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DATE: 3/13/14

Kenneth H. Roberts

ORDINANCE NO. 2013-07  
CLARENCE COURT  
CLARENCE COUNTY, SC

BEULAH G. PROBERTS  
CLARENCE COUNTY, SC  
2

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CLARENDON )

**ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND BETWEEN CLARENDON COUNTY, SOUTH CAROLINA AND KENT INTERNATIONAL INC. PROVIDING FOR A PAYMENT OF A FEE IN LIEU OF TAXES AND OTHER MATTERS RELATED THERETO.**

WHEREAS, Clarendon 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 "Fee 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; and

WHEREAS, the County is further authorized and empowered by Title 4, Chapters 1 and 29 of the Code of Laws of South Carolina, 1976, as amended (collectively, the "Credit Act,"), to (i) create multi-county industrial parks in partnership with counties having contiguous borders with the County; (ii) include the property of eligible companies within such multi-county industrial parks; and (iii) provide special source credits against the payments in lieu of taxes pursuant due on property located in such multi-county industrial parks for the purpose of defraying the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County or the Project (as defined below) and for improved or unimproved real estate and personal property used in the operation of a commercial or manufacturing enterprise in order to enhance the economic development of the County, and other such purposes as may be described therein; and

WHEREAS, pursuant to the Credit Act, the County has jointly developed with Sumter County, South Carolina ("Sumter") the Sumter-Clarendon Industrial Park ("Park") and entered into the "Master Agreement Governing the Sumter-Clarendon Industrial Park" dated December 31, 2010 with Sumter ("Master Agreement") to govern the operation of the Park; and

WHEREAS, Kent International Inc., a Delaware corporation (the "Company"), together with one or more affiliates, intends to invest in the establishment of a manufacturing facility ("Project") through the acquisition of land, as more particularly described in Exhibit A, a building, and improvements thereon (collectively, 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; and

WHEREAS, the total cost of the investment in the Project is estimated to be at least \$6,000,000 over five years, which includes certain real property investment of Outspoken Partners, LLC that is associated with the Project but not eligible for inclusion as Economic Development Property (defined below); and

WHEREAS, the Project would constitute a project within the meaning of the Fee Act, and the portion of the Project that has never been subject to *ad valorem* property tax in the State is eligible for inclusion as economic development property under the Fee Act (“Economic Development Property”) and the fee-in-lieu of *ad valorem* tax (“FILOT”) benefits provided in the Fee Act; and

WHEREAS, the Company’s investment in the Economic Development Property is anticipated to meet the minimum investment requirements under the Fee Act; and

WHEREAS, pursuant to an Inducement Resolution dated as of March 10, 2014, the County authorized the execution of an agreement providing for FILOT payments on the Economic Development Property; and

WHEREAS, this Ordinance was originally entitled “Ordinance Authorizing the Execution and Delivery of an Infrastructure Credit Agreement by and among Clarendon County, South Carolina; Kent International Inc.; and Outspoken Partners, LLC, and Other Matters Related Thereto” and received two readings under that name; and

WHEREAS, due to an increase in the level of investment in Economic Development Property by the Company, the Ordinance has been revised to authorize a fee agreement instead of an infrastructure credit agreement, providing for the same type and essentially the same level of incentives that were provided under the original form of the Ordinance in the form of an Infrastructure Credit Agreement; and

WHEREAS, the Company has caused to be prepared and presented to this meeting the form of the Fee Agreement by and between the County and the Company (the “Fee Agreement”), attached as Exhibit B, which provides for FILOT payments, calculated utilizing a 6% assessment ratio for a period of 20 years, on the Economic Development Property, or each component thereof, placed in service during the initial investment period and any investment period extension to which the County and the Company agree, and the issuance of a five-year, 25% special source revenue credit; and

WHEREAS, it appears that the Fee Agreement, which is now before this meeting, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended; and

WHEREAS, the County further intends for the five-year property tax abatement allowed under South Carolina Code Annotated section 12-37-220(A)(7) to apply to the portion of the Project ineligible for the FILOT benefits under the Fee Act; and

WHEREAS, pursuant to the Credit Act and the terms of the Master Agreement, the County desires to locate the Project in the Park.

NOW, THEREFORE, BE IT ORDAINED by the County Council in a meeting duly assembled as follows:

Section 1. In order to promote industry, develop trade, and utilize and employ the manpower, products, and natural resources of the State of South Carolina by assisting the Company to expand or locate an industrial facility in the State of South Carolina, the Fee Agreement is hereby authorized, ratified, and approved.

