

STATE OF SOUTH CAROLINA)
)
COUNTY OF BARNWELL)

A RESOLUTION OF THE
BARNWELL COUNTY COUNCIL

FILED FOR RECORD
2014 DEC 12 PM 1:29
RICHMOND D. HARRIS
CLERK OF THE COUNTY OF
BARNWELL, SOUTH CAROLINA

A RESOLUTION IDENTIFYING PROJECT FLOWER TO SATISFY THE REQUIREMENTS OF SECTION 12-44-40; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BETWEEN BARNWELL COUNTY AND PROJECT FLOWER; COMMITTING TO ENTER INTO SUCH NECESSARY AGREEMENTS TO EFFECTUATE THE INTENT OF THIS RESOLUTION; AND OTHER MATTERS RELATED THERETO.

WHEREAS, Barnwell County, South Carolina ("County") acting by and through its County Council is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 Code of Laws of South Carolina, 1976, as amended ("Fee Act") (i) to enter into agreements with qualifying industry to encourage investment in projects constituting economic development property through which the industrial development of the State of South Carolina will be promoted by inducing new and existing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ manpower and other resources of the State and (ii) to covenant with such industry to accept negotiated fees in lieu of *ad valorem* taxes ("FILOT") with respect to such investment;

WHEREAS, pursuant to Title 4, Section 1, Code of Laws of South Carolina, 1976, as amended ("MCIP Act"), the County is authorized (i) to develop multi-county industrial parks in partnership with counties having contiguous borders with the County, (ii) to include within the boundaries of such parks the property of eligible companies; and (iii) to grant credits ("Infrastructure Credits") in order to assist a company located in a multi-county industrial park in paying the cost of designing, acquiring, constructing, improving, or expanding (A) the infrastructure serving the County or the property of a company located within such multi-county industrial parks or (B) improved or unimproved real estate and personal property used in the operation of a manufacturing enterprise located within such multi-county industrial park in order to enhance the economic development of the County;

WHEREAS, Project Flower ("Company") is planning an investment in the County, consisting of total expenditures of approximately \$116,000,000, in order to establish a manufacturing facility within the County ("Project");

WHEREAS, the Company anticipates creating approximately 134, new full-time jobs in the County in connection with the Project;

WHEREAS, to induce the Company to locate the Project in the County, the County desires to offer certain incentives to the Company, including (i) a FILOT incentive, (ii) the location of the Project in a multi-county industrial park, (iii) an Infrastructure Credit incentive, (iv) the administration of certain grants for the benefit of the Project, and (v) the transfer of certain property to the Company, the specific terms of which will be prescribed by a subsequent ordinance of the County and set forth more fully in one or more agreement between the County and the Company (collectively, "Incentive Agreements"); and

WHEREAS, the Company and the County desire to set forth the terms and conditions of the County's commitments to offer the Company the above-described incentives in an inducement and millage rate agreement between the County and the Company, the substantially final form of which is attached to this Resolution as Exhibit A, ("Inducement Agreement").

NOW, THEREFORE, BE IT RESOLVED by the County Council as follows:

Section 1. Based on information supplied by the Company, the County finds that (i) the Project will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits, not otherwise adequately provided locally; (ii) the Project gives rise to no pecuniary liability of the County or incorporated municipality and to no charge against the general credit or taxing power of either the County or any incorporated municipality; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project are greater than the costs.

Section 2. The County hereby identifies the Project as a project, which action is intended to satisfy the requirements of Section 12-44-40 of the Fee Act.

Section 3. Pursuant to the Fee Act and the MCIP Act, the County commits to negotiate the Incentive Agreements with the Company. The commitments of the County are more fully described in the Inducement Agreement, the form, terms and provisions of which are incorporated in this Resolution as if the Inducement Agreement was set out in this Resolution in its entirety. The Chair of County Council is authorized to execute, and the Clerk to Council is authorized to attest, the Inducement Agreement on behalf of the County subject to any revisions as may be approved by the Chair or the County Administrator following receipt of advice from counsel to the County and that do not materially affect the obligation and rights of the County under the Inducement Agreement.

Section 4. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution shall take effect and be in full force from and after its passage by the County Council.

