the written request from the County. The written request shall include a description of the nature of the Administration Expenses.

(b) The Sponsor agrees to reimburse the County for expenses incurred by the County for accountants and similar experts used by the County in the computation, preparation and verification of the annual Fee Payments and any special source revenue credits, *provided, however*, the maximum annual reimbursement pursuant to this subsection is capped at one thousand dollars (\$1000.00).

Section 12.03. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns as permitted hereunder.

Section 12.04. Notices; Demands; Requests. All notices, demands and requests to be given or made hereunder to or by the County or the Sponsor and Sponsor Affiliate shall be in writing and shall be deemed to be properly given or made if sent by United States first class mail, postage prepaid or via facsimile or other commonly-used electronic transmission or reputable courier service, addressed as follows or to such other persons and places as may be designated in writing by such party.

AS TO THE COUNTY: County of Lancaster, South Carolina
ATTN: Steve Willis, County Administrator
101 N. Main St. (29720)
PO Box 1809 (29721-1809)
Lancaster, South Carolina
Telephone: (803) 416 - 9300
Fax: (803) 285 - 3361
Email: swillis@lancastercountysc.net

WITH A COPY TO: John Weaver
(which shall not constitute notice) County Attorney, Lancaster County
101 N. Main St. (29720)
PO Box 1809 (29721-1809)

Lancaster, South Carolina
Telephone: (803) 416 - 9426
Fax: (803) 285 - 3361
Email: jweaver@lancastercountysc.net

AS TO THE SPONSOR AND SPONSOR AFFILIATE:

Sponsor:

Movement Mortgage, LLC
8024 Calvin Hall Road
Indian Land, South Carolina 29702

With a copy to (which shall not constitute notice):

Ms. Stephanie L. Yarbrough (attorney for Sponsor)
Womble Carlyle Sandridge & Rice, LLP
5 Exchange Street
Charleston, South Carolina 29401
Phone: (843) 720-4621
styarbrough@wcsr.com

Sponsor Affiliate:

TKC CCII, LLC
ATTN: Greg Keith and Ken Beuley
5935 Carnegie Boulevard
Suite 200
Charlotte, North Carolina 28209
Phone: (704) 365-6000
ken@thekeithcorp.com

Section 12.05. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

Section 12.06. Entire Understanding. This Agreement expresses the entire understanding and all agreements of the parties hereto with each other, and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Agreement or in certificates delivered in connection with the execution and delivery hereof.

Section 12.07. Severability. In the event that any clause or provisions of this Agreement 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 12.08. Headings and Table of Contents; References. The headings of the Agreement and any Table of Contents annexed hereto are for convenience of reference only and shall not define or limit the provisions hereof or affect the meaning or interpretation hereof. All references in this Agreement to particular articles or Sections or paragraphs of this Agreement are references to the designated articles or Sections or paragraphs of this Agreement.

Section 12.09. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

Section 12.10. Amendments. Subject to the limitations set forth in the Act, this Agreement may be amended, or the rights and interest of the parties hereunder surrendered, only by a writing signed by all parties.

Section 12.11. Waiver. Either party may waive compliance by the other party with any term or condition of this Agreement only in a writing signed by the waiving party.

Section 12.12. Force Majeure. The Sponsor and Sponsor Affiliate shall not be responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, labor shortages, 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 the Sponsor and Sponsor Affiliate's reasonable control.

[SIGNATURE PAGE TO FOLLOW]

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 Council Chair and Council Secretary and to be attested by the Clerk to Council; and the Company has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

ATTEST:

Debbie C. Hardin, Clerk to Council

MOVEMENT MORTGAGE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

TKC CCII, LLC,
a North Carolina limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A
PROPERTY DESCRIPTION
LANCASTER COUNTY

STATE OF SOUTH CAROLINA

)

COUNTY OF LANCASTER

)

ORDINANCE NO. 2015-1366

)

AN ORDINANCE

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND BETWEEN LANCASTER COUNTY AND LCI-LINEBERGER CONSTRUCTION, INC., PROVIDING FOR THE PAYMENT OF A FEE-IN-LIEU OF TAXES AND THE PROVISION OF SPECIAL SOURCE REVENUE CREDITS; TO EXPRESS THE INTENTION OF COUNCIL TO PROVIDE MONIES TO THE ECONOMIC DEVELOPMENT FUND; AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO.

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. Findings.

The Lancaster County Council finds that :

(a) Lancaster County, South Carolina (the "County") acting by and through its County Council (the "County Council") is authorized and empowered 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 agreements with any industry, with said agreements identifying certain properties of such industries as economic development property, through which powers the industrial development of the State of South Carolina (the "State") and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate, remain, and expand in the State and the County and thus utilize and employ the manpower, products, and natural resources and benefit the general public welfare of the State and County by providing services, employment, or other public benefits not otherwise adequately provided locally;

(b) the County is authorized by Sections 4-1-175 and 4-29-68 of the Code of Laws of South Carolina 1976, as amended, to provide special source revenue credits for the purpose of defraying the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County and for improved and unimproved real estate and personal property, including machinery and equipment, used in the operation of a manufacturing facility or commercial enterprise in order to enhance the economic development of the County;

(c) LCI-Lineberger Construction, Inc., a South Carolina corporation (referred to hereinafter as the "Company") intends to invest in the expansion of its facilities in the County through the acquisition of land, a building, and improvements thereon (the "Land and Building"); the construction of improvements thereon and/or therein; and/or the acquisition of personal property, including, but not limited to, machinery, equipment, and furniture to be installed on and/or in the Land and Building, which would constitute a project within the meaning of the Act and which are eligible for inclusion as economic development property, the cost of which is estimated to be approximately \$3.67 million over five years (the "Project"), all as more fully set forth in the Fee Agreement attached hereto, and provided that approvals of various incentives contemplated for the Project are formalized by the State and/or County;

(d) pursuant to Resolution No. 0886-R2015, adopted August 24, 2015, the Council approved an Inducement Resolution providing for, among other things, the agreement of the County to enter into a fee-in-lieu of tax incentive with the Company and the provision of special source revenue credits;

(e) the Company has caused to be prepared and presented to the Council the form of the Fee Agreement by and between the County and the Company (the "Fee Agreement"), which provides for fee-in-lieu of tax payments utilizing a six percent (6%) assessment ratio and fixed millage rate of 289.4 mills for a period of twenty (20) years for the Project or each component thereof placed in service during the investment period and any investment period extension to which the County and the Company agree, and for special source revenue credits equal to fifteen percent (15%) of the fee-in-lieu of tax payments for five (5) years;

(f) it appears that the Fee Agreement, which is attached to this ordinance, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended.

Section 2. **Approval of Fee Agreement.**

Subject to the provisions of Section 5 of this ordinance, and, in order to promote industry, develop trade, and utilize and employ the manpower, products, and natural resources of the State by assisting the Company to expand or locate an industrial facility in the State, the Fee Agreement is hereby authorized, ratified, and approved.

Section 3. **Statutory Findings.**

Council makes the following additional findings:

(a) The Project will constitute a "project" as the term is referred to and defined in the Act, and the County's actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) The Project and the payments in lieu of taxes set forth herein are beneficial to the County, and the County has evaluated the Project based upon all criteria prescribed by law, including the anticipated dollar amount and nature of the investment to be made.

(c) The Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally.

(d) 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.

(e) The purposes to be accomplished by the Project, *i.e.*, economic development and addition to the tax base of the County, are proper governmental and public purposes.

(f) The inducement of the location or expansion of the Project within the County and State is of paramount importance.

(g) The benefits of the Project to the public will be greater than the costs to the public.

Section 4. Cost-Benefit Findings.

Council makes the following findings concerning the costs and benefits of the Project:

(a) The benefits of providing the incentives arrangement set forth in the Fee Agreement include (i) investment in real and personal property of at least \$3,670,000, (ii) an average annual increase in property taxes (FILOT payments) of approximately \$3,872 after application of incentives, (iii) construction benefit of \$479,858, (iv) facility operation benefit of \$2,663,228, (v) employee benefit of \$39,392, and (vi) visitor benefit of \$0. The total benefit is estimated at \$3,182,478.

(b) The cost of providing the incentives arrangement is estimated at (i) development costs of \$0, (ii) operational costs of \$47,795, and (iii) employee costs of \$55,993. The total cost is estimated at \$103,788.

(c) The benefit to cost ratio in year one is estimated at \$28.34:1 and after year one at \$23.72:1.

(d) The value of the FILOT incentive to the Company is estimated at \$227,227 and the special source revenue credits at \$24,887.

(e) Over a five (5) year period a total of seventy three (73) new jobs will be created with an average hourly wage of \$16.00.

Section 5. Approval and Execution of Fee Agreement.

The form, terms, and provisions of the Fee Agreement, attached hereto as Exhibit A, are approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Fee Agreement was set out in this ordinance in its entirety. The Council Chair and Council Secretary are authorized, empowered, and directed to execute and acknowledge the Fee Agreement in the name of and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Company. The Fee Agreement is to be in substantially the form as attached to this ordinance and hereby approved, with such changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of counsel to the County, such officer's execution thereof to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form of the Fee Agreement attached to this ordinance.

Section 6. Economic Development Fund.

(A) Council finds that (i) by passage of Ordinance No. 2014-1260, Council created an Economic Development Fund with the intent to make monies available to the fund from new revenues to the County derived from new and expanded businesses and industry, and (ii) the ability to make monies available to the Economic Development Fund can be difficult because of complexities and legalities applicable to fee-in-lieu of tax arrangements and multi-county parks.

(B) It is the intent of Council, in the annual County budget, to appropriate monies to the Economic Development Fund based on the new revenue that the County receives pursuant to the Fee Agreement. Specifically, it is Council's intent to appropriate from the General Fund of the County an amount based on the following formula: Seven percent (7%) times the amount of money received pursuant to the Fee Agreement by the County after distribution to other taxing entities in the most recently completed tax year.

Section 7. Authority to Act.

The Council Chair, Council Secretary, Clerk to Council, County Administrator, County Attorney and all other appropriate officials of the County are authorized and directed to do any and all things necessary to effect the execution and delivery of the Fee Agreement and the performance of all obligations of the County under and pursuant to the Fee Agreement.

Section 8. Severability.

If any section, subsection or clause of this ordinance is held to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected.

Section 9. Controlling Provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, resolutions or orders, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 10. Effective Date.

This ordinance is effective upon third reading.

AND IT IS SO ORDAINED, this 14th day of December, 2015.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

ATTEST:

Debbie C. Hardin, Clerk to Council

| | | |
|-----------------|-------------------|-----------|
| First Reading: | August 24, 2015 | |
| Second Reading: | November 23, 2015 | Tentative |
| Public Hearing: | December 14, 2015 | Tentative |
| Third Reading: | December 14, 2015 | Tentative |

Exhibit A to Ordinance No. 2015-1366

**Fee Agreement
Lancaster County and LCI-Lineberger Construction, Inc.**

See attached.

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FEE AGREEMENT

between

LANCASTER COUNTY, SOUTH CAROLINA

and

LCI-LINEBERGER CONSTRUCTION, INC.

Dated as of December 14, 2015

RECAPITULATION OF CONTENTS OF FEE AGREEMENT

Pursuant to Section 12-44-55(B) of the Code of Laws of South Carolina 1976, as amended (the "Code"), the parties have agreed to waive the requirements of Section 12-44-55(A) of the Code. The following is a summary of the key provisions of this Fee Agreement. This summary is inserted for convenience only and does not constitute a part of this Fee Agreement or a summary compliant with Section 12-44-55 of the Code.

1. Legal Name of Each Party to the Agreement – Lancaster County, South Carolina and LCI-Lineberger Construction, Inc.
2. County and Street Address of the Project and Property to be Subject to the Agreement – Lancaster County; 1212 Kershaw Camden Highway, Lancaster, South Carolina 29721 (Tax Map Nos. 0081-00-031.00, 0081-00-032.00, 0081-00-034.01, 0081N-0B-005.00, and 0081N-0B-006.00)
3. Minimum Investment Agreed Upon - \$3,670,000. See Section 1.1 for definition of Clawback Minimum Investment Requirement.
4. Length and Term of the Agreement – Twenty (20) years for each phase of the Project placed in service during the Investment Period. See Section 1.1 for definition of Termination Date.
5. Assessment Ratio Applicable for Each Year of the Agreement – Six percent (6%). See Section 4.1(a).
6. Millage Rate Applicable for Each Year of the Agreement – 289.4 mills. See Section 4.1(a).
7. Is the project to be located in a multi-county park formed pursuant to Article VIII, Section 13 of the South Carolina Constitution and Sections 4-1-170, -172 and -175 of the Code? Yes, Lancaster-Chesterfield Master Multi-County Park Agreement dated as of December 9, 2013.
8. Is disposal of property subject to the fee allowed? Yes, see Sections 4.3, 4.4, 4.6, 4.7 and 4.8.
9. Will special source revenue bonds be issued or credits for infrastructure investment be allowed in connection with this project? Yes, credits, see Section 4.1(c).
10. Will payment amounts be modified using a net present value calculation? No.
11. Do replacement property provisions apply? Yes, see Sections 4.3, 4.4, 4.6, 4.7 and 4.8.

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FEE AGREEMENT

THIS FEE AGREEMENT (the "Fee Agreement") is made and entered into as of December 14, 2015 by and between LANCASTER 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 Lancaster County Council (the "County Council") as the governing body of the County, and LCI-LINEBERGER, INC., a corporation organized and existing under the laws of the State of South Carolina (the "Company").

RECITALS

1. Title 12, Chapter 44, Code of Laws of South Carolina 1976, as amended (the "Act") authorizes the County (i) to induce industries to locate in the State; (ii) to encourage industries now located in the State to expand their investments and thus make use of and employ manpower, products, and other resources of the State; and (iii) to enter into a fee agreement with entities meeting the requirements of such Act, which identifies certain property of such entities as economic development property.

2. Pursuant to Section 12-44-40(I)(1) of 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 benefits not otherwise adequately provided locally; (b) the Project gives rise to no pecuniary liability of the County or any incorporated municipality and 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 are greater than the costs.

3. The County Council has evaluated the Project based on all relevant criteria that include, but are not limited to, the purposes the Project is to accomplish, the anticipated dollar amount and nature of the investment, and the anticipated costs and benefits to the County.

4. An ordinance that the County Council adopted on December 14, 2015 (Ordinance No. 2015-1366) (the "Fee Ordinance") authorizes the County and the Company to enter into a Fee Agreement that classifies the Project as Economic Development Property under the Act and provides for the payment of fees in lieu of taxes and special source revenue credits, all as further described herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 The terms that this section defines shall for all purposes of this Fee Agreement have the meanings herein specified, unless the context clearly requires otherwise:

“Act” shall mean Title 12, Chapter 44, Code of Laws of South Carolina 1976, as amended.

“Act Minimum Investment Requirement” shall mean an investment of at least \$2,500,000 by the Company and any Sponsors and Sponsor Affiliates of property within the Investment Period.

“Clawback Minimum Investment Requirement” shall mean an investment in the Project of at least \$3,670,000 by the Company within the Investment Period.

“Clawback Minimum Jobs Requirement” shall mean the creation, not later than the end of the Investment Period, and maintenance, through the end of the Investment Period, by the Company of at least 73 new, full-time jobs (*i.e.*, at least thirty (30) hours per week), (*i*) with an average hourly wage of not less than fourteen dollars and fifty cents (\$14.50), including overtime, bonuses, and all other forms of actual pre-tax and post-tax monetary compensation, and (*ii*) with health care benefits.

“Commencement Date” shall mean the last day of the property tax year during which the Project or the first Phase thereof is placed in service, which date must not be later than the last day of the property tax year which is three years from the year in which the County and the Company enter into this Fee Agreement.

