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LANCASTER, SC

STATE OF SOUTH CAROLINA)

COUNTY OF LANCASTER)

ORDINANCE NO. 2015-1348

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.

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

Section 1. Findings and Determinations.

Council finds and determines that:

a. Lancaster County, South Carolina (the “**County**”) acting by and through its 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 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 Lancaster County and for improved and unimproved real estate used in the operation of a manufacturing facility or commercial enterprise in order to enhance the economic development of Lancaster County;

c. the County previously recruited a project (the **"Original Project"**) in the County by Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., Nutramax Properties, LLC, and Nutramax Land Holdings, Inc. (sometimes collectively referred to herein as the **"Company"**);

d. in connection with the Original Project, Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., the County, the Lancaster County Economic Development Corporation (the **"LCEDC"**), and the City of Lancaster, South Carolina (the **"City"**) entered into a June 7, 2010 Incentive Agreement (the **"Incentive Agreement"**); Nutramax Manufacturing, Inc. and the County entered into a June 28, 2010 Fee Agreement (the **"Fee Agreement"**); and Nutramax Laboratories, Inc., Nutramax Properties, LLC and the County entered into a June 28, 2010 Infrastructure Credit Agreement (the **"Infrastructure Credit Agreement"**) (collectively, the Incentive Agreement, the Fee Agreement, and the Infrastructure Credit Agreement are referred to herein as the **"2010 Agreements"**);

e. pursuant to the 2010 Agreements, the Company agreed to invest \$8.5 million in the Original Project and to create 200 jobs in connection with the Original Project by June 28, 2015;

f. the Company has already invested approximately \$29 million in the Original Project (\$20.5 million in excess of its \$8.5 million investment commitment) and has succeeded in creating 200 jobs in connection with the Original Project;

g. Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., Nutramax Properties, LLC and Nutramax Land Holdings, Inc., and one or more related corporations and limited liability companies which are now existing or to be formed in the future are considering additional investments, through themselves and/or one or more existing or to-be-formed affiliated or related entities and/or one or more unrelated parties, including third party lessors, in the expansion of a manufacturing facility and related facilities through the acquisition of land, buildings, 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 are eligible for inclusion under the Act as economic development property, the cost of which is estimated to be \$15 million, along with the creation of 125 new, full-time jobs (the **"New Project"**), all as more fully set forth in the Amendments;

h. the Original Project is presently located at three sites in the County, including one site in the City, and it is presently contemplated that the New Project will be located at one or more of such three sites and/or an additional site in the County, so that all investments and jobs located or to be located at any of those four sites shall be counted and included for purposes of all benefits and requirements set forth in the 2010 Agreements;

i. Council, in order to induce the Company to locate the New Project in the County, adopted, on August 24, 2015, Resolution No. 0883-R2015 (the **"Inducement Resolution"**) to the effect that, if the Company would commit to locate the New Project in the County, the Council would take certain actions and provide certain incentives for the New Project and the Original Project, including entering into amendments to the 2010 Agreements to, among other things, extend the period during which reduced fee-in-lieu of tax payments may be made and extend the period during which the special source revenue credit would apply to the Company's investments;

j. the parties to the Incentive Agreement agree that all rights and obligations of the LCEDC under the Incentive Agreement have been satisfied and that the Incentive Agreement should now be amended to remove the LCEDC as a party to the Incentive Agreement; and

k. it is the purpose of this ordinance to provide for the approval of the above-referenced amendments and to effectuate the commitments of the County made in the Inducement Resolution.

Section 2. Additional findings and determinations.

Council finds and determines that:

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

c. the New 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 New 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 New Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes;

f. the inducement of the location of the New Project within the County and State is of paramount importance; and

g. the benefits of the New Project to the public will be greater than the costs to the public.

Section 3. Approval of Amendments.