Resolved this 9th day of December, 2014.

BARNWELL COUNTY, SOUTH CAROLINA



Chairman
Barnwell County, South Carolina

(SEAL)

ATTEST:



Clerk to County Council
Barnwell County, South Carolina

Approved as to form:



James D. Mosteller, III, County Attorney

**EXHIBIT A
INDUCEMENT AND MILLAGE RATE AGREEMENT**

[ATTACHED]

**INDUCEMENT AGREEMENT
AND MILLAGE RATE AGREEMENT**

THIS INDUCEMENT AGREEMENT AND MILLAGE RATE AGREEMENT (the "Agreement") dated as of December 9, 2014, by and between Barnwell County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and Project Flower, duly authorized or to be duly authorized to do business in South Carolina (the "Company").

WITNESSETH:

ARTICLE I.
RECITATION OF FACTS

Section 1.1. As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

(a) The County, South Carolina (the "County"), acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of the Code of Laws of the State of South Carolina, 1976, as amended (the "Code"), including, without limitation, Titles 4 and 12, including, particularly, Chapter 44 of Title 12 of the Code (collectively, the "Act"), and the case law of the Courts of the State of South Carolina, to offer and provide certain privileges, benefits, and incentives to prospective industry as inducements for economic development within the County; to acquire, or cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with qualifying industry to construct, operate, maintain and improve such projects; to enter into or allow financing agreements with respect to such projects; and, to accept any grants for such projects through which powers the industrial and business development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation, tourism or other public benefits not otherwise provided locally; and

(b) The County is authorized by Article VIII, Section 13 of the South Carolina Constitution and Section 4-1-170 of the Code (the "Joint-County Industrial and Business Park Act"), to enter into agreements with one or more contiguous counties for the creation and operation of one or more joint-county industrial and business parks; and

(c) Project Flower, and any Sponsor or Sponsor Affiliate (as defined in the Act) (collectively, the "Company"), duly authorized or to be duly authorized to do business in South Carolina, is considering acquiring by construction or purchase certain land, buildings, furnishings, fixtures, machinery, apparatus, and equipment, for a manufacturing facility in the County, which will result in a total investment of an expected One Hundred Sixteen Million Dollars (\$116,000,000) in the County, (collectively, the "Project"), all within the meaning of the Act, and is contemplating the creation of one hundred thirty four (134) new, full-time jobs, as part of the Project, during the period beginning with the first day that real or personal property comprising the Project is purchased or acquired or on which employees are hired by the company, whichever comes first, and ending five (5) years after the last day of the Company's property tax year (currently expected to be 2014, or 2015) during which the Project is first placed in service (the "Investment Period"); and

(d) The County has determined that the Project would be aided by the availability of the assistance which the County might render through (1) entering into a FILOT agreement (“Fee Agreement”) with the Company with respect to eligible parts of the Project, under and pursuant to the Act; (2) the incentive of a negotiated fee -in-lieu of *ad valorem* taxes (the FILOT) as authorized by the Act for the Project; (3) the inclusion of the Project in a joint-county industrial and business park which is either already in existence, or to be created by the County (the “Park” or the “Joint-County Park”); (4) the granting by the County to the Company of certain infrastructure credits, pursuant to Section 4-1-175 of the Code and other applicable provisions of the Act, as further reflected in Attachment A, hereto, for that portion of the Project subject to the Fee Agreement, to at least partially reimburse the Company for economic development infrastructure serving the County; (5) the commitment by the County to extend the term of the Fee Agreement and the Initial Investment Period for an additional five (5) years if certain conditions set forth below are satisfied by the Company; (6) other possible economic development incentives currently under discussion, including, without limitation, the provision of certain County real property to the Company by the County, to be identified, if at all, in the further legislative action identified in this Inducement Agreement, and the administration of certain grant funds further defined herein, and the commitment to assisting the Project through County Administrator and regulatory procedures, as further addressed herein; and that the inducement will, to a great degree of certainty, result in the acquisition and construction of the Project in the County; and