“Company” shall mean LCI-Lineberger Construction, Inc., a South Carolina corporation, and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets; or any other person or entity which may succeed to the rights and duties of the Company.

“County” shall mean Lancaster 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 Council” shall mean the governing body of the County.

“Department” or “SCDOR” shall mean the South Carolina Department of Revenue.

“Diminution in Value” in respect of the Project or any Phase of the Project shall mean any reduction in the value using the original fair market value (without regard to depreciation) as determined in Step 1 of Section 4.1(a) of this Fee Agreement, of the items which constitute a part of the Project or such Phase and which are subject to FILOT payments which may be caused by (*i*) the Company’s removal and/or disposal of equipment pursuant to Section 4.6 of this Fee Agreement; (*ii*) a casualty to the Project, such Phase of the Project, or any part thereof, described in Section 4.7 of this Fee Agreement; or (*iii*) a condemnation of the Project, such Phase of the Project, or any part thereof, described in Section 4.8 of this Fee Agreement.

“Economic Development Property” shall mean those items of real and tangible personal property of the Project which are eligible for inclusion as economic development property under

the Act, selected and identified by the Company in its annual filing of a SCDOR PT-300S or comparable form with the Department (as such filing may be amended from time to time) for each year within the Investment Period.

“Equipment” shall mean all of the machinery, equipment, furniture, office equipment, and fixtures, together with any and all additions, accessions, replacements, and substitutions thereto or therefor used or to be used in the County by the Company for the purposes described in Section 2.2(b) hereof, provided, however, that repairs, alterations, or modifications to personal property which is not economic development property or property subject to a fee in lieu of taxes prior to this Fee Agreement, are not eligible to become Economic Development Property, except for modifications which constitute an expansion of existing real property improvements.

“Event of Default” shall mean any event of default specified in Section 5.1 of this Fee Agreement.

“Exemption Period” shall mean the period beginning on the first day of the property tax year after the property tax year in which an applicable piece of Economic Development Property is placed in service and ending on the Termination Date. In case there are Phases of the Project, the Exemption Period applies to each year’s investment made during the Investment Period.

“Fee,” “Fee in Lieu of Taxes,” “FILOT,” or “Payments in Lieu of Taxes” shall mean the amount paid or to be paid in lieu of *ad valorem* property taxes as provided herein.

“Fee Agreement” shall mean this Fee Agreement.

“Fee Term” shall mean the period from the date of this Fee Agreement until the Termination Date.

“Improvements” shall mean all improvements to the Real Property, including buildings, building additions, roads, sewer lines, and infrastructure, together with any and all additions, fixtures, accessions, replacements, and substitutions thereto or therefor used or to be used in the County for the purposes described in Section 2.2(b) hereof; provided, however, that repairs, alterations, or modifications to real property which is not economic development property or property subject to a fee in lieu of taxes prior to this Fee Agreement, are not eligible to become Economic Development Property, except for modifications which constitute an expansion of existing real property improvements.

“Infrastructure” shall mean infrastructure serving the Project, including the Improvements, to the extent that Section 12-44-70 of the Act and the MCP Act permits, provided that Infrastructure shall first be deemed to include real property and infrastructure improvements prior to including any personal property, notwithstanding any presumptions to the contrary in the Act or otherwise.

“Infrastructure Credit” shall mean the annual infrastructure credit provided to the Company pursuant to Section 12-44-70 of the Act, the MCP Act and Section 4.1(c) hereof, with respect to the Infrastructure.

“Investment Period” shall mean the period beginning with the first day of any purchase or acquisition of Economic Development Property and ending five years after the Commencement Date, provided that the Company and the County may agree to a later date pursuant to Section 12-44-30(13) of the Act.

“MCP Act” shall mean Article VIII, Section 13(D) of the Constitution of the State of South Carolina, Sections 4-1-170, 4-1-172, and 4-1-175 of the Code of Laws of South Carolina 1976, as amended, and Section 4-29-68 of the Code of Laws of South Carolina 1976, as amended.

“Phase” or “Phases” in respect of the Project shall mean that the Equipment, Improvements, and/or Real Property of the Project are placed in service during more than one year in the Investment Period, and the word “Phase” shall therefore refer to the applicable portion of the Project placed in service in a given year in the Investment Period.

“Project” shall mean all the Equipment, Improvements, and/or Real Property in the County that the Company determines to be necessary, suitable, or useful for the purposes that Section 2.2(b) describes, and first placed in service in calendar year 2015 or thereafter. The Project shall not include existing buildings and improvements on the Real Property, as of the date of the commencement of the Project by the Company, and any machinery and equipment which have previously been subject to South Carolina *ad valorem* taxation, except as expressly permitted by Section 12-44-110 of the Act.

“Real Property” shall mean real property that the Company uses or will use in the County for the purposes that Section 2.2(b) describes, and initially consisting of the land identified on Exhibit A hereto, together with all and singular the rights, members, hereditaments, and appurtenances belonging or in any way incident or appertaining thereto, and any improvements located thereon.

“Removed Components” shall mean the following types of components or Phases of the Project or portions thereof which are subject to FILOT payments, 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 pursuant to Section 4.6 hereof or otherwise; or (b) components or Phases of the Project or portions thereof which the Company in its sole discretion, elects to be treated as removed pursuant to Section 4.7(c) or Section 4.8(b)(iii) of this Fee Agreement.

“Replacement Property” shall mean any property which is placed in service as a replacement for any item of Equipment, any Improvement, or any Real Property previously subject to this Fee Agreement regardless of whether such property serves the same functions as the property it is replacing and regardless of whether more than one piece of property replaces any item of Equipment, any Improvement, or any Real Property, to the fullest extent that the Act permits.

“Sponsor” shall mean an entity that joins with or is an affiliate of, the Company and that participates in the investment in, or financing of, the Project and which meets the requirements under the Act to be entitled to the benefits of this Fee Agreement with respect to its participation in the Project.

“Termination Date” shall mean in case the entire Project is placed in service in one year, the end of the last day of the property tax year which is the 19th year following the first property tax year in which the entire Project is placed in service, or in case there are Phases of the Project, the Termination Date shall mean with respect to each Phase of the Project the end of the last day of the property tax year which is the 19th year following the first property tax year in which such Phase of the Project is placed in service, provided, that the intention of the parties is that the Company will make at least 20 annual FILOT payments under Article IV hereof with respect to each Phase of the Project and provided further, that if this Fee Agreement is terminated earlier in accordance with the terms hereof, the Termination Date is the date of such termination.

Section 1.2 Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall include any and all amendments, supplements, addenda, and modifications to such agreement or document.

Section 1.3 The term “investment” or “invest” as used herein shall include not only investments made by the Company or a Sponsor, but also to the fullest extent permitted by law, those investments made by or for the benefit of the Company in connection with the Project through federal, state, or local grants, to the extent such investments are subject to *ad valorem* taxes or FILOT payments by the Company.

ARTICLE II

REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

Section 2.1 Representations and Warranties of the County. The County represents and warrants that: (i) it is a body politic and corporate and a political subdivision of the State; (ii) it is authorized by the Act to enter into this Fee Agreement; (iii) it has approved this Fee Agreement in accordance with the procedural requirements of the Act and any other applicable state law; and (iv) it has authorized its officials to execute and deliver this Fee Agreement.

Section 2.2 Representations and Warranties of the Company. The Company represents and warrants that:

(a) The Company is duly authorized to transact business in the State of South Carolina, has power to enter into this Fee Agreement, and has duly authorized the execution and delivery of this Fee Agreement.

(b) The Company intends to operate the Project 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 expanding its construction headquarters, and for such other purposes that the Act permits as the Company may deem appropriate.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT

Section 3.1 The Project. The Company intends to invest in Equipment, Improvements, and/or Real Property, which together comprise the Project and which are anticipated to create at least the Act Minimum Investment Requirement in eligible Economic Development Property investment subject to Payments in Lieu of Taxes in the County.

The parties hereto agree that, to the extent that applicable law allows or is revised or construed to allow the benefits of the Act, in the form of FILOT Payments to be made under Article IV hereof, to be applicable to leased assets including, but not limited to a building and/or personal property to be installed in the buildings and leased to but not purchased by the Company from one or more Sponsors under any form of lease, then such property shall, at the election of the Company, be subject to FILOT Payments to the same extent as the Company's assets covered by this Fee Agreement, subject, at all times, to the requirement of such applicable law. The parties hereto further agree that this Fee Agreement may be interpreted or modified as may be necessary or appropriate in order to give proper application of this Fee Agreement to such tangible property without such construction or modification constituting an amendment to this Fee Agreement, and thus not requiring any additional action by the County Council. Such leased property shall constitute a part of the Project for all purposes of this Fee Agreement, including removal, replacement, and termination, and such Sponsor shall be deemed to be a party to this Fee Agreement.

Pursuant to the Act and subject to Section 4.2 hereof, the Company and the County hereby agree that the Company shall identify annually those assets which are eligible for FILOT payments under the Act and which the Company selects for such treatment by listing such assets on the applicable schedule in its annual PT-300 form (or comparable form) to be filed with the Department (as such may be amended from time to time) and that by listing such assets, such assets shall automatically become Economic Development Property and therefore be exempt from all *ad valorem* taxation during the Exemption Period. Anything contained in this Fee Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project. However, if the Company does not meet the Act Minimum Investment Requirement, this Fee Agreement shall be terminated as provided in Section 4.2 hereof.

Section 3.2 Diligent Completion. The Company agrees to use its reasonable efforts to cause the completion of the Project as soon as practicable, but in any event on or prior to the end of the Investment Period.

Section 3.3 Filings and Reports.

(a) Each year during the term of the Fee Agreement, the Company shall deliver to the County, the County Auditor, the County Assessor, and the County Treasurer, a copy of its most recent annual filings with the Department with respect to the Project, not later than 30 days following delivery thereof to the Department.

(b) The Company shall cause a copy of this Fee Agreement, as well as a copy of the completed Form PT-443 of the Department, to be filed with the County Auditor and the County Assessor of the County and any partner county, when the Project is placed in a multi-county park pursuant to the MCP Act, and the Department within 30 days after the date of execution and delivery hereof by all parties hereto.

ARTICLE IV

PAYMENTS IN LIEU OF TAXES

Section 4.1 Negotiated Payments.

(a) Pursuant to Section 12-44-50 of the Act, the Company is required to make payments in lieu of *ad valorem* taxes to the County with respect to the Economic Development Property. Inasmuch as the Company anticipates an initial investment of sums sufficient for the Project to qualify for a fee in lieu of tax arrangement under the Act, the County and the Company have negotiated the amount of the FILOT Payments in accordance therewith. The Company shall make FILOT Payments on all Economic Development Property which comprises the Project and is placed in service, as follows: the Company shall make FILOT Payments during the Exemption Period with respect to the Economic Development Property or, if there are Phases of the Economic Development Property, with respect to each Phase of the Economic Development Property, said payments to be made annually and to be collected and enforced as provided in Section 12-44-90 of the Act. The determination of the amount of such annual FILOT Payments shall be in accordance with the following procedure (subject, in any event, to the procedures that the Act requires):

- Step 1: Determine the fair market value of the Economic Development Property (or Phase of the Economic Development Property) placed in service during the Exemption Period using original income tax basis for State income tax purposes for any Real Property and Improvements without regard to depreciation (provided, the fair market value of real property, as the Act defines such term, that the Company obtains by construction or purchase in an arms length transaction is equal to the original income tax basis, and otherwise, the determination of the fair market value is by appraisal) and original income tax basis for State income tax purposes for any personal property less depreciation for each year allowable for property tax purposes, except that no extraordinary obsolescence shall be allowable. Except as otherwise provided below, the fair market value of the Real Property for the first year of the Fee Term remains the fair market value of the Real Property for the life of the Fee Term. The determination of these values shall take into account all applicable property tax exemptions that State law would allow to the Company if the property were taxable, except those exemptions that Section 12-44-50(A)(2) of the Act specifically disallows.

- Step 2: Apply an assessment ratio of six percent (6%) to the fair market value in Step 1 to establish the taxable value of the Economic Development Property (or each Phase of the Economic Development Property) in the year it is placed in service and in each of the 19 years thereafter or such longer period of years in which the Act permits the Company to make annual fee payments if approved by the County.
- Step 3: Use a fixed millage rate equal to the millage rate in effect on June 30, 2015, which is 289.4 mills, as Section 12-44-50(A)(1)(d) of the Act provides, during the Exemption Period against the taxable value to determine the amount of the Payments in Lieu of Taxes due during the Exemption Period on the payment dates that the County prescribes for such payments or such longer period of years in which the Act permits the Company to make annual fee payments.

The Company and the County agree that the Company may, upon written notice to the County, elect to have any real property valued at fair market value as determined by appraisal as provided in Section 12-44-50(A)(1)(c)(i) of the Act. An election made pursuant to this paragraph applies prospectively and shall be evidenced by an amendment to this Fee Agreement executed by the Parties.

(b) In the event that a final order of a court of competent jurisdiction or an agreement of the parties determines that the calculation of the minimum FILOT Payment applicable to this transaction is to be other than by the procedure herein, the payment shall be reset at the minimum permitted level so determined.

In the event that a final order of a court of competent jurisdiction from which no further appeal is allowable declares the Act and/or the herein-described Payments in Lieu of Taxes invalid or unenforceable, in whole or in part, for any reason, the parties express their intentions to reform such payments so as to effectuate most closely the intent hereof and so as to afford the Company with the benefits to be derived herefrom, the intention of the County being to offer the Company a strong inducement to locate the Project in the County. If the Economic Development Property is deemed to be subject to *ad valorem* taxation, this Fee Agreement shall terminate, and the Company shall pay the County regular *ad valorem* taxes from the date of termination, but with appropriate reductions equivalent to all tax exemptions which are afforded to the Company. Any amount determined to be due and owing to the County from the Company, with respect to a year or years for which the Company previously remitted Payments in Lieu of Taxes to the County hereunder, shall (i) take into account all applicable tax exemptions to which the Company would be entitled if the Economic Development Property was not and had not been Economic Development Property under the Act; and (ii) be reduced by the total amount of Payments in Lieu of Taxes the Company had made with respect to the Project pursuant to the terms hereof. Notwithstanding anything contained herein to the contrary, neither the Company nor any successor in title or interest shall be required to pay FILOT payments and *ad valorem* taxes for the same property over the same period in question.

(c) The County agrees that all qualifying capital expenses of the Company during the Investment Period shall qualify for a five-year, 15% Infrastructure Credit. The Company shall receive an annual credit in an amount equal to 15% of the FILOT revenues for the Project to offset the aggregate Infrastructure costs incurred. The Infrastructure Credit shall be applied as a setoff against the FILOT owed for the then current year.

(d) The Company agrees to pay for, or cause to be paid, all costs of the Infrastructure as and when due. The Company agrees that, as of any date during the term of this Fee Agreement, the cumulative dollar amount expended by the Company on Infrastructure shall equal or exceed the cumulative dollar amount of all the Infrastructure Credits received by the Company. For purposes of determining the amount expended on Infrastructure, the County and Company agree that the County may rely on the gross costs of property reported by the Company on its most recently filed PT-300 series form (or comparable form of the Department) as equivalent to the cumulative dollar amount expended by the Company on Infrastructure and the amount invested in the Project and for determining whether the Company has met or exceeded the investment requirement in subsection 4.2(c). In addition, the County and the Company agree that the Infrastructure Credits shall first apply to real property and infrastructure other than real property, notwithstanding any presumption under state law to the contrary.

Section 4.2 Failure to Achieve Act Minimum Investment Requirement; Clawbacks; Cessation of Operations.

