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STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

ORDINANCE NO. 2021-1713

AN ORDINANCE

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A SPECIAL SOURCE REVENUE CREDIT AGREEMENT BY AND BETWEEN LANCASTER COUNTY AND STUDIO DISPLAYS, INC. (PROJECT SMITH) PROVIDING FOR SPECIAL SOURCE REVENUE CREDITS; AND TO EXPRESS THE INTENTION OF COUNCIL TO PROVIDE MONIES TO THE ECONOMIC DEVELOPMENT FUND.

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

Section 1. Findings and Determinations.

The Lancaster County Council finds and determines that:

(a) Lancaster County, South Carolina (the “County”), acting by and through its County Council (the “County Council”) is authorized and empowered to establish a multicounty park (“MCP”) pursuant to Article VIII, Section 13(D) of the Constitution of South Carolina, and also authorized to provide special source revenue credits (“SSRCs”) pursuant to Sections 4-1-170, 4-1-172, 4-1-175 and 4-29-68 of the Code of Laws of South Carolina 1976, as amended (the “MCP Act”) against fee-in-lieu of tax (“FILOT”) payments (“FILOT Payments”) made pursuant to the MCP Act to reimburse a project for the costs of designing, acquiring, constructing, improving, or expanding (i) infrastructure serving the project, or (ii) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise, through which powers the industrial development of South Carolina and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in South Carolina and the County and thus to utilize and employ the workforce, products, and natural resources of South Carolina to benefit the general public welfare of the County by providing services, employment, and other public benefits not otherwise provided locally;

(b) Studio Displays, Inc. (Project Smith) on its own or together with one or more of their subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others (collectively, the “Company”), desires to invest capital in the County in order to construct and install one or more facilities in the County (the “Project”), *provided, that*, approvals of various incentives contemplated for the Project are formalized by the State and/or County;

(c) the Project is anticipated to result in an investment of at least \$5,600,000 in real and personal property with an associated creation of at least thirty (30) new, full-time jobs; and

(d) by passage of Resolution No. 1119-R2020, adopted October 26, 2020, Council committed the County to (i) enter into a Special Source Revenue Credit Agreement with the Company under the MCP Act, (ii) provide for SSRs against the FILOT Payments to be made by the Company, and (iii) locate the Project in an MCP.

Section 2. Additional Findings.

Council makes the following additional findings:

(a) The Project will constitute a “project” as the term is referred to and defined in the MCP Act, and the County’s actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the MCP 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 3. Approval of Special Source Revenue Credit Agreement.

The form, terms, and provisions of the Special Source Revenue Credit Agreement (“SSRC 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 SSRC Agreement were set out in this ordinance in its entirety. The Council Chair and Council Secretary are authorized, empowered, and directed to execute and acknowledge the SSRC Agreement in the name of and on behalf of the County, and thereupon to cause the SSRC Agreement to be delivered to the Company. The SSRC 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 SSRC Agreement attached to this ordinance.

Section 4. 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 SSRC 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 SSRC Agreement by the County after distribution to other taxing entities in the most recently completed tax year.

Section 5. 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 SSRC Agreement and the performance of all obligations of the County under and pursuant to the SSRC Agreement.

Section 6. 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 7. 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 8. Effective Date.

This ordinance is effective upon Third Reading.

AND IT IS SO ORDAINED

Dated this 22nd day of MARCH, 2021.

LANCASTER COUNTY, SOUTH CAROLINA

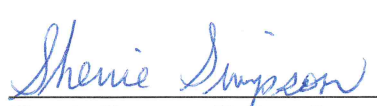


Steve Harper, Chair, County Council



Billy Mosteller, Secretary, County Council

ATTEST:



Sherrie Simpson, Clerk to Council

First Reading: January 11, 2021
Second Reading: January 25, 2021
Public Hearing: March 22, 2021
Third Reading: March 22, 2021

Approved as to form:



John K. DuBose III, County Attorney

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Exhibit A to Ordinance No. 2021-1713

Special Source Revenue Credit Agreement

See attached.

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SPECIAL SOURCE REVENUE CREDIT AGREEMENT

by and between

LANCASTER COUNTY, SOUTH CAROLINA,

and

STUDIO DISPLAYS, INC.