(e) the County has given due consideration to the economic development impact of the Project, has found that the Project and the payments-in-lieu-of-taxes would be directly and substantially beneficial to the County, the taxing entities of the County, and the citizens and residents of the County, and that the Project would directly and indirectly benefit the general public welfare and serve a public purpose of the County by providing services, employment, recreation, promotion of tourism, or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or incorporated municipality, or a pledge of or charge against the full faith, general credit or taxing power of either; and, that the purposes to be accomplished by the Project, i.e., economic development and welfare, creation of jobs, promotion of tourism, and addition to the tax base of the County, are proper governmental and public purposes and that the inducement of the location or expansion of the Project within the County and State is of paramount importance and that the benefits of the Project will be greater than the cost; and, has agreed to effect the issuance, execution and delivery of an Inducement Agreement, pursuant to Resolution of the County Council, dated December 9, 2014 and on the terms and conditions hereafter set forth.

ARTICLE II. **UNDERTAKINGS ON THE PART OF THE COUNTY.**

The County agrees as follows:

Section 2.1. The County agrees, if same is required, and at the Company’s sole expense, to enter into or amend, if necessary, a joint-county industrial and business park agreement (a “Park Agreement”) with one or more other contiguous counties to create or expand a Park, pursuant to Section 13 of Article VIII of the South Carolina Constitution and Section 4-1-170 of the Code, to include the Project and to undertake and execute those procedures and documents necessary for the creation or expansion of such

Park, and to keep the Project site(s) in such Park or any other Park of the County during the term of the incentives provided in this Agreement or subsequent ordinance(s) or agreement(s).

Section 2.2. The County agrees to enter into and execute one or more Fee Agreement(s) and other necessary documents and actions incidental thereto, with respect to the Project under and pursuant to the Act, with the Company.

The Fee Agreement will contain suitable provisions for the Company to terminate the Fee Agreement if all terms and provisions of the Fee Agreement have been met.

The Fee Agreement(s) will be delivered at such times and upon such mutually acceptable terms as the County and the Company shall agree. The terms and provisions of the Fee Agreement(s) by and between the County and the Company shall be substantially in the form generally utilized in connection with the Act, as agreed upon by the County and the Company. Such Fee Agreement(s) shall contain, in substance, the following provisions:

- (a) The term of the Fee Agreement(s) shall be twenty (20) years ("Fee Term") for each annual increment of capital investment in the Project ("Phase") during the Investment Period.
- (b) In the performance of the Fee Agreement(s), any obligations the County may incur for the payment of money shall not create a pecuniary liability of the County nor create a general obligation on its part or by the State of South Carolina or any incorporated municipality, but shall be payable solely from the payments received under the Fee Agreement(s) or the Joint-County Park.
- (c) The Fee Agreement(s) shall contain a provision requiring the Company to make FILOT payments. Pursuant to the Act, for each Phase of the Project, such payments shall continue for a period of up to twenty (20) years from the date each such Phase of the Project is placed in service during the Investment Period. The amounts of such FILOT payments shall be determined by using a fixed assessment ratio of 6.0%, a fixed millage rate, for all taxing entities within whose taxing jurisdiction the Project falls, of the millage rate in effect at the Project site(s) on June 30, 2014, which the parties hereto believe to be 451.9 mils, and the fair market value (which value is subject to reassessment as provided in the Act, if the Company so requests with the exception of the fair market value of any land and the improvements thereon which shall remain fixed for the term of the Fee Agreement) as determined by using original cost for any real property and original cost less allowable depreciation for any personal property in accordance with Title 12, Chapter 37, Code of Laws of South Carolina 1976, as amended.
- (d) The County hereby agrees to a five (5) year extension to the Investment Period and a ten (10) year extension of the Fee Term, provided (1) the Company's total investment in the Project at the end of the Investment Period equals at least \$116,000,000 and (2) the Company has created at least 134 new, full-time jobs in the County in connection with the Project.