(a) If the cost of the Economic Development Property (without regard to depreciation) that the Company acquires does not reach the Act Minimum Investment Requirement by the end of the Investment Period, this Fee Agreement shall terminate as to such entity failing to meet the minimum investment level. If terminated, the Company shall pay the County an amount (the "Additional Payment") pursuant to the Act which is equal to the excess, if any, of (i) the total amount of *ad valorem* taxes 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 items of property comprising the Economic Development Property were not Economic Development Property, but with appropriate reductions equivalent to all tax exemptions and abatements to which the Company would be entitled in such a case, through and including the end of the Investment Period, over (ii) the total amount of FILOT payments the Company has made with respect to the Economic Development Property through and including the end of the Investment Period. Any amounts determined to be owing pursuant to the foregoing sentence shall be subject to the minimum amount of interest that the Act may require. The Company agrees that if this Fee Agreement is terminated pursuant to this subsection, that under no circumstance shall the County be required to refund or pay any monies to the Company.

(b) Reserved.

(c) If the Company satisfies the Act Minimum Investment Requirement but does not satisfy either the Clawback Minimum Investment Requirement or the Clawback Minimum Jobs Requirement, or both, the Company shall be required to repay to the County a

portion of the Infrastructure Credits received and the repayment amount shall be calculated as follows:

Repayment Amount = Total Amount of Infrastructure Credits Received minus [dollar amount of Infrastructure Credits received times Clawback Achievement Percentage]

Clawback Achievement Percentage = [(Maximum Investment Achieved During Investment Period / \$3,670,000) + (Maximum Number of Jobs Meeting Clawback Minimum Jobs Requirement / 73)] ÷ 2. *Provided, however*, that neither of the two computations may be more than one hundred percent (100%).

For example, and by way of example only, if the Company satisfied the Act Minimum Investment Requirement during the Investment Period, created 85 jobs meeting the Clawback Minimum Jobs Requirement but only achieved a maximum investment of \$2,750,000, and if the Company had received \$50,000 in Infrastructure Credits, the Repayment Amount would be \$6,267, calculated as follows:

Clawback Achievement Percentage = (\$2,750,000 / \$3,670,000) + (85 / 75) ÷ 2 = (74.932% + 100%) ÷ 2 = 174.932 ÷ 2 = 87.466%

Repayment Amount = \$50,000 - (\$50,000 x 87.466%) = \$50,000 - \$43,733 = \$6267.

(d) Notwithstanding any other provision of this Fee Agreement, the Company acknowledges and agrees that County's obligation to provide the FILOT incentive and the Infrastructure Credits ends, and this Fee Agreement is terminated, if the Company ceases operations. For purposes of this Section 4.2(d), "ceases operations" means closure of the facility. The provisions of Section 4.2(c) relating to clawback apply if this Fee Agreement is terminated in accordance with this subsection prior to the end of the Investment Period and before the Company has achieved the Clawback Minimum Investment Requirement and Clawback Minimum Jobs Requirement. The Company agrees that if the Agreement is terminated pursuant to this section, that under no circumstance shall the County be required to refund or pay any monies to the Company.

(e) On or before May 31 of the year following the end of the Investment Period, the Company shall certify to the County Auditor that the Company has complied with the Clawback Minimum Investment Requirement and Clawback Minimum Jobs Requirement as of the end of the Investment Period. If the certification is not made or is received after May 31 of the applicable year, then the clawback provisions of this section shall be applied.

Section 4.3 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 Economic Development Property, or the Company otherwise utilizes Replacement Property, 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 in accordance with the following:

- (i) Replacement Property does not have to serve the same function as the Economic Development Property it is replacing. Replacement Property is deemed to replace the oldest Economic Development Property subject to the Fee, whether real or personal, which is disposed of in the same property tax year in which the Replacement Property is placed in service. Replacement Property qualifies as Economic Development Property only to the extent of the original income tax basis of Economic Development Property which is being disposed of in the same property tax year. More than one piece of property can replace a single piece of Economic Development Property. To the extent that the income tax basis of the Replacement Property exceeds the original income tax basis of the Economic Development Property which it is replacing, the excess amount is subject to annual payments calculated as if the exemption for Economic Development Property were not allowable. Replacement Property is entitled to treatment under the Fee Agreement for the period of time remaining during the Exemption Period for the Economic Development Property which it is replacing; and
- (ii) The new Replacement Property which qualifies for the Fee shall be recorded using its income tax basis, and the calculation of the Fee shall utilize the millage rate and assessment ratio in effect with regard to the original property subject to the Fee.

Section 4.4 Reductions in Payments of Taxes Upon Removal, Condemnation, or Casualty. In the event of a Diminution in Value of the Economic Development Property or any Phase of the Economic Development Property, the Payment in Lieu of Taxes with regard to the Economic Development Property or that Phase of the Economic Development Property shall be reduced in the same proportion as the amount of such Diminution in Value bears to the original fair market value of the Economic Development Property or that Phase of the Economic Development Property as determined pursuant to Step 1 of Section 4.1(a) 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 the Act Minimum Investment Requirement, beginning with the first payment thereafter due hereunder and continuing until the end of the Fee Term, the Company shall no longer be entitled to the incentive provided in Section 4.1, and the Company shall therefore commence to pay regular *ad valorem* taxes on the Economic Development Property part of the Project. However, the Company will not be required to make any retroactive payment such as the Additional Payment under Section 4.2.

Section 4.5 Place 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.

Section 4.6 Removal of Economic Development Property. Subject, always, to the other terms and provisions hereof, the Company shall be entitled to remove and dispose of components or Phases of the Project from the Project in its sole discretion with the result that

said components or Phases shall no longer be considered a part of the Project and, to the extent such constitute Economic Development Property, shall no longer be subject to the terms of this Fee Agreement to the fullest extent allowed by the Act. Economic Development Property is disposed of only when it is scrapped or sold or it is removed from the Project. If it is removed from the Project, it is subject to *ad valorem* property taxes to the extent the Property remains in the State and is otherwise subject to *ad valorem* property taxes.

Section 4.7 Damage or Destruction of Economic Development Property.

(a) Election to Terminate. In the event the Economic Development Property is damaged by fire, explosion, or any other casualty, the Company shall be entitled to terminate this Fee Agreement. The Company shall only be required to make FILOT payments as to all or any part of the tax year in which the damage or casualty occurs to the extent property subject to *ad valorem* taxes would otherwise have been subject to such taxes under the same circumstances for the period in question.

(b) Election to Rebuild. In the event the Economic Development Property is damaged by fire, explosion, or any other casualty, and if the Company does not elect to terminate this Fee Agreement, the Company may commence to restore the Economic Development Property with such reductions or enlargements in the scope of the Economic Development Property, 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, to the fullest extent permitted by law and this Fee Agreement, substitutions of the destroyed portions of the Economic Development Property and shall be considered part of the Economic Development Property 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 Fee Agreement pursuant to subsection (a) and elects not to rebuild pursuant to subsection (b), the damaged portions of the Economic Development Property shall be treated as Removed Components.

Section 4.8 Condemnation.

(a) Complete Taking. If at any time during the Fee Term title to or temporary use of the Economic Development Property 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; by voluntary transfer under threat of such taking; or by a taking of title to a portion of the Economic Development Property which renders continued use or occupancy of the Economic Development Property commercially unfeasible in the judgment of the Company, the Company shall have the option to terminate this Fee Agreement 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 Economic Development Property or a transfer in lieu thereof, the Company may elect: (i) to terminate this Fee Agreement; (ii) subject to the Act and the terms and provisions of this Fee Agreement, to

repair and restore the Economic Development Property, with such reductions or enlargements in the scope of the Economic Development Property, changes, alterations, and modifications (including the substitution and addition of other property) as the Company may desire, and all such changes, alterations, and modifications shall be considered as substitutions of the taken parts of the Economic Development Property; or (iii) to treat the portions of the Economic Development Property so taken as Removed Components.

(c) The Company shall only be required to make FILOT payments as to all or any part of the tax year in which the taking occurs to the extent property subject to *ad valorem* taxes would otherwise have been subject to such taxes under the same circumstances for the period in question.

Section 4.9 Right of Access and Inspection; Confidential Information.

(a) The Company agrees that the County and its authorized agents have the right at all reasonable times and upon prior reasonable notice to enter upon and examine and inspect the Project and to have access to and examine and inspect all the Company's books and records pertaining to the Project. The right of examination and inspection shall be exercised only upon reasonable and necessary terms and conditions prescribed by the Company to protect the Company's confidentiality and proprietary rights. Any such entrance upon and examination and inspection of the Project shall be at the County's expense.

(b) The County acknowledges and understands that the Company may have and maintain at the Project certain confidential and proprietary information, including, but not limited to, trade secrets, financial, sales or other information concerning the Company's operations and processes ("Confidential Information") and that any disclosure of the Confidential Information could result in substantial harm to the Company and could have a significant detrimental impact on the Company's employees and also upon the County. Except as required by law, including, without limitation, court orders, the County agrees to use its best reasonable efforts to keep confidential, and to cause employees, agents and representatives of the County to keep confidential, the Confidential Information which may be obtained from the Company, its agents or representatives, when the Confidential Information is clearly marked and identified as Confidential Information and known to the County to be Confidential Information. The County shall not knowingly and willfully disclose and shall cause all employees, agents and representatives of the County not to knowingly and willfully disclose the marked and identified Confidential Information to any person or entity other than in accordance with the terms of this Fee Agreement. If a demand is made for the release, under color of law, to a third party of any Confidential Information, the County shall notify the Company and give the Company the opportunity to contest the release.

Section 4.10 Assignment. The Company may assign this Fee Agreement in whole or in part without prior approval of the County, unless the prior written consent of the County or a subsequent written ratification by the County is required by the Act and in that event, such consent or ratification the County shall not be unreasonably withheld. The Company agrees to notify the County and the Department of the identity of such transferee within 60 days of the transfer. In case of a transfer, the transferee assumes the transferor's basis in the Project for

purposes of calculating the Fee. No approval is required for transfers to sponsor affiliates or other financing related transfers, as defined in the Act.

Section 4.11 No Double Payment. Notwithstanding anything contained herein to the contrary, and except as expressly required by law, neither the Company nor any Sponsor shall ever be required to make a Payment in Lieu of Taxes in addition to a regular property tax payment in the same year on the same piece of property, nor shall the Company or any Sponsor be required to make a Payment in Lieu of Taxes on property in cases where, absent this Fee Agreement, property taxes would otherwise not be due on such property.

Section 4.12 Administration Expenses. (A) The Company agrees to reimburse the County from time to time for its Administrative Expenses promptly upon written request therefore, but in no event later than thirty (30) days after receiving the written request from the County. The written request shall include a description of the nature of the Administrative Expenses. As used in this section, "Administrative Expenses" means the reasonable and necessary out-of-pocket expenses, including attorneys' fees, incurred by the County with respect to: (i) the preparation, review, approval and execution of this Fee Agreement, (ii) the preparation, review, approval and execution of other documents related to the Fee Agreement and any multi-county park documents; and (iii) the fulfillment of its obligations under this Fee Agreement and any multi-county park documents, and in the implementation and administration of the terms and provisions of the documents after the date of execution thereof, but only in each case if such are incurred as a result of a request by the Company for a modification, assignment, or a termination of such documents by the Company, or as a result of a bankruptcy of the Company or a default by the Company under the terms of the aforementioned documents.

(B) The Company agrees to reimburse the County for expenses incurred by the County for accountants and similar experts used by the County in the computation, preparation and verification of the annual Payment in Lieu of Taxes and any special source revenue credits or infrastructure credits, *provided, however*, the maximum annual reimbursement pursuant to this subsection is capped at one hundred dollars (\$100.00).

ARTICLE V

DEFAULT

Section 5.1 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 make the Payments in Lieu of Taxes described in Section 4.1 hereof, which failure shall not have been cured within 30 days following receipt of written notice thereof from the County; *provided, however*, that the Company shall be entitled to all redemption rights granted by applicable statutes; or

(b) A representation or warranty made by the Company which is deemed materially incorrect when deemed made; or

(c) Failure by the Company to perform any of the terms, conditions, obligations, or covenants hereunder (other than those under (a) above), which failure shall continue for a period of 30 days after written notice from the County to the Company specifying such failure and requesting that it be remedied, unless the Company shall have instituted corrective action within such time period and is diligently pursuing such action until the default is corrected, in which case the 30-day period shall be extended to cover such additional period during which the Company is diligently pursuing corrective action; or

(d) A representation or warranty made by the County which is deemed materially incorrect when deemed made; or

(e) Failure by the County to perform any of the terms, conditions, obligations, or covenants hereunder, which failure shall continue for a period of 30 days after written notice from the Company to the County specifying such failure and requesting that it be remedied, unless the County shall have instituted corrective action within such time period and is diligently pursuing such action until the default is corrected, in which case the 30-day period shall be extended to cover such additional period during which the County is diligently pursuing corrective action.

Section 5.2 Remedies on Default.

(a) Whenever any Event of Default by the Company shall have occurred and shall be continuing, the County may take any one or more of the following remedial actions:

- (i) terminate the Fee Agreement; or
- (ii) take whatever action at law or in equity may appear necessary or desirable to collect the amounts due hereunder. In no event shall the Company be liable to the County or otherwise for monetary damages resulting from the Company's failure to meet the Act Minimum Investment Requirement, other than as expressly set forth herein.

(b) Whenever any Event of Default by the County shall have occurred or shall be continuing, the Company may take one or more of the following actions:

- (i) bring an action for specific enforcement;
- (ii) terminate the Fee Agreement;
- (iii) withhold so much of the payment as is in dispute with the County until such dispute is fully and finally resolved; or
- (iv) in case of a materially incorrect representation or warranty, take such action as is appropriate, including legal action, to recover its damages, to the extent allowed by law.

Section 5.3 Reimbursement of Legal Fees and Expenses and Other Expenses. Upon the occurrence of an Event of Default hereunder, should a party be required to 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, the successful party shall be entitled, within 30 days of demand therefor, to reimbursement of the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 5.4 No Waiver. No failure or delay on the part of any party hereto 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 waiving party hereto.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Notices. Any notice, election, demand, request, or other communication to be provided under this Fee Agreement shall be effective when delivered to the party named below or when deposited in Federal Express (or any other reputable national "next day" delivery service) or when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms hereof require receipt rather than sending of any notice, in which case such provision shall control:

IF TO THE COMPANY:

LCI-Lineberger Construction, Inc.
Attn: Kim Lineberger
P.O. Box 1239
Lancaster, SC 29721

WITH A COPY TO:

Haynsworth Sinkler Boyd, P.A.
Attn: William R Johnson
P.O. Box 11889
Columbia, SC 29211

IF TO THE COUNTY:

Lancaster County, South Carolina
Attn: County Administrator

101 N. Main St. (29720)
P.O. Box 1809 (29721)
Lancaster, SC

WITH A COPY TO:

Lancaster County, South Carolina
Attn: County Attorney
101 N. Main St. (29720)
P.O. Box 1809 (29721)
Lancaster, SC

Section 6.2 Binding Effect. This Fee Agreement and each document contemplated hereby or related hereto shall be binding upon and inure to the benefit of the Company, the County, and their respective successors and assigns. In the event of the dissolution of the County or the consolidation of any part of the County with any other political subdivision or the transfer of any 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 6.3 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 6.4 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 of South Carolina.

Section 6.5 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 6.6 Amendments. The provisions of this Fee Agreement may only be modified or amended in writing by agreement or agreements entered into between the parties.

Section 6.7 Further Assurance. From time to time, and at the expense of the Company, to the extent any expense is incurred, the County agrees to execute and deliver to the Company such additional instruments as the Company may reasonably request and as are authorized by law and reasonably within the purposes and scope of the Act and Fee Agreement to effectuate the purposes of this Fee Agreement.