Dated as of March 22, 2021

SPECIAL SOURCE REVENUE CREDIT AGREEMENT

This SPECIAL SOURCE REVENUE CREDIT AGREEMENT, dated as of March 22, 2021 (as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof, the "Agreement"), is by and between LANCASTER COUNTY, SOUTH CAROLINA (the "County"), a body politic and corporate, and a political subdivision of the State of South Carolina, and STUDIO DISPLAYS, INC. ("Studio Displays" or "Company"), a North Carolina corporation.

WITNESSETH:

WHEREAS, the County, acting by and through its County Council (the "County Council") is authorized and empowered to establish a multicounty park ("MCP" or "Park") pursuant to Article VIII, Section 13(D) of the Constitution of South Carolina, and also authorized to provide special source revenue credits pursuant to Sections 4-1-170, 4-1-172, 4-1-175 and 4-29-68 of the Code of Laws of South Carolina 1976, as amended (the "MCP Act") against fee-in-lieu of tax ("FILOT") payments ("FILOT Payments") made pursuant to the MCP Act to reimburse a project for the costs of designing, acquiring, constructing, improving, or expanding (i) infrastructure serving the project, or (ii) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise ("Special Source Improvements"), through which powers the industrial development of South Carolina and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in South Carolina and the County and thus to utilize and employ the workforce, products, and natural resources of South Carolina to benefit the general public welfare of the County by providing services, employment, and other public benefits not otherwise provided locally; and

WHEREAS, the Company desires to invest capital in the County in order to construct and install one or more facilities with the expected investment estimated to be at least \$5,600,000 in real and personal property with an associated creation of at least thirty (30) new, full-time jobs (the "Project"); and

WHEREAS, pursuant to the MCP Act, the County, by passage of Ordinance No. 1011, and Chester County, South Carolina ("Chester County"), by passage of Ordinance No. 02-01-01A, have jointly developed a Park ("Lancaster-Chester Park") by entering into that certain Agreement for the Development of a Joint Industrial and Business Park (Greyme) dated December 21, 2009 (as amended, modified, or supplemented through the date hereof, and as may be amended, modified, or supplemented from time to time, the "Lancaster-Chester Park Agreement"); and

WHEREAS, in accordance with the MCP Act, real and personal property having a *situs* in a Park in the County, including, but not limited to, the Lancaster-Chester Park, is exempt from all *ad valorem* taxation, but, the owners or lessees of such real and personal property are obligated to make, or cause to be made, payments in lieu of taxes to the County in the total amount equivalent to the *ad valorem* taxes or other fee in lieu of tax payments that would have been due and payable with respect to the real and personal property but for the location of the real and personal property within the Park and the exemption; and

WHEREAS, the County has determined to provide for inclusion of the Project Site within the boundaries of the Lancaster-Chester Park, if such property is not already so included, and to maintain the Project Site within the boundaries of the Lancaster-Chester Park, or a replacement or successor Park, in

order to facilitate the provision of, and receipt by, the Company of the special source revenue credits set forth in greater detail herein; and

WHEREAS, the County, as inducement for the location of the Project in the County, and in accordance with the MCP Act, has determined that the County shall provide, and the Company shall receive, special source revenue credits against each FILOT Payment due from the Company with respect to the Project, all as set forth in greater detail herein; and

WHEREAS, the County Council has authorized the execution and delivery of this Agreement by Ordinance No. 2021-1713 enacted by the County Council on March 22, 2021 (the "County Ordinance").

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the above recitals which are incorporated herein by reference, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

The defined terms in this Agreement shall for all purposes of this Agreement have the meanings specified in the recitals above and in this **Article I**, unless the context clearly otherwise requires. Except where the context otherwise requires, (i) words importing the singular number shall include the plural number and *vice versa*, and (ii) the words "hereof", "herein", "hereunder", and other words of similar import refer to this Agreement as a whole.

"*Affiliate*" means any corporation, limited liability company, partnership or other Person or entity which now or hereafter owns all or part of Studio Displays, or which now or hereafter is owned in whole or in part by Studio Displays, or by any partner, shareholder or owner of Studio Displays, as well as any corporation, limited liability company, partnership or other Person, which now or hereafter bears a relationship to Studio Displays, as described in Section 267(b) of the Internal Revenue Code.