Section 2.3. The County agrees to enter into and execute an Infrastructure Financing Agreement (which may, at the Company's sole discretion, simply be part of the Fee Agreement), granting the Company certain specified special source credits, all as explicitly set forth as "SSRC" on Attachment A, hereto, against Park FILOT payments for that portion of the Project in the Park (all as defined herein), for the first twenty (20) years that such Park FILOT payments are made, if the Company makes capital investment in and creates new, full-time jobs at the Project at or above certain minimum investment and jobs benchmarks, all as will be set forth more fully in the Infrastructure Financing Agreement. The Infrastructure Financing Agreement will be authorized by subsequent ordinance(s) of the County, shall include proportionate claw backs of the special source credits and such County protections as may be necessary if the Company does not meet the investment and jobs benchmarks set forth herein, and shall be, to the extent not prohibited by law, consistent with the terms of the Resolution and this Agreement.

THE INFRASTRUCTURE CREDITS CONTEMPLATED HEREUNDER ARE LIMITED OBLIGATIONS OF THE COUNTY PROVIDED BY THE COUNTY SOLELY FROM THE FEE PAYMENTS RECEIVED BY THE COUNTY FOR THE PROJECT PURSUANT TO THE PARK AGREEMENT, AND DO NOT AND SHALL NEVER CONSTITUTE A GENERAL OBLIGATION OR AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION (OTHER THAN THE PROVISIONS OF ARTICLE X, SECTION 14(10) OF THE SOUTH CAROLINA CONSTITUTION) OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT, AND TAXING POWER OF THE COUNTY ARE NOT PLEDGED FOR THE INFRASTRUCTURE CREDITS.

Section 2.4. The County hereby permits the planning, design, acquisition, construction and carrying out of the Project to commence prior to the execution and delivery of the Fee Agreement(s). Contracts for construction and for purchase of machinery, equipment and related real and personal property deemed necessary under the Fee Agreement(s) may be let by the Company. The County commits to assisting the Company with County administrative and regulatory requirements applicable to the Project to the maximum, commercially reasonable degree possible, to streamline and accelerate all approvals thereunder as much as is reasonably possible.

Section 2.5. The County Council agrees that this is a Millage Rate Agreement providing the Company with the millage rate for all taxing entities within whose taxing jurisdiction the Project site falls of the millage rate authorized by the Act for the Project site(s) for all Project property on June 30, 2014, which the Parties hereto believe to be 451.9 mils, and which Millage Rate Agreement shall be carried over to and become a part of the separate Ordinance authorizing the Fee Agreement(s) to be executed and delivered by and between the County and the Company pursuant to the Act.

Section 2.6. The County will negotiate the Fee Agreement(s) and Infrastructure Financing Agreement consistent with the terms and provisions of the Act, as amended, and this Agreement. The County commits to enter into such further agreements as may be reasonably necessary to enter into the Fee Agreement(s) or Infrastructure Financing Agreement required as a part of this Agreement.

Section 2.7. If a court of competent jurisdiction were to hold the Act invalid to the extent it permits the Fee Agreement to be entered between the County and the Company, the Parties agree, at the Company's sole expense, to enter into a lease agreement permitted by the Act in order to provide the Company with the same benefits (to the extent so permitted by surviving law) it otherwise enjoyed under the Fee Agreement. Any such lease shall contain such terms and conditions as are mutually-agreeable to the parties which shall include, but not be limited to: (1) full, complete, environmental indemnity by the Company in favor of the County; (2) suitable provisions for acquisition of the entire Project or part thereof for the consideration of \$1.00 at the completion or earlier termination of the lease if all terms and provisions of the lease have been met; and (3) to the extent applicable to a lease agreement permitted under the Act, the same or substantially same provisions set forth above in Article II.

Section 2.8. Subject to the requirements of the Home Rule Act, the County will perform such other acts and will in good faith commence necessary ordinance proceedings as may be required to faithfully implement this Agreement and to authorize the Fee Agreement and Infrastructure Financing Agreement, and to assist, in good faith and with all reasonable diligence, with the successful completion of the Project by the Company.

Section 2.9. Further, but without limitation, the County agrees to transfer 86 acres, more or less, of real property, as is, to the Company at no expense to the Company. The property is located in the County Airport Industrial Park. The legal authorization of that real property transfer from the County to the Company

will be prescribed and authorized by subsequent ordinance(s) of the County Council, which, to the extent not prohibited by law, shall be consistent with the terms of the Resolution and this Agreement, and which may be prescribed by the same ordinance proceedings referenced in the first sentence in Section 2.8. Further, and also without limitation, the County commits to seeking, applying (if approved), and administering those grants listed under "Other Incentives" on page 4 of the South Carolina Incentive Summary for Project Flower in Barnwell County dated October 13, 2014. Further, the County agrees to cooperate to the fullest commercially reasonable degree possible with readySC to implement the job training listed in that same Incentive Summary.

