

JOYCE McDONALD

AN ORDINANCE TO APPROVE THE USE OF GRANT FUNDS RECEIVED FROM SEVERAL ELECTRIC COOPERATIVES FOR THE ACQUISITION OF LAND AT THE PARK FOR THE S.C. EQUINE CENTER IN FURTHERANCE OF THE ECONOMIC DEVELOPMENT PROGRAM OF KERSHAW COUNTY, APPROVING THE ACCEPTANCE OF AN ASSIGNMENT OF A CONTRACT OF SALE TO ACQUIRE THE REAL PROPERTY AND IMPROVEMENTS ON WHICH THE PARK FOR THE S.C. EQUINE CENTER WILL BE LOCATED, AND APPROVING THE LEASE AND MANAGEMENT AGREEMENT BETWEEN KERSHAW COUNTY AND THE SOUTH CAROLINA EQUINE PROMOTION FOUNDATION, INC. FOR THE OPERATION OF THE FACILITY IN FURTHERANCE OF THE ECONOMIC DEVELOPMENT PURPOSES OF KERSHAW COUNTY, AS THEY MORE PARTICULARLY RELATE TO THE MANY AND VARIED ASPECTS OF THE EQUINE INDUSTRY, WHICH HISTORICALLY HAS BEEN IMPORTANT TO KERSHAW COUNTY AND TO THE CENTRAL PART OF SOUTH CAROLINA, AND GRANTING THE POWERS TO EXECUTE AND DELIVER THE DOCUMENTS NECESSARY TO ACCOMPLISH THESE PURPOSES.

WHEREAS, the South Carolina Equine Promotion Foundation, Inc., (the "**Foundation**") a nonprofit corporation duly organized under the laws of the State of South Carolina and based in Camden, South Carolina, has identified the former site of the Camden Equestrian Center, consisting of approximately 31.52 acres, with all improvements thereon, located on Cleveland School Road near Interstate I-20 (the "**Land**"), as being a suitable site to develop into a combination commercial, business and industrial park for the development of all aspects of the equine industry in Kershaw County; and

WHEREAS, the Land can be acquired from the Bank of Travelers Rest (the "**Bank**"), which foreclosed on it, and the Land has numerous equine-related facilities, including a number of wooden stables in good condition, a covered exhibition ring, outdoor training and exhibition rings, metal office buildings, a fully-equipped restaurant facility, equipment sheds, and a modern, free-standing metal building across Cleveland School Road from the main grounds which is ideally suited for use as a retail store for the sale of feed, saddles, tack, riding clothes and equipment, horse trailers, and other equine-related items; and

WHEREAS, these improvements are shown on the plat of the property entitled "Proposed Business, Commercial and/or Industrial Park to be owned by Kershaw County for

Economic Development Purposes and to be known as the 'Park for the S.C. Equine Center,'" prepared by Daniel D. Riddick, PLS, dated January 29, 2009, which is an Exhibit to the Base Lease and Operating Agreement (the "**Agreement**"), a copy of which is attached to this Ordinance; and

WHEREAS, the Foundation has entered into a contract with the Bank for the purchase of all of this land and the improvements thereon for \$500,000 (the "**Contract**"), which is assignable to Kershaw County (the "**County**") for a nominal consideration; and

WHEREAS, the County has acquired sufficient funds by grants from the electric cooperatives serving the County and surrounding counties (the "**Grant Funds**") to accept the assignment of the Contract and to purchase the Land pursuant to the Contract for the stated price without expending any County tax monies; and

WHEREAS, the Foundation has agreed to execute the Agreement pursuant to which the Foundation is agreeing to lease the Land from the County, to manage and operate the facilities thereon in accordance with the Agreement so as to develop the Land into a first class facility for all types of equine activities and to encourage on the premises the development of a variety of retail and commercial uses of the Land; and

WHEREAS, the Foundation has agreed to manage and operate the facilities for economic development purposes in order that the electric co-operatives which have provided the Grant Funds to the County will qualify for income tax credits for the Grant Funds pursuant to the provisions of S.C. Code Ann. § 12-20-105; and