The form, terms, and provisions of the First Amendment to Incentive Agreement, attached hereto as Exhibit A, the First Amendment to Infrastructure Credit Agreement, attached hereto as Exhibit B, and the First Amendment to Fee Agreement, attached hereto as Exhibit C (collectively, the First Amendment to Incentive Agreement, the First Amendment to Infrastructure Credit Agreement, and the First Amendment to Fee Agreement are referred to as the “Amendments”), are approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Amendments were set out in this Ordinance in their entirety. The Council Chair and Council Secretary are authorized, empowered, and directed to execute and acknowledge the Amendments in the name of and on behalf of the County, and thereupon to cause the Amendments to be delivered to the Company. The Amendments are to be in substantially the form attached hereto 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 Amendments attached to this ordinance.

Section 4. Cost-Benefit Findings.

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

- a. the benefits of providing the incentives arrangement set forth in the Amendments include: (i) investment in personal property and certain real estate improvements of at least \$15,000,000; (ii) an average annual increase in property taxes (FILOT payments) of approximately \$N/A after application of incentives; (iii) construction benefit of \$2,010,000; (iv) facility operation benefit of \$3,929,320; (v) employee benefit of \$46,477; and (vi) visitor benefit of \$0. The total benefit is estimated at \$5,985,797;
- b. the cost of providing the incentives arrangement is estimated at: (i) development costs of \$0; (ii) operational costs of \$267,551; and (iii) employee costs of \$95,878. The total cost is estimated at \$363,429;
- c. the benefit to cost ratio in year one is estimated at \$15.19:1 and after year one at \$9.66:1; and
- d. the value of the FILOT incentive to the Company is estimated at \$1,326,393 and the special source revenue credits at \$376,086.

Section 5. 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 Amendments. 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 from the New Project by the County after distribution to other taxing entities in the most recently completed tax year.

Section 6. 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 Amendments and the performance of all obligations of the County under and pursuant to the Amendments.

Section 7. Severability.

The provisions of this Ordinance are separable, and if any section, phrase, or provision is for any reason declared by a court of competent jurisdiction to be invalid or unenforceable, the declaration shall not affect the validity of the remainder of the sections, phrases, and provisions in this Ordinance.

Section 8. Controlling Provision.

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

Section 9. **Effective date.**


This Ordinance is effective upon third reading.

AND IT IS SO ORDAINED, this 9th 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 12, 2015
Second Reading: October 26, 2015
Public Hearing: November 9, 2015
Third Reading: November 9, 2015

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Exhibit A to Ordinance No. 2015-1348

**First Amendment to Incentive Agreement
Nutramax**

This FIRST AMENDMENT TO INCENTIVE AGREEMENT (this "**Amendment**") is dated as of _____, 2015 by and between NUTRAMAX MANUFACTURING, INC., NUTRAMAX LABORATORIES, INC., NUTRAMAX PROPERTIES, LLC, NUTRAMAX LAND HOLDINGS, INC., LANCASTER COUNTY, SOUTH CAROLINA (the "**County**"), a body politic and corporate and a political subdivision of the State of South Carolina, the LANCASTER COUNTY ECONOMIC DEVELOPMENT CORPORATION ("**LCEDC**"), and the CITY OF LANCASTER, SOUTH CAROLINA (the "**City**") (all of the foregoing entities collectively referred to in this Amendment as the "**Parties**").

WITNESSETH:

WHEREAS, the County previously recruited a project (the "**Original Project**") in the County by Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., Nutramax Properties, LLC, and Nutramax Land Holdings, Inc. (sometimes collectively referred to herein as the "**Company**");

WHEREAS, in connection with the Original Project, Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., the County, the LCEDC, and the City entered into a June 7, 2010 Incentive Agreement (the "**Incentive Agreement**"); Nutramax Manufacturing, Inc. and the County entered into a June 28, 2010 Fee Agreement (the "**Fee Agreement**"); and Nutramax Laboratories, Inc., Nutramax Properties, LLC and the County entered into a June 28, 2010 Infrastructure Credit Agreement (the "**Infrastructure Credit Agreement**") (collectively, the Incentive Agreement, the Fee Agreement, and the Infrastructure Credit Agreement are referred to herein as the "**2010 Agreements**");