ARTICLE III. **UNDERTAKINGS ON THE PART OF THE COMPANY**

Section 3.1. The Company may advance any acquisition or construction funds required in connection with the planning, design, acquisition, construction, and carrying out of the Project and be entitled to subject the constructed or acquired property to the Fee Agreement(s), to the extent permitted by law.

Section 3.2. The Company may endeavor to finance the Project to the extent required to finance the cost of the acquisition and installation of the Project and the costs of the FILOT transaction. The Company shall not require the County to assist in finding a funding source for the Project.

Section 3.3. If the plan proceeds as contemplated, the Company further agrees as follows:

(a) To develop, construct, and operate, or cause to be developed, constructed, and operated, the Project, representing a total expected investment in the Project of some One Hundred Sixteen Million Dollars (\$116,000,000) and the creation of an expected one hundred thirty four (134), new, full-time jobs at the Project, on or before the end of the Investment Period, and to enter into one or more Infrastructure Financing Agreements and one or more Fee Agreements pursuant to and in accordance with the Act and this Agreement;

(b) To obligate itself to make the FILOT payments required by the Act at rates calculated in accordance with Section 2.2 hereof;

(c) To perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing;

(d) To apply for, and use its best efforts with the active assistance of the County, as described herein, to obtain, all permits, licenses, authorizations and approvals required by all governmental entities in connection with the acquisition, construction, operation and use of the equipment for the Project;

(e) Should the statutorily required investment not be met within the Investment Period, the Company shall lose the benefit of the Fee Agreement(s) and the Infrastructure Financing Agreements for this Project and the Project property will revert retroactively to normal tax treatment with repayment and interest due on the difference between the net fee actually paid (after application of any applicable infrastructure credits provided herein) and the payment which is due pursuant to Section 12-44-140(B) of the Code.

Section 3.4. The Company further agrees as follows:

(a) The Company shall and agrees to indemnify, defend and save the County, including the members of the governing body of the County, and the employees, officers and agents of the County (herein collectively referred to as the "Indemnified Parties") harmless against and from all claims by or on behalf of any person, firm or Company arising from the conduct or management of, or from any work or thing done on the Project during the term of the Fee Agreement(s) (regardless of when said claim(s) is asserted), and, the Company shall further indemnify, defend and save the Indemnified Parties harmless against and from all claims arising during the term of the Fee Agreement(s) (regardless of when said claim(s) is asserted) from: (i) any condition of the Project, (ii) any breach or default on the part of the Company in the performance of any of its obligations under the Fee Agreement, (iii) any act of the Company or any of its agents, contractors, servants, employees or licensees, related to the Project, (iv) any act of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company, related to the Project, (v) any environmental violation, condition, or effect of, upon or caused by the Project, (vi) the County's execution of this Fee Agreement, (vii) performance of the County's obligations under this Agreement (viii) the administration of its duties pursuant to this Agreement, or (ix) otherwise by virtue of the County having entered into this Fee Agreement. The Company shall indemnify, defend and save the Indemnified Parties harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon, and upon notice from an Indemnified Party, the Company shall defend it in any such action, prosecution or proceeding with legal counsel reasonably acceptable to the County.

(b) Notwithstanding the fact that it is the intention of the parties that the Indemnified Parties not incur pecuniary liability by reason of the terms of this Agreement, the Fee Agreement, or the undertakings required of the County hereunder, by reason of the execution of this Agreement, by reason of the performance of any act requested of it by the Company, or the operation of the Project by the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Indemnified Parties should incur any such pecuniary liability, then in such event the Company shall indemnify, defend and hold them harmless against all claims by or on behalf of any person, firm or Company, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice, the Company shall defend them in any such action or proceeding with legal counsel reasonably acceptable to the County.