"*Code*" means the Code of Laws of South Carolina 1976, as amended.

"*Company*" means Studio Displays and its successors and assigns.

"*Costs of Special Source Improvements*" means all of the costs of designing, acquiring, constructing, improving, equipping or expanding the Special Source Improvements, whether incurred prior to or after the date of this Agreement, and shall be deemed to include, but not be limited to: (a) existing buildings and building improvements together with all existing machinery and equipment; (b) obligations incurred for labor, materials, and other expenses to builders and materialmen in connection with the acquisition, construction, and installation of the Special Source Improvements; (c) the cost of construction bonds and of insurance of all kinds that may be required or necessary during the course of construction and installation of the Special Source Improvements, which is not paid by the contractor or contractors or otherwise provided for; (d) the expenses for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefore, and for supervising construction, as well as for the performance of all other duties required by or reasonably necessary in

connection with the acquisition, construction, and installation of the Special Source Improvements; and (e) all other costs which shall be required under the terms of any contract for, or incurred in connection with, the designing, acquisition, construction, equipping and installation of the Special Source Improvements.

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

“*County Ordinance*” has the meaning ascribed thereto in the recitals of this Agreement.

“*Jobs Commitment*” means the commitment of Studio Displays to create New Full-Time Jobs paying an hourly wage rate meeting the Wage Requirement.

“*Lancaster-Chester Park*” means initially with respect to the Project Site, the Lancaster-Chester Park established pursuant to the terms of the Lancaster-Chester Park Agreement, and thereafter any Park which hereafter includes the Project Site and which is designated by the County as such pursuant to any Park agreement which replaces or succeeds the Lancaster-Chester Agreement.

“*Lancaster-Chester Park Agreement*” has the meaning ascribed thereto in the recitals of this Agreement.

“*MCP Act*” has the meaning ascribed thereto in the recitals of this Agreement.

“*New Full-Time Jobs*” means new full-time jobs (*i.e.*, at least thirty (30) hours per week) created by Company for the Project, all with health care benefits (“New Full-Time Jobs”) at the following employment levels and in the designated timeframes:

(i) to have employed in New Full-Time Jobs meeting the Wage Requirement, not less than twenty-five (25) for those months in which the Project is operating in the County in calendar year 2021 (applicable to the FILOT Payment due without penalty by January 15, 2023),

(ii) to have employed in New Full-Time Jobs meeting the Wage Requirement, not less than an average of twenty-eight (28) in calendar year 2022 (applicable to the FILOT Payment due without penalty by January 15, 2024),

(iii) to have employed in New Full-Time Jobs meeting the Wage Requirement, not less than an average of thirty (30) in calendar year 2023 (applicable to the FILOT Payment due without penalty by January 15, 2025) and each calendar year thereafter in which Studio Displays receives an SSRC pursuant to Section 3.01(a) below.

Jobs relocated from other states to the Project may be included in the determination whether the Company has fulfilled the Jobs Commitment if the relocated jobs meet the Wage Requirement.

“*Park*” has the meaning ascribed thereto in the recitals of this Agreement.

“*Person*” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a joint venture, a trust, any unincorporated organization, or a government or an agency or a political subdivision thereof.

“*Project*” has the meaning ascribed thereto in the recitals of this Agreement.

"Project Site" means the land identified by Parcel Identification No. 0010-00-050.03, with a physical address of 9081 Northfield Drive, and consisting of approximately 7.64 acres.

"Property Tax Year" means the annual period which is equal to the fiscal year of Studio Displays, as of the original execution and delivery of this Agreement, and with respect to Studio Displays, the annual period ending on December 31 of each year.

"Special Source Improvements" has the meaning ascribed thereto in the recitals of this Agreement.

"Special Source Revenue Credits" or *"SSRCs"* shall mean the special source revenue credits provided by the County and described in **Section 3.01** hereof.

"State" means South Carolina.

"Studio Displays" means Studio Displays, Inc., a North Carolina corporation and its successors and assigns.

"Wage Requirement" means an hourly wage rate not less than twenty dollars (\$20.00).