WHEREAS, pursuant to the 2010 Agreements, the Company agreed to invest \$8.5 million in the Original Project and to create 200 jobs in connection with the Original Project by June 28, 2015;

WHEREAS, the Company has already invested approximately \$29 million in the Original Project (\$20.5 million in excess of its \$8.5 million investment commitment) and has succeeded in creating 200 jobs in connection with the Original Project;

WHEREAS, the County recruited an additional investment in the County by the Company of approximately \$15 million and 125 new, full-time jobs (the "**New Project**");

WHEREAS, the Original Project is presently located at three sites in the County, including one site in the City, and it is presently contemplated that the New Project will be located at one or more of such three sites and/or an additional site in the County, so that all investments and jobs located or to be located at any of those four sites shall be counted and included for purposes of all benefits and requirements set forth in the 2010 Agreements;

WHEREAS, the County Council, in order to induce the Company to locate the New Project in the County, adopted on August 24, 2015, Resolution No. 0883-R2015 (the "**Inducement Resolution**") to the effect that, if the Company would commit to locate the New Project in the County, the Council would take certain actions and provide certain incentives for the New Project and the Original Project, including

entering into amendments to the 2010 Agreements to, among other things, extend the period during which reduced fee-in-lieu of taxes (“**FILOT**”) payments may be made and extend the period during which the special source revenue credit (“**SSRC**”) would apply to the Company’s investments;

WHEREAS, the City Council, in order to induce the Company to locate a portion of the New Project in the City, passed a September 9, 2015 Motion approving and affirming the County Council’s August 24, 2015 Inducement Resolution;

WHEREAS, the Parties agree that all rights and obligations of the LCEDC under the Incentive Agreement have been satisfied, and the Parties agree that the Incentive Agreement should now be amended to remove the LCEDC as a party thereto; and

WHEREAS, pursuant to Ordinance No. 2015-1348 dated November 9, 2015 (the “**Ordinance**”), the County Council authorized this Amendment, and pursuant to Resolution No. _____ dated _____, 2015, the City Council authorized this Amendment, and the Parties now desire to enter into this Amendment.

NOW, THEREFORE, in consideration of the above and the respective agreements contained in this Amendment, the Parties hereby agree as follows:

1. The Incentive Agreement shall be amended by removing the LCEDC as a party thereto and by adding Nutramax Properties, LLC and Nutramax Land Holdings, Inc. as parties thereto, and such additional parties, together with Nutramax Manufacturing, Inc. and Nutramax Laboratories, Inc., shall be collectively defined therein as the “Company.”

2. Article I of the Incentive Agreement shall be amended by adding the following paragraph at the end of that Article:

As of [insert the effective date of the First Amendment], the Company and the County agree to add to the land and buildings subject to this Agreement prior to [insert the effective date of the First Amendment] the parcel of land located at 1792 Silkies Boulevard, Lancaster, South Carolina (Tax Map No. 0080-00-001.00) together with one or more buildings and personal property located or to be located on such parcel (the “Additional Site”). The incentives and benefits provided to the Company through the MCBP FILOT and SSRC shall apply to the Additional Site. Investments made and jobs created at the Additional Site shall be included in the computations made to determine if the amount of investments and the number of jobs required with respect to any maintenance requirements set forth in this Agreement (including without limitation Article II(c)(ii) and Article IV (b) hereof) have been achieved.