(c) These indemnification covenants shall be considered included in and incorporated by reference in subsequent documents after closing which the County is requested to sign, and any other indemnification covenants in any subsequent documents shall not be construed to reduce or limit the above indemnification covenants.

(d) Further, the Company will pay the customary and reasonable out-of-pocket expenses of officers, agents and employees of the County and counsel for the County incurred in connection with the Project and the execution of this Agreement or the Fee Agreement and Infrastructure Financing Agreement, and will pay fees for actual legal services related to the Project and the negotiation, authorization, and execution of the Fee Agreement, the Infrastructure Financing Agreement, this Agreement and any other documentation necessary to provide the Company with the economic development incentives contemplated herein. The County does not expect those actual legal expenses, to be provided to the Company in writing, to exceed Eight Thousand Dollars (\$8,000), and the County will notify the Company immediately should it ever appear that such expenses will exceed \$8,000. Further, the County is unaware, at this time, of any other customary and reasonable out-of-pocket expenses as described in this subsection, which will be incurred by the County in the Project.

ARTICLE IV
GENERAL PROVISIONS

Section 4.1. Notwithstanding anything in this Agreement to the contrary, all commitments of the County under Article II hereof are subject to (1) all of the provisions of the Code, the Act and the South Carolina Home Rule Act, including, without limitation, the understanding that the Company must qualify for the fee-in-lieu of tax treatment, in accordance with and as required by the terms of South Carolina law, (2) the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers, and (3) procedural compliance for enactment by the County and, in the case of the Park, the partner county, of all further acts, legislation, and ordinances required or envisioned by this Agreement.

Section 4.2. At the Company's sole expense, the Company and the County agree to execute such other documents containing mutually agreeable, commercially reasonable terms as are required to effectuate and carry out the terms, provisions, and requirements of this Agreement, the Resolution to which it is attached, and the documents referred to in this Agreement and the Resolution. Pursuant to Section 4-12-45(C) and Section 12-44-55(B) of the Code, the Company and the County agree that no recapitulation information (as set forth in Section 4-12-45(A) and Section 12-44-55(A) of the Code) is required to be provided by either the Company or the County in this Agreement, or in any subsequent Fee Agreement(s), as long as the Company makes all filings required by the Act and provides copies thereof to the County. For the avoidance of doubt, the Company shall report annually to the County Assessor, County Auditor and County Economic Development Director the amount of capital investment made and jobs created each year during the investment period. To the extent this information is set forth in the Company's annual filings with the South Carolina Department of Revenue ("DOR"), the Company may satisfy its reporting obligation by providing copies of the DOR filings to the aforementioned County officials. The Company shall file a copy of the South Carolina Department of Revenue form PT-443 with the County after execution of this Agreement and after the execution of a Fee Agreement by the County and the Company.

Section 4.3. If for any reason this Agreement is not executed and delivered by the Company within one (1) year after execution and delivery by the County, or if any phase of the Project, once this Agreement is executed by all parties, is abandoned permanently (work has not meaningfully progressed for twelve (12) months or longer) by the Company for any reason other than fault or negligence of the County, the provisions of this Agreement shall be cancelled as to any incomplete or unfinished phase(s), only, and no party shall have any rights against any other under this Agreement and no third parties shall have any rights against any party under this Agreement as to such incomplete phase(s) except:

(a) The Company will pay the County for all expenses which have been authorized by the Company in writing and incurred by the County in connection with the planning, design, acquisition, construction and carrying out of the Project; and

(b) The Company will pay the reasonable out-of-pocket expenses of officers, agents and employees of the County and counsel for the County incurred in connection with the Project and the execution of this Agreement or the Fee Agreement, and will pay fees for legal services related to the Project and the negotiation, authorization, and execution of the Fee Agreement, this Agreement and any other documentation necessary to provide the Company with the economic development incentives contemplated herein.

Section 4.4. The parties understand that the Company may choose not to proceed with the Project or with any given phase of the Project, in which event this Agreement shall be cancelled as to any

and all incomplete or unfinished phase(s), only, and, subject to parties' obligations described in Section 4.3, no party shall have any further rights under this Agreement against any other, and no third party shall have any rights against any party under this Agreement as to such incomplete phase(s).