WHEREAS, such development includes the establishment of businesses for the sale of saddles and tack, riding equipment, horse feed, vitamins and food supplements, farrier services, provision of horse training services, riding and equitation lessons, grooming services, stable maintenance services, veterinary services, horse boarding services, commercial horse transportation services and the like; and

WHEREAS, the Foundation will also sponsor, or encourage other responsible organizations to sponsor, equine exhibitions, competitions, youth development programs, after-school programs, and educational programs relating to careers in the equine industry, and the like; and

WHEREAS, each of these activities is integral to the continued support and development of the equine industry in the County and in surrounding areas in central South Carolina; and

WHEREAS, the County Council of Kershaw County (the "**Council**") has determined that the acceptance of the assignment of the Contract on terms deemed appropriate by the County, the use of the Grant Funds to acquire the Land using the Grant Funds only and execution of the Agreement with the Foundation are all proper public purposes of the County, will promote economic development in the County and will attract tourists and horse owners and horse enthusiast to the County to use the facilities; and

WHEREAS, such economic development project will have a tremendous positive impact on the economy of the County, will create jobs and economic activity that would not otherwise be present in the County, and will not be a tax burden to County taxpayers.

NOW, THEREFORE, BE IT ORDAINED BY KERSHAW COUNTY COUNCIL:

1. That the acceptance of the assignment of Contract for nominal consideration, and on such other terms as the Council deems best, is approved.
2. That the use of the Grant Funds for the acquisition of the Land, with the improvements thereon, pursuant to the assigned Contract, is approved, provided that the Council is satisfied that the use of the Grant Funds for such acquisition is within legal requirements for the use of such Grant Funds imposed by the State of South Carolina or by contract with the electric cooperatives.

3. Upon the purchase of the Land by the County utilizing the Grant Funds, the Chairman and Vice-Chairman of the County Council are authorized and directed to execute the Agreement for the uses and purposes set forth therein.

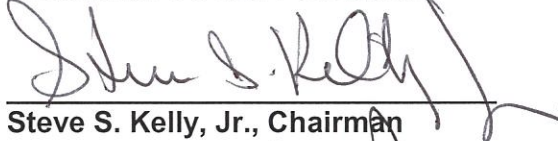
4. The Council Administrator or his designee will monitor the development of the Land for use as the Park for the S.C. Equine Center and report periodically to the Council on the progress of this economic development project.

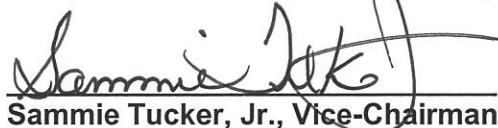
5. The Chairman and Vice-Chairman of the Council are authorized to do all other things necessary to effectuate the stated purposes of this Ordinance, including the execution and delivery of all documents which may be required to give full force and effect to this Ordinance.

AND IT IS SO ORDAINED by Kershaw County Council this 28th day of April, 2009 in meeting duly assembled at Camden, South Carolina.

(SEAL)

KERSHAW COUNTY COUNCIL


Steve S. Kelly, Jr., Chairman


Sammie Tucker, Jr., Vice-Chairman

Attest:


Merri Seigler, Clerk to Council

1st reading: March 24, 2009
2nd reading: April 14, 2009
Public Hearing: April 28, 2009
3rd reading: April 28, 2009

BASE LEASE AND OPERATING AGREEMENT

BETWEEN

THE COUNTY OF KERSHAW, SOUTH CAROLINA

AS LESSOR

AND

THE SOUTH CAROLINA EQUINE PROMOTION FOUNDATION, INC.

AS LESSEE.

DATED AS OF _____, 2009

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EXHIBIT A Legal Description of the Land.

EXHIBIT B Plat entitled "Proposed Business, Commercial and/or Industrial Park to be Owned by Kershaw County for Economic Development Purposes and To Be Known as the 'Park for the S.C. Equine Center,'" said plat having been prepared by Daniel D. Riddick, P.S., of Daniel Riddick and Associates, Inc., dated January 27, 2009

BASE LEASE AND OPERATING AGREEMENT

THIS BASE LEASE AND OPERATING AGREEMENT (the "**Base Lease**"), made and entered into as of _____, 2009 by and among the County of Kershaw, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "**County**"), as Lessor, and the South Carolina Equine Promotion Foundation, Inc., a nonprofit corporation duly organized under the laws of the State of South Carolina (the "**Foundation**"), as Lessee.