3. Article II of the Incentive Agreement shall be amended by adding new Article II(g) and Article II(h), which shall read as follows:

(g) Notwithstanding anything in Article II(c) hereof to the contrary, the County and the Company agree that as of [insert effective date of Amendment], (i) the Company has satisfied all conditions and requirements imposed by Article II of this Agreement with respect to the 43 Acre Tract, and the County does hereby and, as necessary, shall, terminate, release and/or satisfy, as applicable, any mortgages or other liens that the County may have with respect to the 43 Acre Tract, (ii) the County has satisfied the

conditions and requirements imposed by Article III(a)(vi) of this Agreement to provide a 95% special source revenue credit for the 43 Acre Tract, and (iii) the 50% SSRC referenced in Article III(a)(iii) of this Agreement shall also apply to the Company's FILOT payments on the 43 Acre Tract.

(h) As of December 31, 2014, the parties to this Agreement recognize and agree that Scenario III, as set forth in Article II(b)(iii) hereof, is the applicable scenario for purposes of this Agreement.

4. In Article III(a)(i) of the Incentive Agreement, the reference in clause (v) to "a 30-year term" shall be changed to a reference to "a 40-year term."

5. Article III(a)(iii) of the Incentive Agreement shall be revised and restated to read as follows:

The County agrees to provide an additional SSRC equal to fifty percent (50%) of the Negotiated FILOT and the MCBP FILOT, net of the SSRC as provided in subarticle (ii) above, for all qualifying expenses of the Company under South Carolina law, for a period of ten (10) years as described in the following sentence. This SSRC shall apply to each annual component of the Negotiated FILOT and the MCBP FILOT for a period of ten (10) years for each annual component of investments placed in service by the Company between January 1, 2010 and December 31, 2024, so that for each year's investments placed in service during such period the fifty percent (50%) SSRC shall apply for ten (10) years thereafter. Thus, for example, for investments placed in service by the Company during 2010, the ten (10)-year, 50% SSRC shall apply for years 2011-2020, and for investments placed in service by the Company during 2024, the ten (10)-year, 50% SSRC shall apply for years 2025-2034.

6. Article IV of the Incentive Agreement shall be amended by adding new Article IV(e) and Article IV(f), which shall read as follows:

(e) If, between January 1, 2014 and December 31, 2019 the Company does not invest, in addition to the \$29,000,000 already invested or to be invested (including the \$8,500,000 referenced in Article II(c)(ii) hereof), at least \$15,000,000 (the "**Expansion Investment Minimum**") and does not create, in addition to the 200 jobs already created (as referenced in Article II(c)(ii) hereof), at least 125 new, full-time (i.e., at least thirty (30) hours per week) jobs, (i) with an average hourly wage not less than \$13.15, including overtime, bonuses and all other forms of actual pre-tax and post-tax monetary compensation and (ii) with health care benefits (the "**Expansion Jobs Minimum**"), then the additional 50% SSRC to be provided to the Company pursuant to Article III(a)(iii) hereof with respect to the annual components of investments placed in service during 2020 and subsequent years, shall be reduced by an amount that is proportional to any shortfall by the Company of greater than 10% in achieving the Expansion Investment Minimum and the Expansion Jobs Minimum; provided, however, that an overperformance in either the Expansion Investment Minimum or the Expansion Jobs Minimum shall serve to offset an underperformance in the other category.

(f) As of December 31, 2014, the parties to this Agreement recognize and agree that the Company has met the initial investment, wage and job requirements as set forth in

Articles II(c)(ii) and IV(b) hereof within the five (5)-year period referenced therein. The Company recognizes and agrees that the maintenance requirement set forth in Articles II(c)(ii) and IV(b) hereof continues to apply as set forth therein.

7. This Amendment controls over any contrary or inconsistent provision of the Incentive Agreement. Every provision of the Incentive Agreement not amended or modified by the terms of this Amendment shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment, as of the date first above written.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

Attest:

Debbie C. Hardin, Clerk to Council

ADDITIONAL SIGNATURES FOLLOW ON NEXT PAGE.

NUTRAMAX MANUFACTURING, INC.

By: _____
Name: _____
Title: _____

NUTRAMAX LABORATORIES, INC.

