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LANCASTER, SC

STATE OF SOUTH CAROLINA     )  
   )  
COUNTY OF LANCASTER         )

ORDINANCE NO. 2016-1426

**AN ORDINANCE**

**TO AUTHORIZE THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT AMONG LANCASTER COUNTY, PCI GROUP, INC. AND LTRR REALTY, LLC; TO AUTHORIZE THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE LEASE AGREEMENT BETWEEN LANCASTER COUNTY AND LTRR REALTY, LLC; 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 (hereinafter referred to as the "County"), acting by and through its Council (the "Council"), is empowered under and pursuant to the provisions of Chapter 12, Title 4 of the Code of Laws of South Carolina 1976, as amended (the "Title Transfer Act"), and the provisions of the Fee in Lieu of Tax Simplification Act, codified as Chapter 44, Title 12 of the Code of Laws of South Carolina 1976, as amended (the "Title 12 Act" and collectively with the Title Transfer Act, the "Act"), to enter into fee agreements with industries in connection with the acquisition, enlargement or improvement of industrial and commercial enterprises within the State of South Carolina (the "State");

(b)     the County has previously entered into (i) pursuant to the Title Transfer Act, that certain Lease Agreement between the County and Virtual Image Technology, LLC, executed in 1999, as subsequently assigned to LTRR Realty, LLC, a South Carolina limited liability company ("LTRR") (as amended, modified and supplemented from time to time, the "Lease Agreement"), and (ii) pursuant to the Title 12 Act, that certain Fee in Lieu of Tax and Incentive Agreement between the County and PCI Group, Inc. ("PCI"), dated as of March 31, 2008 (as amended, modified and supplemented from time to time, the "Fee Agreement" and collectively with the Lease Agreement, the "Incentive Agreements");

(c) in recognition of the substantial investment by LTRR and PCI in land, improvements and business personal property in the County (collectively, the "Project") during the term of the Incentive Agreements, the County desires to provide further assistance to LTRR and PCI, and in connection therewith to make certain amendments to the Lease Agreement and the Fee Agreement pursuant to the terms of (i) an Amendment to Lease Agreement to be entered into between the County and LTRR (the "Lease Amendment"), and (ii) an Amendment to Fee Agreement to be entered into between the County and PCI (the "Fee Agreement Amendment" and collectively with the Lease Amendment, the "Amendments"); and

(d) it appears that the Amendments, which are attached to this ordinance, are in appropriate form and are appropriate instruments to be approved, executed and delivered by the County for the purposes intended.

## **Section 2. Statutory Findings.**

Council makes the following additional findings:

(a) the Project will continue to constitute a "project" as said term is referred to and defined in Section 12-44-30(16) of the Act, and the Amendments will promote the purposes enumerated in the Act, and in all respects conform to the provisions and requirements of the Act;

(b) the Project will continue to benefit the general public welfare of the County by providing or maintaining services, employment, recreation, and other public benefits not otherwise provided locally;

(c) neither the Project, the Amendments, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to any pecuniary liability of the County or an incorporated municipality or a charge against its general credit or taxing power;

(d) the purposes to be accomplished by the Project and the Amendments are proper governmental and public purposes; and

(e) the inducement of the expansion of the Project within the County and State is of paramount importance, and the benefits of the Project to the public will be greater than the costs.

## **Section 3. Cost-Benefit Findings.**

Council makes the following findings concerning the costs and benefits of the Project: The Project is expected to result in 153 new jobs with an annual payroll of nearly \$6 million. Using the LOCI economic impact model developed by Georgia Tech which includes specific County and Project inputs, the direct economic net benefit (revenues minus expenditures) of the Project to the County and school district over ten years is estimated at \$681,100.

## **Section 4. Approval and Execution of Lease Amendment.**

The form, terms, and provisions of the Lease Amendment, attached hereto as Exhibit A, are approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Lease Amendment 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 Lease Amendment in the name of and on behalf of the County, and thereupon to cause the Lease Amendment to be delivered to LTRR. The Lease Amendment 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 Lease Amendment attached to this ordinance.