Section 6.8 Invalidity. In the event that the inclusion of property as Economic Development Property or any other issue is unclear under this Fee Agreement, the County hereby expresses its intention that the interpretation of this Fee Agreement shall be in a manner that provides for the broadest inclusion of property under the terms of this Fee Agreement and the maximum

incentive permissible under the Act, to the extent not inconsistent with any of the explicit terms hereof. 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 to effectuate most closely 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 the strongest inducement possible, within the provisions of the Act, to locate the Project in the County.

The County agrees that in case the FILOT incentive described herein is found to be invalid or otherwise does not provide the Company with the economic benefit it is intended to receive from the County as an inducement to locate in the County, the savings lost as a result of such invalidity will be considered a special source revenue credit or infrastructure improvement credit to the Company (in addition to the Infrastructure Credit provided in Section 4.1(c) above) to the maximum extent permitted by law, and the County will provide a special source revenue credit or infrastructure improvement credit against all FILOT payments or fee payments made or to be made by the Company equal to the amount that the Company would have saved if the FILOT had been valid, to the maximum extent permitted by law.

Section 6.9 Force Majeure. 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, fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the Company's reasonable control.

Section 6.10 Termination by Company. The Company is authorized to terminate this Fee Agreement at any time with respect to all or part of the Project upon providing the County with 30 days' notice; *provided, however,* that (i) any monetary obligations existing hereunder and due and owing at the time of termination to a party hereto; and (ii) any provisions which are intended to survive termination, shall survive such termination. In the year following such termination, all property shall be subject to ad valorem taxation or such other taxation or fee in lieu of taxation that would apply absent this Fee Agreement. The Company's obligation to make fee in lieu of tax payments under this Fee Agreement shall terminate in the year following the year of such termination pursuant to this section.

Section 6.11 Entire Understanding. This Fee Agreement expresses the entire understanding and all agreements of the parties hereto with each other with respect to its subject matter, and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Fee Agreement or in certificates delivered in connection with the execution and delivery hereof.

Section 6.12 Waiver. Either party may waive compliance by the other party with any term or condition of this Fee Agreement only in a writing signed by the waiving party.

Section 6.13 Business Day. In the event that any action, payment, or notice is, by the terms of this Fee Agreement, required to be taken, made, or given on any day which is a Saturday, Sunday, or legal holiday in the jurisdiction in which the person obligated to act is

domiciled, such action, payment, or notice may be taken, made, or given on the following business day with the same effect as if given as required hereby, and no interest shall accrue in the interim.

Section 6.14 Limitation of Liability. Anything herein to the contrary notwithstanding, any financial obligation the County may incur hereunder, including for the payment of money, shall not be deemed to constitute a pecuniary liability or a debt or general obligation of the County; provided, however, that nothing herein shall prevent the Company from enforcing its rights hereunder by suit for *mandamus* or specific performance.

(Signature Page Follows)

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 Council Chair and Council Secretary and to be attested by the Clerk to Council; and the Company has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

ATTEST:

Debbie C. Hardin, Clerk to Council

LCI-LINEBERGER CONSTRUCTION, INC.

Signature: _____

Name: _____

Title: _____

**EXHIBIT A
LEGAL DESCRIPTION**

PARCEL 1:

All that certain piece, parcel or tract of land, together with any and all improvements thereon, lying, being and situate approximately two (2) miles South of the City of Lancaster, Lancaster County, South Carolina, containing 5.8 acres, more or less, and being that certain 5.8 acres set out and described on Plat of Survey revised by F. E. Kerr on December 16, 1972 entitled, 'Plat Property of Donald Parker', and found recorded in the Office of the Clerk of Court for Lancaster County, South Carolina, as Plat Number 3923, reference to which said Plat is craved for a more minute description as to the metes and bounds.

Tax Map No. 0081-00-034.01

All that piece, parcel or lot of land South of the City of Lancaster, State and County aforesaid, and known as the old land fill site and being described as follows: Beginning at an iron pipe 35 feet south of the centerline of Bear Creek and or the eastern edge of the Right of Way of Southern Railroad; thence N 44 11 E for 66.70 feet; thence N 29 30 for 83.22 feet; thence N 50 21 E for 70.20 feet; thence N 27 36 E for 67.91 feet to point in the center of Old Camden Highway and Bear Creek, thence S 24 02 E for 237.4 feet to a point in the centerline of said road; thence S 24 17 E for 672.06 feet to a point in the centerline of said road; thence S 23 36 E for 239.65 feet to a point in the centerline of said highway; thence S 87 37 W for 495.79 feet, more or less, to the eastern right of way of Southern Railroad, thence along the eastern edge of the Right of Way of Southern Railroad in a northerly direction to the point of beginning. See Plat Book 20 at Page 144.

Tax Map No. 0081-00-032.00

All that certain piece, parcel or lot of land, lying, being and situate on the South side of U.S. Highway No. 521 about one mile Southeast of the Town of Lancaster, in Lancaster County, South Carolina, fronting North on U.S. Highway No. 521 for a distance of 300' and running back South therefrom in a uniform width for a distance of 267 feet, designated as Tract 'A' on a Plat entitled 'Plat of Property of T. Y. Williams Estate' dated December 7, 1965, made by R. H. Iseley, Surveyor, recorded in the Office of the Clerk of Court for Lancaster County in Plat Book 16 at Page 230, reference to which plat is made for a more particular description.

All that piece, parcel or lot of land, lying, being and situate on the North side of the Old Camden Road about one mile Southeast of the Town of Lancaster in Lancaster County, South Carolina, fronting South on the Old Camden Road for a distance of 656.6 feet, containing 6.64 acres, designated as Tract 'B' on a Plat entitled 'Plat of Property of T. Y. Williams Estate' dated December 7, 1965, made by R.H. Iseley, Surveyor, recorded in the Office of the Clerk of Court for Lancaster County, South Carolina in Plat Book 16 at Page 30, reference to which plat is made for a more particular description.

Tax Map Nos. 0081N-0B-005.00 and 0081N-0B-006.00

PARCEL 2:

All that certain piece, parcel or tract of land lying, being and situate approximately one mile southeast of the City of Lancaster in Lancaster County, South Carolina, southwest of U. S. Highway 521, containing 70.659 acres and being shown, described and designated as Tract A (1.300 acre), Tract B (11.955 acres) and Tract C (57.404 acres) on plat of survey entitled 'Plat of Property of James F. Lineberger' dated May 29, 2002, surveyed by J.C. Crumpler, RLS, and recorded as Plat No. 2002-305 in the Office of the Clerk of Court for Lancaster County, South Carolina, which plat is by reference incorporated herein.

Tax Map No. 0081-00-031.00

For derivation, see Deed of Beverly Wrenn, Personal Representative of the Estate of James Franklin Lineberger to Kim Lineberger dated September 16, 2014 and recorded September 18, 2014 in Deed Book 820 Page 226, in the Register of Deeds Office, Lancaster County, South Carolina.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

)
)
)

ORDINANCE NO. 2015-1381

AN ORDINANCE

TO AMEND THE AMENDED AND RESTATED MASTER MULTI-COUNTY PARK AGREEMENT BETWEEN CHESTERFIELD COUNTY, SOUTH CAROLINA AND LANCASTER COUNTY, SOUTH CAROLINA, AS AMENDED AND RESTATED AS OF NOVEMBER 9, 2015, SO AS TO ADD TO THE AGREEMENT PROPERTY LOCATED IN LANCASTER COUNTY (ONE PARCEL – PROJECT 2015-04; FIVE PARCELS -- LINEBERGER); AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO.

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. Findings and determinations; Purpose.

(a) The Council finds and determines that:

(1) Lancaster County, South Carolina ("Lancaster County") is authorized by Article VIII, Section 13(D) of the South Carolina Constitution and by Sections 4-1-170, -172 and -175 of the Code of Laws of South Carolina 1976, as amended, to jointly develop, in conjunction with contiguous counties, industrial and business parks (each a "Multi-County Park"); and

(2) Lancaster County and Chesterfield County, South Carolina ("Chesterfield County"), are contiguous counties which, pursuant to Ordinance No. 14-15-20, enacted by Chesterfield County Council on November 4, 2015, and Ordinance No. 2015-1352, enacted by Lancaster County Council on November 9, 2015, authorized and approved an Amended and Restated Master Multi-County Park Agreement, as amended and restated as of November 9, 2015 (the "Amended and Restated Park Agreement") that provided for the establishment of a Multi-County Park (the "Multi-County Park"); and

(3) the Amended and Restated Park Agreement provides that property may be added to the Multi-County Park upon the passage of an approving ordinance of the county in which the subject property is located and a resolution of the non-host county.

(b) It is the purpose of this ordinance to approve the addition of the following properties to the Amended and Restated Park Agreement: One parcel owned by Project 2015-04 (Tax Map No. 0066-00-031.00) and five parcels owned by Kim Lineberger, Trustee (0081-00-031.00, 0081-00-032.00, 0081-00-034.01, 0081N-0B-005.00 and 0081N-0B-006.00).

Section 2. Approval of amendment.

Council approves the amendment of Exhibit A (Lancaster County) of the Amended and Restated Park Agreement by adding at the end of Exhibit A (Lancaster County):

/E. Properties included pursuant to Lancaster County Ordinance No. 2015-____, enacted on _____, 201__:

2013 W. Meeting Street

Tax Map No.

Owner

0066-00-031.00

Project 2015-04

1212 Kershaw Camden Highway

Tax Map No.

Owner

0081-00-031.00

Lineberger, Kim, Trustee

0081-00-032.00

Lineberger, Kim, Trustee

0081-00-034.01

Lineberger, Kim, Trustee

0081N-0B-005.00

Lineberger, Kim, Trustee

0081N-0B-006.00

Lineberger, Kim, Trustee/

Section 3. Preparation of amended Park Agreement.

When Chesterfield County has passed a resolution approving the addition of the property, as provided in this ordinance, the County Administrator shall cause to be prepared a revised Amended and Restated Park Agreement with Exhibit A (Lancaster County) revised as set forth in Section 2 of this ordinance. A copy of the revised Amended and Restated Park Agreement with a revised Exhibit A (Lancaster County) shall be provided to the Administrator, Clerk to Council, Assessor, Auditor and Treasurer of Lancaster County and Chesterfield County.

Section 4. Conflicting provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, resolutions, policies, procedures and actions, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 5. Severability.

If any section of this ordinance is, for any reason, determined to be void or invalid by a court of competent jurisdiction, it shall not affect the validity of any other section of this ordinance which is not itself void or invalid.

Section 6. Effective Date.

This ordinance is effective upon Third Reading.

AND IT IS SO ORDAINED

Dated this __ day of _____, 201__.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

ATTEST:

Debbie C. Hardin, Clerk to Council

First Reading:
Second Reading:
Public Hearing:
Third Reading:

Agenda Item Summary

Ordinance # / Resolution# N/A
Contact Person / Sponsor: John Weaver
Department: Planning / County Attorney
Date Requested to be on Agenda: Planning Commission – November 23, 2015
Committee: N/A

Issue for Consideration: Whether or not it is appropriate for the County to consent to the request of Haile Gold Mine that a portion of Bumble Bee Road be closed?

Points to Consider:

1. A Road Closure action (2015-CP-29-1463) has been filed by Haile Gold Mine in the Lancaster County Court of Common Pleas and the County has been served with the pleadings.
2. The portion of Bumble Bee Road that the Plaintiff asks to be closed by judicial order is located solely on lands owned by the Plaintiff.
3. The road in question is unpaved and is shown on the county records as having once been maintained by the county.
4. The portion of the road in question dead ends on the Plaintiff's property and has no use to the public.

Funding and Liability Factors: N/A

Council Options: A Motion/Second and favorable vote to Consent to the Petition of Haile Gold Mine to close a portion of Bumble Bee Road

Recommendation: The County Attorney recommends that Council approval the County's consent to the road closure action and authorize the Administrator to execute the Consent.

433.53 ac. +/-
TM# 140-01.00
HAILE GOLD MINE, INC.

NOTE: HATCHED AREA REPRESENTS ROW ACQUIRED UNDER DOCKET 29.327. ROW AREA IS NO LONGER IN USE SUBSEQUENT TO NEW RIGHT-OF-WAY ACQUISITION UNDER DOCKET 29.558, BUT HAS NOT BEEN FORMALLY ABANDONED BY SCDOT.

SCDOT ROW PARCEL
1.35 ac. +/-

BW-3
3.94 ac. +/-
0.67 ac. +/- IN ABANDONED ROW
4.61 ac. +/- TOTAL FEE AREA

BW-2
111.58 ac. +/-
TM# 136-37.00
BOWATER TIMBER 1, LLC

CO. UNPAVED ROAD

TM# 140-02.00
N/F
MINERAL MINING CO., INC.
RB 251 Pg. 192
PLAT 2004 Pg. 488

TM# 140-27.00
N/F
DUANE C. LEWIS, SR.
RB 44 Pg. 64
PB 15 Pg. 48

TM# 140-27.00
N/F
DUANE C. LEWIS, SR.
RB 44 Pg. 64
PB 15 Pg. 48

TM# 140-03.01
N/F
BOBBY L. STROU
RB P-4 Pg. 14
PB 15 Pg. 48

TM# 140-01.00
N/F
BOBBY L. STROU
RB 66 Pg. 14
PB 15 Pg. 48

| CURVE TABLE | | | | |
|-------------|-------------|--------|------------|-------------|
| Curve | Delta Angle | Radius | Arc Length | Chord Brg. |
| | | | | Chord Dist. |



| | | |
|---|---|-------------------------------|
| STATE OF SOUTH CAROLINA |) | IN THE COURT OF COMMON PLEAS |
| |) | |
| COUNTY OF LANCASTER |) | |
| |) | |
| Haile Gold Mine, |) | |
| Plaintiff, |) | |
| |) | |
| vs. |) | Consent of Respondent |
| |) | Steve Willis on behalf |
| |) | of |
| |) | Lancaster County |
| County of Lancaster; Annie Mae Jones, |) | |
| Trustee of the Annie Mae Jones Trust, |) | |
| Emily K. Lynch, Duane C. Lewis, Sr, Ann J.) |) | |
| Horton, Virginia J. Horton, Teresa J. Carter, |) | |
| Patricia J. Jennings, Susan Jones Lawson |) | |
| and Karen J. Calhoun, |) | |
| |) | |
| Defendant. |) | |
| _____ |) | |

The undersigned hereby consents to the closure of the portion of Bumblebee Road as requested in the Petition for Closure filed in this case. I further agree to execute any such further documents as needed to complete the closure.

Steve Willis on behalf of
Lancaster County

November ____, 2015

Agenda Item Summary

Ordinance # / Resolution#: n/a

Contact Person / Sponsor: Debbie Hardin

Department: Administration

Date Requested to be on Agenda: November 23, 2015

Issue for Consideration:

Board and Commission appointments.

Points to Consider:

Historic Commission

- Ms. Brenda Jones resigned, representing District 3. Ms. Linda Bell is currently an advisor and would like to serve. Councilman Bundy nominates Ms. Linda Bell to serve the unexpired term ending 6-30-17.
- There two vacant advisory positions on the Historical Commissions that we have received nominations from the Commission Chair. Mr. Miles Gardner and Mr. Don Frangenberg. Both gentlemen has submitted applications. If appointed there terms will expire 6-30-2019.

Funding and Liability Factors:

n/a

Council Options:

Make appointments as requested / deny appointments

Recommendation:

Appoint the above listed board and commission members.

Agenda Item Summary

Ordinance # / Resolution#: n/a
Contact Person / Sponsor: Debbie Hardin
Department: Administration
Date Requested to be on Agenda: November 23, 2015

Issue for Consideration:

Strategic Plan.