WITNESSETH:

WHEREAS, the County is the owner of certain land described in Exhibit A hereto (the "**Land**") and buildings and other improvements thereon (the "**Buildings**") known, or to be known as the Park for the South Carolina Equine Center (the "**S.C. Equine Center**") shown on that certain Plat entitled "Proposed Business, Commercial and/or Industrial Park to be Owned by Kershaw County for Economic Development Purposes and To Be Known as the 'Park for the S.C. Equine Center,'" said plat having been prepared by Daniel D. Riddick, P.S., of Daniel Riddick and Associates, Inc., dated January 27, 2009 and attached hereto as Exhibit "B" (the "**Plat**"), (together the Land and the Buildings are herein referred to as the "**Premises**"), and the Foundation desires to assist the County in developing the equine industry in Kershaw County and in South Carolina by leasing the Premises from the County, and managing and operating the Premises in accordance with this Agreement for use by the equine industry (the "**Project**"); and

WHEREAS, the County Council (the "**Council**") of the County is the duly constituted governing body of the County and has provided for the leasing of the Premises to the Foundation under the terms of an ordinance adopted on April 28, 2009 (the "**Lease Ordinance**"); and

WHEREAS, the Council has agreed to a series of transactions whereby the County will accept an assignment of a contract for sale for the acquisition of the Premises and by exercising the rights of the purchaser thereunder will acquire fee simple, marketable title in and to the Premises, and will thereafter demise to the Foundation a leasehold interest in the Premises, and the Foundation will manage and operate the Premises as an economic development project for the benefit of the County and the equine industry; and

WHEREAS, in order to protect the rights of each of the parties hereto and to document the agreements of each, the parties desire to set forth their mutual undertakings and agreements herein.

NOW, THEREFORE, in consideration of the leasing of the Premises and the mutual covenants and agreements, including the payments of the Base Rent (as hereinafter defined) herein set forth, the County and the Foundation do hereby covenant and agree as follows:

ARTICLE I - DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1. Definitions of Words and Terms. In addition to other words and terms defined herein the following words and terms as used in this Base Lease shall have the following meanings, unless some other meaning is plainly intended:

"Base Lease" means this Base Lease and Operating Agreement dated as of _____, 2009, between the Foundation and the County by which the County will lease the Premises, as such term is defined herein, to the Foundation and the Foundation will operate the Project.

"Base Rent" means those items referred to as such in Section 3.3 of this Base Lease.

"Base Lease Term" means the 5-year term of this Base Lease commencing as of the date of the delivery of this Base Lease and subject to extension as further described in Section 3.1 hereof.

"Buildings" means the metal office building on Parcel B and on Parcel A, the covered show ring, two other show rings, the wood stables labeled A, B, C, D, E, W, X,Y, Z and perhaps otherwise, office building, mobile home, wood siding building, metal building and equipment pole shed, office building and restrooms, two mfg. siding office buildings, judges' stands, café (restaurant) building, storage sheds, wooden, chainlink and other fencing, and all other improvements located on the Premises, which contain a total of 31.52 acres and are denoted as Parcels A and B on the Plat.

"County" means the County of Kershaw, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina.

"County Representative" means the person or persons at the time designated to act on behalf of the County, in matters relating to this Base Lease as evidenced by a written certificate furnished to the Foundation containing the specimen signature of such person or persons and signed on behalf of the County by the County Administrator or other administrative official authorized to do so by the County Administrator. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the County Representative.

"Council" means the Kershaw County Council, the governing body of Kershaw County.

"Cost" or **"Costs,"** as applied to the Project or **"Cost of the Project"** means all reasonable or necessary expenses incidental to the management and operation of the S.C. Equine Center.

"Event of Default" means an Event of Default as provided for in Section 4.2 hereof.

"Fiscal Year" means the 12 month period beginning on July 1 of each calendar year and ending on the following June 30.

"Foundation" means the South Carolina Equine Promotion Foundation, Inc., a South Carolina nonprofit corporation, and its successors and assigns.