**Section 5.      Approval and Execution of Fee Agreement Amendment.**

The form, terms, and provisions of the Fee Agreement Amendment, attached hereto as Exhibit B, are approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Fee Agreement Amendment 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 Amendment in the name of and on behalf of the County, and thereupon to cause the Fee Agreement Amendment to be delivered to PCI. The Fee Agreement Amendment 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 Amendment 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 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 Amendments 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 Amendments and the performance of all obligations of the County under and pursuant to the Amendments.

**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.

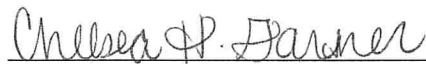
**AND IT IS SO ORDAINED**, this 12<sup>th</sup> day of December, 2016.

LANCASTER COUNTY, SOUTH CAROLINA

  
\_\_\_\_\_  
Bob Bundy, Chair, County Council

  
\_\_\_\_\_  
Steve Harper, Secretary, County Council

ATTEST:

  
\_\_\_\_\_  
Chelsea H. Gardner, Interim Clerk to Council

First Reading:	November 14, 2016	<del>Failed 3-3</del> <b>Passed 4-2 CG</b>
Second Reading:	November 28, 2016	Passed 4-2
Public Hearing:	December 12, 2016	
Third Reading:	December 12, 2016	Passed 7-0

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**Exhibit A to Ordinance No. 2016-1426**

**Amendment to Lease Agreement  
Between  
Lancaster County, South Carolina and LTRR Realty, LLC**

See attached.

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November 16, 2016

**AMENDMENT**  
**TO**  
**LEASE AGREEMENT**  
**BETWEEN LANCASTER COUNTY, SOUTH CAROLINA**  
**AND**  
**LTRR REALTY, LLC**  
**AMENDMENT DATED AS OF**  
**DECEMBER 12, 2016**

## **AMENDMENT TO LEASE AGREEMENT**

This **AMENDMENT TO LEASE AGREEMENT** (the "Amendment to Lease Agreement") is made and entered into as of December 12, 2016, 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 its County Council (the "Council") as governing body of the County, and **LTRR REALTY, LLC**, a South Carolina limited liability company (the "LTRR").

### **WITNESSETH:**

**WHEREAS**, the County is authorized and empowered under and pursuant to the provisions of Chapter 12, Title 4 of the Code of Laws of South Carolina 1976, as amended (the "Title Transfer Act"), to covenant with investors to accept certain payments in lieu of *ad valorem* taxes with respect to projects qualifying under the Title Transfer Act;

**WHEREAS**, in connection therewith, the County entered into a Lease Agreement with Virtual Image Technology, LLC ("VIT"), executed in 1999 (the "Initial Lease Agreement"), whereby the County agreed to provide fee-in-lieu of tax incentives with respect to certain investments made by VIT in real and personal property in the County (the "Project");

**WHEREAS**, the right, title and interest of VIT in the Initial Lease Agreement were assigned to LTRR, as approved by a Consent of the County executed on October 12, 2009;

**WHEREAS**, in recognition of the substantial investment made by LTRR in the County and LTRR's commitment to maintain at least ninety (90) full-time jobs at the Project, the County has agreed to provide for an extension of the term of the Initial Lease Agreement;

**WHEREAS**, LTRR and the County desire to amend the Initial Lease Agreement in order to set forth the terms and conditions described herein with respect to the Project;

**WHEREAS**, pursuant to the Title Transfer Act, and based on information provided to it by LTRR, the Council found that (i) the Project will continue to constitute a "project" pursuant to the Title Transfer Act, and the Amendment to Lease Agreement will promote the purposes enumerated in the Title Transfer Act, and in all respects conform to the provisions and requirements of the Title Transfer Act, (ii) the Project will continue to benefit the general public welfare of the County by providing or maintaining services, employment, recreation, and other public benefits not otherwise provided locally, (iii) neither the Project, the Amendment to Lease Agreement, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to any pecuniary liability of the County or an incorporated municipality or a charge against its general credit or taxing power, (iv) the purposes to be accomplished by the Project and the Amendment to Lease Agreement are proper governmental and public purposes, and (v) the inducement of the expansion of the Project within the County and State is of paramount importance, and the benefits of the Project to the public will be greater than the costs;

**WHEREAS**, Council approved this Amendment to Lease Agreement by passage of Ordinance No. 2016-1426; and

**WHEREAS**, the County and LTRR desire to execute this Amendment to Lease Agreement to reflect their agreement on the above-mentioned revisions to the Initial Lease Agreement.