By: _____
Name: _____
Title: _____

NUTRAMAX PROPERTIES, LLC

By: _____
Name: _____
Title: _____

NUTRAMAX LAND HOLDINGS, INC.

By: _____
Name: _____
Title: _____

LANCASTER COUNTY ECONOMIC DEVELOPMENT
CORPORATION (hereby removing itself as a party to the
Incentive Agreement)

By: _____
Name: _____
Title: _____

CITY OF LANCASTER, SOUTH CAROLINA

By: _____
Name: _____
Title: _____

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Exhibit B to Ordinance No. 2015-1348

**First Amendment to Infrastructure Credit Agreement
Nutramax**

This FIRST AMENDMENT TO INFRASTRUCTURE CREDIT AGREEMENT (this "**Amendment**") is dated as of November 9, 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, NUTRAMAX MANUFACTURING, INC., NUTRAMAX LABORATORIES, INC., NUTRAMAX PROPERTIES, LLC and NUTRAMAX LAND HOLDINGS, INC. (all of the foregoing entities collectively referred to in this Amendment as the "**Parties**").

WITNESSETH:

WHEREAS, the County previously recruited a project (the "**Original Project**") in the County by Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., Nutramax Properties, LLC, and Nutramax Land Holdings, Inc. (sometimes collectively referred to herein as the "**Company**");

WHEREAS, in connection with the Original Project, Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., the County, the Lancaster County Economic Development Corporation, and the City of Lancaster, South Carolina (the "**City**") entered into a June 7, 2010 Incentive Agreement (the "**Incentive Agreement**"); Nutramax Manufacturing, Inc. and the County entered into a June 28, 2010 Fee Agreement (the "**Fee Agreement**"); and Nutramax Laboratories, Inc., Nutramax Properties, LLC and the County entered into a June 28, 2010 Infrastructure Credit Agreement (the "**Infrastructure Credit Agreement**") (collectively, the Incentive Agreement, the Fee Agreement, and the Infrastructure Credit Agreement are referred to herein as the "**2010 Agreements**");

WHEREAS, pursuant to the 2010 Agreements, the Company agreed to invest \$8.5 million in the Original Project and to create 200 jobs in connection with the Original Project by June 28, 2015;

WHEREAS, the Company has already invested approximately \$29 million in the Original Project (\$20.5 million in excess of its \$8.5 million investment commitment) and has succeeded in creating 200 jobs in connection with the Original Project;

WHEREAS, the County recruited an additional investment in the County by the Company of approximately \$15 million and 125 new, full-time jobs (the "**New Project**");

WHEREAS, the Original Project is presently located at three sites in the County, including one site in the City, and it is presently contemplated that the New Project will be located at one or more of such three sites and/or an additional site in the County, so that all investments and jobs located or to be located at any of those four sites shall be counted and included for purposes of all benefits and requirements set forth in the 2010 Agreements;

WHEREAS, the County Council, in order to induce the Company to locate the New Project in the County, adopted on August 24, 2015, Resolution No. 0883-R2015 (the "**Inducement Resolution**") to the effect that, if the Company would commit to locate the New Project in the County, the Council would take certain actions and provide certain incentives for the New Project and the Original Project, including entering into amendments to the 2010 Agreements to, among other things, extend the period during which

reduced fee-in-lieu of taxes (“**FILOT**”) payments may be made and extend the period during which the special source revenue credit (“**SSRC**”) would apply to the Company’s investments;

WHEREAS, the City Council, in order to induce the Company to locate a portion of the New Project in the City, passed a September 9, 2015 Motion approving and affirming the County Council’s August 24, 2015 Inducement Resolution; and

WHEREAS, pursuant to Ordinance No. 2015-1348 dated _____, 2015 (the “**Ordinance**”), the County Council authorized this Amendment, and pursuant to Resolution No. _____ dated _____, 2015, the City Council authorized the Incentive Agreement Amendment and consented to the FILOT and SSRC modifications referenced above with respect to the City site, and the Parties now desire to enter into this Amendment.