"Foundation Representative" means the person or persons at the time designated to act on behalf of the Foundation in matters relating to this Base Lease as evidenced by a written certificate furnished to the County containing the specimen signature of such person or persons and signed on behalf of the Foundation by its President or any Vice President. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Foundation Representative.

"Land" means the real property described in Exhibit A hereto.

"Ordinance" means the Ordinance adopted by the County Council authorizing this Base Lease.

"Permitted Encumbrances" means any encumbrances against the Premises consented to by the County.

"Premises" means the Land and the Buildings.

"Project" means promoting the economic development of the equine industry and related commercial services and businesses by the purchase, improvement and development of the Park for the S.C. Equine Center on Cleveland School Road in Kershaw County, so that those persons who breed, raise or train horses and those persons who exhibit and/or compete in equine-related activities will have a suitable site on which to engage in such activities, and those commercial activities which support these equine-related activities will be incentivized to develop and pursue businesses which will serve the needs of the equine industry in such areas as, but not limited to, provision of feed and nutrition supplies, provisions of veterinary services, sales of saddles and other tack and accessories, sale of riding boots and clothing, provision of equine training services, operation of the restaurant facilities, stable maintenance services, waste removal, specialized equine transportation services, event organization and event management services, etc, all of which will benefit Kershaw County and its economic development of the equine industry for which the County is known.

"State" means the State of South Carolina.

"Use License" means any license granted by the Lessee to a third party for the temporary use of a designated portion of the premises for purposes related to the economic development of the equine industry in Kershaw County and/or in the State of South Carolina, and granted pursuant to this Agreement and in accordance with this Agreement.

SECTION 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations, and corporations, including public bodies, as well as natural persons.

The table of contents hereto and the headings and captions herein are not a part of this document.

SECTION 1.3. Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed such terms by generally accepted accounting principles as from time to time in effect.

ARTICLE II - REPRESENTATIONS

SECTION 2.1. Representations by the County. The County represents, warrants, and covenants as follows:

(a) The County is duly constituted under the provisions of the Constitution and laws of the State of South Carolina, is governed by the Council and is a body politic and corporate and a political subdivision of the State.

(b) The demise and lease of the Premises by the County to the Foundation, as provided in this Base Lease, to facilitate the undertaking of the Project by the Foundation is in the best interests of the County and is in furtherance of the County's development of its historic equine industry, all for the benefit of the health, safety and welfare of the inhabitants of the County and for the economic development of the County.

(c) The Council has full power and authority to adopt the Ordinance and is duly authorized to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder and the County has been duly authorized to execute and deliver this Base Lease.

(d) Neither the execution and delivery of this Base Lease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions, or provisions of any law, rule, order, judgment, decree, restriction, or any agreement or instrument to which the County is now party or by which the County is bound.

(e) The County has not made, done, executed, or suffered, and warrants that it will not make, do, execute, or suffer, any act or thing whereby the interest of the County in the Premises shall be or may be impaired, changed, or encumbered in any manner whatsoever except in accordance with the terms of this Base Lease.

(f) The County is the fee owner of the Land, and the Land is free and clear of all liens, encumbrances, and restrictions (including without limitation, leases) other than Permitted Encumbrances.

(g) Upon request of the Foundation, the County obtained grants from electric co-operatives and other grant sources for the purchase of the Premises, with all such improvements becoming property of Kershaw County.

SECTION 2.2. Representations by the Foundation. The Foundation represents, warrants, and covenants as follows:

(a) The Foundation is a nonprofit corporation duly incorporated under the laws of the State of South Carolina and has corporate power to enter into this Base Lease. By proper corporate action its officers have been duly authorized to execute and deliver this Base Lease.

(b) The execution and delivery of this Base Lease and the consummation of the transactions herein contemplated will not conflict with or constitute a breach of or default under the Foundation's articles of incorporation or bylaws or any bond debenture, note, or other evidence of indebtedness of the Foundation, or any contract, agreement, or instrument to which the Foundation is a party or by which it is bound.

(c) In order to provide the funds necessary to operate the Project, the Foundation will raise funds through donations, grants, operation of the Premises, use license fees, and will have adequate funds collected to operate the project.

(d) In order to repair and rehabilitate the Premises, the Foundation will raise funds through donations, grants, operation of the Premises, use license fees, and will have adequate funds collected to repair and rehabilitate the Premises.

