A G E N D A
SPECIAL MEETING

LEXINGTON COUNTY COUNCIL
Monday, September 13, 2004
Second Floor - Council Chambers - County Administration Building
212 South Lake Drive, Lexington, South Carolina 29072
Telephone - 803-359-8103 FAX - 803-359-8101

6:00 P.M. - COUNCIL CHAMBERS

Call to Order/Invocation
Pledge of Allegiance

Non-Matching Grant Application to the Junior League of Columbia - Kathryn Barton, Director, Juvenile Arbitration . . . . . **A**

Ordinances

(1) Ordinance 04-07 - Authorizing the Reduction of the Minimum Investment Commitment Under, and Certain Amendments of, the Lease Agreement Between Pirelli Communications Cables and Systems USA, LLC and Lexington County Dated December 7, 2001 - 1st Reading . . . . . **B**

Economic Development Project

(1) Project Troy - Memorandum of Understanding

ADJOURNMENT

COUNTY OF LEXINGTON
FINANCE DEPARTMENT

interoffice
MEMORANDUM

to: County Council

from: Evelyn Babbitt, Manager of Grants Administration

subject: Application to Junior League of Columbia

date: September 7, 2004

The 11th Judicial Circuit Juvenile Arbitration Program is asking County Council's approval to apply for an $8,550.00 grant from the Junior League of Columbia which is funding opportunities for Community Project Partnerships. There are no matching funds required and no personnel expenses. Services for this project will be contracted to other providers.

The deadline for submission of this grant application to the Junior League is Tuesday, September 14th at 3:00 p.m.

359-8101

Junior League of Columbia

Junior League of Columbia

Funding Opportunities for Community Project Partnerships

Request for Proposals

The Junior League of Columbia (JLC) is accepting proposals for monies to fund charitable or educational community projects. We are looking for programs that will strengthen the well-being and future of Columbia's children and projects that will serve as community partnership opportunities for the JLC. Proposals to collaborate with, or improve upon, the JLC's signature project Smart Matters[1] may be suggested. However, proposals do not have to fit within the Smart Matters' framework to be considered.

We welcome proposals that include provisions for JLC volunteer opportunities and/or administrative participation. However, proposals should not rely upon JLC volunteers to make projects viable. If you decide not to submit a proposal or your proposal is not funded by the JLC, we may be able to explore other opportunities for partnership with your organization to further mutual goals.

All proposals must be brief, concise and type-written. A template of this RFP is available for purposes of downloading on the JLC website at www.jlcolumbia.org. Your proposal should be no more than eight pages total, not including supporting documentation. Please submit six hard copies, and an electronic version on a disk.

Funding amounts generally range from $1,000-$10,000. Organizations may submit a proposal that is flexible for the amount of money requested. A detailed project budget with information on all requested expenditures as well as an organizational budget must be included in the budget section. Funding requests for salaries and capital expenditures will not exclude your proposal from consideration. However, we are looking for projects that are primarily programmatic in nature.

An information session and workshop to assist organizations and individuals with their proposals will be held on Tuesday, Aug. 10 3-5 pm at JLC Headquarters, 2926 Devine Street. Interested persons should call Maria Furtick at Headquarters to RSVP.

Requests must follow the attached outline and are due to JLC Headquarters, 2926 Devine Street, no later than **Tuesday, Sept 14, 3 pm.** The Community Research and Project Development Committee (CRPD) will screen all proposals. CRPD will then recommend to the JLC's Community Council and Board of Directors a list of projects to receive funding. Ultimately, the JLC membership will approve all requests. **Funding will be awarded no later than April 30, 2005.** We will keep all applicants informed of their proposal's status as the process progresses.

For more information on this opportunity and application, please contact Karen Horne, CRPD Chair at 782-1132, or Hester Davies, Excess Funds Liaison at 254-1967.

The Junior League of Columbia, Inc., is an organization of women committed to promoting volunteerism, developing the potential of women, and improving communities through the effective action and leadership of trained volunteers. Its purpose is exclusively educational and charitable

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[1] Smart Matters is a trademarked program sponsored and administered by the Junior League of Columbia, Inc. Smart Matters is a family- centered initiative to improve school readiness by preparing children ages 0-6 for the first grade. There are 9 Smart Matters schools in Richland District One: A. C. Moore., Arden, Bradley, Burton-Pack, Lewis Greenview, Meadowfield, Mill Creek, Pine Grove, and South Kilbourne Elementary Schools. More information on Smart Matters is available upon request.

I. Cover Page and Executive Summary:

Requesting Agency: 11th Judicial Circuit Juvenile Arbitration Program
205 East Main Street, Room 211
Lexington, South Carolina 29072

Name of Project: Today's Teens Tomorrow's Thinkers

Funding Request: $ 8,550.00

Mission Statement: "To provide a model for Community-Based Mediation/Arbitration Programs that successfully diverts non-serious juvenile offenders from the Juvenile Justice System, while promoting offender education, accountability, victim reparation, and protection of the public."

Certifying Official: _____
William A. Brooks, County Administrator

Brief Summary and Projected Outcome: These funds will be used to educationally augment the participation of over 200 youths in the 11th Circuit Community Juvenile Arbitration Program. The funds will absorb the cost of a variety of community programs, such as, the Challenge Ropes Course, designed to test the physical and mental skills of students and the Midlands Technical College "Teen Etiquette for Today" course that teaches civility, respect and discipline. The funds will be used to purchase the services of the Social Work Solutions agency to train participants in the instruction of a specialized Anger Management curriculum. Social Work Solutions, designed this curriculum to "train trainers" with the basic tools to help juveniles address anger issues. This capacity-building session will train up to 15 participants, who will in turn be able to assist hundreds of youths in the Midlands area with anger issues. Training will be offered to school guidance counselors, mental health staff and any interested Smart Matters school staff in the Midlands area.

Over 200 youngsters will receive educational resources enhancing their self-accountability, self-esteem and self worth in the community by learning such skills as good decision making, cooperation with others, effective communication, tolerance and confidence. The partnerships created will endure after the grant funds are depleted and other projects will develop with this initiation.

JLC Volunteers: Lisa Bernardin (803) 787-4019

Contact Person: Kathryn Barton (803) 359-8355
Program Director, Juvenile Arbitration

II. Statement of Need:

The need to provide for educational, anger management, and proactive skills to enrich the live of juveniles in the community so they can become productive citizens. Many youngsters participating in Juvenile Arbitration Program lack self-esteem, confidence and the ability to say "no" to peers with inappropriate behaviors. They lack effective judgment skills, which lead them to minor delinquent activity. Our need is to target juvenile offenders prior to their introduction to more serious delinquent activity and to give them the skills they need to make better decisions. The need for professional Anger Management training workshops to volunteer guidance counselors, mental health staff and Smart Matters School staff. Once trained these volunteers will provide area juveniles with effective judgment skills.

The Arbitration Program serves first time juvenile offenders, victims of juvenile crime and the community, by taking the Restorative Justice approach to handling non-violent juvenile offenders. The Restorative Justice approach follows the theory that the whole community is hurt by a juvenile offender's action. Therefore, the entire community needs to be healed and should be involved in the healing process. Volunteers in the community handle all of our juvenile cases. There is a constant need to engage juveniles in positive, meaningful, community service work and educational programs.

These programs; ropes courses, etiquette courses, and anger management sessions to address the above needs of our area. Grant funds made available through the JLC funds would address these funds. Our Circuit encompasses all of Lexington County, including Irmo, St. Andrews, West Columbia, Cayce, Springdale, Swansea, Pelion, Batesburg/Leesville, and Saluda, Ridge Spring, Edgefield, and McCormick.

Statistical/Data on the Juvenile Arbitration Program:

The Juvenile Arbitration Program is a community-based diversion program for first time juvenile offenders charged with a non-violent crime. These youngsters are diverted from the Court system to an Arbitration Hearing conducted in the community. Trained volunteer Arbitrators conduct hearings and monitor the juveniles' progress throughout the program. The goals of the Juvenile Arbitration Program are to hold juvenile offenders accountable for their crimes, to increase the competency and learning of juvenile offenders, and to ensure public safety by strengthening a community's capacity to prevent and control crime. The citizen volunteers develop common-sense solutions to

divert at-risk youths from the juvenile justice system. The youths are required to complete a contract of tailor-made sanctions to be completed within 90 days.

Over the life of the Arbitration program, since 1983, volunteer arbitrators have handled over 7,765 juvenile offenders. During last year alone, juvenile offenders paid back $3,182.00 in monetary restitution to victims and completed 4,106 hours of community service work. Over the life of the program kids paid individuals victims a total of $78,446.00

The most encompassing benefit of the program, which affects children, parents, victims, law enforcement officers and the community is the continued low recidivism rate. Less than **ten percent (10%)** of the youngsters who successfully complete the program re-offend. **Statistics show over the life of the program, ninety percent (90%) are successful.** We attribute that incredible statistic to the volunteers who work with these juveniles.