Points to Consider:

On October 2 and 3 Council held a Strategic Planning retreat. The attached document is the plan summary submitted for Council consideration. As you will note, the strategic priorities are listed on page 5 of the plan and with each priority, there are specific issues that were identified by Council that department heads will link to their budget request. A sample of the budget request is attached for reference. The consultant met with department heads on November 6 to give direction on how to align their budget requests with Council's strategic priorities.

Funding and Liability Factors:

The plan is a working document that will be used by departments when aligning the budget with Council's important work for the County. There are funding factors that will be identified during the budget process.

Council Options:

After review of the plan, Council can make any needed changes prior to adoption.

Recommendation:

Adopt the plan.

Strategic Planning Retreat Summary

Prepared by: Walt McBride

November 16, 2015



LANCASTER COUNTY
South Carolina

Introduction

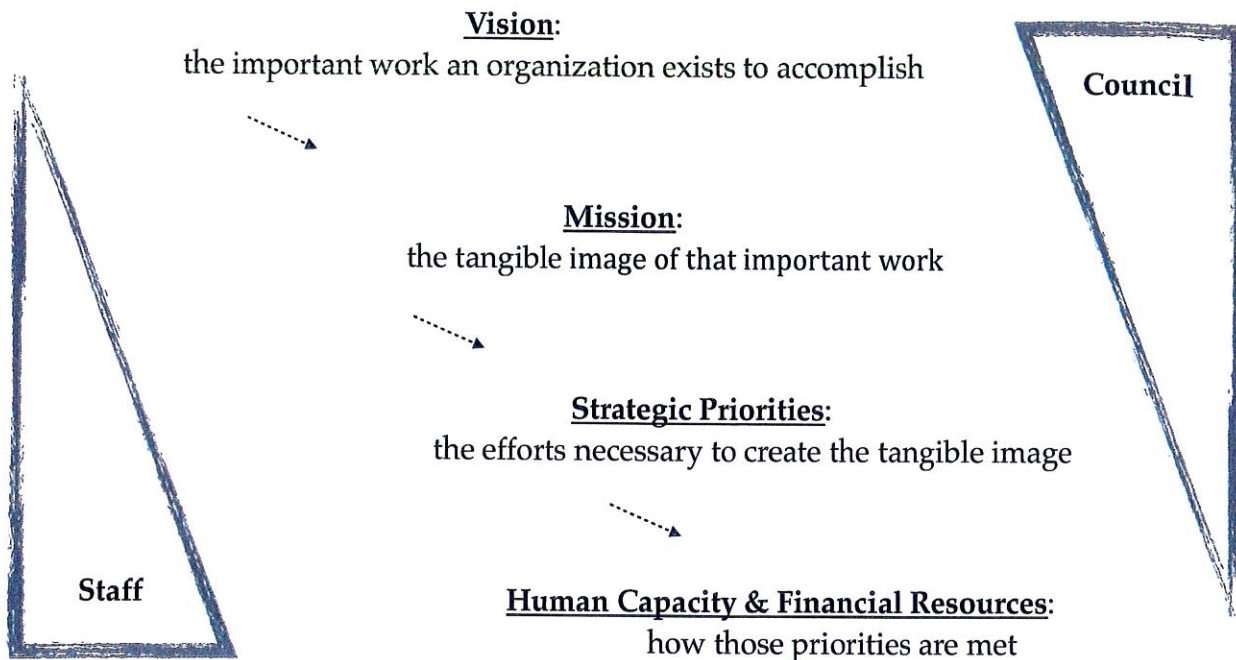
The Lancaster County, South Carolina, County Council met October 2 & 3, 2015, for a strategic planning retreat. While many strategic planning efforts focus on identifying goals and objectives for the near future, the purpose of this retreat was for Council-members to reflect on the important work that Lancaster County exists to accomplish. This reflection was intended to identify broad strategic priorities that would guide department heads in preparing requests for the development of the County's annual budget.

The retreat began with a discussion of the role that vision, mission, strategic priorities, and resources play in the development of a community's strategic plan. When developing a vision for a local government, policy-makers must consider what they believe the important work the local government exists to accomplish is. When this important work is identified and agreed upon, they must work to translate it into a tangible image; sometimes referred to as the mission. This tangible image is created by professional staff responding to strategic priorities set by the elected officials with organizational capacity - employees - and financial resources.

An example of this might be a law enforcement agency that believes its important work to be "To Serve and Protect." The tangible image of that important work can be seen in the different functions that the agency undertakes; patrol, traffic enforcement, criminal investigations, school resource officers, et al. In order for the tangible image to come into view, strategic priorities are developed for each of these divisions. While specific divisions may have more or less responsibility in certain areas, the work of most divisions may address several strategic priorities.

While the elected officials typically set the vision and define the tangible image of a local government, they may involve their professional staff in creating it. Likewise, while the implementation of the policies developed is most often left to professionals, at times, the elected officials may have a role in meeting some strategic priorities. Finally, as an organization develops strategic priorities, it's important to ensure that those efforts are in line with its stated values.

The following diagram illustrates the relationship between the concepts and the typical level of engagement of elected officials and professional staff at each level.



In addition to the facilitated discussions, the County Council read Boyle's article *Public Problems, Values and Choices*¹, in which he describes the competing values that elected officials must balance in developing policy. The values he identifies are:

- Liberty - freedom, choice, and individuality
- Equality - equity, fairness, and justice
- Community - safety, security, and social order
- Prosperity - efficiency, economy, and productivity

¹ Boyle, P. 2001. "Public Problems, Values, and Choices." *Popular Government* (Fall 2001). 18-23.

Important Work and Values

The County Council determined that the important work it exists to accomplish is:

- Improving the quality of life for residents
- Collecting revenues and paying for services
- Managing resources and providing administration
- Working with partners
- Serving as the first line of citizen government
- Addressing community problems
- Providing process and direction

The Lancaster County Council identified these values to guide them in their work:

Respect

- | | |
|------------------------------|-----------------------|
| • Mutual support | • For employees |
| • Honesty | • Helping others |
| • Fairness | • Spirit of unity |
| • Preparation | • Community |
| • Courage | • History and Culture |
| • For fellow Council-members | • Opportunity |
| • Open-mindedness | |

Productivity

- | | |
|--------------|----------------------------|
| • Experience | • Efficiency |
| • Expertise | • Education |
| • Employees | • Professional development |

Teamwork

- | | |
|-----------------|--------------------------------|
| • Collaboration | • Support of State Legislature |
|-----------------|--------------------------------|

Safety and Security

Strategic Priorities

In order to accomplish the important work of the county and create a positive tangible image, the County Council identified several specific items necessary to address through an exercise. The specific items were then grouped into like categories and these were identified as strategic priorities, to which department heads will link their budget requests. The strategic priorities, and the specific issues used to identify them are :

Infrastructure, Capital, and Transportation Needs

- Long-term funding for road maintenance to keep our roads safe and better control traffic
- Capital needs for buildings, including a mechanics building and possible detention center
- Continue to improve safety by staying updated with new and better equipment
- Better manage IT resources; create a strategy to upgrade IT department
- Recreational opportunities
- Identify funding source for ongoing capital needs

Staffing and Developing Organizational Capacity

- Review potential positions such as engineer, assistant for our administrator, division heads for growth management and public safety, et al.
- Building capacity within each department
- Address staff compensation
- Employee retention
- Pool services to increase efficiency thus allowing better and more available resources
- Processes
- Continuous Process Improvement; identify, document, measure, manage and implement

Managing Growth and Development

- Continue to improve our planning and growth management process
- Address and develop economic development strategy
- Stick to Council approved comprehensive plan
- Plan with future for our citizens in mind to protect the quality of life
- Attract jobs so that fewer people in our county will have to leave for work in Charlotte, York County, Union County, NC

Resources and Funding Challenges

- Implement pet license program
- Implement business license or business registration
- Identify sources of revenue other than property taxes
- Resource allocation
- Identify programs with greatest return on investment; implement quality and effectiveness measures

Intergovernmental Relations

- Explore partnerships with schools, the City of Lancaster, and the university
- Work with state to reduce unfunded mandates on local governments

Public Information

- Improve transparency in operations
- Explore the possibility of identifying a public information officer

Public Safety

- Need to address crime, what are we going to do about it, how are we going to get positive results?
- Have our judicial system make it tougher for habitual law breakers to stay in jail

-
- Study public safety staffing levels to maintain service levels with growth
 - Develop strategy for volunteer retention and transition to more paid firefighters
 - Safe environment; police, fire, EMS

SWOT Analysis

As a final exercise, the County Council conducted a SWOT analysis in order to determine what challenges the County may face in addressing these priorities. The results of that SWOT analysis were:

Strengths

- People, workforce, staff expertise
- Funding management
- One-time funds
- Growth
- Intergovernmental relationships with Lancaster County
- Public Safety
- Sales and capital taxes

Weaknesses

- Inadequate workforce

Opportunities

- Regional planning and cooperation
- Governmental relations with schools and other local governments
- Geographic location
- Population Growth
- Information Resource
- Business Registration
- Collaborating with Chamber of Commerce

Threats

- Accountability
- Major growth
- State mandates; e.g., tax free holidays, limitations on taxation

Staff Retreat

The administrative staff and department heads met on November 6th for a retreat that included a briefing on the work of the County Council, direction on how to align their budget requests with the Council's strategic priorities, and exercises to help them develop requests tied to those priorities. The County's Finance Director, Veronica Thompson, and Budget Analyst, Kim Hill, provided support in developing this session.

The following guidance from the County Council was shared with staff to help direct their development of funding requests:

Infrastructure & Capital Needs

- What are your needs?
- What is the total cost of ownership?
- What is the real benefit to the community?
- What is the maintenance and operation plan?
- How will you retire assets?
- Pool and share resources where feasible

Resource & Financial Challenges

- Be realistic in requests
- How can you leverage strengths to be entrepreneurial centers of expertise?
- How might you create revenue or decrease expenses?
- What's the return on investment; short term and long term?
- Are processes appropriate and fiscally sound?

Staffing & Organizational Capacity

- What is the unit cost of providing services?
- Are there additional equipment costs?
- Are current resources deployed appropriately?

Intergovernmental Relations

- Are there costs associated with collaborating and communicating?
- Are there opportunities for Mutual Aid agreements?

Public Safety

- Are we providing an appropriate level of service countywide?
- Where do the requests fit with stated priorities such as FEMA cost tracking?



LANCASTER COUNTY

GENERAL FUND BUDGET REQUEST

| Account Number | ACTUAL 2013-2014 | ACTUAL 2014-2015 | BUDGETED EXPENDITURES 2015-2016 | REQUESTED 2016-2017 | INCREASE (DECREASE) FROM PY | PROJECTED 2017-2018 | Strategic Priority |
|---------------------------|---------------------|---------------------|---------------------------------------|------------------------|-----------------------------------|------------------------|--------------------|
| | | | | | | | |
| Total Increase (decrease) | | | | | | | - |

Sample

| Employee Verification | Full-time | Part-time |
|-----------------------|-----------|-----------|
| Current Number | | |
| Current Vacancies | | |
| Number of Requested | | |



Budget Report to County Council

Month Ending October 31, 2015

Council Meeting November 23, 2015

Prepared by Kimberly Hill, Budget Analyst

This is an unaudited report to management and is intended for informational purposes only.

Contents:

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| Summary of all County Funds | 5-8 |
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| GF Expenditures by Department | 12-13 |

The monthly financial report reflects the unaudited financial activities of Lancaster County for the month ending October 31, 2015.

Total *Amended* General Fund Budget: \$45,380,673

Total Revenue October: \$4,162,509

Major Revenue Sources:

| | |
|-------------------------------|-------------|
| Ad Valorem Taxes | \$1,140,046 |
| State Aid to Sub Div | \$833,170 |
| 1% Local Option Rollback | \$349,059 |
| Building Permits | \$247,677 |
| Vehicle Taxes | \$223,422 |
| Road Improvement Fees | \$182,250 |
| 1% Local Option Revenue | \$162,342 |
| Fee in Lieu of Tax—Delinquent | \$135,107 |

Total Expenditures October: \$3,266,451

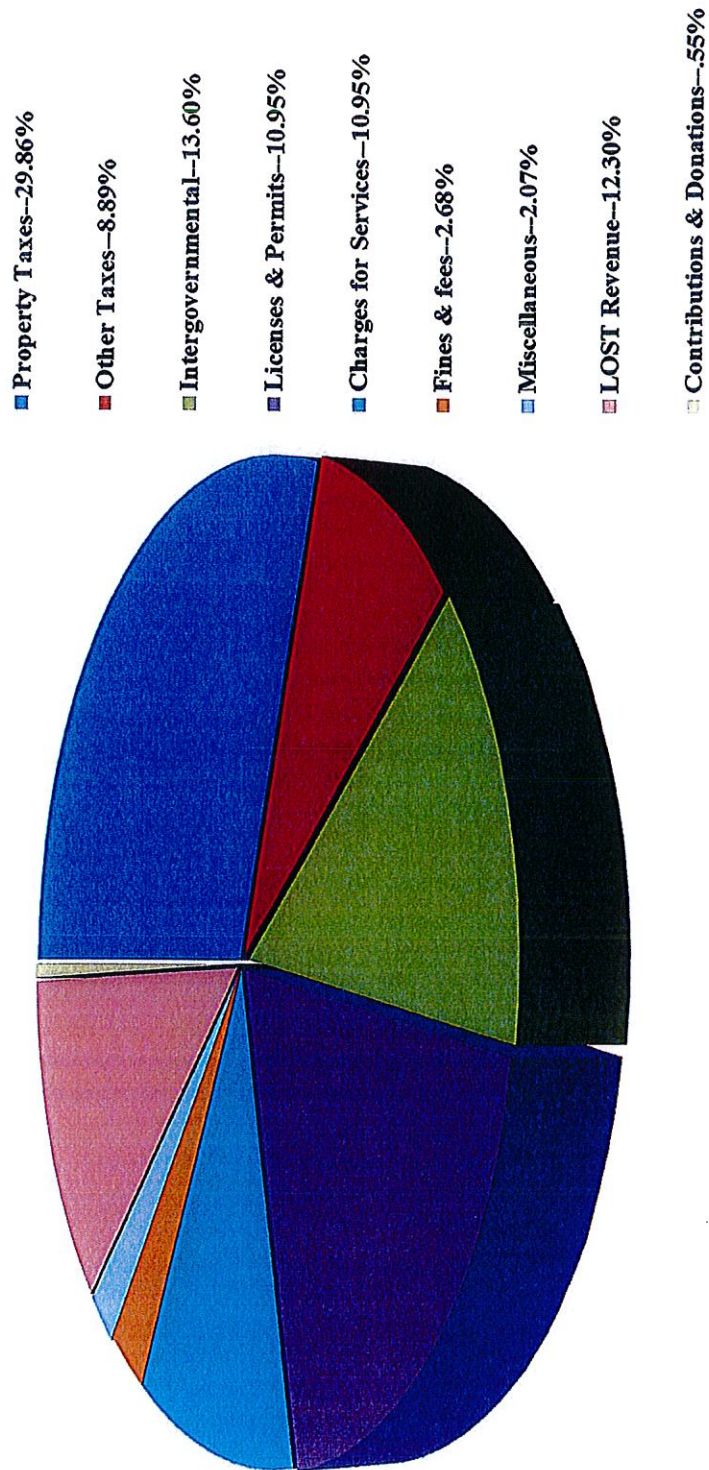
Major Expenditures:

| | |
|------------------------------|--------------|
| Wages & Salaries | \$ 1,435,698 |
| Fringe Benefits | \$ 580,512 |
| Fleet Maintenance & Gasoline | \$ 113,880 |
| General Utilities | \$ 91,222 |
| Disposal Contract | \$ 130,633 |
| Contractual Services | \$221,862 |
| Direct Assistance | \$268,164 |
| Professional Services | \$65,949 |

Estimated Unassigned Fund Balance (GF): \$12,672,654 which is about 28% of the total amended GF budget.