ARTICLE III - LEASE OF THE PREMISES; RENT

SECTION 3.1. Lease of the Premises. The County does hereby demise and lease to the Foundation and the Foundation hereby leases from the County the Premises for a Base Lease Term of 5 years commencing as of the date of the delivery hereof (the "Base Lease Term") for the rentals and other consideration set forth in Section 3.3 hereof and in accordance with the provisions of this Base Lease. At the conclusion of the initial term or the first extension thereof, the Base Lease Term hereof shall be extended automatically for an additional 5 years unless either party hereto provides written notice of termination not less than 90 nor more than 180 days prior to the expiration of the then current term. In no event shall the Base Lease Term be extended without further action by the County Council of the County for any period beyond 10 years from the date hereof.

SECTION 3.2. Assignments, Subleases, and Mortgage. Without the express written consent of the County, the Foundation may not (i) mortgage or otherwise encumber or assign its rights under this Base Lease, or (ii) remove improvements from the Premises.

SECTION 3.3. Use Licenses. Notwithstanding the provisions of Section 3.2, the Foundation may grant non-transferable "Use Licenses" for the use of various specified parts of the premises for various lengths of time on such terms as the Foundation deems to be proper and in furtherance of the purposes of the Park.

SECTION 3.4. Rent and Other Considerations. As and for rental and in consideration for the leasing of the Premises to the Foundation hereunder, for and during the term hereof the Foundation agrees to pay to the County an annual Base Rent of \$1.00 and to fulfill its obligations with respect to the Project.

SECTION 3.5. Annual Financial Report to County; FOIA Compliance.

(a) No later than November 30 of each year, i.e. no later than five months after the end of the County's Fiscal Year on June 30, the Foundation shall make a detailed written report to the County Council of its income, expenses, rental rates, numbers and types of rentals, or Use Licenses granted, and the estimated number of participants in various events and programs conducted on the Premises during the preceding Fiscal Year. The businesses operating on or about the Premises, whether temporarily or regularly, shall also be reported. This annual report may be in the form of a formal audit, supplemented by the information set forth above.

(b) As a beneficial user of public funds and public property, the Foundation's Board and Committee meetings are subject to the South Carolina Freedom of Information Act (the "FOIA") and its books and records shall be available for inspection and copying by the County and by members of the public as required by the FOIA.

ARTICLE IV - COVENANTS

SECTION 4.1. Termination.

(a) This Base Lease shall terminate upon the completion of the Base Lease Term specified in Section 3.1 hereof; provided, however, in the event the County exercises the option to purchase the Project as provided in Section 5.3 hereof and satisfies the conditions thereof, then this Base Lease shall be terminated through merger of leasehold interests. This Base Lease shall also terminate upon the occurrence of an Event of Default, as defined below in Section 4.2.

(b) The Foundation agrees, upon any such termination or upon termination or completion of the Base Lease Term, to quit and surrender the Premises and that all title and interest in the Premises shall vest in the County free and clear of the encumbrance of this Base Lease and any other encumbrances.

SECTION 4.2. Default by the Foundation. Any of the following shall constitute a default hereunder: (i) the failure by the Foundation to initiate the Project within six months of the date hereof; (ii) any abandonment by the Foundation of the Project or the Premises; (iii) the failure by the Foundation to maintain the Premises in good and serviceable condition; or (iv) the failure by the Foundation to keep any other covenant or agreement made herein. Any such default shall become an "**Event of Default**" if the default has not been remedied within 30 days after notice thereof is given by the County to the Foundation.

SECTION 4.3. Quiet Enjoyment. The Foundation at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the Premises and every part thereof.

SECTION 4.4. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Foundation are fully corporate liabilities of the Foundation as a Foundation, and, to the extent permitted by law, the County hereby releases each and every incorporator, member, director, and officer of the Foundation of and from any personal or individual liability under this Base Lease, including without limitation the obligation to make payment of the Base Rent. No incorporator, member, director, or officer of the Foundation shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Foundation hereunder.