III. Project Description:

Objective 1: Eighty (80) juveniles attend and participate in the Challenge Ropes Course sponsored by Lexington County School District Three Office. This course serves the entire Midlands Region. This five-hour course will be offered every other month.

Objective 2: Fifty (50) juveniles will participate in the Midlands Technical College course "Teen Etiquette for Today", every quarter. This Course is available to the entire Midlands Region.

Objective 3: Social Work Solutions will train fifteen (15) volunteer guidance counselors, mental health staff, Smart Matters School Staff, to conduct anger management sessions.

Objective 4: Once volunteers are trained by Social Work Solutions, they will be asked to conduct two anger management sessions each month, serving at least 96 juveniles annually.

Methods:

Lexington School District Three is willing to partner with the Juvenile Community Arbitration Program to offer the Challenge Ropes Course. As a consequence for delinquent behavior an Arbitrator will require a juvenile to participate in the Ropes Course. Every other month the Ropes Course will be offered for these kids. Thirteen juveniles every other month will be eligible to participate in the Ropes Course with JLC funds. Ropes courses challenge juveniles to discover new ways of handling difficult situations. Juveniles are given a chance to demonstrate interpersonal skills and good decision-making.

Midlands Technical College will collaborate with our office to offer a "Teen Etiquette" class during the summer and/or fall semester. Again, as a consequence for delinquent behavior, an Arbitrator will require a juvenile to participate in the manners class. Proper etiquette helps create a sense of confidence and security which helps facilitate access to a broader world. Juveniles will learn basic communication skills making interaction with other teens and adults more effective.

Social Work Solutions will train fifteen (15) trainers for our specific needs. This training will allow us to offer anger management sessions to juvenile offenders. The training curriculum is called Choices. Social Work Solutions designed this curriculum for juvenile offenders, specifically those who have been charged with Disturbing School or related offenses. Their staff will conduct a one-day, six-hour session, along with follow-up observations for the participants.

Once trained, volunteer guidance counselors, mental health staff, Smart Matters schools staff will conduct two three-hour anger management sessions each month. The two three-hour sessions will teach juveniles coping skills to prevent volatile behavior. The juveniles will learn to recognize the signs of anger, jealousy, sadness that leads them to impulsive decisions to fight or act out. The Lexington United Methodist Church will allow our program the use of a classroom for these sessions.

Staffing and Administration:

Kathryn Barton, program director, will monitor the grant funds, sign agreements with District Three, and Midlands Tech, and Social Work Solutions. Current case manager staff, BobbiDawn Inabnet will schedule all the Ropes Courses, Etiquette Courses, and Anger Management sessions.

IV: Evaluation:

After six months, program staff will follow up on each juvenile who participated in the Ropes Course, Etiquette Course and Anger Management session to determine any recidivism factors. The factors will be any crime committed by the youngster three to six months after attending any of the above listed courses. Program staff will review cases of juveniles who are terminated or re-offended while in the Arbitration Program assigned to any of these courses.

The data on how many young people actively participated in the Ropes course, and the Etiquette Course will be documented to ensure all funds are utilized to pay for the activity. Social Work Solutions "train the trainers" will be paid by the grant funds.

Three month, six month and end of the year contacts will be made with the partners at each agency, Midlands Tech office and School District Three.

After this one time funding opportunity the Arbitration Program will work with Midlands Technical College to develop and offer an ongoing group rate that would be more manageable for parents to pay, and look for similar agreements. The Program will attempt to negotiate a reduced fee for the Ropes Course and if the program is proven successful ask parents to pay a partial fee while other income sources are explored.

Quarterly reports will be submitted to the JLC, along with a final report at the end of the following year.

V: Budget:

Challenge Ropes Course:	**$ 2,400.00**
Teen Etiquette Course:	**$ 2,500.00**
Social Work Solutions, Inc.:	**$ 3,650.00**
Total Request:	**$ 8,550.00**

Budget Narrative:

80 Youth @ $30.00 each = $2,400.00
This amount will provide for 80 juveniles to participate in the Challenge Ropes Course at a cost of $30.00 per participant. Payment will be made the day of the Ropes Course to Lexington County School District Three. Each Course will accept up to 13± youngsters for a scheduled Ropes Course every other month for one year.

50 Youth @ $50.00 each = $2,500.00
This amount will provide for 50 juveniles to participate in the Midlands Technical College "Teen Etiquette of Today" Course. A contract will be signed between the Solicitors Office and the Midlands Technical College.

$3,650.00 for Social Work Solutions
The fee for Social Work Solutions to conduct the *Choices* training of fifteen (15) participants for $1,250. This fee includes manuals, reminder cards and a "master set" notebook. An additional fee of $2,400 will be utilized to conduct observation visits and consultation meetings after the training is completed. These observation visits are needed to ensure the success of the trainees. Once trained, the trainees will in turn conduct anger management sessions for our juvenile offenders.

Organizational Budget for the Juvenile Arbitration Program:
$ 45,000....from the SC Department of Juvenile Justice
$ 89,961...from County License Fees
$134,961...Total Budget

Break down of costs to the Program:
Salaries:
$ 94,722.....Three Staff Members
$ 13,991.....FICA, SCRS, Social Security, Workers Compensation
$ 12,000.....Employees Insurance
$ 120,713

Operating Expenses:
$ 14,248.....Postage, Telephone, Separate Long Distance Cost (Swansea & Batesburg are long distance) Office Supplies, Duplicating Costs (Copying), Tort Liability, Conference & Meeting Exp., Mileage, Volunteer Liability Insurance, Court Referral Volunteer Liability Surety Bonds, Volunteer Training Supplies (Refreshments, Manuals, Chalk, Overhead Sheets, Subscriptions, Dues, Books, Insurance, Minor Software, and Small Office Equipment.

$120,713
+ 14,248
$134,961.....Total Budget

This past fiscal year 2003-2004, the Arbitration Program handled 708 case referrals. This is an increase of over 100 cases from the previous year. Over 530 Arbitration Hearings were held across Lexington County with community volunteer Arbitrators.

The Juvenile Arbitration office employs two full time staff members, one part-time secretary, and one employee on loan from the Department of Juvenile Justice, who does not receive any salary from the Arbitration Office. The DJJ employee coordinates our Tri-County area of the Circuit. The Arbitration Program in Lexington operates with over 80 certified Volunteer Arbitrators.

The Junior League Grant Funds will enable our program to offer courses and actual skills to juvenile offenders by purchasing the services and curriculum courses they so desperately need. We do not have any accounts to purchase these services within the scope of our program at this time.

VI: Creativity and Collaboration:

Restorative Justice is a new approach to dealing with juvenile offenders. Restorative Justice is based on the assumption that, when a criminal commits a crime, he/she upsets

the balance of the community and of the victim's life. Therefore, the goal is to restore that lost balance by building or rebuilding relationships between crime victims, community and juvenile offenders. Community Juvenile Arbitration has operated successfully in the 11th Judicial Circuit for twenty years, and has always involved the community in the juvenile justice process. Recently, our staff completed training in the Restorative Justice approach for handling offenders and is preparing to offer juvenile offenders more educational and motivational sanctions. The program's success is attributed to the Community Volunteers trained in the processes of mediation and arbitration to handle cases of juvenile first time offenders. The program offers youngsters creative opportunities to repay the community for their delinquent behavior. The Etiquette Class; Ropes Course and Anger Management sessions are a continuation of educational sanctions to learn how to be productive citizens. The Juvenile Arbitration program currently offers juvenile offenders the opportunity to the participate in the following sanctions: perform community service work in over thirteen area churches, participate with the HomeWorks Project and Habitat for Humanity, help the Corporative Ministry sort schools supplies, donate to local children's shelters, donate to local charities, write apology letters, write thank you letters, write research papers, essays, book reports, participate in jail and prison tours, participate in alcohol, drug and mental health counseling, paint fire hydrants, perform Adopt-a-Highway work, participate in the Media Literacy program, work at Sistercare, the Nurturing Center and many, many other sanctions tailor made for each juvenile by their Arbitrator.

Using services such as Etiquette courses, Ropes Courses and volunteers to conduct Anger Management sessions is unique. Teenagers need to learn coping skills, how to trust someone, how to communicate better and how to control their anger. With this grant our program will partner with Midlands Technical College, several school districts in providing volunteer guidance counselors and the Ropes Course, with a local school supply store, and with our local Department of Juvenile Justice. The Anger Management sessions have been conducted at the Lexington United Methodist Church for over a year.