Overall the GF expenditure budget reflects an ideal remaining percentage of 69%. Revenue collections are within 20% of estimates which is the typical trend during this time of year.

General Fund YTD Revenue by Source (Excludes Other Financing Sources)



The County's total fund balance increased during the month of October 2015 by **\$893,471** due to revenues exceeding expenditures. Revenue collections should continue to increase over the next couple months.

| | Current Year | Prior Year |
|------------------------------------|--------------|--------------|
| Nonspendable | \$1,214,548 | \$648,169 |
| Restricted | \$2,378,328 | \$2,691,371 |
| Committed | - | - |
| Assigned | \$1,904,896 | \$1,175,977 |
| Unassigned | \$12,672,654 | \$10,940,430 |
| Fund Balance End of October | \$18,170,426 | \$15,455,947 |

Fund balance terminology (GASB 54)

There are five components of fund balance:

1. Nonspendable-examples would include inventory and prepaid items
2. Restricted-externally enforceable by law, etc.
3. Committed-self-imposed limitations (requires ordinance-highest level)
4. Assigned-intended use limitations
5. Unassigned

Requests for Information

This financial report is designed to provide a general overview of Lancaster County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Kimberly Hill
Budget Analyst
khill@lanastercountysc.net

Lancaster County Summary of All Funds-October 31, 2015

1. GENERAL FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|-------------|-------------|--------|
| Revenues | 43,496,286 | 8,725,742 | 20.06% |
| Expenditures | -44,158,406 | -13,504,311 | 30.58% |
| Other Financing Source | 1,884,387 | 2,587.5 | 0.14% |
| Other Financing Use | -1,222,267 | -98,088 | 8.03% |
| Revenues Over (Under) Expenditures | 0 | -4,874,069 | |

2. CAPITAL IMPROVEMENT FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|------------|----------|--------|
| Revenues | 1,498,000 | 206,316 | 13.77% |
| Expenditures | -1,498,000 | -594,778 | 39.70% |
| Other Financing Source | 0 | 0 | |
| Revenues Over (Under) Expenditures | 0 | -388,462 | |

3. COURT MANDATED SECURITY

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|------------|----------|--------|
| Revenues | 1,193,500 | 131,892 | 11.05% |
| Expenditures | -1,198,184 | -259,346 | 21.64% |
| Other Financing Source | 4,684 | 0 | |
| Revenues Over (Under) Expenditures | 0 | -127,454 | |

4. VICTIMS SERVICES FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|---------|---------|--------|
| Revenues | 86,605 | 17,223 | 19.89% |
| Expenditures | -86,605 | -23,604 | 27.25% |
| Other Financing Source | 0 | 0 | |
| Revenues Over (Under) Expenditures | 0 | -6,382 | |

5. E-911

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|----------|----------|--------|
| Revenues | 727,550 | 39,838 | 5.48% |
| Expenditures | -671,459 | -189,283 | 28.19% |
| Other Financing Use | -56,091 | 0 | |
| Revenues Over (Under) Expenditures | 0 | -149,445 | |

6. COUNTY TRANSPORTATION COMMISSION FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|------------|------------|--------|
| Revenues | 5,220,600 | 4,340,241 | 83.14% |
| Expenditures | -5,394,400 | -1,617,487 | 29.98% |
| Other Financing Source | 173,800 | 0 | |
| Revenues Over (Under) Expenditures | 0 | 2,722,754 | |

7. INDIAN LAND FIRE PROTECTION DISTRICT FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|----------|----------|--------|
| Revenues | 495,000 | 56,206 | 11.35% |
| Expenditures | -522,574 | -168,136 | 32.17% |
| Other Financing Source | 27,574 | 0 | |
| Revenues Over (Under) Expenditures | 0 | -111,930 | |

8. LOCAL ACCOMODATIONS TAX FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|---------|---------|--------|
| Revenues | 30,000 | 17,625 | 58.75% |
| Expenditures | -30,000 | -15,567 | 51.89% |
| Other Financing Source | 0 | 0 | |
| Revenues Over (Under) Expenditures | 0 | 2,058 | |

9. DEBT SERVICE FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|------------|----------|--------|
| Revenues | 1,859,931 | 241,570 | 12.99% |
| Expenditures | -1,859,931 | -303,599 | 16.32% |
| Other Financing Source | 0 | 0 | |
| Revenues Over (Under) Expenditures | 0 | -62,029 | |

10. CAPITAL PROJECT SALES TAX FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|------------|-----------|---------|
| Revenues | 8,500,000 | 2,383,204 | 28.038% |
| Expenditures | -15,000 | 0 | 0.00% |
| Other Financing Use | -8,485,000 | 0 | 0.00% |
| Revenues Over (Under) Expenditures | 0 | 2,383,204 | |

11. RECREATION FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|------------|----------|--------|
| Revenues | 1,387,503 | 472,823 | 34.08% |
| Expenditures | -2,447,396 | -764,646 | 31.24% |
| Other Financing Source | 1,059,893 | 0 | |
| Revenues Over (Under) Expenditures | 0 | -291,824 | |

12. AIRPORT FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|----------|---------|--------|
| Revenues | 191,059 | 59,035 | 30.90% |
| Expenditures | -255,345 | -86,651 | 33.93% |
| Other Financing Source | 64,286 | 0 | |
| Revenues Over (Under) Expenditures | 0 | -27,616 | |

13. PLEASANT VALLEY FIRE PROTECTION DISTRICT FUND

| CATEGORY | BUDGET | YTD | % |
|------------------------------------|----------|---------|--------|
| Revenues | 417,344 | 43,893 | 10.52% |
| Expenditures | -392,344 | -67,168 | 17.12% |
| Other Financing Source | 0 | 0 | |
| Other Financing Use | -25,000 | 0 | 0.00% |
| Revenues Over (Under) Expenditures | 0 | -23,274 | |

14. DEVELOPMENT AGREEMENT FUND

| CATEGORY | BUDGET | YTD |
|-------------------------------------|--------|---------|
| Revenues | 0 | 427,000 |
| Expenditures | 0 | 0 |
| Other Financing Source | 0 | 0 |
| Revenues Over (Under) Expenditures | 0 | 427,000 |
| | | |
| Total Funds Due FY2016: \$1,262,000 | | |

COUNTY OF LANCASTER
REVENUE & EXPENDITURE STATEMENT

FY 2015-2016

10/01/2015 TO 10/31/2015

| | <u>BUDGETED</u> | <u>CURRENT PERIOD</u> | <u>YEAR-TO-DATE INCLUDING ENCUMBRANCES</u> | <u>REMAINING BALANCE</u> | <u>PCT USED</u> |
|--------------------------------|-----------------|---------------------------|--|------------------------------|---------------------|
| REVENUE: | | | | | |
| 400 CURRENT PROPERTY TAXES | 20,443,906.00 | 1,402,381.23 | 2,131,419.04 | 18,312,486.96 | 10 |
| 410 DELINQUENT PROPERTY TAXES | 916,500.00 | 275,004.79 | 403,649.34 | 512,850.66 | 44 |
| 417 PROPERTY TAXES-STATE REIM | 1,601,947.00 | 46,092.10 | 70,459.10 | 1,531,487.90 | 4 |
| 418 PROPERTY TAXES-LOST REV | 5,700,000.00 | 511,400.60 | 1,072,885.08 | 4,627,114.92 | 19 |
| 419 MULTI COUNTY PILOT | 15,000.00 | 197.84 | 197.84 | 14,802.16 | 1 |
| 422 OTHER TAXES | 2,100,000.00 | 182,250.21 | 775,581.47 | 1,324,418.53 | 37 |
| 434 INTERGOVERNMENTAL- STATE | 3,458,875.00 | 856,266.55 | 888,464.54 | 2,570,410.46 | 26 |
| 435 STATE AID TO LIBRARY | 95,815.00 | 78.75 | 73,888.82 | 21,926.18 | 77 |
| 436 INTERGOVERNMENTAL- LOCAL | 790,231.00 | 53,505.11 | 220,885.58 | 569,345.42 | 28 |
| 439 OTHER GOVERNMENTAL REVENUE | 0.00 | 0.00 | 3,727.47 | -3,727.47 | 0 |
| 441 LICENSE- FRANCHISE | 452,000.00 | 29,181.36 | 31,304.58 | 420,695.42 | 7 |
| 442 LIC & PERMITS- BLDG | 2,968,200.00 | 297,989.00 | 1,225,755.00 | 1,742,445.00 | 41 |
| 444 LIC & PERMITS- PLANNING | 24,100.00 | 3,055.00 | 14,795.00 | 9,305.00 | 61 |
| 446 LIC & PERMITS- ROD | 900,000.00 | 90,079.52 | 394,859.98 | 505,140.02 | 44 |
| 448 LIC & PERMITS- CORONER | 2,000.00 | 110.00 | 540.00 | 1,460.00 | 27 |
| 450 CHGS. FOR SVCS.- PUBLIC W | 111,400.00 | 9,136.89 | 20,015.45 | 91,384.55 | 18 |
| 455 CHGS. FOR SVCS.- FEES | 272,500.00 | 69,032.34 | 134,351.99 | 138,148.01 | 49 |
| 456 CHGS. FOR SVCS.- COPIES | 14,650.00 | 4,081.05 | 9,131.80 | 5,518.20 | 62 |
| 457 CHGS. FOR SVCS.- OTHER | 28,200.00 | 1,928.75 | 8,181.70 | 20,018.30 | 29 |
| 458 CHGS. FOR SVCS.- EMS | 2,450,000.00 | 73,693.85 | 773,875.84 | 1,676,124.16 | 32 |
| 459 CHGS. FOR SVCS.- MISC | 26,000.00 | 8,784.50 | 9,818.80 | 16,181.20 | 38 |
| 460 FINES & FEES-TEMP VEH TAG | 3,000.00 | 170.00 | 710.00 | 2,290.00 | 24 |
| 461 FINES & FEES- COURTS | 817,500.00 | 71,602.10 | 193,468.95 | 624,031.05 | 24 |
| 464 FINES & FEES- OTHER | 10,000.00 | 1,400.00 | 3,100.00 | 6,900.00 | 31 |
| 465 FINES & FEES- OTHER | 0.00 | 0.00 | 56.83 | -56.83 | 0 |
| 466 FINES & FEES- OTHER | 15,000.00 | 1,340.00 | 4,222.50 | 10,777.50 | 28 |
| 467 FINES & FEES- OTHER | 20,000.00 | 1,275.00 | 7,425.00 | 12,575.00 | 37 |
| 468 FEES- BANK | 68,250.00 | 5,940.44 | 24,595.36 | 43,654.64 | 36 |
| 470 CONTRIBUTION & DONATIONS | 18,000.00 | 23,688.99 | 43,947.33 | -25,947.33 | 244 |
| 471 LIBRARY DONATIONS | 28,000.00 | 1,074.17 | 3,945.91 | 24,054.09 | 14 |
| 480 INTEREST INCOME | 25,500.00 | 0.00 | 15,432.52 | 10,067.48 | 61 |
| 490 OTHER INCOME | 92,212.00 | 138,910.19 | 155,085.79 | -62,873.79 | 168 |
| 491 OTHER INCOME | 26,000.00 | 2,837.47 | 9,871.48 | 16,128.52 | 38 |
| 495 OTHER INCOME | 1,500.00 | 21.60 | 92.40 | 1,407.60 | 6 |
| TOTAL REVENUE | 43,496,286.00 | 4,162,509.40 | 8,725,742.49 | 34,770,543.51 | 20 |

| | <u>BUDGETED</u> | <u>CURRENT PERIOD</u> | <u>YEAR-TO-DATE INCLUDING ENCUMBRANCES</u> | <u>REMAINING BALANCE</u> | <u>PCT USED</u> |
|---------------------------------|-----------------|---------------------------|--|------------------------------|---------------------|
| EXPENDITURE: | | | | | |
| 500 WAGES | 19,721,530.00 | 1,435,697.84 | 5,537,561.85 | 14,183,968.15 | 28 |
| 510 FRINGE | 7,813,536.25 | 580,512.04 | 2,400,994.19 | 5,412,542.06 | 31 |
| 520 OTHER PERSONNEL EXPENDITURE | 327,500.00 | 15,691.41 | 72,065.81 | 255,434.19 | 22 |
| 530 TRAVEL, TRAINING, & DUES | 434,536.00 | 28,904.99 | 133,512.95 | 301,023.05 | 31 |
| 540 SUPPLIES | 417,518.00 | 27,013.75 | 112,003.58 | 305,514.42 | 27 |
| 541 POSTAGE | 460,898.00 | 37,931.40 | 110,298.57 | 350,599.43 | 24 |
| 542 CLOTHING | 201,536.00 | 10,686.16 | 41,006.31 | 160,529.69 | 20 |
| 543 SUPPLIES- LAUNDRY | 220,000.00 | 19,940.59 | 61,694.62 | 158,305.38 | 28 |
| 544 SUPPLIES- PUBLIC WORKS | 522,000.00 | 23,825.24 | 104,054.02 | 417,945.98 | 20 |
| 545 SUPPLIES- CUSTODIAL | 20,000.00 | 5,114.79 | 6,473.40 | 13,526.60 | 32 |
| 547 SUPPLIES- ANIMAL FOOD | 3,000.00 | 100.92 | 427.15 | 2,572.85 | 14 |
| 548 SUPPLIES- HAND TOOLS | 20,000.00 | 6,259.33 | 12,488.41 | 7,511.59 | 62 |
| 549 SUPPLIES- WELCOME CENTER | 4,000.00 | 189.31 | 661.52 | 3,338.48 | 17 |
| 550 EQUIPMENT- NON CAPITAL | 105,000.00 | 1,631.45 | 6,820.99 | 98,179.01 | 6 |
| 551 EQUIPMENT- GENERAL | 538,527.00 | 42,817.36 | 159,305.41 | 379,221.59 | 30 |
| 560 CAPITAL EQUIPMENT | 930,775.00 | 0.00 | 290,266.64 | 640,508.36 | 31 |
| 570 UTILITIES | 1,027,640.00 | 91,222.01 | 353,137.65 | 674,502.35 | 34 |
| 571 UTILITIES- TELEPHONE | 528,290.00 | 25,451.00 | 128,866.54 | 399,423.46 | 24 |
| 580 RENT | 7,500.00 | 0.00 | 3,570.00 | 3,930.00 | 48 |
| 581 RENT- BUILDING | 78,766.00 | 6,325.00 | 27,725.00 | 51,041.00 | 35 |
| 582 RENT- EQUIPMENT | 5,000.00 | 0.00 | 0.00 | 5,000.00 | 0 |
| 590 MAINTENANCE | 1,748,100.00 | 113,880.47 | 457,093.62 | 1,291,006.38 | 26 |
| 591 MAINTENANCE- GENERAL | 66,500.00 | 3,450.70 | 33,964.02 | 32,535.98 | 51 |
| 593 MAINTENANCE-SVC AGREEMENT | 626,500.00 | 14,011.60 | 180,548.75 | 445,951.25 | 29 |
| 594 MAINTENANCE- BLDG | 172,000.00 | 19,151.43 | 126,359.63 | 45,640.37 | 73 |
| 600 CONTRACTUAL SERVICES | 2,007,419.00 | 221,862.11 | 641,214.00 | 1,366,205.00 | 32 |
| 604 PS-MEDICAL & PROFESSIONAL | 662,151.00 | 65,948.72 | 224,692.08 | 437,458.92 | 34 |
| 605 CS- PRINTING | 367,180.00 | 13,783.86 | 156,437.22 | 210,742.78 | 43 |
| 608 SC DEPT OF CORRECTIONS | 25,000.00 | 1,485.00 | 5,190.00 | 19,810.00 | 21 |
| 612 CS-DISPOSAL CONTRACT | 1,300,000.00 | 130,633.04 | 448,393.14 | 851,606.86 | 34 |
| 613 DEMOLITION EXPENSE | 50,000.00 | 5,622.00 | 24,845.00 | 25,155.00 | 50 |
| 620 DIRECT ASSISTANCE | 13,041.00 | 0.00 | 0.00 | 13,041.00 | 0 |
| 625 DIRECT ASSISTANCE | 977,033.00 | 268,164.48 | 474,750.38 | 502,282.62 | 49 |
| 650 INSURANCE | 974,059.00 | 434.60 | 841,188.24 | 132,870.76 | 86 |
| 670 ADVERTISING | 92,700.00 | 4,412.19 | 11,774.27 | 80,925.73 | 13 |
| 680 FEE REIMBURSEMENT | 600.00 | 0.00 | 0.00 | 600.00 | 0 |
| 690 SPECIAL PROJECTS | 487,381.00 | 20,504.66 | 82,796.99 | 404,584.01 | 17 |
| 691 SP- PROMOTIONS | 56,000.00 | 3,408.00 | 8,559.00 | 47,441.00 | 15 |
| 750 EQUIPMENT LEASE | 146,000.00 | 10,525.95 | 35,092.51 | 110,907.49 | 24 |
| 760 GRANTS MATCH | 338,000.00 | 1,318.76 | 22,287.34 | 315,712.66 | 7 |