**NOW, THEREFORE, FOR AND IN CONSIDERATION** of the respective representations and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Capitalized terms used but not defined in this Amendment to Lease Agreement shall have the meanings set forth in the Initial Lease Agreement, unless the context clearly indicates otherwise.
2. Section 1.01 of the Initial Lease Agreement, relating to Definitions, is hereby amended by adding the following defined terms:

*“Amendment to Lease Agreement”* means the Amendment to Lease Agreement, dated as of December 12, 2016, between the County and the LTRR.

*‘Initial Lease Agreement’* means the Lease Agreement between the County and Virtual Image Technology, LLC, executed in 1999, and subsequently assigned to LTRR.

*‘LTRR’* means LTRR Realty, LLC, a South Carolina limited liability company.”

3. Section 5.01 of the Initial Lease Agreement, relating to Term, is hereby amended by deleting Section 5.01 of the Initial Lease Agreement in its entirety and replacing it with the following:

“Section 5.01. Term.

(a) Subject to the terms and provisions herein contained, this Lease shall be and remain in full force and effect for a term commencing on the date hereof and ending at midnight thirty (30) years from the date the last Completed Segment of the Project is placed in service (the “Term”), provided, however, that in any event thirty (30) annual payments in lieu of taxes as described in Section 6.03 hereof shall have been made for each Completed Segment before the Term expires. Upon expiration of the Term, this Lease shall terminate subject to no renewals or extensions.

(b) (1) Commencing as of the date of the Amendment to Lease Agreement and through the duration of the Term, LTRR, collectively with any affiliates, shall



maintain no less than ninety (90) full-time jobs at the Project (the "Jobs Commitment"). If LTRR or its affiliates fail to maintain the Jobs Commitment, the LTRR and its affiliates shall be subject to *ad valorem* property tax for such year with respect to portions of the Project otherwise entitled to fee-in-lieu of tax incentives under this Agreement. LTRR and the County hereby acknowledge that the provisions of this Section 5.01(b) shall be the only remedy for LTRR's failure to meet the Jobs Commitment, and any such failure shall not constitute an Event of Default pursuant to Section 11.01.

(2) On or before June 1 of each applicable year, LTRR shall provide to the County Auditor a completed State jobs tax credit form (Form TC-4, TC-4SB, TC-4SA, or successor form, of the Department of Revenue) on behalf of LTRR or its affiliates. The purpose of LTRR providing to the County Auditor the completed State jobs tax credit form is to prove that LTRR and its affiliates have complied with the Jobs Commitment contained in subsection (b)(1) of this section for the immediately preceding calendar year. For example, LTRR would be required to provide the completed State jobs tax credit form to the County Auditor on or before June 1 of 2019 to prove that LTRR or its affiliates had complied with the Jobs Commitment applicable to the calendar year 2018. If the completed State jobs tax credit form is provided after June 1 of the applicable year, LTRR shall not receive the fee-in-lieu of tax incentives under this Agreement for the applicable year (for the example in the preceding sentence, 2019)."

4. Subsection (a) of Section 6.03 of the Initial Lease Agreement, relating to Payments in Lieu of Taxes, is amended to read:

"(a) It is recognized that under the Act, for a project involving an initial investment of at least \$5,000,000, the lease agreement may provide for a payment in lieu of taxes as provided in the Act. In accordance with the provisions of the Act, the Tenant shall make with respect to the Project (1) thirty (30) annual payments in lieu of taxes for each Completed Segment of the Project; and (2) thereafter the Tenant shall make the statutory payments in lieu of *ad valorem* taxes required by Section 4-12-20 of the Act for Completed Segments of the Project during the remaining Term of the Lease, if any."