Over the years, the Juvenile Arbitration Program has collaborated with many agencies and organizations to provide innovative and educational sanctions for juvenile offenders. The more a juvenile is engaged with their community the less likely the juvenile will want to hurt their community. We are always looking for ways to engage juvenile offenders in the world and community around them.

VII: Supporting Documentation

1. Letter of Support from: School District III Ropes Course
2. Letter or Support from: Midlands Technical College
3. Policy & Procedures of the Juvenile Arbitration Program (Program Brochure)
4. Restorative Justice/Juvenile Arbitration Practices

STATE OF SOUTH CAROLINA)
)
LEXINGTON COUNTY)

ORDINANCE NO. 04-07

AN ORDINANCE AUTHORIZING THE REDUCTION OF THE MINIMUM INVESTMENT COMMITMENT UNDER, AND CERTAIN AMENDMENTS OF, THE LEASE AGREEMENT DATED DECEMBER 7, 2001, THE INDUCEMENT AGREEMENT AND MILLAGE RATE AGREEMENT DATED DECEMBER 15, 2000, AND THE MEMORANDUM OF UNDERSTANDING DATED AUGUST 25, 2000 BY AND BETWEEN LEXINGTON COUNTY, SOUTH CAROLINA, AND PIRELLI COMMUNICATIONS CABLES AND SYSTEMS USA, LLC, RELATING TO, WITHOUT LIMITATION, A PROJECT AS DEFINED IN TITLE 4, CHAPTER 12 OF THE SOUTH CAROLINA CODE OF LAWS, AS AMENDED, AND THE PAYMENT TO LEXINGTON COUNTY OF A FEE IN LIEU OF TAXES, AND AUTHORIZING THE CONVEYANCE IN FEE SIMPLE OF 62.10 ACRES IN THE COLUMBIA AIRPORT ENTERPRISE PARK TO PIRELLI COMMUNICATIONS CABLES AND SYSTEMS USA, LLC UNDER THE TERMS OF THE LEASE AGREEMENT BETWEEN PIRELLI COMMUNICATIONS CABLES AND SYSTEMS USA, LLC AND LEXINGTON COUNTY DATED DECEMBER 7, 2001.

WHEREAS, Lexington 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 South Carolina Constitution (the "Constitution") and the Code of Laws of South Carolina 1976, as amended, (the "Code"), and the case law of the Courts of the State of South Carolina, to offer and provide certain privileges, benefits, and incentives to prospective industries as inducements for economic development within the County;

WHEREAS, the County is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 12, of the Code (the "Act"), to reduce the disparity between manufacturing and other property and the resulting property tax burden for manufacturing businesses through a fee in lieu of tax arrangement that allows for a reduced fee to be paid by the manufacturer making new investments in the County in excess of the provided levels in lieu of the property tax through which powers the industrial development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally;

WHEREAS, the County is also authorized by the Act to authorize and execute lease agreements, inducement agreements, and millage rate agreements and memoranda of understanding with respect to such projects;

WHEREAS, in the exercise of the foregoing powers, the County and Pirelli Communications Cables and Systems USA, LLC ("Pirelli"), a limited liability company duly organized and existing under the laws of the State of Delaware, have heretofore entered into a Lease Agreement Dated December 7, 2001 (the "Lease"), an Inducement Agreement and Millage Rate Agreement dated December 15, 2000 (the "Inducement Agreement"), and a Memorandum of Understanding dated August 25, 2000 (the "MoU"; all three agreements cumulatively hereinafter referred to as "FILOT Arrangement") providing for certain incentives with respect to the "Project" (as such term is defined in the FILOT Arrangement), including, without limitation, payment of a fee in lieu of taxes and a land grant to Pirelli

for which the County is reimbursed through special source revenue credits pursuant to Section 4-12-30(K)(3) of the Act;

WHEREAS, all capitalized terms not specifically defined herein, shall have the meaning as defined in the Lease, and, if not defined therein, shall have the meaning as defined in the Act;

WHEREAS, due to unforeseeable adverse conditions that impacted the economy soon after the parties had entered into the FILOT Arrangement, Pirelli now plans to divest itself of a portion of the Project defined in the Lease as the 'Airport Site' and does not expect to reach the minimum investment commitment under the FILOT Arrangement (the "Minimum Investment Commitment") with respect to the Project and has requested the County to amend the FILOT Arrangement to reduce such Minimum Investment Commitment (the "Reduction") and to convey the Airport Site back to Pirelli (the "Conveyance") and has exercised its purchase option pursuant to Section 10.02 of such Lease (the "Purchase Option") for the Airport Site that is currently part of the Project thereby effectively removing such property from the Lease, the respective Project description, and the FILOT Arrangement;

WHEREAS, as consideration for the Reduction and the other benefits authorized herein, Pirelli has agreed to an increase of the assessment ratio under the FILOT Arrangement from its present 6% to 7% starting with any FILOT payments due for the 2005 tax year and by making a one-time payment of $500,000 to the County in satisfaction of all payment liability to the County for the Airport Site;

WHEREAS, a third party known to County Council desires to purchase the Airport Site from Pirelli and is planning an investment of capital and the creation of a substantial number of jobs at such site.

WHEREAS, the County has determined that the Reduction, the Conveyance, and any consideration received in exchange would benefit the general public welfare of the County by assisting Pirelli to weather these economically adverse times and by attracting new substantial investment and job creation by the new third party investor, thereby securing and increasing the jobs and employment in the County, the ad valorem tax base of the County, and service, employment or other public benefits not otherwise provided locally; and that the Reduction and the Conveyance does not result in any pecuniary liability of the County or an incorporated municipality or a charge against the general credit or taxing power of either;

WHEREAS, the purposes to be accomplished by the Reduction and Conveyance, i.e., economic development, creation or retention of jobs, and addition to or maintenance of the tax base of the County, are proper governmental and public purposes and the inducement of the third party project that will be located at the Airport Site is of paramount importance and such benefits of the Reduction and Conveyance will be greater than the costs;

WHEREAS, the County Council has caused to be prepared and presented to the County Council the form of the Amendment of Lease Agreement Dated December 7, 2001, Inducement Agreement and Millage Rate Agreement dated December 15, 2000, and Memorandum of Understanding dated August 25, 2000 (the "Amendment") by and between the County and Pirelli and a limited warranty deed for the Airport Site from the County to Pirelli (the "Deed") incorporating the Reduction and Conveyance; and

WHEREAS, the County desires to authorize the Reduction and Conveyance and it appears that the Amendment and Deed now before the County Council are appropriate instruments to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by the County Council of Lexington County, South Carolina, as follows:

Section 1. Reduction of Minimum Investment Commitment; Consideration. The Minimum Investment Commitment under the Lease Agreement Dated December 7, 2001, Inducement Agreement and Millage Rate Agreement dated December 15, 2000, and Memorandum of Understanding dated August 25, 2000, shall be reduced to $20,000,000. In consideration for such reduction and other benefits of the amendment to the FILOT Arrangement, the assessment ratio under the FILOT Arrangement beginning with the 2005 tax year shall be increased from 6% to 7% and Pirelli shall make a one time payment of $500,000.

Section 2. Confirmation of Purchase Option. The Lease, including the Purchase Option contained therein, is hereby confirmed and approved The exercise of the Purchase Option on the Airport Site does not terminate the Purchase Option and the same shall remain in full force and effect on the remaining property subject thereto.

Section 3. Approval of Conveyance. The Conveyance in fee simple of the Airport Site of approximately 62.10 acres in the Columbia Airport Enterprise Park to Pirelli Communications Cables and Systems USA, LLC is hereby authorized and approved. The form, terms, and provisions of the Deed presented to County Council and filed with the Clerk to County Council (the "Clerk") are approved and all of the terms, provisions, and conditions of the Deed are incorporated herein by reference. The Deed shall be executed on behalf of the County by the Chairman of the County Council (the "Chairman"), shall be in substantially the form now before the County Council, and shall include only changes that are approved by the Chairman. The Chairman shall consult with the County Attorney with respect to any changes to the Deed. The execution of the Amendment by the Chairman shall constitute conclusive evidence that all changes to or revisions of the Deed now before this meeting have been approved.

Section 4. Approval of Amendment of FILOT Arrangement. The Amendment is approved as follows: The form, terms, and provisions of the Amendment presented to County Council and filed with the Clerk are approved and all of the terms, provisions, and conditions of the Amendment are incorporated herein by reference. The Amendment shall be executed on behalf of the County by the Chairman, shall be in substantially the form now before the County Council, and shall include only changes that are approved by the Chairman. The Chairman shall consult with the County Attorney with respect to any changes to the Amendment. The execution of the Amendment by the Chairman shall constitute conclusive evidence that all changes to or revisions of the Amendment now before this meeting have been approved.