| | <u>BUDGETED</u> | <u>CURRENT PERIOD</u> | <u>YEAR-TO-DATE INCLUDING ENCUMBRANCES</u> | <u>REMAINING BALANCE</u> | <u>PCT USED</u> |
|------------------------------|----------------------|---------------------------|--|------------------------------|---------------------|
| 771 DS- LEASE PURCHASE | 437,732.00 | 0.00 | 129,851.50 | 307,880.50 | 30 |
| 780 MISCELLANEOUS | 50,000.00 | 1,845.00 | 10,260.00 | 39,740.00 | 21 |
| 781 MISCELLANEOUS | 169,888.00 | 5,475.51 | 20,658.21 | 149,229.79 | 12 |
| 782 OVER/SHORT | 570.00 | -405.32 | -417.96 | 987.96 | -73 |
| 783 DRUG FORFEITURE | 0.00 | 520.00 | 1,162.56 | -1,162.56 | 0 |
| 786 DONATIONS | 3,000.00 | 1,103.38 | 4,675.81 | -1,675.81 | 156 |
| TOTAL EXPENDITURE | <u>44,158,406.25</u> | <u>3,266,450.73</u> | <u>13,504,310.92</u> | <u>30,654,095.33</u> | <u>31</u> |
| EXCESS OF REVENUE BEFORE | <u>-662,120.25</u> | <u>896,058.67</u> | <u>-4,778,568.43</u> | | <u>722</u> |
| OTHER FINANCING SOURCE: | | | | | |
| 801 TRANSFER IN | 25,000.00 | 0.00 | 0.00 | 25,000.00 | 0 |
| 810 OFS FUND BALANCE | 1,859,387.00 | 0.00 | 0.00 | 1,859,387.00 | 0 |
| 820 SALE OF CAPITAL ASSETS | 0.00 | 2,587.50 | 2,587.50 | -2,587.50 | 0 |
| TOTAL OTHER FINANCING SOURCE | <u>1,884,387.00</u> | <u>2,587.50</u> | <u>2,587.50</u> | <u>1,881,799.50</u> | <u>0</u> |
| OTHER FINANCING USE: | | | | | |
| 950 TRANSFERS | 1,222,266.75 | 0.00 | 98,087.75 | 1,124,179.00 | 8 |
| TOTAL OTHER FINANCING USE | <u>1,222,266.75</u> | <u>0.00</u> | <u>98,087.75</u> | <u>1,124,179.00</u> | <u>8</u> |
| EXCESS OF REVENUE AFTER | <u>0.00</u> | <u>898,646.17</u> | <u>-4,874,068.68</u> | | <u>0</u> |

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11/16/2015 #####

FY 2015-2016

COUNTY OF LANCASTER
BUDGET REPORT BY DEPARTMENT
CURRENT PERIOD: 10/01/2015 TO 10/31/2015

IDEAL REMAINING PERCENT: 67 %

| <u>ACCOUNT</u> | <u>BUDGETED</u> | <u>CURRENT</u> | <u>YEAR TO DATE</u> | <u>ENCUMBRANCE</u> | <u>REMAINING BALANCE</u> | <u>PCT</u> |
|---|-----------------|----------------|---------------------|--------------------|------------------------------|------------|
| 005 Department: 005 NON-DEPARTMENTAL | 1,484,909.00 | 52,060.39 | 998,295.95 | 0.00 | 486,613.05 | 33.00 |
| 007 Department: 007 CNTY ECONOMIC DEV. DEPT. | 318,810.25 | 1,007.50 | 1,007.50 | 0.00 | 317,802.75 | 100.00 |
| 011 Department: 011 COUNTY COUNCIL | 1,199,349.00 | 131,836.81 | 297,532.53 | 2,566.08 | 899,250.39 | 75.00 |
| 012 Department: 012 COUNCIL TRANSFERS | 1,124,179.00 | 0.00 | 0.00 | 0.00 | 1,124,179.00 | 100.00 |
| 014 Department: 014 DIRECT ASSISTANCE | 844,124.00 | 268,164.48 | 401,774.38 | 0.00 | 442,349.62 | 52.00 |
| 021 Department: 021 ADMINISTRATOR | 517,082.00 | 51,127.88 | 142,380.85 | 261.78 | 374,439.37 | 72.00 |
| 022 Department: 022 LEGAL TEAM | 290,518.00 | 12,566.06 | 64,293.68 | 0.00 | 226,224.32 | 78.00 |
| 023 Department: 023 FINANCE | 645,007.88 | 48,457.02 | 187,370.28 | 0.00 | 457,637.60 | 71.00 |
| 024 Department: 024 HUMAN RESOURCES | 207,030.10 | 13,278.14 | 61,646.91 | 0.00 | 145,383.19 | 70.00 |
| 025 Department: 025 RISK MANAGEMENT | 98,921.00 | 5,746.16 | 23,543.07 | 0.00 | 75,377.93 | 76.00 |
| 026 Department: 026 MIS | 909,511.00 | 59,862.64 | 245,809.10 | 71,083.36 | 592,618.54 | 65.00 |
| 027 Department: 027 GIS | 141,354.00 | 8,694.24 | 36,880.37 | 0.00 | 104,473.63 | 74.00 |
| 029 Department: 029 ZONING | 382,866.00 | 26,910.17 | 104,912.68 | 0.00 | 277,953.32 | 73.00 |
| 031 Department: 031 BUILDING | 948,920.00 | 55,434.10 | 219,545.85 | 0.00 | 729,374.15 | 77.00 |
| 032 Department: 032 PLANNING | 550,636.20 | 32,132.41 | 127,565.46 | 53,154.94 | 369,915.80 | 67.00 |
| 035 Department: 035 ECONOMIC DEVELOPMENT | 98,087.75 | 0.00 | 98,087.75 | 0.00 | 0.00 | 0.00 |
| 041 Department: 041 ASSESSOR | 876,607.00 | 56,185.22 | 230,260.03 | 0.00 | 646,346.97 | 74.00 |
| 043 Department: 043 AUDITOR | 379,711.68 | 27,699.63 | 115,280.21 | 0.00 | 264,431.47 | 70.00 |
| 044 Department: 044 TREASURER | 378,158.00 | 25,948.25 | 102,418.30 | 0.00 | 275,739.70 | 73.00 |
| 045 Department: 045 DELINQUENT TAX | 316,500.00 | 37,109.81 | 81,492.19 | 0.00 | 235,007.81 | 74.00 |
| 051 Department: 051 REGISTRATION & ELECT | 312,716.00 | 8,900.67 | 65,418.68 | 0.00 | 247,297.32 | 79.00 |
| 060 Department: 060 REGISTER OF DEEDS | 328,793.50 | 24,423.44 | 94,306.85 | 0.00 | 234,486.65 | 71.00 |
| 061 Department: 061 CIRCUIT COURT | 82,607.00 | 1,290.00 | 10,927.08 | 0.00 | 71,679.92 | 87.00 |
| 063 Department: 063 CLERK OF COURT | 469,479.99 | 33,484.86 | 136,738.32 | 0.00 | 332,741.67 | 71.00 |
| 064 Department: 064 FAMILY COURT | 359,188.53 | 25,249.65 | 100,981.45 | 0.00 | 258,207.08 | 72.00 |
| 068 Department: 068 CORONER | 417,684.72 | 38,042.04 | 125,382.39 | 0.00 | 292,302.33 | 70.00 |
| 069 Department: 069 PROBATE COURT | 444,715.64 | 28,631.93 | 112,055.69 | 0.00 | 332,659.95 | 75.00 |
| 070 Department: 070 MAG-COUNTYWIDE | 852,346.00 | 66,074.91 | 259,999.40 | 0.00 | 592,346.60 | 69.00 |
| 110 Department: 110 SHERIFF | 7,779,872.32 | 531,407.84 | 2,096,787.15 | 15,708.80 | 5,667,376.37 | 73.00 |
| 111 Department: 111 SHER:DRUG ASSET FORF | 0.00 | 520.00 | 1,162.56 | 0.00 | -1,162.56 | 0.00 |
| 117 Department: 117 SHERIFF DPT- TOWN OF KERS | 493,760.65 | 36,892.81 | 133,745.61 | 1,193.65 | 358,821.39 | 73.00 |
| 120 Department: 120 DETENTION CENTER | 2,030,899.00 | 146,193.76 | 573,899.71 | 20,914.57 | 1,436,084.72 | 71.00 |
| 121 Department: 121 SCHOOL RESOURCE OFFICERS | 113,152.00 | 11,452.08 | 37,909.09 | 0.00 | 75,242.91 | 66.00 |

FY 2015-2016

COUNTY OF LANCASTER
BUDGET REPORT BY DEPARTMENT
CURRENT PERIOD: 10/01/2015 TO 10/31/2015

IDEAL REMAINING PERCENT: 67 %

| <u>ACCOUNT</u> | <u>BUDGETED</u> | <u>CURRENT</u> | <u>YEAR TO DATE</u> | <u>ENCUMBRANCE</u> | <u>REMAINING BALANCE</u> | <u>PCT</u> |
|---|----------------------|---------------------|----------------------|---------------------|------------------------------|--------------|
| 130 Department: 130 COMMUNICATIONS | 1,591,379.00 | 112,503.48 | 460,883.86 | 10,223.92 | 1,120,271.22 | 70.00 |
| 140 Department: 140 EMERGENCY MANAGEMENT | 363,258.00 | 32,973.76 | 99,735.01 | 0.00 | 263,522.99 | 73.00 |
| 141 Department: 141 FIRE SERVICE | 1,272,325.00 | 70,304.98 | 202,042.55 | 184,356.39 | 885,926.06 | 70.00 |
| 142 Department: 142 Town of KERSHAW- FIRE | 140,996.00 | 8,997.33 | 38,832.57 | 3,461.79 | 98,701.64 | 70.00 |
| 144 Department: 144 LANC. COUNTY FIREFIGHTERS | 987,692.00 | 68,507.44 | 262,289.97 | 2,076.00 | 723,326.03 | 73.00 |
| 153 Department: 153 LANCASTER EMS | 6,345,931.00 | 455,888.27 | 1,837,816.60 | 316,625.15 | 4,191,489.25 | 66.00 |
| 202 Department: 202 ROADS & BRIDGES | 2,483,581.00 | 136,906.04 | 572,954.59 | 127,862.04 | 1,782,764.37 | 72.00 |
| 210 Department: 210 FLEET OPERATIONS | 542,564.00 | 39,945.91 | 149,993.96 | 23,123.23 | 369,446.81 | 68.00 |
| 251 Department: 251 BUILDING MAINTENANCE | 1,473,895.00 | 129,221.99 | 456,525.80 | 70,229.93 | 947,139.27 | 64.00 |
| 310 Department: 310 LANDFILL-SOLID WASTE | 56,852.46 | 2,537.05 | 9,485.90 | 4,000.00 | 43,366.56 | 76.00 |
| 312 Department: 312 SOLID WASTE COLLECT | 2,879,759.00 | 215,263.49 | 666,759.59 | 110,920.83 | 2,102,078.58 | 73.00 |
| 318 Department: 318 ANIMAL SHELTER | 156,218.92 | 12,762.68 | 49,591.21 | 0.00 | 106,627.71 | 68.00 |
| 330 Department: 330 HEALTH SERVICES | 82,600.00 | 3,665.99 | 25,544.98 | 0.00 | 57,055.02 | 69.00 |
| 601 Department: 601 DEPT. OF SOCIAL SERVICES | 64,210.00 | 5,164.77 | 18,422.94 | 0.00 | 45,787.06 | 71.00 |
| 602 Department: 602 D.S.S. FAMILY INDEP | 58,330.00 | 5,013.86 | 19,037.80 | 0.00 | 39,292.20 | 67.00 |
| 610 Department: 610 VETERANS AFFAIRS | 161,561.41 | 14,134.02 | 52,029.83 | 0.00 | 109,531.58 | 68.00 |
| 840 Department: 840 LIBRARY | 1,159,867.00 | 85,874.77 | 317,152.36 | 0.00 | 842,714.64 | 73.00 |
| 999 Department: 999 LEASE | 162,156.00 | 0.00 | 79,851.50 | 0.00 | 82,304.50 | 51.00 |
| Report Totals Net | 45,380,673.00 | 3,266,450.73 | 12,608,362.09 | 1,017,762.46 | 31,754,548.45 | 70.00 |

Agenda Item Summary

| | |
|---------------------------------|--|
| Ordinance # / Resolution#: | Discussion/ Action Item |
| Contact Person / Sponsor: | Steve Willis/ Jeff Catoe |
| Department: | Admin/ Public Works |
| Date Requested to be on Agenda: | I&R Committee – November 10, 2015 Council – November 23, 2015 |

Issue for Consideration:

County roads that are in essence driveways serving a single residence.

Points to Consider:

Prior to the adoption of the current ordinance, the acceptance of a road into the county's maintenance system was less formal. During this time many roads were given to Lancaster County with little or no review and approval. These roads have been maintained by Lancaster County since. A preliminary review indicates that some of these roads may not provide enough public benefit to justify the continued funding of its maintenance by Lancaster County.

An Attorney General's opinion prohibits the use of public funds in such a manner.

We propose to address these roads as they come up. In many cases this happens when road maintenance is needed. We would propose to address needed maintenance prior to initiating a court action to abandon the roadway.

Funding and Liability Factors:

Funding will vary depending upon the needed maintenance.

Abandonment of these driveways will decrease the County's liability.

Council Options:

Limited; we must follow the law in such matters.

Staff Recommendation:

When a situation arises, notify the affected land owner that we will address the needed maintenance and commence a court action to abandon the road since we should have never assumed ownership and maintenance responsibilities.

Committee Recommendation:

To review each potential road on a case by case basis with full Council.