5. Article XII of the Initial Lease Agreement, relating to Miscellaneous, is amended by adding at the end a new section, Section 12.11:

"SECTION 12.11. ANNUAL FEE. LTRR 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 set forth in Section 6.03 of this Lease Agreement, *provided, however*, the maximum annual reimbursement pursuant to this section is capped at One Thousand Dollars (\$1000.00)."

6. Upon submission of appropriate documentation of the expenditure, LTRR agrees to reimburse the County, not later than February 28, 2017, for the County's reasonable unreimbursed actual costs related to this Amendment to Lease Agreement. The cost reimbursement is limited to County payments to third-party vendors, including, but not limited to, payments for attorney's fees.

7. The Amendment to Lease Agreement may be executed in several counterparts, only one of which shall be an original for Uniform Commercial Code perfection purposes; provided, however, that any action may be brought upon any counterpart of this Amendment of Lease Agreement or any counterpart of any document that is attached to this Amendment to Lease Agreement as an exhibit.

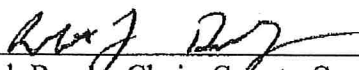
8. The laws of the State shall govern the construction of this Amendment to Lease Agreement.

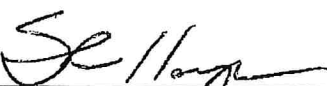
9. Except as provided in this Amendment to Lease Agreement and the Amendment to Fee Agreement made and entered into as of August 31, 2010 by and between LTRR and County, the Initial Lease Agreement shall in all other respects remain in full force and effect.

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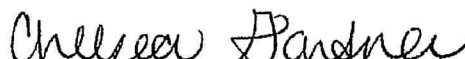
IN WITNESS WHEREOF, LANCASTER COUNTY, SOUTH CAROLINA and LTRR REALTY, LLC, each pursuant to due authority, have duly executed this Amendment to Lease Agreement, all as of the date first above written.

LANCASTER COUNTY, SOUTH CAROLINA


  
\_\_\_\_\_  
Bob Bundy, Chair, County Council

  
\_\_\_\_\_  
Steve Harper, Secretary, County Council

ATTEST:

  
\_\_\_\_\_  
Chelsea Spandner  
Clerk to Council

LTRR REALTY, LLC

By:   
Name: WALTER F PAWEL, JR  
Its: member

**Exhibit B to Ordinance No. 2016-1426**

**Amendment to Fee in Lieu of Tax and Incentive Agreement  
Between  
Lancaster County and PCI Group, Inc.**

See attached.

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Third Reading Approved Version -- December 12, 2016

**AMENDMENT**  
**TO**  
**FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT**  
**BETWEEN LANCASTER COUNTY, SOUTH CAROLINA**  
**AND**  
**PCI GROUP, INC.**

**AMENDMENT DATED AS OF**  
**DECEMBER 12, 2016**

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

This **AMENDMENT TO FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT** (the "Amendment to Fee Agreement") is made and entered into as of December 12, 2016, 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 its County Council (the "Council") as governing body of the County, and **PCI GROUP, INC.**, a New York corporation (the "Company").

### **W I T N E S S E T H :**

**WHEREAS**, the County is authorized and empowered under and pursuant to the provisions of the Fee in Lieu of Tax Simplification Act, codified as Chapter 44, Title 12, Code of Laws of South Carolina 1976 (the "Code"), as amended (the "FILOT Act"), 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 will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products, and natural resources of the State; (ii) to covenant with such investors to accept certain payments in lieu of *ad valorem* taxes with respect to the project; and (iii) to maintain, create or expand, in conjunction with one or more other counties, a multi-county industrial or business park in order to afford certain enhanced income tax credits to such investors;

**WHEREAS**, in connection therewith, the County (i) adopted an Inducement Resolution on January 7, 2008 (Resolution No. 602), and (ii) entered into a Fee in Lieu of Tax and Incentive Agreement with the Company dated as of March 31, 2008, (as amended, supplemented and assigned from time to time, the "Initial Fee Agreement") whereby the County agreed to provide fee-in-lieu of tax incentives with respect to certain investments made by the Company in real and personal property in the County (the "Project");