SECTION 4.5. Maintenance of Premises. The Foundation covenants that it will maintain or cause to be maintained the Premises and will not cause, permit or suffer to be caused or permitted waste thereto. At the conclusion of the term hereof the Premises shall be returned to the County, together with any improvements thereto, subject to normal wear and tear. The Foundation shall make no improvement, modifications or alterations to the Premises or remove any part thereof without the written consent of the County Administrator; provided, however, that the Foundation shall be entitled to make or permit to be made modifications to the Premises without such consent so long as the Premises are restored to their former condition prior to the termination hereof; and provided further, that the Foundation shall not be

obligated to maintain any portion of the Premises beyond its reasonably expected useful life or to replace any portion of the Premises that has become obsolete or worthless.

SECTION 4.6. Uses of Premises By Lessee. The County has leased the Premises to the Foundation to encourage economic development of the equine industry in the County and thereby strengthen the various elements of the local economy which related to the equine industry, including those elements which will attract visitors who will participate in equine –related activities in the Park and/or who might invest, directly or indirectly, in business or commercial activities on or about the Premises related to the equine industry. The Foundation is encouraged by the County to develop some or all of the following types of activities, as well as other equine-related activities, by making Use Licenses for portions the Premises available to responsible parties at reasonable fees, in accordance with the provisions of Sections 3.3 and 5.1 and the definition of Use License in Section 1.1:

1. Establishment of businesses for the sale of:
 - a. saddles, bridles, bits, saddle pads and other tack;
 - b. riding boots, garments, hunting supplies, and protective equipment;
 - c. horse feed, vitamins and food supplements;
 - d. farrier services;
 - e. prepared food in the on-Premises restaurant facility.

2. Establishment of the following service businesses:
 - a. horse training services;
 - b. lessons in riding, equitation, dressage, and the like;
 - c. grooming services;
 - d. stable maintenance services;
 - e. breeding services;
 - f. veterinary services;
 - g. stall rental and horse boarding services;
 - h. photography and videography of equine activities;
 - i. commercial horse transportation services, and the like.

3. Encourage the following types of participatory activities:
 - a. The direct sponsorship of:
 1. equine exhibitions;
 2. competitions at all levels;
 3. youth development programs;
 4. after-school programs;
 5. Cooperation with groups such as the Boy Scouts, the Girl Scouts, 4-H Clubs, Future Farmers of America, the Clemson Extension Service and other organizations with youth programs oriented toward equine activities;

 - b. The encouragement of other community-based or commercial organizations to utilize the facilities for equine related activities, such as

rodeos, trail rides, competitions, exhibitions and organized activities, and periodic auction or other sales of horses;

4. Explore and encourage on-site programs sponsored by the State's technical education colleges in areas such as veterinary science and services, equine management and training, farrier training (i.e. training blacksmiths who specialize in horse shoeing); specialized instruction in preparing horses for long-distance transportation and in the proper equipment and methods to use in transporting them, and similar activities leading to a career in the equine industry.

ARTICLE V - CONTROL OF PREMISES DURING BASE LEASE TERM;

SECTION 5.1. Control of Facilities During Base Lease Term. During the Base Lease Term, the Foundation shall have complete control over the Premises and its operation. The County will exercise no control over the premises, and shall have no duty to make the premises safe for any invitee, permittee or guest, but shall have the right, but not the duty, to inspect the premises from time to time.

SECTION 5.2. Financing and Related Matters. The Foundation agrees to raise the funds necessary to operate the Project and it agrees to supervise the payment of the Costs of operating the Project.

SECTION 5.3 Compliance with Grant Covenants and Restrictions. The Foundation recognizes and agrees that the acquisition of the Premises are being funded by the County using grant funds provided to the County pursuant to contracts between the County and certain rural electric cooperatives under the provisions S.C. Code Ann. § 12-20-105. That section allows the electric co-operatives to take income tax credits for such grant funds which are used by counties for economic development purposes in acquiring and making certain qualified capital improvements to business, commercial or industrial parks, or a mixed use thereof, as defined in said statute. The Foundation recognizes and agrees that if the use of such funds for the Project does not qualify for State income tax credits to the electric co-operatives, the County may have a liability to repay all or a portion of such funds, or a duty to use those funds for another qualifying project, which liability shall be assumed by the Foundation, and the Foundation does hereby agree to assume such contingent liabilities, including the duty to raise sufficient funds from private or other sources to reimburse the County for the amounts it is required to repay or to divert to other qualifying projects. The Foundation recognizes and agrees that in the event that the grant funds do not qualify as an investment in a qualifying economic development project under section 12-20-105, the County shall have the right to terminate this Base Lease upon 30 days written notice and to sell the premises, or any portion or portions thereof, as may be necessary to repay the aforesaid obligations, at public or private sale, and Foundation shall make no objection thereto, but shall cooperate fully.