Section 4.5. To the maximum extent allowable under the Code, the Company may assign (including, without limitation, absolute, collateral, and other legal and equitable assignments of whatever form, type, or name) all or a part of its rights and/or obligations under this Agreement, or Fee Agreement, or any other agreement related hereto or thereto, to one or more other entities, at the Company's sole discretion, so long as such assignee is qualified under the Code to assume such rights and/or obligations and so long as such assignee assumes all responsibilities and obligations of the Company and, further provided the consent of the County is obtained, which consent will not unreasonably be withheld, without adversely affecting the benefits to the Company or assignees pursuant to any such agreement or the Act, and this Agreement shall inure to the benefit of and bind the successors and permitted assigns hereunder. Further, the Company may add one or more Sponsors or Sponsor Affiliates (as defined in the Act) to this Agreement, or the Fee Agreement, pursuant to and in accordance with the Act, at any time. Such addition of one or more Sponsors or Sponsor Affiliates will be authorized in the Fee Agreement and the respective enabling ordinance of the County, which will authorize such addition, after the initial approval of the Fee Agreement, by subsequent resolution of the County and amendment of the Fee Agreement.

Section 4.6. This Agreement may not be modified or amended except by a writing signed by or on behalf of all parties by their duly authorized officers. No amendment, modification, or termination of this Agreement, and no waiver of any provision or consent required hereunder shall be valid unless consented to in writing by all parties.

Section 4.7. Nothing in this Agreement or any attachments hereto is intended to create, and no provision hereof or thereof should be so construed or interpreted as to create any third party beneficiary rights in any form whatsoever nor any form of partnership or any other legal entity relationship between the Company and the County.

Section 4.8. This Agreement constitutes the entire Agreement between the parties regarding the matters set forth herein. No amendment to this Agreement shall be effective unless reduced to writing, executed by both parties, and approved by appropriate legal process. This Agreement shall be interpreted pursuant to the laws of the State of South Carolina.

Section 4.9 This Agreement may be executed in counterparts, and such counterparts taken together shall be deemed to be one and the same agreement.

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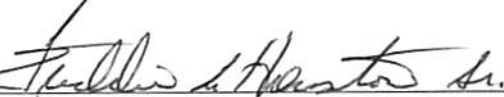
IN WITNESS THEREOF, the undersigned has executed this Agreement as of the date first above written.

PROJECT FLOWER

By: _____
Name: _____
Its: _____

IN WITNESS THEREOF, the undersigned has executed this Agreement as of the date first above written.

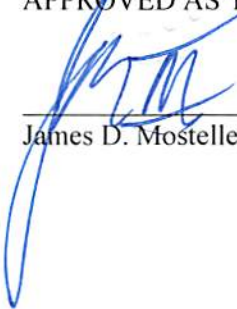
BARNWELL COUNTY, SOUTH CAROLINA

By: 
Freddie L. Houston, Sr., Council Chairman,
Barnwell County Council

ATTEST:

By: 
Kim Futrell, Clerk,
Barnwell County Council

APPROVED AS TO FORM:


James D. Mosteller, III, County Attorney

ATTACHMENT A

**Estimated Fee In Lieu of Property Tax Illustration
Project Flower
6%, 20-Year, Locked Millage**

Year	Standard Ad Valorem Tax - Includes 5-yr. abatement	Estimated Fee Schedules				Total Fee Payments	Tax Versus Fee	SSRC	Company Payment After SSRC
		Year 1 Investment \$ 8,000,000	Year 2 Investment \$ 73,050,000	Year 3 Investment \$ 30,550,000	Year 4 Investment \$ 5,350,000				
1	\$ 149,146	\$ 193,052	\$ -	\$ -	\$ -	\$ 193,052	\$ (43,905)	\$ 193,052	\$ -
2	\$ 1,542,438	\$ 169,191	\$ 1,807,541	\$ -	\$ -	\$ 1,976,733	\$ (434,294)	\$ 1,976,733	\$ -
3	\$ 1,983,610	\$ 145,331	\$ 1,634,405	\$ 737,216	\$ -	\$ 2,516,952	\$ (533,342)	\$ 2,516,952	\$ -
4	\$ 1,876,877	\$ 121,471	\$ 1,461,268	\$ 646,100	\$ 129,103	\$ 2,357,942	\$ (481,065)	\$ 1,957,942	\$ 400,000
5	\$ 1,651,182	\$ 97,610	\$ 1,288,132	\$ 554,983	\$ 113,147	\$ 2,053,872	\$ (402,680)	\$ 1,653,872	\$ 400,000
6	\$ 1,498,567	\$ 73,750	\$ 1,114,995	\$ 463,866	\$ 97,190	\$ 1,749,802	\$ (253,235)	\$ 949,802	\$ 800,000
7	\$ 2,214,644	\$ 49,890	\$ 941,859	\$ 372,750	\$ 81,234	\$ 1,445,732	\$ 768,912	\$ 645,732	\$ 800,000
8	\$ 2,073,622	\$ 26,029	\$ 768,723	\$ 281,633	\$ 65,277	\$ 1,141,662	\$ 931,960	\$ 341,662	\$ 800,000
9	\$ 1,624,231	\$ 21,691	\$ 595,586	\$ 190,517	\$ 49,320	\$ 857,114	\$ 767,117	\$ 57,114	\$ 800,000
10	\$ 1,376,291	\$ 21,691	\$ 564,107	\$ 99,400	\$ 33,364	\$ 718,562	\$ 656,729	\$ -	\$ 718,562
11	\$ 1,326,173	\$ 21,691	\$ 564,107	\$ 82,833	\$ 17,407	\$ 688,038	\$ 640,135	\$ -	\$ 688,038
12	\$ 1,333,771	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 650,633	\$ -	\$ 683,137
13	\$ 1,347,108	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 663,971	\$ -	\$ 683,137
14	\$ 1,360,579	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 677,442	\$ -	\$ 683,137
15	\$ 1,374,185	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 691,048	\$ 81,878	\$ 601,259
16	\$ 1,387,927	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 704,790	\$ 121,513	\$ 561,624
17	\$ 1,401,806	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 718,569	\$ 156,788	\$ 526,349
18	\$ 1,415,824	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 732,687	\$ 188,184	\$ 494,953
19	\$ 1,429,983	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 746,845	\$ 216,125	\$ 467,012
20	\$ 1,444,282	\$ 21,691	\$ 564,107	\$ 82,833	\$ 14,506	\$ 683,137	\$ 761,145	\$ 240,994	\$ 442,143
21	\$ 1,458,725	\$ 40,318	\$ 564,107	\$ 82,833	\$ 14,506	\$ 707,764	\$ 750,961	\$ 488,933	\$ 218,831
22	\$ 1,473,312	\$ 48,781	\$ 1,216,601	\$ 82,833	\$ 14,508	\$ 1,360,721	\$ 112,591	\$ 1,153,240	\$ 207,481
23	\$ 1,488,046	\$ 47,249	\$ 1,228,767	\$ 180,432	\$ 14,506	\$ 1,470,954	\$ 17,092	\$ 1,273,574	\$ 197,380
Totals	\$ 34,229,340	\$ 1,276,967	\$ 18,827,159	\$ 4,520,895	\$ 760,114	\$ 25,385,135	\$ 8,844,205	\$ 14,214,080	\$ 11,171,045
NPV	\$ 24,524,331	\$ 1,038,607	\$ 13,932,941	\$ 3,566,249	\$ 590,797	\$ 19,128,594	\$ 5,395,737	\$ 11,254,638	\$ 7,873,956

Assumptions:

\$ 15,000,000	Land and Building
\$ 101,950,000	Taxable Machinery & Equipment
\$ 116,950,000	Total Investment

Total Millage	0.4519
Abated Millage	0.2524
Est. Annual Millage Rate Growth	1%
Discount Rate	3.0%

Annual Depreciation	11%
Total Max. Depreciation	90%
Assessment Ratio	6.00%

DISCLAIMER: The calculations provided herein are for illustration purposes only and are merely estimates. No portion of these calculations should be construed as a commitment to provide incentives or as a guaranty of savings. The actual amounts due from any company will depend on the amount invested, the timing of such investment and the final incentive package, if any, approved by the required governmental entities.