ARTICLE II

REPRESENTATIONS AND COVENANTS

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

SECTION 2.02. Representations by the Company. Studio Displays makes the following representations:

(1) Studio Displays is a North Carolina corporation, duly organized, validly existing, and in good standing, under the laws of North Carolina and is authorized to transact business in South Carolina, has power to enter into this Agreement, and by proper corporate action has authorized the respective Studio Displays official or officials signing this Agreement to execute and deliver this Agreement. Studio Displays' fiscal year end is December 31 and Studio Displays will notify the County of any changes in the fiscal year of Studio Displays.

(2) The Special Source Revenue Credits provided by the County in the manner set forth in this Agreement have been instrumental to Studio Displays in inducing the location of the Project in the County.

SECTION 2.03 Covenants by the County. The County will use its best efforts to include, and thereafter maintain, the Project Site within the boundaries of the Lancaster-Chester Park for the term of this Agreement.

ARTICLE III

FILOT PAYMENTS AND SPECIAL SOURCE REVENUE CREDITS

SECTION 3.01. FILOT Payments and Special Source Revenue Credits.

(a) Company acknowledges and agrees that under the MCP Act, the Project is exempt from *ad valorem* property taxes and that the Company is required to make annual FILOT Payments with respect to the Project in an amount equal to what the *ad valorem* property taxes would be if the Project were not located in the Lancaster-Chester Park, less the Special Source Revenue Credits provided in **Section 3.01(b)** below. The FILOT Payments to be made by the Company under this Agreement shall be calculated in the same manner as *ad valorem* taxes and the Company shall receive, in addition to the Special Source Revenue Credits provided in **Section 3.01(b)** below, all other credits, exemptions, or reductions against *ad valorem* taxes or against payments in lieu of taxes due pursuant to the MCP Act allowed by law. County and Company acknowledge and agree that any exemption that would otherwise be allowed pursuant to Section 3(g), Article X of the Constitution of South Carolina and the exemptions allowed pursuant to Section 12-37-220(B)(32) and (34) of the Code shall be applied in the calculation of the FILOT Payments. The collection and enforcement of the FILOT Payments shall be as provided in Section 12-2-90 of the Code.

(b) To defray or reimburse the Costs of Special Source Improvements with respect to the Project, the County agrees to provide, and the Company shall, subject to the provisions of Section 3.02 hereof, receive, Special Source Revenue Credits equal to sixty-two percent (62%) of the FILOT Payments due with respect to the Company's investments in real and personal property for a period of thirty (30) consecutive tax years, beginning with the FILOT Payment due from the Company for tax year 2022 (*i.e.*, the FILOT Payment due to be paid without penalty on or before January 15, 2023) and ending with the FILOT Payment due from the Company in tax year 2051 (*i.e.*, the FILOT Payment due to be paid without penalty on or before January 15, 2052).

(c) The Special Source Revenue Credits to which the Company shall receive with respect to each tax year set forth above in **Section 3.01(b)** above shall be reflected by the County Auditor or other authorized County official or representative on each FILOT Payment bill sent to the Company by the County for each tax year, by reducing the fee-in-lieu of tax payment otherwise due from the Company for the tax year by the amount of Special Source Revenue Credits to be provided to the Company for the tax year.

(d) If **Section 3.01(b)** above, or the provision of the Special Source Revenue Credits is found to be invalid, illegal or unenforceable by a court of competent jurisdiction, the County agrees to provide the Company with an incentive that is valid pursuant to such court ruling and commensurate to the nature and value of the benefits intended to be provided under this Agreement, to the maximum extent legally permitted.

(e) THIS AGREEMENT AND THE SPECIAL SOURCE REVENUE CREDITS PROVIDED HEREUNDER ARE LIMITED OBLIGATIONS OF THE COUNTY AND ARE PROVIDED BY THE COUNTY SOLELY FROM THE FEE-IN-LIEU OF TAX PAYMENT MADE BY THE COMPANY WITH RESPECT TO THE PROJECT AND DO NOT AND SHALL NOT CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION AND DO NOT AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY. THE FULL FAITH, CREDIT, AND TAXING POWER OF THE COUNTY ARE NOT PLEDGED IN CONNECTION WITH THE PROVISION OF THE SPECIAL SOURCE REVENUE CREDITS HEREUNDER.