NOW, THEREFORE, in consideration of the above and the respective agreements contained in this Amendment, the Parties hereby agree as follows:

1. The Infrastructure Credit Agreement shall be amended by adding Nutramax Manufacturing, Inc. and Nutramax Land Holdings, Inc. as parties thereto, and such additional parties, together with Nutramax Laboratories, Inc. and Nutramax Properties, Inc., shall be collectively defined therein as the “Company.”

2. Exhibit A to the Infrastructure Credit Agreement shall be amended by adding at the end of the exhibit:

“PARCEL D:

1792 Silkies Boulevard, Lancaster, South Carolina
Tax Map No. 0080-00-001.00”

3. The third paragraph of Section 3.02(a) of the Infrastructure Credit Agreement is revised and restated to read as follows:

The third component of the SSRC is an annual credit equal to fifty percent (50%) of the Lancaster Fee Payments each year for ten years (net of the first and second components of the Special Source Revenue Credits) for each annual component of property that the Company places in service between January 1, 2010 and December 31, 2024. Thus, for example, for each annual component of property placed in service by the Company during 2010, the ten-year, 50% SSRC shall apply for years 2011-2020, and for each annual component of property placed in service by the Company during 2024, the ten-year, 50% SSRC shall apply for years 2025-2034.

4. Section 3.03 of the Infrastructure Credit Agreement shall be amended by adding new subsections (e) and (f), which shall read as follows:

(e) If, between January 1, 2014 and December 31, 2019 the Company does not invest, in addition to the \$29,000,000 already invested or to be invested (including the \$8,500,000 referenced in Section 3.03(a) hereof), at least \$15,000,000 (the “**Expansion Investment Minimum**”) and does not create, in addition to the 200 jobs already created (as referenced in Section 3.03(a) hereof), at least 125 new, full-time (i.e., at least thirty (30)

hours per week) jobs, (i) with an average hourly wage not less than \$13.15, including overtime, bonuses and all other forms of actual pre-tax and post-tax monetary compensation and (ii) with health care benefits (the “**Expansion Jobs Minimum**”), then the additional 50% SSRC to be provided to the Company pursuant to Section 3.02(a) hereof with respect to the annual components of investments placed in service during 2020 and subsequent years, shall be reduced by an amount that is proportional to any shortfall by the Company of greater than 10% in achieving the Expansion Investment Minimum and the Expansion Jobs Minimum; provided, however, that an overperformance in either the Expansion Investment Minimum or the Expansion Jobs Minimum shall serve to offset an underperformance in the other category.

(f) As of December 31, 2014, the parties to this Agreement recognize and agree that the Company has met the initial investment, wage and job requirements as set forth in Section 3.03(a) hereof within the five (5)-year period referenced therein. The Company recognizes and agrees that the maintenance requirement set forth in Section 3.03(b) hereof continues to apply as set forth therein.

5. This Amendment controls over any contrary or inconsistent provision of the Infrastructure Credit Agreement. Every provision of the Infrastructure Credit Agreement not amended or modified by the terms of this Amendment shall remain unchanged and in full force and effect.

SIGNATURES FOLLOW ON NEXT PAGE.

IN WITNESS WHEREOF, the Parties have executed this Amendment, as of the date first above written.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

Attest:

Debbie C. Hardin, Clerk to Council

NUTRAMAX MANUFACTURING, INC.

By: _____
Name: _____
Title: _____

NUTRAMAX LABORATORIES, INC.

By: _____
Name: _____
Title: _____

NUTRAMAX PROPERTIES, LLC

By: _____
Name: _____
Title: _____

NUTRAMAX LAND HOLDINGS, INC.