Section 5. Earmarking of Funds Received, Release of Pirelli from Certain obligations under the MoU. The consideration of $500,000 paid by Pirelli shall be earmarked for the prepayment or for the payment of any installments, when they become due, under that certain promissory note dated August 8, 2000 made by the County for the benefit of the Richland Lexington Airport District in the original principal amount of $1,552,500 and Pirelli shall, effective with such payment, be relieved of any further obligations under Sections 5(b) and/or 9(c) of the MoU.

Section 6. Certification that Obligations under the MoU Have Been Satisfied and Approval of the Transfer of the Airport Site to Third Party. The County hereby certifies that the obligations of Pirelli

under the MoU have been satisfied and hereby explicitly authorizes the further transfer of the Airport Site from Pirelli to a third party.

Section 7. Waiver of Recapitulation Requirement. Pursuant to Section 4-12-45 (B) of the Act the County agrees to waive the recapitulation requirement of the terms hereof and all the other items described in Section 4-12-45 of the Act

Section 8. Execution of Documents The Chairman is hereby authorized, empowered and directed to do all things necessary (i) to effect the execution, acknowledgement and delivery of the Amendment and the Deed, (ii) to perform the County's obligations thereunder, and (iii) to further the intent of this Ordinance.

Section 9. Severability The provisions of this Ordinance are declared to be separable. If any section, phrase, or provision shall be declared by a court of competent jurisdiction to be invalid or unenforceable for any reason, the remaining sections, phrases, and provisions of the Ordinance shall remain valid.

Section 10. Effectiveness of Ordinance. All ordinances, resolutions, orders, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This Ordinance shall take effect and be in full force upon the date of enactment.

AND IT IS SO ORDAINED, ENACTED AND ORDERED.

Dated this ___ day of _____ 2004.

LEXINGTON COUNTY, SOUTH CAROLINA

_____

George H. Smokey Davis, Chairman of County Council

ATTEST

_____

Dorothy K. Black, Clerk to County Council

[Seal]

First Reading: _____ Second Reading: _____

Public Hearing: _____ Third Reading: _____

AMENDMENT OF FILOT ARRANGEMENT

This Amendment (the "Amendment") of the Lease Agreement dated December 7, 2001 (the "Lease"), the Inducement Agreement and Millage Rate Agreement dated December 15, 2000 (the "Inducement Agreement"), and the Memorandum of Understanding dated August 25, 2000 (the "MoU", cumulatively referred to hereinafter as the "FILOT Arrangement") between Lexington County, a body politic and corporate and a political subdivision of the State of South Carolina (the "County")and Pirelli Communications Cables and Systems USA, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware (the "Company"), is made and entered into as of _____, 2004 by and between the original parties.

WHEREAS, all capitalized terms not specifically defined herein, shall have the meaning as defined in the Lease, and if not defined therein shall have the meaning as defined in Title 4, Chapter 12, of the Code of Laws of South Carolina 1976 (the "Act");

WHEREAS, the County, acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of the South Carolina Constitution (the "Constitution") and the Code of Laws of South Carolina 1976, as amended, (the "Code"), and the case law of the Courts of the State of South Carolina, to offer and provide certain privileges, benefits, and incentives to prospective industries as inducements for economic development within the County;

WHEREAS, the County is authorized and empowered under and pursuant to the provisions of the Act, to reduce the disparity between manufacturing and other property and the resulting property tax burden for manufacturing businesses through a fee in lieu of tax arrangement that allows for a reduced fee to be paid by the manufacturer making new investments in the County in excess of the provided levels in lieu of the property tax through which powers the industrial development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally;

WHEREAS, the County is also authorized by the Act to authorize and execute lease agreements, inducement agreements, and millage rate agreements and memoranda of understanding with respect to such projects;

WHEREAS, in the exercise of the foregoing powers, the County and the Company have heretofore entered into the FILOT Arrangement providing for certain incentives with respect to the Project, including, without limitation, payment of a fee in lieu of taxes and a land grant to the Company for which the County is reimbursed through special source revenue credits pursuant to Section 4-12-30(K)(3) of the Act;

WHEREAS, due to unforeseeable adverse conditions that impacted the economy soon after the parties had entered into the FILOT Arrangement, the Company now

plans to divest itself of a portion of the Project defined in the Lease as the 'Airport Site' and consequently does not expect to reach the minimum investment commitment under the FILOT Arrangement (the "Minimum Investment Commitment") with respect to the Project and has requested the County to amend the FILOT Arrangement to reduce such Minimum Investment Commitment (the "Reduction") and to convey the Airport Site back to the Company (the "Conveyance") and has exercised its purchase option pursuant to Section 10.02 of such Lease (the "Purchase Option") for the "Airport Site that is currently part of the Project thereby effectively removing such property from the Lease, the respective Project description, and the FILOT Arrangement;

WHEREAS, as consideration for the Reduction and other benefits provided for herein, the Company has agreed to an increase of the assessment ratio under the FILOT Arrangement from currently 6% to 7% starting with any FILOT payments due for the 2005 tax year and by making a one time payment of $500,000 to the County in satisfaction of all payment liability to the County for the Airport Site;

WHEREAS, a third party known to the County desires to purchase the Airport Site from the Company and is planning the investment of substantial amounts of capital and the creation of a substantial amount of jobs at such site.

WHEREAS, the County has determined that the Amendment would benefit the general public welfare of the County by assisting the Company to weather these economically adverse times and by attracting new substantial investment and job creation by the new third party investor, thereby securing and increasing the jobs and employment in the County, the ad valorem tax base of the County, and service, employment or other public benefits not otherwise provided locally; and that the Amendment does not result in any pecuniary liability of the County or an incorporated municipality or a charge against the general credit or taxing power of either;

WHEREAS, the purposes to be accomplished by the Reduction and Conveyance, i.e., economic development, creation or retention of jobs, and addition to or maintenance of the tax base of the County, are proper governmental and public purposes and the inducement of the third party project to be located at the Airport Site is of paramount importance and the benefits of the Amendment will be greater than the costs;

WHEREAS, the County as a consequence desires to accommodate the Company's requests.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the County and the Company agree as follows:

1. Reduction of Minimum Investment Commitment. The Minimum Investment Commitment under the Lease Agreement dated December 7, 2001, Inducement Agreement and Millage Rate Agreement dated December 15, 2000, and Memorandum of Understanding dated August 25, 2000, (cumulatively the

"Agreements") shall be reduced from $83,500,000 to $20,000,000 in new investments. Throughout the Agreements, the sum of $83,500,000 shall be replaced by the sum of $20,000,000 wherever it appears.

2. Increase of Millage Rate. As consideration for the reduction of the Minimum Investment Commitment, the assessment ratio under the FILOT Arrangement, beginning with the 2005 tax year and going forward, shall be increased from 6% to 7%. Effective for the 2005 tax year and later periods throughout the agreements part of the FILOT Arrangement any reference to an assessment ration of 6%, shall be replaced by an reference to an assessment ratio of 7%.

3. MoU Satisfied. The parties agree that with the reduction of the Minimum Investment Commitment the Company has satisfied all its obligations under the MoU and shall not have any further obligations thereunder. Specifically, the County waives any right under Sections 5(b) and/or 9(c) of the MoU, and agrees that it shall not receive any further payments from the Company under such sections.

4. One time Payment. As further consideration for the foregoing waiver, the Company agrees to pay to the County the amount of $500,000, on or before the due date for the fee-in-lieu of tax payment for the 2005 property tax year. Such consideration of $500,000 paid by the Company shall be earmarked by the County for the payment of any installments when they become due under that certain promissory note dated August 8, 2000 made by the County for the benefit of the Richland Lexington Airport District in the original principal amount of $1,552,500 to substitute any payments the County would otherwise have received from the Company under Sections 5(b) and/or 9(c) of the MoU.

5. Waiver of Recapitulation Requirement. Pursuant to Section 4-12-45 (B) of the Act the Parties agree to waive the recapitulation requirement of the terms hereof and all the other items described in Section 4-12-45 of the Act.

6. Other Terms and Provisions of FILOT Arrangement. All other terms and provisions of the Lease Agreement Dated December 7, 2001, Inducement Agreement and Millage Rate Agreement dated December 15, 2000, and Memorandum of Understanding dated August 25, 2000 shall remain in full force and effect.

7. Severability. If any material provision of this Lease Agreement dated December 7, 2001, Inducement Agreement and Millage Rate Agreement dated December 15, 2000, and Memorandum of Understanding dated August 25, 2000 shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof unless

the effect thereof would render enforcement of the remaining provisions unconscionable.

8. Headings; References. The headings of this Amendment are for convenience of reference only and shall not define or limit the provisions hereof or affect the meaning or interpretation hereof.