Section 2. It is hereby found, determined, and declared by the County Council, as follows:

- (a) The Project will constitute a “project” as said term is referred to and defined in the Fee Act, and the County’s actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Fee Act.
- (b) The Project and the payments in lieu of taxes set forth herein are beneficial to the County, and based on representations by the Company, 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 and the anticipated costs and benefits to the County.
- (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, creation of jobs, 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.

Section 3. The form, terms, and provisions of the Fee Agreement presented to this meeting are hereby approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Fee Agreement were set out in this Ordinance in its entirety. The Chairman of the County Council and/or the County Administrator are authorized, empowered, and directed to execute, acknowledge, and deliver 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 now before this meeting 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 legal counsel to the County, such official's execution thereof to constitute conclusive evidence of such official's approval of any and all changes or revisions therein from the form of the Fee Agreement now before this meeting.

Section 4. There Park boundaries are expanded to include the Project in the Park. The Chairman of County Council or the County Administrator are hereby authorized to execute such documents and take such further actions as may be necessary to complete the inclusion of the Project in the Park. Pursuant to the terms of the Master Agreement, the expansion shall be complete on (i) the adoption of this Ordinance and (ii) the delivery of this approving Ordinance and descriptions on Exhibit A to Sumter.

Section 5. The Chairman of the County Council and/or the County Administrator, for and on behalf of the County, are hereby 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 6. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

Section 7. All orders, resolutions, ordinances, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and this Ordinance shall take effect and be in full force from and after its passage and approval.

(SIGNATURE PAGE TO FOLLOW)



Exhibit A

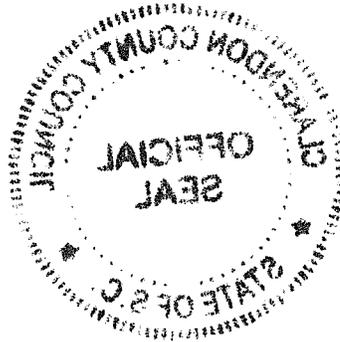
Property Description

Parcel A

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING AND BEING IN SCHOOL DISTRICT 2, CLARENDON COUNTY, SOUTH CAROLINA BEING A 52.30 ACRE TRACT SHOWN ON A PLAT BY H.F. OLIVER & ASSOCIATES DATED SEPTEMBER 14, 1983 AND RECORDED IN P.B. 35 PG. 9 IN THE CLARENDON COUNTY REGISTER OF DEEDS OFFICE. SAID PROPERTY MORE FULLY DESCRIBED BY PLAT HEREON.