SECTION 5.4 Compliance with Environmental and Other Laws; Use of Premises only for Lawful Activities. The Foundation will comply with environmental and other laws in the operation of the Project. The County will have no responsibility to the Foundation or to third parties or to agencies of the government for compliance with environmental laws or regulations, or other laws, relating to the operation and maintenance of the Premises, and, specifically no responsibility for the proper disposal of human or animal wastes generated at the Project. As part of the consideration for this Agreement, the

Foundation will hold the County harmless for any claims arising from any such claims of violations of environmental laws or regulations, or of other laws. Notwithstanding the foregoing, if additional grant funds ever become available to the County, and if the County, in its sole discretion, should desire to do so, then the County is not prohibited from using properly authorized grant funds to make lawful infrastructure improvements, such as water and sewer improvements, to the Project, although it has no duty or other obligation to do so.

The Foundation will only conduct or sanction lawful activities on the Premises, and the County will have no responsibility for approving or supervising any such activities.

ARTICLE VI - INSURANCE

SECTION 6.1. Types of Insurance and Coverage Requirements.

The Foundation shall, commencing with the date of this Base Lease, reimburse the County for the cost incurred by the County in maintaining fire, extended coverage (including hurricane and flood), vandalism, public liability insurance in amounts equal to the County's liability under S.C. Torts Claims Act, and malicious mischief insurance on the Premises. Such insurance shall be maintained for the term of this Project Lease and each policy shall be in an amount at least equal to the replacement value of the Premises. To the extent allowed by the terms of the policy issuer, the Foundation shall be shown as an additional named insured. If the Foundation cannot be added as an additional named insured, it will obtain and maintain a policy of insurance providing similar coverage for its own interests and exposures to liability as a Lessee. Any proceeds of the insurance required by this paragraph shall be applied as provided for in Section 7.1 hereof.

The Foundation shall, to the extent required by law, maintain for the term of this Project Lease, general liability insurance, worker's compensation insurance, disability insurance, errors and omissions insurance on its officers and directors, and any other form of insurance which the Foundation is required by law to provide, including coverage necessary to cover loss resulting from injury, sickness, disability or death of employees in amounts at least equal to those carried by governmental entities of similar size and nature.

The Foundation shall maintain, for the term of this Project Lease, general liability insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from the death or bodily injury of persons or damage not less than \$500,000 on account of the injury of anyone person with an aggregate tort damage limitation of not less than \$1,000,000 per occurrence, and \$500,000 for property damage per occurrence with an aggregate property damage limitation of not less than \$1,000,000 excluding liability imposed upon the Foundation by any applicable worker's compensation law. Such insurance shall (to the extent available) name the County as an additional insured, as its interests may appear.

All policies of insurance required hereunder shall be written either by the South Carolina Insurance Reserve Fund or by responsible insurance companies, qualified to do business in the State, shall (to the extent available) name the County as an additional insured or loss payee and each policy shall provide at least 10 days prior written notice to the County before such policy is canceled. The Foundation covenants that it will take all action, or cause the same to be taken, which may be necessary to enable recovery under the aforesaid insurance policies.

All policies of insurance required hereby shall be open to inspection to the County at all reasonable times. Certificates of insurance describing such policies shall be furnished to the County upon request. If any change shall be made in such insurance as to either amount or type of coverage, a description and notice of such change shall be furnished immediately to the County by the Foundation or it shall cause the same to be so furnished. In the event that the Foundation fails to maintain any insurance as provided in this Section, the County may, upon such notice to the Foundation as is reasonable under the circumstances, procure and maintain insurance at the expense of the Foundation (the cost of which shall be additional rent and reimbursable to the County) but the County shall be under no obligation to do so.