Federal and state law requires that public funds be expended for public purposes. The South Carolina Attorney General Henry McMaster explained in a January 2004 and a February 2005 opinion:

This office has repeatedly recognized that public funds must be used for public and not private purposes. See, e.g., Opinion of the Attorney General dated October 8, 2003 citing decisions of the South Carolina Supreme Court in Elliott v. McNair, 250 S.C. 75, 156 S.E.2d 421 (1967); Haesloop v. Charleston, 123 S.C. 272, 115 S.E.2d 596 (1923). In an opinion dated August 29, 2003, we advised that, "[T]he Due Process Clause of the Constitution (federal and state) requires that public funds must be expended for a public purpose." Moreover, Article X, Section 5 of the State Constitution requires that taxes (public funds) be spent for public purposes. While each case must be decided on its own merits, the notion of what constitutes a public purpose has been described by our Supreme Court in Anderson v. Baehr, 265 S.C. 153, 217 S.E.2d 43 (1975) as follows:

(a)s a general rule a public purpose has for its objective the promotion of the public health, safety, morals, general welfare, security, prosperity and contentment for all the inhabitants or residents, or at least a substantial part thereof ... Legislation (i.e., relative to the expenditure of funds) does not have to benefit all of the people in order to serve a public purpose.

See also: WDW Properties v. City of Sumter, 342 S.C. 6, 535 S.E.2d 631 (2000); Nichols v. South Carolina Research Authority, 290 S.C. 415, 351 S.E.2d 155 (1986); Carll v. South Carolina Jobs-Economic Development Authority, 284 S.C. 438, 327 S.E.2d 331 (1985); Caldwell v. McMillan, 224 S.C. 150, 77 S.E.2d 798 (1953). An opinion of this office dated December 18, 2000 commented that the constitutional requirement of "public purpose ... was intended to prevent governmental bodies from depleting the public treasury by giving advantages to special interests or by engaging in non-public enterprises." Furthermore, Article X, Section 11 of the State Constitution provides that:

(t)he credit of neither the State nor of any of its political subdivisions shall be pledged or loaned for the benefit of any individual, company, association, corporation, or any religious or private education institution except as permitted by Section 3, Article XI of this Constitution.

This provision proscribes the expenditure of public funds "for the primary benefit of private parties." State ex rel. McLeod v. Riley, 276 S.C. 323, 329, 278 S.E.2d

612 (1981). The term "credit" has been construed as any "pecuniary liability" or "pecuniary involvement". *Elliott v. McNair, supra*.

In Nichols, the court established the following test to determine whether the "public purpose" requirement has been met:

(t)he Court should first determine the ultimate goal or benefit to the public intended by the project. Second, the Court should analyze whether public or private parties will be the primary beneficiaries. Third, the speculative nature of the project must be considered. Fourth, the Court must analyze and balance the probability that the public interest will be ultimately served and to what degree.

318 S.E.2d at 163. *In Bauer v. S.C. State Housing Authority*, 271 S.C. 219, 256 S.E.2d 869 (1978), the Supreme Court warned that "(i)t is not sufficient that an undertaking bring about a remote or indirect public benefit to categorize it as a project within the sphere of public purpose."

Agenda Item Summary

| | |
|---------------------------------|--|
| Ordinance # / Resolution#: | Discussion/ Information Item |
| Contact Person / Sponsor: | Steve Willis |
| Department: | Admin |
| Date Requested to be on Agenda: | November 23, 2015 – Information Only December 14, 2015 – Discussion of COG Board recommendation |

Issue for Consideration:

Funding shortfall for HOME Consortium.

Points to Consider:

This is a Council of Governments initiative where we are the lead agency.

The Council of Governments has been working with HUD to finalize the project, including filling a budget shortfall due to the area not having quite enough population for the full program.

The COG had been using the funding calculator found on the HUD website to determine our federal funding and needed shortfall.

HUD recently informed the COG staff that the on-line calculator is an older one and that the actual federal funding shortfall will be roughly double what was anticipated at \$232,000.

This is a significant development and we are not sure that the budgetary shortfall can be covered. This will be discussed at the next COG Board meeting since this is a regional effort.

No county funding has been promised or budgeted.

Please talk to our two COG Board members, Councilmen Bundy and McCullough, to make your feelings known on how the COG should proceed.

Funding and Liability Factors:

No local funding has been pledged.

Council Options:

Options to be determined by the COG Board.

Staff Recommendation:

None at this time.

Committee Recommendation:

N/A – this will be discussed by the COG Board.



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

November 3, 2015

The Honorable Mark Hammond
Secretary of State
Columbia, South Carolina 29201

Dear Secretary Hammond,

I have reappointed Mr. Sammie Harper to the Lancaster County Water and Sewer District Commission upon the recommendation of the Lancaster County Legislative Delegation pursuant to South Carolina Act 494 of 1973.

LOCAL REAPPOINTMENT:

Term Commencing: 7/15/2015

Term Expiring: 7/15/2021

Seat: At-large

Home Information:

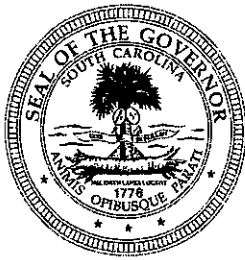
Mr. Sammie Harper
316 Community Lane
Lancaster, South Carolina 29720
803.804.0262

My very best,

A handwritten signature in black ink, appearing to read "Nikki R. Haley".

Nikki R. Haley

NRH/krp



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

November 3, 2015

The Honorable Mark Hammond
Secretary of State
Columbia, South Carolina 29201

Dear Secretary Hammond,

I have appointed Mr. Alfred C. Steele to the Lancaster County Water and Sewer District Commission upon the recommendation of the Lancaster County Legislative Delegation pursuant to South Carolina Act 494 of 1973.

LOCAL APPOINTMENT:

Term Commencing: 7/15/2015

Term Expiring: 7/15/2021

Vice: Herman Steele

Seat: At-large

Home Information:

Mr. Alfred C. Steele

1826 Tara Trail

Lancaster, South Carolina 29720

803.235.5395

My very best,

A handwritten signature in black ink, appearing to read "Nikki R. Haley". The signature is fluid and cursive, with the first name "Nikki" and last name "Haley" clearly distinguishable.

Nikki R. Haley

NRH/krp



November 4, 2015

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Steve Willis
County Administrator, Lancaster
101 N. Main St., 2nd Floor
Lancaster SC 29721

Dear Mr. Willis:

Time Warner Cable's agreements with programmers and broadcasters to carry their services and stations routinely expire from time to time. We are usually able to obtain renewals or extensions of such agreements, but in order to comply with applicable regulations, we must inform you when an agreement is about to expire. The following agreements are due to expire soon, and we may be required to cease carriage of one or more of these services/stations in the near future: WLTX (SD & HD), WLTX D2, WLTX D3, WFXB (SD & HD), WFXB D2, WCCB (SD & HD), WCCB D2, WOLO (SD & HD), WOLO D2, WGSA (SD & HD), WGSA D2, WGSA D3, Azteca America, YouToo, RFD HD, Gol TV (SD & HD), Pivot, HBO (SD & HD), HBO West (SD & HD), HBO2 (SD & HD), HBO2 West, HBO Signature (SD & HD), HBO Signature West, HBO Family (SD & HD), HBO Family West, HBO Comedy (SD & HD), HBO Comedy West, HBO Zone (SD & HD), HBO Zone West, HBO Latino (SD & HD), HBO Latino West, HBO On Demand, Cinemax (SD & HD), Cinemax West (SD & HD), MoreMAX (SD & HD), MoreMAX West, ActionMAX (SD & HD), ActionMAX West, ThrillerMAX (SD & HD), ThrillerMAX West, OuterMAX (SD & HD), MaxLatino (SD & HD), 5StarMAX (SD & HD), MovieMAX (SD & HD), Cinemax On Demand, TV One (SD & HD), NHL Network (SD & HD), ReelzChannel (SD & HD), ShopHQ/EVINE Live (SD & HD), POP/TVGN (SD & HD), Music Choice On Demand and Music Choice (channels 1900-1950).

From time to time, Time Warner Cable makes certain changes in the services that we offer in order to better serve our customers. The following changes are planned:

On or after November 16th, HSN2 will be added to Variety Pass channel 484.

Universal Sports Network will discontinue on or about November 16, 2015.

On a future date to be determined, we may launch the following multicast stations on Digital Broadcast/Starter TV in the following DMAs: WACH D3 (Columbia DMA), WPDE D3 (Florence-Myrtle Beach DMA), WTGS D3 (Hilton Head, SC).

The new services listed below cannot be accessed on CableCARD-equipped Unidirectional Digital Cable Products purchased at retail without additional, two-way capable equipment: HSN2.

For more information about your local channel line-up, visit www.twc.com/programmingnotices.

If you have any questions or concerns, please do not hesitate to call me at 803-251-5320.

Sincerely,

Ben Breazeale
Director of Government Relations
Time Warner Cable, South Carolina

Agenda Item Summary

| | |
|---------------------------------|---|
| Ordinance # / Resolution#: | Information Item/ Council Correspondence |
| Contact Person / Sponsor: | Steve Willis/ Penelope Karagounis |
| Department: | Admin/ Planning |
| Date Requested to be on Agenda: | I&R Committee – November 10, 2015 Council Correspondence – November 23, 2015 |

Issue for Consideration:

Letter of Intent to apply for Recreational Trails Program funding.

Points to Consider:

This is a letter of intent to apply, not an actual grant application. That will come later presuming Council has no objection.

The project is the Lindsay Pettus Greenway, a part of the Carolina Thread Trail.

Funding and Liability Factors:

As proposed at this time, local grant funding would come from the Carolina Thread Trail.

The grant would be for \$100,000.

Council Options:

None at this time. If Council has an objection, we would like to know prior to the grant application.

Staff Recommendation:

Proceed with the grant application at the appropriate time.

Committee Recommendation:

Recommend proceeding.

2015, 2016 & 2017 LETTER OF INTENT FORM
Recreational Trails Program (RTP)

SCPRT USE ONLY

Received: _____
Postmarked: _____

Sponsor Lancaster County

Contact Person Grazier Rhea
(The contact person is someone who will be in direct contact with SCPRT)

Title Community Development Director Email grhea@catawbacog.org

Mailing Address P.O. Box 450

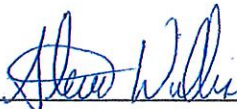
City Rock Hill State SC Zip 29721

Type of Sponsor (check one)

- ☐ Federal Agency
- ☐ State Agency*
- ☒ Local Agency* ☒ RTP \$ 100,000
- ☐ Non Profit Organization (Grant Amount)
- ☐ For Profit Organization
- ☐ Other (explain) _____

Briefly describe the proposed project(s) in the space provided.

This will be the first phase of the Lindsay Pettus Greenway development which will entail a multimodal trail for recreational pedestrian and bicycle use. Included will be 2 miles of paved trails along Gill's Creek from the Barr Street Development Center, on Barr Street, to Gillsbrook Road. The trails will link 4 schools, 2 Lancaster City parks, and the city's downtown district.



Signature

County Administrative

Title

Steve Willis

Printed Name

October 29, 2015

Date

Deadline for submitting Letter of Intent Form is Monday, November 2, 2015 at 4:00 pm.

Please mail or email form to: Attn: 2015, 2016 & 2017 RTP Letter of Intent
SC Department of Parks, Recreation & Tourism
1205 Pendleton Street, Suite 517
Columbia, SC 29201
rpratt@scprt.com

SUBJECT: NEW FLOORING

Attached are photos of:

1. Old flooring in the activity room at Springdale.
2. New flooring in the activity room.
3. New flooring in the gymnasium.

This was part of the current fiscal year budget.

SW







Attachment A: Timeframe and Work Program



Unified Development Ordinance Update - Phases I & II

| WORK ITEM | 2015 | | | | | | | | | | | | 2016 | | |
|---|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|
| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR |
| Planning Staff Review Meetings | | | | | | | | | | | | | | | |
| UDO Review Committee Meetings | | | | | | | | | | | | | | | |
| Draft UDO Update for Phase One Chapters and Zoning Concept Map | | | | | | | | | | | | | | | |
| Draft an Administrative Manual on Application Submittal Process | | | | | | | | | | | | | | | |
| Planning Commission Update & Monthly Workshops | | | | | | | | | | | | | | | |
| County Council Update | | | | | | | | | | | | | | | |
| Draft the Remaining Chapters for the UDO Update | | | | | | | | | | | | | | | |
| Draft Proposed Zoning Map | | | | | | | | | | | | | | | |
| Finalize Administrative Manual on Application Submittal Process | | | | | | | | | | | | | | | |
| Coordinate and Conduct Community Meetings and/or Focus Groups | | | | | | | | | | | | | | | |
| Complete Final Updated Zoning Map | | | | | | | | | | | | | | | |
| Planning Commission Public Hearings on Updated UDO and Zoning Map | | | | | | | | | | | | | | | |
| Revisions to Final Updated UDO and Zoning Map As Needed | | | | | | | | | | | | | | | |
| County Council Adoption of Updated UDO and Zoning Map | | | | | | | | | | | | | | | |

Phase I - UDO Update and Zoning Concept Map (January 2015- July 2015) ————

Phase II - Final UDO Update and Zoning Map (August 2015 - Mar 2016) ————

November 11, 2015

MEETINGS & FUNCTIONS – 2015

| DAY/DATE | TIME | FUNCTION/LOCATION |
|-------------------------------------|------------|--|
| Monday, November 23 rd | 6:30 p.m. | Regular Council Meeting |
| Tuesday, December 8 th | 11:30 a.m. | County Christmas Lunch – Springdale Recreation |
| Saturday, December 12 th | 6:00 p.m. | Christmas Parade |
| Saturday, December 12 th | 7:30 p.m. | Performing Arts Series Sawyer Brown - USCL Bundy Auditorium |
| Monday, December 14 th | 6:30 p.m. | Regular Council Meeting |
| Tuesday, December 15 th | 8:00 a.m. | Public Safety Committee / Conference Room |
| Tuesday, December 15 th | 3:00 p.m. | I&R Committee / Chambers |
| Thursday, December 17 th | 4:30 p.m. | Administration Committee / Chambers |
| Thursday, December 24 th | Closed | Christmas Eve |
| Friday, December 25 th | Closed | Christmas Day |
| Monday, December 28 th | Closed | Christmas Holiday |
| Friday, January 1 st | Closed | New Years |

LANCASTER COUNTY STANDING MEETINGS

3rd Thursday of each month 4:30 p.m. Administration Committee
 The Tuesday following 1st Council meeting (most of the time it is the 2nd Tuesday)
 8:00 a.m. Public Safety Committee
 The Tuesday following the 1st Council meeting (most of the time it is the 2nd Tuesday)
 3:00 p.m. Infrastructure and Regulation Committee
 1st Thursday of each month 7:00 p.m. Fire Commission, Covenant Street EOC Building
 2nd and 4th Tuesday of each month 9:00 a.m. Development Review Committee, Council Chambers
 2nd Tuesday of each month 6:30 p.m. Zoning Appeals Board, County Council Chambers
 2nd Tuesday of each month 6:30 p.m. Recreation Commission, 260 S. Plantation
 Last Tuesday of each month (Every other month – Beginning with Feb.) 6:00 p.m. Library Board, Carolinian Room, Library
 2nd Wed (Jan/March/May/July/Sept/Nov) 11:45 a.m. Health & Wellness Comm., various locations
 2nd Tuesday 6:00 p.m. Historical Commission, Library Conference Room
 3rd Thursday of each month 6:30 p.m. Community Relations Commission, County Council Chambers
 1st Thursday of each month 5:00 p.m. Planning Commission work session, County Council Chambers
 3rd Tuesday of each month 6:30 p.m. Planning Commission, County Council Chambers
 Quarterly (2nd Monday -March , June, Sept, Dec.) 6:30 p.m. Airport Commission, Airport Conference Room