(f) In accordance with the MCP Act, the Special Source Revenue Credits authorized herein shall not, in the aggregate, exceed the aggregate cost of Special Source Improvements funded from time to time in connection with the Project by the Company.

(g) Notwithstanding any other provision of this Agreement, the Company acknowledges and agrees that County's obligation to provide the special source revenue credits ends, and this Agreement is terminated, if the Company ceases operation of the Project. For purposes of this **Section 3.01(g)**, "**cease operations**" means permanent closure of the Project. The Company agrees that if this Agreement is terminated pursuant to this **Section 3.01(g)**, that under no circumstance shall the County be required to refund or pay any monies to the Company.

(h) In any year in which the Company fails to meet the Jobs Commitment, the SSRC shall be reduced in the same proportion that the Company failed to meet the Jobs Commitment. For example, if for the calendar year 2022, the Jobs Commitment is to have not less than an average of twenty-eight (28), but the Company employed an average of twenty-four (24) meeting the Jobs Commitment, then the SSRC would be set at 85.7% (24 divided by 28 equals 85.7%) of 62% which results in an SSRC applicable to the FILOT Payment due without penalty by January 15, 2024 of 53.1% (85.7% times 62% equals 53.1%).

(i) Notwithstanding any other provision of this Agreement, the SSRCs provided in **Section 3.01(b)** above are not applicable in any year immediately following a year in which the Company has failed to employ an average of at least ten (10) individuals in new full-time jobs (*i.e.*, each at least thirty (30) hours per week and all with health care benefits).

SECTION 3.02. Maintenance of Books and Records; Annual Reports; Examinations and Inspections; Confidential Information. (a) Studio Displays shall maintain, or cause to be maintained, such books and records with respect to the Project as will permit the identification of the portions of the Project placed in service, the amount of investment with respect thereto, and any computations of the fee-in-lieu of tax payment and the special source revenue credits made by Studio Displays hereunder. Studio Displays agrees to comply with all reporting requirements of the State and the County applicable to fee-in-lieu of tax property under the MCP Act, including without limitation the reports and returns required by Section 12-2-90 of the Code.

(b) Upon direction of the governing body of the County, a County Official may request and obtain such financial books and records from Studio Displays that supports the respective returns of Studio Displays, as may be reasonably necessary to verify the calculations of the fee-in-lieu of tax payments by Studio Displays. For purposes of this Agreement, the term "County Official" includes the

County Administrator, County Auditor, County Assessor, County Treasurer, and the County Director of Economic Development.

(c) Each year during the term hereof, the Company shall deliver to the County Auditor, the County Assessor, the County Treasurer, and County Director of Economic Development a copy of any form or return it files with the South Carolina Department of Revenue with respect to the Project at the same time as delivery thereof to the South Carolina Department of Revenue.

(d) During the term hereof, Studio Displays shall deliver to the County Auditor and the County Director of Economic Development on or before each May 31 following the end of a Property Tax Year, beginning with May 31, 2022, the information required by the County Auditor for a fee-in-lieu of tax payment bill to be prepared in accordance with this Agreement and **Section 3.01(a)** hereof. The information delivered must include, at a minimum, the amount of investment by the Company in Project property. If the County incurs expenses in the computation, preparation and verification of the annual fee-in-lieu of tax payment bill, the Company agrees to reimburse the County for those expenses, including, but not limited to, expenses incurred by the County for accountants and similar experts (the "Administrative Expense Reimbursement"). The annual Administrative Expense Reimbursement is capped at one thousand dollars (\$1000.00). If the information and certification required by this subsection is not delivered to the County Auditor and County Director of Economic Development on or before May 31 of the applicable year, Studio Displays agrees that the Special Source Revenue Credits are forfeited for the FILOT Payment due for Project property for the then current Property Tax Year.

(e) The Company agrees that the County and its authorized agents shall 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 its 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 confidentiality and proprietary rights of Studio Displays. Any such entrance upon and examination and inspection of the Project shall be at the County's expense.