9. Multiple Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Lexington County, South Carolina, has executed this Amendment by causing its name to be hereunto subscribed by the Chairman of its County Council and Pirelli Communications Cables and Systems USA, LLC has executed this Amendment by causing its corporate name to be hereunto subscribed by its authorized representative, all being done as of the day and year first written above.

LEXINGTON COUNTY, SOUTH CAROLINA

WITNESSES

_____

By: _____
George H. Smokey Davis, Chairman,
County Council of Lexington County

_____
ATTEST:

_____
Dorothy K. Black, Clerk to Council
of Lexington County, South Carolina
[Seal]

WITNESSES:

PIRELLI COMMUNICATIONS CABLES AND SYSTEMS USA, LLC

_____

By: _____

_____

Print: _____

Its: _____

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF LEXINGTON)

PERSONALLY appeared before me the undersigned witness who on oath says that (s)he saw the within Lexington County, by the Chairman of the County Council of Lexington County, George H. Smokey Davis, attested to by the Clerk to County Council, Dorothy K. Black, sign the within Amendment of FILOT Arrangement; and the said County, by said officers, seal said Amendment of FILOT Arrangement and as its act and deed deliver the within Amendment of FILOT Arrangement; and that (s)he with the other witness subscribed above witnessed the execution thereof.

_____
Witness

Sworn to before me this
_____day of _____, 2004.

_____ (L.S.)
Notary Public for South Carolina
My commission expires:_____

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF LEXINGTON)

PERSONALLY appeared before me the undersigned witness who on oath says that (s)he saw the within Pirelli Communications Cables and Systems USA, LLC by its _____[title], _____ [name], and the said Pirelli Communications Cables and Systems USA, LLC by said officer as its act and deed deliver the within Amendment of FILOT Arrangement; and that (s)he with the other witness subscribed above witnessed the execution thereof.

_____
Witness

Sworn to before me this
_____day of _____, 2004.

_____ (L.S.)
Notary Public for South Carolina
My commission expires:_____

STATE OF SOUTH CAROLINA)
)
COUNTY OF LEXINGTON)

TITLE TO REAL ESTATE
(LIMITED WARRANTY DEED)

KNOW ALL MEN BY THESE PRESENTS, that Lexington County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter referred to as the "Grantor") in the State aforesaid, for and in consideration of One and No/100 Dollars ($1.00) paid to the Grantor by Pirelli Communications Cables and Systems USA, LLC, whose mailing address is 246 Stoneridge Drive, Suite 400, Columbia, SC 29210-8000 (hereinafter referred to as the "Grantee") has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the Grantee, the real estate (the "Premises") described as follows:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the Premises belonging or in any way incident or appertaining thereto, including but not limited to all improvements of any nature located on the Premises and all easements and rights-of-way appurtenant to the Premises.

TO HAVE AND TO HOLD all and singular the Premises unto the Grantee, its successors and assigns forever.

And the Grantor does hereby bind itself, its successors, executors, administrators and other lawful representatives, to warrant and forever defend all and singular the Premises unto the Grantee, its successors and assigns, against the Grantor and against the Grantor's successors and assigns. Grantor further certifies the satisfaction of Grantee's obligations under that certain Memorandum of Understanding dated August 25, 2000, as amended, between Grantor and Grantee.

WITNESS the Hand and Seal of the Grantor this ____ day of ____ in the year of our Lord two thousand and four in the two hundred twenty-eighth year of the Sovereignty and Independence of the United States of America.

LEXINGTON COUNTY, SOUTH CAROLINA

By: _____
George H. Smokey Davis, Chairman, County
Council of Lexington County, South Carolina

(SEAL)

ATTEST:

By: _____
Dorothy K. Black, Clerk to County Council
of Lexington County, South Carolina

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

_____
(WITNESS)

_____
(WITNESS)

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF LEXINGTON)

PERSONALLY appeared before me the undersigned witness who on oath says that (s)he saw the within LEXINGTON County, by the Chairman of the County Council of LEXINGTON County, George H. Smokey Davis, and the Clerk to the County Council of LEXINGTON County, Dorothy K. Black, sign the within Lease; and the said County, by said officers, seal said Lease and as its act and deed deliver the within Lease; and that (s)he with the other witness subscribed above witnessed the execution thereof.

_____
Witness

Sworn to before me this
_____ day of _____, 2004.

_____ (L.S.)
Notary Public for South Carolina
My commission expires: _____

Exhibit A: Airport Site

All that certain piece, parcel or tract of land with any and all improvements thereon, situate, lying and being near the Town of Springdale, County of Lexington, State of South Carolina, being 62.10 acres shown on a Subdivision Plat for Pirelli Cable and Systems LLC, prepared by Sinclair & Associates, Inc. dated August 22, 2000, and being more particularly described as follows:

BEGIN AT A ⅝" REBAR FOUND on northern right-of-way of Colite Drive (S.C. Hwy. 1331), which rebar is located 1,735', more or less, northwest of the centerline of Platt Springs Road; thence running S76°40'26"W along the northern right-of-way of Colite Drive (S.C. Hwy. 1331) for a distance of 816.34' to a ⅝" rebar set on the eastern right-of-way of Metropolitan Drive (Private); thence turning and running N13°13'19"W along the eastern right-of-way of Metropolitan Drive (Private) for a distance of 291.71' to a ⅝" rebar set; thence turning and running N14°05'32"W along the eastern right-of-way of Metropolitan Drive (Private) for a distance of 260.15' to a ⅝" rebar set; thence turning and running N14°06'24"W along the eastern right-of-way of Metropolitan Drive (Private) for a distance of 419.61' to a ⅝" rebar set; thence turning and running along the arc of a curve, said curve having a radius of 793.94', a chord bearing of N54°07'00"W for a chord distance of 1,024.59' to a ⅝" rebar set; thence turning and running N15°55'20"W for a distance of 501.14' to a ⅝" rebar set; thence turning and running S89°41'01"E along property shown as City of Cayce Water Tower Site for a distance of 130.64' to a ⅝" rebar set; thence turning and running N10°36'10"W along property shown as City of Cayce Water Tower Site for a distance of 257.72' to a traverse point; thence turning and running N10°36'10"W along property shown as City of Cayce Water Tower Site for a distance of 14.54' to a ⅝" rebar set on the southern right-of-way of Old Barnwell Road (S.C. Hwy. 104); thence turning and running N85°00'30"E along the southern right-of-way of Old Barnwell Road (S.C. Hwy. 104) for a distance of 708.94' to a ⅝" rebar set; thence turning and running along the arc of a curve, said curve having a radius of 1,465.39', a chord bearing of N84°18'47"E for a chord distance of 35.58' to a ⅝" rebar set; thence turning and running S04°00'50"E along property now or formerly of Jennie Lee Shull for a distance of 5.78' to a concrete monument found; thence turning and running S04°00'50"E along property now or formerly of Jennie Lee Shull for a distance of 205.09' to a concrete monument found; thence turning and running S80°22'33"E along property now or formerly of Jennie Lee Shull for a distance of 256.12' to a concrete monument found; thence turning and running S57°29'01"E along property now or formerly of Richland – Lexington Airport District for a distance of 1,099.89' to a ⅝" rebar set; thence turning and running S13°19'34"E along property shown as Zone "X" for a distance of 1,224.35' to a ⅝" rebar set; thence turning and running S76°40'26"W along property now or formerly of Richland – Lexington Airport District for a distance of 327.33' to a ⅝" rebar set; thence turning and running S13°10'15"E along property now or formerly of Richland – Lexington Airport District for a distance of 60.00' to the POINT OF BEGINNING, be all measurements, a little more or less.

TMS #: a portion of TMS # 05698-03-07 and 05698-03-12

Derivation: Being the same property deeded to Pirelli Communications Cables and Systems USA, LLC (f/k/a Pirelli Cables and Systems LLC) by deed from the Richland-Lexington Airport District dated August 25, 2000 and recorded August 28, 2000 in the office of the Register of Deeds for Lexington County in Book 5941 at Page 91, and to Lexington County, South Carolina by deed from Pirelli Communications Cables and Systems USA, LLC (f/k/a Pirelli Cables and Systems LLC) dated December 7, 2001 and recorded December 27, 2001 in the office of the Register of Deeds for Lexington County in Book 6882 at Page 94.

Grantee's address: Pirelli Communications Cables and Systems USA, LLC
246 Stoneridge Drive, Suite 400
Columbia, SC 29210-8000

NOTICE OF PUBLIC HEARING BEFORE LEXINGTON COUNTY COUNCIL

Notice is hereby given pursuant to Section 4-9-130 Code of Laws of South Carolina 1976 that on Monday, September 20, 2004, at 4:30 p.m., or as soon as practicable thereafter, a public hearing will be held by the County Council of Lexington County, South Carolina, in the County Council Chambers, 2nd Floor of the County Administration Building, 212 South Lake Drive, Lexington, South Carolina, or at such other location as proper notice on the main entrance to the said building might specify.