By: _____
Name: _____
Title: _____

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Exhibit C to Ordinance No. 2015-1348

**First Amendment to Fee Agreement
Nutramax**

This FIRST AMENDMENT TO FEE AGREEMENT (this "**Amendment**") is dated as of _____, 2015 by and between NUTRAMAX MANUFACTURING, INC., NUTRAMAX LABORATORIES, INC., NUTRAMAX PROPERTIES, LLC, NUTRAMAX LAND HOLDINGS, INC. and LANCASTER COUNTY, SOUTH CAROLINA (the "**County**"), a body politic and corporate and a political subdivision of the State of South Carolina (the foregoing entities collectively referred to in this Amendment as the "**Parties**").

WITNESSETH:

WHEREAS, the County previously recruited a project (the "**Original Project**") in the County by Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., Nutramax Properties, LLC, and Nutramax Land Holdings, Inc. (sometimes collectively referred to herein as the "**Company**");

WHEREAS, in connection with the Original Project, Nutramax Manufacturing, Inc., Nutramax Laboratories, Inc., the County, the Lancaster County Economic Development Corporation, and the City of Lancaster, South Carolina (the "**City**") entered into a June 7, 2010 Incentive Agreement (the "**Incentive Agreement**"); Nutramax Manufacturing, Inc. and the County entered into a June 28, 2010 Fee Agreement (the "**Fee Agreement**"); and Nutramax Laboratories, Inc., Nutramax Properties, LLC and the County entered into a June 28, 2010 Infrastructure Credit Agreement (the "**Infrastructure Credit Agreement**") (collectively, the Incentive Agreement, the Fee Agreement, and the Infrastructure Credit Agreement are referred to herein as the "**2010 Agreements**");

WHEREAS, pursuant to the 2010 Agreements, the Company agreed to invest \$8.5 million in the Original Project and to create 200 jobs in connection with the Original Project by June 28, 2015;

WHEREAS, the Company has already invested approximately \$29 million in the Original Project (\$20.5 million in excess of its \$8.5 million investment commitment) and has succeeded in creating 200 jobs in connection with the Original Project;

WHEREAS, the County recruited an additional investment in the County by the Company of approximately \$15 million and 125 new, full-time jobs (the "**New Project**");

WHEREAS, the Original Project is presently located at three sites in the County, including one site in the City, and it is presently contemplated that the New Project will be located at one or more of such three sites and/or an additional site in the County, so that all investments and jobs located or to be located at any of those four sites shall be counted and included for purposes of all benefits and requirements set forth in the 2010 Agreements;

WHEREAS, the County Council, in order to induce the Company to locate the New Project in the County, adopted on August 24, 2015, Resolution No. 0883-R2015 (the "**Inducement Resolution**") to the effect that, if the Company would commit to locate the New Project in the County, the Council would take certain actions and provide certain incentives for the New Project and the Original Project, including entering into amendments to the 2010 Agreements to, among other things, extend the period during which

reduced fee-in-lieu of taxes (“FILOT”) payments may be made and extend the period during which the special source revenue credit (“SSRC”) would apply to the Company’s investments;

WHEREAS, the City Council, in order to induce the Company to locate a portion of the New Project in the City, passed a September 9, 2015 Motion approving and affirming the County Council’s August 24, 2015 Inducement Resolution; and

WHEREAS, pursuant to Ordinance No. 2015-1348 dated _____, 2015 (the “Ordinance”), the County Council authorized this Amendment, and pursuant to Resolution No. _____ dated _____, 2015, the City Council authorized the Incentive Agreement Amendment and consented to the FILOT and SSRC modifications referenced above with respect to the City site, and the Parties now desire to enter into this Amendment.

NOW, THEREFORE, in consideration of the above and the respective agreements contained in this Amendment, the Parties hereby agree as follows:

1. The Fee Agreement shall be amended by adding Nutramax Laboratories, Inc., Nutramax Properties, LLC and Nutramax Land Holdings, Inc. as parties thereto, and such additional parties, together with Nutramax Manufacturing, Inc., shall be collectively defined therein as the “Company.”