**WHEREAS**, in recognition of the substantial investment made by the Company in the County and the Company's commitment to maintain at least one hundred (100) full-time jobs at the Project, the County has agreed to provide for an additional special source revenue credit with respect to certain investment made in connection with the Project (the "Additional Special Source Credit");

**WHEREAS**, the Company and the County desire to amend the Initial Fee Agreement in order to set forth the terms and conditions of the Additional Special Source Credit offered to the Company by the County;

**WHEREAS**, pursuant to the FILOT Act, and based on information provided to it by the Company, the Council found that (i) the Project will continue to constitute a "project" pursuant to the FILOT Act, and the Amendment to Fee Agreement will promote the purposes enumerated in the FILOT Act, and in all respects conform to the provisions and requirements of the FILOT

Act, (ii) the Project will continue to benefit the general public welfare of the County by providing or maintaining services, employment, recreation, and other public benefits not otherwise provided locally, (iii) neither the Project, the Amendment to Fee Agreement, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to any pecuniary liability of the County or an incorporated municipality or a charge against its general credit or taxing power, (iv) the purposes to be accomplished by the Project and the Amendment to Fee Agreement are proper governmental and public purposes, and (v) the inducement of the expansion of the Project within the County and State is of paramount importance, and the benefits of the Project to the public will be greater than the costs; and

**WHEREAS**, the County and the Company desire to execute this Amendment to Fee Agreement to reflect their agreement on the above mentioned revisions to the Initial Fee Agreement.

**NOW, THEREFORE, FOR AND IN CONSIDERATION** of the respective representations and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Capitalized terms used but not defined in this Amendment to Fee Agreement shall have the meanings set forth in the Initial Fee Agreement, unless the context clearly indicates otherwise.
2. Article I of the Initial Fee Agreement, relating to Definitions, is hereby amended by adding the following defined terms:

“‘Additional Special Source Credits’ shall mean the special source revenue credits described in Sections 3.2(c) and 3.2(d) hereof.

‘Amendment to Fee Agreement’ shall mean the Amendment to Fee Agreement, dated as of December 12, 2016, between the County and the Company.

‘Initial Fee Agreement’ shall mean the Agreement between the County and the Company, dated as of March 31, 2008, as amended, supplemented and assigned.

‘Multi-County Park Act’ means Sections 4-1-170, 4-1-172, and 4-1-175 of the Code, as amended, and Article VIII, Section 13(D) of the South Carolina Constitution.”

3. Article I of the Initial Fee Agreement, relating to Definitions, is hereby amended by deleting the definition of "Special Source Credits" in its entirety and replacing it with the following:

"Special Source Credits" shall mean the special source revenue credits described in Sections 3.2(a) and 3.2(b) hereof."

4. Section 3.2 of the Initial Fee Agreement is hereby amended by adding the following subsections (c) and (d) to Section 3.2:

"(c) In addition to the Special Source Credits the Company may be entitled to claim pursuant to Sections 3.2(a) and 3.2(b) hereto, the County agrees that as an additional means for reimbursement for the Company's investment in Special Source Improvements, the Company shall be entitled to claim annual special source revenue credits (the "Additional Special Source Credits") in amounts equal to 50% of the Company's Negotiated FILOT Payments or *ad valorem* property tax payments, as the case may be, with respect to investments in any machinery, equipment, furnishings and other personal property acquired by or on behalf of the Company or any Co-Investors for use on or about the Land that is not otherwise entitled to the Special Source Credits provided by Sections 3.2(a) and 3.2(b) hereto (including, without limitation, any such investment made after the expiration of the Investment Period). The Additional Special Source Credits shall be provided for a period of seven (7) years, beginning with the tax year in which the Amendment to Fee Agreement is executed.