The purpose of the public hearing is to consider an Ordinance entitled "AN ORDINANCE AUTHORIZING THE REDUCTION OF THE MINIMUM INVESTMENT COMMITMENT UNDER, AND CERTAIN AMENDMENTS OF, THE LEASE AGREEMENT DATED DECEMBER 7, 2001, THE INDUCEMENT AGREEMENT AND MILLAGE RATE AGREEMENT DATED DECEMBER 15, 2000, AND THE MEMORANDUM OF UNDERSTANDING DATED AUGUST 25, 2000 BY AND BETWEEN LEXINGTON COUNTY, SOUTH CAROLINA, AND PIRELLI COMMUNICATIONS CABLES AND SYSTEMS USA, LLC, RELATING TO, WITHOUT LIMITATION, A PROJECT AS DEFINED IN TITLE 4, CHAPTER 12 OF THE SOUTH CAROLINA CODE OF LAWS, AS AMENDED, AND THE PAYMENT TO LEXINGTON COUNTY OF A FEE IN LIEU OF TAXES, AND AUTHORIZING THE CONVEYANCE IN FEE SIMPLE OF 62.10 ACRES IN THE COLUMBIA AIRPORT ENTERPRISE PARK TO PIRELLI COMMUNICATIONS CABLES AND SYSTEMS USA, LLC UNDER THE TERMS OF THE LEASE AGREEMENT BETWEEN PIRELLI COMMUNICATIONS CABLES AND SYSTEMS USA, LLC AND LEXINGTON COUNTY DATED DECEMBER 7, 2001."

At the public hearing all taxpayers, residents of Lexington County, and any other interested persons who appear will be given an opportunity to express their views for or against the Ordinance. Further information and a copy of the proposed ordinance for inspection is available in the Clerk to Council's office located at the Lexington County Administration Building, 212 South Lake Drive, Lexington, South Carolina, during its regular business hours.

COUNTY COUNCIL OF LEXINGTON COUNTY, SOUTH CAROLINA

George H. Smokey Davis, Chairman

MCNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

www.mcnair.net

Wolfgang Buchmaier

BANK OF AMERICA TOWER
1301 GERVAIS STREET, 17th FLOOR
COLUMBIA, SOUTH CAROLINA 29201

POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE (803)799-9800
FACSIMILE (803)376-2277

Via Hand Delivery

Tuesday, August 31, 2004

Mr. William A. Brooks
Lexington County Administrator
212 S. Lake Drive
Lexington, South Carolina 29072

Re: FILOT Arrangement between Pirelli Communications Cables and Systems USA, LLC ("Pirelli") and Lexington County; Termination of FILOT for Airport Site.

Dear Mr. Brooks:

Notice is hereby given that Pirelli, as Tenant under that certain Lease Agreement dated December 7, 2001 (the "Lease"), exercises its purchase option pursuant to Section 10.02 of such Lease for the real estate described in Exhibit A of the attached form of deed that is currently part of the Project (as such term is defined in the Lease) thereby effectively removing such property from the Lease, the respective Project description, and the FILOT arrangement. The anticipated date of closing such purchase shall be as soon as possible but no later than September 29, 2004.

Attached please find a deed prepared according to the form included in the Lease as Exhibit C. Please have such deed executed, and return it to me as soon as possible. Please note that the conveyance of all or a portion of the Project back to the Pirelli has been authorized by Section 3(a) of Lexington County Ordinance No. 12 enacted on January 23, 2001, by incorporating the terms and conditions of the Lease which grants in Section 10.02 the repurchase option of all or portion of the Project. For your convenience I have attached copies of Section 10.02 of the Lease and Lexington County Ordinance No. 12.

Please also return the promissory note in the original principal amount of $155,250 dated August 25, 2000, given by Pirelli to Lexington County in connection with the Project marked paid and signed on behalf of Lexington County. I have included a copy of such note that was paid in full according to its terms on August 25, 2002.

Please contact me if you have any questions.

Sincerely,

McNAIR LAW FIRM, P.A.

Wolfgang Buchmaier

Enclosures
Cc: Scott Adams, Esquire
Ms. Tammy Coghill
Ms. Dot Black
Mr. Mark Simmons

AUG 2004
RECEIVED
LEXINGTON COUNTY
COUNCIL
LEXINGTON, S.C.

STATE OF SOUTH CAROLINA)
)
COUNTY OF LEXINGTON)

TITLE TO REAL ESTATE
(LIMITED WARRANTY DEED)

KNOW ALL MEN BY THESE PRESENTS, that Lexington County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter referred to as the "Grantor") in the State aforesaid, for and in consideration of One and No/100 Dollars ($1.00) paid to the Grantor by Pirelli Communications Cables and Systems USA, LLC, whose mailing address is 246 Stoneridge Drive, Suite 400, Columbia, SC 29210-8000 (hereinafter referred to as the "Grantee") has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the Grantee, the real estate (the "Premises") described as follows:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN

TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the Premises belonging or in any way incident or appertaining thereto, including but not limited to all improvements of any nature located on the Premises and all easements and rights-of-way appurtenant to the Premises.

TO HAVE AND TO HOLD all and singular the Premises unto the Grantee, its successors and assigns forever.

And the Grantor does hereby bind itself, its successors, executors, administrators and other lawful representatives, to warrant and forever defend all and singular the Premises unto the Grantee, its successors and assigns, against the Grantor and against the Grantor's successors and assigns. Grantor further certifies the satisfaction of Grantee's obligations under that certain Memorandum of Understanding dated August 25, 2000, as amended, between Grantor and Grantee.

WITNESS the Hand and Seal of the Grantor this ____ day of ____ in the year of our Lord two thousand and four in the two hundred twenty-eighth year of the Sovereignty and Independence of the United States of America.

LEXINGTON COUNTY, SOUTH CAROLINA

By: _____
George H. Smokey Davis, Chairman, County
Council of Lexington County, South Carolina

(SEAL)

ATTEST:

By: _____
Dorothy K. Black, Clerk to County Council
of Lexington County, South Carolina

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

_____ _____
(WITNESS) (WITNESS)

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF LEXINGTON)

PERSONALLY appeared before me the undersigned witness who on oath says that (s)he saw the within LEXINGTON County, by the Chairman of the County Council of LEXINGTON County, George H. Smokey Davis, and the Clerk to the County Council of LEXINGTON County, Dorothy K. Black, sign the within Lease; and the said County, by said officers, seal said Lease and as its act and deed deliver the within Lease; and that (s)he with the other witness subscribed above witnessed the execution thereof.

_____
Witness

Sworn to before me this
_____ day of _____, 2004.

_____ (L.S.)
Notary Public for South Carolina
My commission expires: _____

Exhibit A: Airport Site

All that certain piece, parcel or tract of land with any and all improvements thereon, situate, lying and being near the Town of Springdale, County of Lexington, State of South Carolina, being 62.10 acres shown on a Subdivision Plat for Pirelli Cable and Systems LLC, prepared by Sinclair & Associates, Inc. dated August 22, 2000, and being more particularly described as follows:

BEGIN AT A ⅝" REBAR FOUND on northern right-of-way of Colite Drive (S.C. Hwy. 1331), which rebar is located 1,735', more or less, northwest of the centerline of Platt Springs Road; thence running S76°40'26"W along the northern right-of-way of Colite Drive (S.C. Hwy. 1331) for a distance of 816.34' to a ⅝" rebar set on the eastern right-of-way of Metropolitan Drive (Private); thence turning and running N13°13'19"W along the eastern right-of-way of Metropolitan Drive (Private) for a distance of 291.71' to a ⅝" rebar set; thence turning and running N14°05'32"W along the eastern right-of-way of Metropolitan Drive (Private) for a distance of 260.15' to a ⅝" rebar set; thence turning and running N14°06'24"W along the eastern right-of-way of Metropolitan Drive (Private) for a distance of 419.61' to a ⅝" rebar set; thence turning and running along the arc of a curve, said curve having a radius of 793.94', a chord bearing of N54°07'00"W for a chord distance of 1,024.59' to a ⅝" rebar set; thence turning and running N15°55'20"W for a distance of 501.14' to a ⅝" rebar set; thence turning and running S89°41'01"E along property shown as City of Cayce Water Tower Site for a distance of 130.64' to a ⅝" rebar set; thence turning and running N10°36'10"W along property shown as City of Cayce Water Tower Site for a distance of 257.72' to a traverse point; thence turning and running N10°36'10"W along property shown as City of Cayce Water Tower Site for a distance of 14 54' to a ⅝" rebar set on the southern right-of-way of Old Barnwell Road (S.C. Hwy. 104); thence turning and running N85°00'30"E along the southern right-of-way of Old Barnwell Road (S.C. Hwy. 104) for a distance of 708.94' to a ⅝" rebar set; thence turning and running along the arc of a curve, said curve having a radius of 1,465.39', a chord bearing of N84°18'47"E for a chord distance of 35.58' to a ⅝" rebar set; thence turning and running S04°00'50"E along property now or formerly of Jennie Lee Shull for a distance of 5.78' to a concrete monument found; thence turning and running S04°00'50"E along property now or formerly of Jennie Lee Shull for a distance of 205.09' to a concrete monument found; thence turning and running S80°22'33"E along property now or formerly of Jennie Lee Shull for a distance of 256.12' to a concrete monument found; thence turning and running S57°29'01"E along property now or formerly of Richland – Lexington Airport District for a distance of 1,099.89' to a ⅝" rebar set; thence turning and running S13°19'34"E along property shown as Zone "X" for a distance of 1,224.35' to a ⅝" rebar set; thence turning and running S76°40'26"W along property now or formerly of Richland – Lexington Airport District for a distance of 327.33' to a ⅝" rebar set; thence turning and running S13°10'15"E along property now or formerly of Richland – Lexington Airport District for a distance of 60.00' to the POINT OF BEGINNING, be all measurements, a little more or less.