COMMENCING AT THE CENTERLINE INTERSECTION OF U.S. HIGHWAY No. 521 AND S.C. HIGHWAY 261 (GREELEYVILLE HIGHWAY) AND S-14-476 (PROSPECT AVENUE) HAVING A RIGHT OF WAY WIDTH OF 66' DESIGNATED AS THE POINT OF COMMENCEMENT (P.O.C.); THENCE NORTH 67°24'06" EAST FOR A DISTANCE OF 49.33' ALONG A TIE LINE TO A #4 REBAR SET ON THE NORTHERN RIGHT OF WAY OF U.S. HIGHWAY 521 & S.C. HIGHWAY 261 (GREELEYVILLE HIGHWAY) DESIGNATED AS THE POINT OF BEGINNING (P.O.B.); THENCE NORTH 25°25'10" EAST ALONG THE EASTERN RIGHT OF WAY OF S-14-476 (PROSPECT AVENUE) FOR A DISTANCE OF 564.25' TO A #4 REBAR SET AT THE POINT OF CURVATURE (P.C), THENCE NORTH 58°42'49" EAST ALONG THE EASTERN R/W OF S-14-476 (PROSPECT AVENUE) ALONG A CURVE WITH A ARC LENGTH OF 351.66' AND CHORD LENGTH OF 332.20' AND RADIUS OF 302.59' TO A #4 REBAR SET AT THE POINT OF TANGENCY (P.T.), THENCE SOUTH 87°59'32" EAST ALONG EASTERN RIGHT OF WAY OF S-14-476 (PROSPECT AVENUE) FOR A DISTANCE OF 352.55' TO A #4 REBAR SET, THENCE NORTH 44°30'32" EAST ALONG THE EASTERN RIGHT OF WAY OF S-14-476 (PROSPECT AVENUE) FOR A DISTANCE OF 349.04' TO A CONCRETE MONUMENT AT THE SOUTHERN RIGHT OF WAY OF CSX RAILROAD, THENCE SOUTH 61°52'43" EAST ALONG THE SOUTHERN RIGHT OF WAY OF CSX RAILROAD HAVING A RIGHT OF WAY WIDTH OF 200' A DISTANCE OF 1499.30' TO A CONCRETE MONUMENT, THENCE SOUTH 20°16'23" WEST ALONG THE COMMON LINE OF ANNA B. MCCORD FOR A DISTANCE OF 414.63' TO A CONCRETE MONUMENT, THENCE SOUTH 22°05'57" WEST ALONG THE COMMON LINE OF ANNA B. MCCORD AND LINDA G. MCDANIEL AND LARRY DALE MCDANIEL FOR A DISTANCE OF 547.91' TO A #6 REBAR, THENCE NORTH 70°40'36" WEST ALONG THE COMMON LINE OF THE CITY OF MANNING FOR A DISTANCE OF 50.11' TO A #6 REBAR, THENCE SOUTH 21°21'32" WEST ALONG THE COMMON LINE OF THE CITY OF MANNING FOR A DISTANCE OF 49.76' TO #4 REBAR SET AT THE NORTHERN RIGHT OF WAY OF U.S. HIGHWAY 521 AND S.C. HIGHWAY 261 (GREELEYVILLE HIGHWAY), THENCE NORTH 70°36'56" WEST ALONG THE NORTHERN RIGHT OF WAY U.S. HIGHWAY 521 AND S.C. HIGHWAY 261 (GREELEYVILLE HIGHWAY) HAVING A RIGHT OF WAY WIDTH OF 66' FOR A DISTANCE OF 2152.22' TO A #4 REBAR SET AND DESIGNATED AS THE POINT OF BEGINNING (P.O.B.).

SAID TRACT CONTAINS 52.30 ACRES.



## Parcel B

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND LYING AND BEING IN SCHOOL DISTRICT 2, CLARENDON COUNTY, SOUTH CAROLINA BEING A 0.24 ACRE TRACT SHOWN ON A PLAT BY W.B. SYKES DATED AUGUST 11, 1964 AND RECORDED IN PB. 18 PG. 65 IN THE CLARENDON COUNTY REGISTER OF DEEDS OFFICE. SAID PROPERTY MORE FULLY DESCRIBED BY PLAT HEREDON.

COMMENCING AT THE CENTERLINE INTERSECTION OF U.S. HIGHWAY No. 521 AND S.C. HIGHWAY 261 (GREELEYVILLE HIGHWAY) AND S-14-476 (PROSPECT AVENUE) HAVING A RIGHT OF WAY WIDTH OF 66' DESIGNATED AS THE POINT OF COMMENCEMENT (P.O.C.); THENCE NORTH 22°16'35" EAST FOR A DISTANCE OF 601.83' ALONG A TIE LINE TO A #4 REBAR SET ON THE NORTHERN RIGHT OF WAY OF S-14-476 (PROSPECT AVENUE) BEING THE POINT OF CURVATURE (P.C.), AND DESIGNATED AS THE POINT OF BEGINNING (P.O.B.); THENCE NORTH 25°22'23" EAST ALONG THE COMMON LINE OF FRANCES DELORES MCCORD FOR A DISTANCE OF 242.18' TO A 1" PIPE, THENCE SOUTH 87°56'58" EAST ALONG THE COMMON LINE OF MARION EPPS DUBOSE, IV. FOR A DISTANCE OF 242.20' TO A #4 REBAR SET AT THE POINT TANGENCY (P.T) OF THE NORTHERN RIGHT OF WAY OF S-14-476 (PROSPECT AVENUE) THENCE SOUTH 58°42'49" WEST ALONG NORTHERN RIGHT OF WAY OF THE S-14-476 (PROSPECT AVENUE) ALONG THE CURVE FOR A ARC LENGTH OF 428.38' AND CHORD LENGTH OF 404.69' HAVING A RADIUS OF 368.76' TO A #4 REBAR SET, BEING THE POINT OF CURVATURE (P.C.), AND DESIGNATED AS THE POINT OF BEGINNING (P.O.B.).

SAID TRACT CONTAINS 0.24 ACRES.

**Exhibit B**

**Form of the Fee Agreement**