(f) The County acknowledges and understands that the information provided by the Company may contain, and 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 operations and processes of the Company ("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 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. The County shall not knowingly and willfully disclose and shall cause all employees, agents and representatives of the County to not 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 Company and give the Company the opportunity to contest the release.

ARTICLE IV

TRANSFERS OF PROJECT PROPERTY; ASSIGNMENT

SECTION 4.01. Transfers of Project Property; Assignment of Interest in this Agreement. The County hereby acknowledges that the Company may from time to time and, to the extent permitted by applicable law, sell, transfer, lease, convey, or grant the right to occupy and use the Project, in whole or in part, or assign its interests in this Agreement, in whole or in part, to one or more Persons without the consent of the County; *provided, however*, that any transfer or assignment by the Company of all or any of their interest in this Agreement to any Person other than an Affiliate shall require the prior written consent or subsequent ratification of the County, which consent or ratification shall not be unreasonably withheld, conditioned, or delayed and which shall be evidenced by resolution of County Council; and *provided, further*, that the Company shall provide written notice to the County of any such transfer or assignment. Subject to the foregoing provisions of this **Section 4.01**, no such sale, lease, conveyance, grant, transfer or assignment shall relieve the County from the County's obligation to provide the Special Source Revenue Credits to the Company, or any transferee or assignee of the same, under this Agreement.

ARTICLE V

DEFAULTS AND REMEDIES

SECTION 5.01. Events of Default. If any party shall fail duly and punctually to perform any material covenant, condition, agreement or provision contained in this Agreement on the part of such party to be performed, which, except as otherwise provided in this Agreement, failure shall continue for a period of thirty (30) days after written notice by another party, specifying the failure and requesting that it be remedied, is given to the defaulting party by first-class mail, then such party shall be in default under this Agreement (an "Event of Default"); *provided, however*, that if any such failure is not, with due diligence, susceptible of cure within such 30-day period, then such defaulting party shall have a period of time not to exceed sixty (60) days from the date of such written notice by the other party to remedy such failure, unless such parties agree in a writing signed by all parties to an extension of such time prior to its expiration.

SECTION 5.02. Legal Proceedings. Upon the happening of any Event of Default by a party, then and in every such case each other party in its respective discretion may:

- (1) by mandamus, or other suit, action, or proceeding at law or in equity, enforce all of its rights and require the defaulting party to carry out any agreements with or for its benefit and to perform its duties under the MCP Act and this Agreement;
 - (2) bring suit upon this Agreement;
 - (3) exercise any or all rights and remedies provided by the applicable laws of South Carolina;
- or
- (4) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of its rights.

SECTION 5.03. Remedies Not Exclusive. No remedy in this Agreement conferred upon or reserved to the Company or the County is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

SECTION 5.04. Nonwaiver. No delay or omission of the Company or the County to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by this **Article V** to the Company or the County may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Termination This Agreement shall automatically terminate on the date upon which all Special Source Revenue Credits provided for in **Section 3.01** hereof have been provided to, and received by, the Company. Additionally the County and the Company may jointly agree to terminate this Agreement at any time and the Company may, at their option, unilaterally terminate this Agreement at any time with respect to all, or any portion of the Project.

SECTION 6.02. Binding Effect; Successors and Assigns. This Agreement shall be binding, in accordance with its terms, and to the extent permitted by law, upon and inure to the benefit of the Company, the County and their respective successors and assigns. All covenants, stipulations, promises, and agreements contained in this Agreement, by or on behalf of, or for the benefit of, the County, shall bind or inure to the benefit of the successors of the County from time to time and any officer, board, commission, agency, or instrumentality to whom or to which any power or duty of the County shall be transferred.

SECTION 6.03. Provisions of Agreement for Sole Benefit of the Company and the County. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any Person other than the Company and the County any right, remedy, or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the Company and the County.

SECTION 6.04. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal, invalid or unenforceable, the illegality, invalidity or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed and enforced as if the illegal, invalid or unenforceable provisions had not been contained herein so as to most closely effectuate the legal, valid and enforceable intent hereof and so as to afford the Company with the maximum benefits to be derived herefrom.