TMS #: a portion of TMS # 05698-03-07 and 05698-03-12

Derivation: Being the same property deeded to Pirelli Communications Cables and Systems USA, LLC (f/k/a Pirelli Cables and Systems LLC) by deed from the Richland-Lexington Airport District dated August 25, 2000 and recorded August 28, 2000 in the office of the Register of Deeds for Lexington County in Book 5941 at Page 91, and to Lexington County, South Carolina by deed from Pirelli Communications Cables and Systems USA, LLC (f/k/a Pirelli Cables and Systems LLC) dated December 7, 2001 and recorded December 27, 2001 in the office of the Register of Deeds for Lexington County in Book 6882 at Page 94

Grantee's address: Pirelli Communications Cables and Systems USA, LLC
246 Stoneridge Drive, Suite 400
Columbia, SC 29210-8000

ARTICLE X

PURCHASE AND OPTION TO PURCHASE PROPERTY; PURCHASE PRICE

SECTION 10.01. Mandatory Purchase of Project by Tenant. If, during the Term (a) as a consequence of a defect in title the Tenant and the County shall be denied the use and occupancy of the Project; (b) a final decree or judgment shall be entered by a court of competent jurisdiction that the Act is invalid, unenforceable, or unconstitutional or that the negotiated payments in lieu of taxes described in Section 6.03 hereof are invalid, unenforceable, or unconstitutional or a change occurs in the Constitution or other laws and regulations of the State or the United States of America which would render the payments in lieu of taxes described herein or any other provision hereof invalid, unenforceable or unconstitutional; or (c) as a result of any changes in the Constitution of the State or the Constitution of the United States of America; or of a legislative or administrative action (whether state or federal); or by final decree, judgment, or order of any court or administrative body (whether state or federal) entered after the contest thereof, this Lease shall have become void or unenforceable or impossible to perform in accordance with the intent and purposes of the parties as expressed in this Lease, then in any such event, whether any financing instrument is outstanding and unpaid, or not, the Tenant shall purchase the Project. Any such purchase provided for herein shall be made not later than forty-five (45) days after such use or occupancy is denied or such change, decree, final judgment, or order as the case may be or at such later date as may be agreeable to the County. Upon such purchase, this Lease shall terminate.

SECTION 10.02. Options to Purchase the Project; Exercise of Option Hereunder. The Tenant (or the sublessee or any leasehold mortgagee, if applicable) shall have, and is hereby granted, the unconditional option to purchase all or a portion of the Project prior to the expiration of the full Term hereof at any time and from time to time and for any reason or no reason (such option to be exercisable whether or not an "Event of Default" has occurred and is continuing).

To exercise such option, the Tenant or any sublessee or leasehold mortgagee, if applicable, shall, within ninety (90) days following the election to exercise such option, give written notice to the County and shall specify therein the anticipated date of closing such purchase and which portions of the Project are to be purchased, which date shall be not less than thirty (30) days nor more than ninety (90) days from the date such notice is mailed. Upon the purchase pursuant to such option, this Lease shall terminate with respect to the portion of the Project so purchased.

SECTION 10.03. Purchase Price. The purchase price (total legal consideration) for any purchase of all or any portion

of the Project pursuant to Sections 10.01 or 10.02 hereof shall be one dollar ($1.00). In addition to payment of such purchase price, however, the purchaser of any such portion must pay to the County an amount equal to (a) any Basic or Additional Rent due or to become due hereunder with respect to such portion, including, without limitation, any unpaid fees and expenses of, or other amounts payable hereunder to, the County, and (b) any unpaid but due and owing fee-in-lieu of taxes before such purchase may be completed and duly recorded.

SECTION 10.04. Status of Title. In the event of any purchase of the Project or any portion thereof pursuant to any provision of this Lease, the County shall convey good and marketable title by a bill of sale in substantially the form set forth in *Exhibit D* and/or by a limited warranty deed in substantially the form set forth in *Exhibit C, as applicable,* to the Tenant or any sublessee, leasehold mortgagee or assignee of Tenant, but the County shall not otherwise be obligated to give or assign any better title than existed on the first day of the Term. The Tenant, or any sublessee or leasehold mortgagee, shall accept such title, subject, however, to (i) Permitted Encumbrances; (ii) any liens, encumbrances, charges, exceptions and restrictions not created or caused by the County; and, (iii) any applicable laws, regulations, and ordinances. Although the County shall be obligated to convey title to the Project as aforesaid on the date of purchase upon receipt of the purchase price therefor, the County shall nevertheless have such additional time as is reasonably required by the County to deliver or cause to be delivered to the Tenant, or any sublessee or assignee, all instruments and documents required by the Tenant, or any sublessee or assignee, and necessary to remove from record or otherwise discharge any liens, encumbrances, charges or restrictions in order that the County may convey title as aforesaid.

SECTION 10.05. Conveyance; Charges Incident Thereto. Upon the date fixed for the purchase of the Project or any portion thereof by the Tenant, or any sublessee, leasehold mortgage or assignee, the Tenant, or any sublessee, leasehold mortgagee or assignee, shall tender the purchase price therefor and the additional payments required by Section 10.03 of this Lease to the County or its order, and the County shall deliver a deed and /or bill of sale, as applicable, for the Project or such portion thereof to the Tenant (or sublessee, if applicable). The Tenant shall pay all expenses of the County and all other charges incident to any conveyance, including any recording fees and any applicable federal, state, and local taxes and the like.

[End of Article X]

ORDINANCE NO. 12

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN LEXINGTON COUNTY AS LESSOR AND PIRELLI CABLES AND SYSTEMS LLC AS LESSEE, AND AUTHORIZING OTHER MATTERS RELATING TO THE LEASE AGREEMENT INCLUDING, WITHOUT LIMITATION, PAYMENT TO LEXINGTON COUNTY OF A FEE IN LIEU OF TAXES.

WHEREAS, Lexington County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is empowered by the provisions of the South Carolina Constitution (the "Constitution"), the South Carolina Code of Laws, as amended (the "Code"), and the case law of the Courts of the State of South Carolina to offer and provide certain privileges, benefits, and incentives to prospective industries as inducements for economic development within the County; and,

WHEREAS, the County is authorized and empowered by the provisions of Title 4, Chapter 12 of the Code (the "Act"), in conjunction with other portions and provisions of Title 4 of the Code, including but not limited to Chapters 9 and 29, to acquire or cause to be acquired properties constituting "projects" as defined in the Act; and,

WHEREAS, the County is empowered by the Act and the Code to enter into agreements with any industry to construct, operate, maintain, and improve such projects, to enter into or allow financing agreements for such projects, and to accept any grants for such projects; and,

WHEREAS, through employment of the powers granted by the Act, the County will promote the economic and industrial development of the State of South Carolina (the "State") and develop its trade by inducing manufacturing and commercial enterprises to locate and remain in the State, where they will use and employ the manpower, agricultural products, and natural resources of the State and, further, will benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise provided locally; and,

WHEREAS, the County is authorized by the Act to execute a lease agreement with respect to such projects; and,

WHEREAS, the County and Calhoun County have established a multi-county industrial park (the "Park"); and,

WHEREAS, Pirelli Cables and Systems LLC, a limited liability company duly organized and existing under the laws of the State of Delaware (the "Company"), has requested the County to provide certain development incentives to the Company by executing an Inducement Agreement and Millage Rate Agreement pursuant to the Act for the purpose of expanding its manufacturing facility (the "Project") involving an anticipated investment of at least $83,500,000; and

WHEREAS, the County has determined that the Project will directly and substantially benefit the general public welfare of Lexington County by increasing the ad valorem tax base and by providing services, employment, recreation, or other public benefits not otherwise provided locally; and,