(d) If the Company, collectively with any Co-Investors, fails to maintain one hundred (100) full-time jobs at the Project paying an average hourly wage of at least \$17.47 (the "Jobs Requirement"), the Additional Special Source Credits shall be subject to repayment, with respect to any year in which such Jobs Requirement is not met, as follows:

Repayment Amount = Total dollar amount of Additional Special Source Credits received, *minus* (total dollar amount of Additional Special Source Credits received, *multiplied by* Repayment Achievement Percentage).

Repayment Achievement Percentage = total full-time jobs paying an average hourly wage of at least \$17.47 maintained at the Project as of the last day of such calendar year, *divided by* 100.

For example, and by way of example only, if the Company maintains 90 full-time jobs at the Project paying an average hourly wage of at least \$17.47 at the end of a certain year, and if the Company had received \$100,000 in Additional



Special Source Credits for such year, the repayment amount would be \$10,000.00, calculated as follows:

$$\text{Repayment Achievement Percentage} = 90 / 100 = 90.0\%$$

$$\begin{aligned} \text{Repayment Amount} &= \$100,000 - (\$100,000 \times 90.0\%) = \$100,000 \\ &\text{minus } \$90,000 = \$10,000.00 \end{aligned}$$

5. Article III of the Initial Fee Agreement, relating to Certain Undertakings of the County, is hereby amended by adding at the end a new section, Section 3.4:

“Section 3.4 Multi-County Park. The County agrees to use its best efforts to maintain the Land in a multi-county park established pursuant to the Multi-County Park Act until the date this Agreement is terminated. If it becomes necessary to move the Land from one multi-county park to another prior to the termination of this Agreement, the County agrees to use its best efforts to place the Land in a multi-county park established pursuant to the Multi-County Park Act and to maintain the multi-county park designation until the date this Agreement is terminated. The parties acknowledge and agree that the County’s agreement to place and maintain the Land in a multi-county park may be subject to the exercise of discretion by a governmental entity other than the County and the exercise of that discretion is not controlled by the County.”

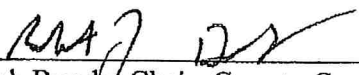
6. Section 6.1 of the Initial Fee Agreement, relating to Administration Expenses, is amended to read:

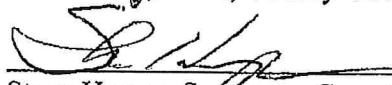
“(a) The Company will reimburse the County from time to time for its Administration Expenses, including reasonable attorneys' fees, promptly upon written request therefor, but in no event later than 30 days after receiving written notice from the County specifying the nature of such expense and requesting the payment of the same. The County acknowledges that, as of the date of this Agreement and except as provided in subsection (b) of this section, it imposes no charges in the nature of impact fees or recurring fees in connection with the incentives authorized by this Agreement, and, aside from its attorneys' fees, the County anticipates no out of pocket expenses in connection with this Agreement and the transactions authorized hereby. The County has engaged the McNair Law Firm, P.A., for purposes of negotiating and implementing this Agreement.

(b) In addition to the reimbursement of Administration Expenses as provided in subsection (a) of this section, 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, *provided, however*, the maximum annual reimbursement pursuant to this subsection is capped at One Thousand Dollars (\$1000.00).”

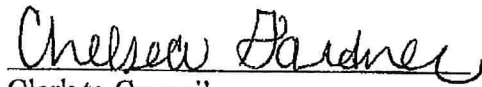
IN WITNESS WHEREOF, LANCASTER COUNTY, SOUTH CAROLINA and  
PCI GROUP, INC., each pursuant to due authority, have duly executed this Amendment to Fee  
Agreement, all as of the date first above written.

LANCASTER COUNTY, SOUTH CAROLINA


  
\_\_\_\_\_  
Bob Bundy, Chair, County Council

  
\_\_\_\_\_  
Steve Harper, Secretary, County Council

ATTEST:

  
\_\_\_\_\_  
Chelsea Gardner  
Clerk to Council

PCI GROUP, INC.

By:   
\_\_\_\_\_  
Name: WALTER F. PANNIC, JR.  
\_\_\_\_\_  
Its: \_\_\_\_\_