2. Exhibit A to the Fee Agreement shall be amended by adding at the end of the exhibit:

“PARCEL D:

1792 Silkies Boulevard, Lancaster, South Carolina
Tax Map No. 0080-00-001.00”

3. In Section 1.1 of the Fee Agreement, the definition of “Termination Date” shall be amended by revising the references to “29th year” to read “39th year” and by revising the reference to “30 annual FILOT payments” to read “40 annual FILOT payments.”

4. Section 4.1(a), Step 2, of the Fee Agreement shall be amended by revising the reference to “29 years” to read “39 years.”

5. Section 4.1(c)(1) of the Fee Agreement shall be amended and restated to read as follows:

The County agrees that all qualifying capital expenses of the Company between January 1, 2010 and December 31, 2024 shall qualify for an Infrastructure Credit equal to 50% of the FILOT payments arising under this Agreement for ten years. This Infrastructure Credit shall apply to each annual component of the property placed in service between January 1, 2010 and December 31, 2024 for a period of ten years, beginning the year after each such component is placed in service. Thus, for example, for property placed in service during 2010, the 10-year, 50% SSRC shall apply for years 2011-2020, and for property placed in service during 2024, the 10-year, 50% SSRC shall apply for years 2025-2034. The Infrastructure Credit shall be applied as a setoff against the FILOT owed for the then current year and shall apply against the entire FILOT payment due, including any portions that may be allocable to any municipality or school district.

6. Section 4.2 of the Fee Agreement shall be amended by adding new subsections (f) and (g), which shall read as follows:

(f) If, between January 1, 2014 and December 31, 2019 the Company does not invest, in addition to the \$29,000,000 already invested or to be invested (including the \$8,500,000 referenced in Section 4.2(b) hereof), at least \$15,000,000 (the “**Expansion Investment Minimum**”) and does not create, in addition to the 200 jobs already created (as referenced in Section 4.2(b) hereof), at least 125 new, full-time (i.e., at least thirty (30) hours per week) jobs, (i) with an average hourly wage not less than \$13.15, including overtime, bonuses and all other forms of actual pre-tax and post-tax monetary compensation and (ii) with health care benefits (the “**Expansion Jobs Minimum**”), then the additional 50% SSRC to be provided to the Company pursuant to Section 4.1(c)(1) hereof with respect to the annual components of investments placed in service during 2020 and subsequent years, shall be reduced by an amount that is proportional to any shortfall by the Company of greater than 10% in achieving the Expansion Investment Minimum and the Expansion Jobs Minimum; provided, however, that an overperformance in either the Expansion Investment Minimum or the Expansion Jobs Minimum shall serve to offset an underperformance in the other category.

(g) As of December 31, 2014, the parties to this Agreement recognize and agree that the Company has met the initial investment, wage and job requirements as set forth in Section 4.2(b) hereof within the five (5)-year period referenced therein. The Company recognizes and agrees that the maintenance requirement set forth in Section 4.2(c) hereof continues to apply as set forth therein.

7. This Amendment controls over any contrary or inconsistent provision of the Fee Agreement. Every provision of the Fee Agreement not amended or modified by the terms of this Amendment shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

LANCASTER COUNTY, SOUTH CAROLINA

Bob Bundy, Chair, County Council

Steve Harper, Secretary, County Council

Attest:

Debbie C. Hardin, Clerk to Council

ADDITIONAL SIGNATURES FOLLOW ON NEXT PAGE.

NUTRAMAX MANUFACTURING, INC.

By: _____
Name: _____
Title: _____

NUTRAMAX LABORATORIES, INC.

By: _____
Name: _____
Title: _____

NUTRAMAX PROPERTIES, LLC

By: _____
Name: _____
Title: _____

NUTRAMAX LAND HOLDINGS, INC.

By: _____
Name: _____
Title: _____

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