WHEREAS, the County has determined that the Project will neither give rise to a pecuniary liability of the County or incorporated municipality, nor result in a charge against the County's general credit or taxing power; and,

WHEREAS, the County has determined that the purposes to be accomplished by the Project--i.e., economic development, creation or retention of jobs, and addition to the tax base of the County--are proper governmental and public purposes; and,

WHEREAS, the County has determined that inducement of the location of the Project within the Park and in the County and State is of paramount importance to the County and that the benefits of the Project to the County will be greater than the costs; and,

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the Project will be a "project" as that term is defined in the Act and that the Project will subserve the purposes of the Act; and,

WHEREAS, the County Council has determined to enter into a Lease Agreement by and between the County and the Company under the provisions of the Act and with the assistance and advice of the South Carolina Department of Revenue or the South Carolina Board of Economic Advisors pursuant to the Act; and,

WHEREAS, the County Council has caused to be prepared and presented to this meeting the following document which the County proposes to execute and deliver:

> The form of the Lease Agreement by and between the County and the Company which includes an Agreement by the Company for payments in lieu of taxes;

and,

WHEREAS, it appears that the Lease Agreement 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;

NOW, THEREFORE, BE IT ORDAINED by the County Council of Lexington County, South Carolina, as follows:

Section 1. Findings and Determinations. It is hereby declared that the facts set forth in the recitals to this Ordinance are true and correct in all respects. It further is found, determined, and declared by the County Council, as follows:

(a) The Project will constitute a "project" as defined in the Act, and the County's actions with respect to the Project will subserve the purposes of and conform to the Act;

(b) It is anticipated that the Project will benefit the general public welfare of Lexington County by increasing the County's tax base and providing services, employment, recreation, or other public benefits not otherwise provided locally;

(c) The Project neither gives rise to a pecuniary liability of the County or incorporated municipality, nor results in a charge against the County's general credit or taxing power;

(d) The proposed form of Lease Agreement requires the Company to maintain the Project and carry all proper insurance with respect thereto at its own cost and expense;

(e) The purposes to be accomplished by the Project include economic development, jobs creation, and expansion of the County's tax base.

Section 2. Construction of Project. In order to promote industry, develop trade, and use and employ the manpower, agricultural products, and natural resources of the State by assisting the Company in constructing and equipping a manufacturing plant expansion, the County authorizes, ratifies, and approves the acquisition by the County and the subsequent lease to the Company of certain property and various equipment, all as a part of the Project, which is anticipated to result in an investment of at least $83,500,000 in the County.

Section 3. Approval of Lease Agreement. The approval of the Lease Agreement is approved as follows:

(a) The form, terms, and provisions of the Lease Agreement presented to this meeting and filed with the Clerk of the County Council (the "Clerk") are approved and all of the terms, provisions, and conditions of the Lease Agreement are incorporated by reference. The Chairman of the County Council (the "Chairman") and the Clerk are authorized, empowered, and directed to execute, acknowledge, and deliver the Lease Agreement in the name of the County. The Chairman and the Clerk are further authorized, empowered, and directed to cause the Lease Agreement to be delivered to the Company and cause the Lease Agreement or memoranda of the Lease Agreement recorded in the office of the Clerk of Court or the Registrar of Mesne Conveyances for Lexington County, as appropriate.

(b) The Lease Agreement to be executed on behalf of the County shall be in substantially the form now before the County Council, and shall include only changes that are approved by the County Officials executing the Lease Agreement. The County Officials shall consult the County Attorney with respect to any changes to the Lease Agreement. The execution of the Lease Agreement by County Officials shall constitute conclusive evidence that they have approved all changes to or revisions of the Lease Agreement now before this meeting.

(c) If under the Lease Agreement any future actions of the Company (including, without limitation, the supplementation of *Exhibit A*) require the approval of the County, such approval can be given on behalf of the

County by the County officials executing the Lease Agreement of their successors in office without further action of the County Council. The County officials shall consult the County Attorney with respect to such approval. The execution of a written approval by County Officials shall constitute conclusive evidence that the County has approved the respective actions of the Company.

Section 4. Special Source Revenue Incentive. In connection with the execution of the Lease Agreement, the County will grant a special source revenue incentive as authorized by Section 4-12-30 (K) (3) of the Act. The amount of the special source revenue incentive will be equal to the amount necessary to cover the payments from or the use of such special source revenue incentive as described hereinafter, provided, however, that in no year shall it exceed one hundred percent of the fee in lieu of tax payments due for that year under the Lease Agreement. The County will use such special source revenue incentive to make the payments due under that certain promissory note dated August 25, 2000, in the original principal amount of $1,552,500.00, given to Richland-Lexington Airport District by the County as consideration for the real property transferred on August 25, 2000 by the Richland-Lexington Airport District to the Company (the "Note") as authorized by Section 4-29-100 of the Code. In addition, the Company will receive from such special source revenue incentive an offset from the payment in lieu of taxes that are in excess of the payments due under the Note up to any amount previously paid by the Company to the County or, on behalf of the County, to the holder of the Note pursuant to Section 5 of that certain Memorandum of Understanding between the Company and the County dated August 25, 2000, and/or that certain promissory note dated August 25, 2000 in the original principal amount of $155,250.00 given for that purpose to the County by the Company, in order to recoup such expense.

Section 5. Execution of Documents. The Chairman, the County Administrator, the Clerk, and the County Attorney are each authorized and directed to do all things necessary to effect the execution and delivery of the Lease Agreement and the County's performance of its obligations under the Lease Agreement.

Section 6. Severability. The provisions of this Ordinance are declared to be separable. If any section, phrase, or provision shall be declared by a court of competent jurisdiction to be invalid or unenforceable for any reason, the remaining sections, phrases, and provisions of the Ordinance shall remain valid.

Section 7. Repeal of Conflicting Ordinances. All orders, resolutions, and other ordinances in conflict with this Ordinance are repealed to the extent of such conflict.

Section 8. Effective Date. This Ordinance shall take effect upon the date of enactment.

Enacted this 23rd day of January, 2001.

LEXINGTON COUNTY, SOUTH CAROLINA

By: _____
Bruce E. Rucker, Chairman,
Lexington County Council

By: _____
William Art Brooks,
Administrator, Lexington
County, South Carolina

(SEAL)

ATTEST:

By: _____
Dot Black, Clerk, Lexington
County Council

First Reading: November 14, 2000
Second Reading: November 28, 2000
Public Hearing: January 9, 2001
Third Reading: January 23, 2001

PROMISSORY NOTE

$155,250.00

Lexington, South Carolina
Date: August 25, 2000

FOR VALUE RECEIVED, and the transfer of 62.10 acres to Pirelli Cables and Systems LLC ("Pirelli"), Pirelli promises to pay to The County of Lexington, South Carolina, a political subdivision of the State of South Carolina (hereafter "Note Holder"), the principal sum of One Hundred Fifty-five Thousand Two Hundred Fifty and 00/100 Dollars ($155,250.00) with interest at the rate of Zero Percent (0%) per annum. Pirelli will make payments of Seventy-seven Thousand Six Hundred Twenty-five and 00/100 Dollars ($77,625.00) per annum on August 25, 2001 (on the first anniversary of this Promissory Note) and August 25, 2002 to pay this note in full. Payments shall be made to the Note Holder at 212 South Lake Drive, Lexington, South Carolina 29072, attention Tax Assessor or such other place as Note Holder may designate. The obligations set forth herein shall be effective as of the date that Pirelli Cable and Systems LLC purchases 62.10 acres (more or less) from the Richland-Lexington Airport District.

If the Note Holder has not received the full amount of any annual payment by the end of 30 calendar days after the date it is due, Pirelli agrees to pay a late charge to the Note Holder. The amount of the charge will be 5% of the overdue payment of principal and interest. Pirelli will pay this late charge promptly but only once on each late payment.

If at any time any portion of the principal or interest be past due and unpaid, the whole amount evidenced by this Promissory Note shall, at the option of the Note Holder, become immediately due and payable, and the Note Holder shall have the right to institute any proceeding upon this Promissory Note for the purpose of collecting the principal and interest, plus costs and expenses.

In the event of default in the payment of this Promissory Note, and if it is placed in the hands of an attorney for collection, Pirelli hereby agrees to pay all costs of collection, including a reasonable attorney's fee.

Pirelli reserves the right to prepay in full the obligation hereunder or in part at any time without penalty.

Presentment, protest and notice hereby are waived.

Given under the hand and seal of the party as set forth hereinbelow.

PIRELLI CABLES AND SYSTEMS LLC

By: _____ (SEAL)
Glenn Heizer
Its: Vice President and Chief Financial Officer

Columbia: 620636v1