SECTION 6.05. No Liability for Personnel of the County, the Company or the Affiliated Company. No covenant or agreement contained in this Agreement is deemed to be a covenant or agreement of any elected official, member, agent, or employee of the County or its governing body or the Company or any of their respective officers, elected officials, employees, or agents in an individual capacity, and neither the members of the governing body of the County nor any official of the County or

the Company executing this Agreement is liable personally on the Special Source Revenue Credits or this Agreement or subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 6.06. Notices. All notices, certificates, requests, or other communications under this Agreement are sufficiently given and are deemed given, unless otherwise required by this Agreement, when (i) delivered or (ii) sent by facsimile and confirmed by United States first-class registered mail, postage prepaid, addressed as follows:

(a) As to the County:

Lancaster County
Attn.: County Administrator
P.O. Box 1809 (29721)
101 N. Main Street, 2nd Floor (29720)
Lancaster, South Carolina
Phone: (803) 416-9300
Facsimile No.: (803) 285-3361

with a copy to (which shall not constitute notice for purposes of this Agreement):

Mr. Jamie Gilbert
Economic Development Director, Lancaster County
P.O. Box 1809
Lancaster, South Carolina 29721
Phone: (803) 286-3633
Facsimile No.: (803) 416-9497
Email: jgilbert@lancastercountysc.net

(b) As to Studio Displays:

Studio Displays, Inc.
10600 Southern Loop Boulevard
Pineville, NC 28134-7381
Facsimile No.: _____

The County and the Company shall, by notice given under this **Section 6.06**, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 6.07. Administrative Fees. The Company shall reimburse, or cause reimbursement of, the County for reasonable expenses, including, reasonable attorneys' fees, related to review and approval of this Agreement, and any other documents related to this Agreement.

SECTION 6.08. Merger. This Agreement constitutes the entire agreement among the parties to it with respect to the matters contemplated in it, and it is understood and agreed that all undertakings, negotiations, representations, promises, inducements and agreements heretofore had among these parties are merged herein.

SECTION 6.09. Agreement to Sign Other Documents and to Take Further Action. The County agrees that it will from time to time execute and deliver such further instruments, in form and substance reasonably acceptable to it, and take such further action as may be reasonable and as may be requested by the Company as may be required to carry out the purpose of this Agreement. The requesting party shall reimburse, or cause reimbursement of, the County for reasonable attorneys' fees, related to review and negotiation of such further instruments. Such instruments or actions shall never create or constitute an indebtedness of the County within the meaning of any South Carolina constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the County, other than against the fee-in-lieu of tax payments made by the Company with respect to the Project, or a charge against its general credit or taxing power or pledge the credit or taxing power of the County, the State, or any other political subdivision of the State.

SECTION 6.10. 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 does not apply in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

SECTION 6.11. Applicable Law. The laws of South Carolina govern the construction of this Agreement.

SECTION 6.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6.13. Amendments. This Agreement may be amended only by written agreement of the parties hereto.

SECTION 6.14. Waiver. Either party may waive compliance by the other party with any term or condition of this Agreement but the waiver is valid only if it is in a writing signed by the waiving party.

SECTION 6.15. Further Proceedings. It is intended by the parties that any action to be taken hereinafter by the County pursuant to the express provisions of this Agreement may be undertaken by the County without necessity of further proceedings. To the extent that additional proceedings are required by law, however, the County agrees, to the extent permitted by law, to undertake all such steps as may be reasonably required or appropriate to effectuate the intent of this Agreement.

SECTION 6.16. Chamber Membership. Company agrees to maintain a membership in the Lancaster County Chamber of Commerce for those years in which the SSRC, as defined in **Section 3.01(b)** above, is applied.

SIGNATURES FOLLOW ON NEXT PAGE.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

IN WITNESS WHEREOF, Lancaster County, South Carolina has caused this Agreement to be executed by its respective appropriate officials and its respective corporate seal to be hereunto affixed and attested and Studio Displays, Inc. has caused this Agreement to be executed by its authorized officers, effective the day and year first above written.

LANCASTER COUNTY, SOUTH CAROLINA

Steve Harper, Chair, County Council

Billy Mosteller, Secretary, County Council

[SEAL]

Attest:

Sherrie Simpson, Clerk to Council,
Lancaster County, South Carolina

STUDIO DISPLAYS, INC.,
a North Carolina corporation

By: _____

Its: _____