SECTION 6.2 Insurance, Hold Harmless Agreement. It is the intention of the parties that the County will not participate in the day-to-day control of the operation of the Project and that it will have no legal responsibility for the safety of or operating conditions at the Premises. It is the intention of the parties that the Foundation shall take the Premises in "as-is" condition with no warranty whatsoever being made by the County and that the Foundation shall inspect the Premises and satisfy itself that it is in good condition for its intended uses and purposes, and that it shall both maintain the insurance required of it by this base Lease and, to the extent not covered by insurance, hold the County harmless, and indemnify it, for any claim made against the County by reason of the activities of the Foundation, its guests, invitees, permittees, licensees and others who are lawfully on the premises, including specifically any injury to or loss of life of any person or of any horse or other livestock due to fire or other hazardous condition on the Premises.

ARTICLE VII - DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

SECTION 7.1. Damage, Destruction, and Condemnation. If, during the term of this Base Lease, (i) the Premises or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty, or (ii) title to, or the temporary or permanent use of, the Premises or any portion thereof or the estate of the Foundation in the Premises or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or (iii) a material defect in construction or installation of the Premises shall become apparent, or (iv) title to or the use of all or any portion of the Facilities shall be lost by reason of a defect in title thereto, then the Foundation may either (i) terminate this Base Lease and convey the Premises to the County together with an assignment of any insurance claim or condemnation award to which the Foundation would be entitled or (ii) retain its interest in the proceeds of any insurance claim or condemnation award and restore the Premises to the condition thereof prior to such event and to continue throughout the term hereof to pay the amounts specified as Base Rental hereunder. In the event the Foundation elects to restore the Premises, the County agrees that it will assign to the Foundation so much of the proceeds from any insurance or any condemnation award as may be required to effect such restoration.

SECTION 7.2. Cooperation of the County and the Foundation. The Foundation and the County each agree to cooperate fully with the other in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 7.1 of this Base Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Premises or any portion thereof and in the enforcement of all warranties relating to the Premises. The County hereby designates the Foundation as its agent for the purpose of making collections under such policies.

ARTICLE VIII - MISCELLANEOUS

SECTION 8.1. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the County, the Foundation and their respective successors and assigns.

SECTION 8.2. Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

SECTION 8.3. Amendment, Changes, and Modifications. This Base Lease may not be effectively amended, changed, modified, altered, or terminated without the prior written consent of the parties.

SECTION 8.4. Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

SECTION 8.5. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State of South Carolina.

SECTION 8.6. Assignment. Except for the granting of Use Licenses from time to time, the interests of the Foundation in this Base Lease shall not be assignable to any party without the prior written approval of Kershaw County Council.

SECTION 8.7. Captions. The Section and Article headings herein are for convenience only and in no way define, limit, or describe the scope or intent of any of the provisions hereof.

SECTION 8.8. No Duty to Third Persons arises from this Agreement. This Agreement is for the sole benefit of the County and the Foundation and is not for the benefit of any third party. The terms of this Agreement create no duty to any third party on the part of the County or Foundation or anyone acting on their behalf, and no third party is a beneficiary of any term of this Agreement. No third party is entitled to rely on any assurance which may be contained herein.

SECTION 8.9. Notices. It shall be sufficient service of any notice, request, complaint, demand, or other paper required by this Base Lease to be given to or filed with the County or the Foundation if the same is given or filed in the manner and at the addresses specified herein below:

County of Kershaw
Attn: County Administrator
Kershaw County Government Center
515 Walnut Street
Camden, SC 29020

South Carolina Equine Promotion Foundation, Inc.
Attn: Chairman
Post Office Box 2174
Camden, SC 29020

WITNESS the due execution of this Base Lease Agreement as of the date first above written.

IN THE PRESENCE OF:

LESSOR: (SEAL)

COUNTY OF KERSHAW, SOUTH CAROLINA

Witness #1

By: _____
Its: Chairman

Witness #2

BY: _____
Its: Vice-Chairman

IN THE PRESENCE OF:

LESSEE: (SEAL)

SOUTH CAROLINA EQUINE PROMOTION
FOUNDATION, INC.

Witness #1

By: _____

Witness #2

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF KERSHAW)

ACKNOWLEDGMENT

I, _____, a Notary Public for the State of South Carolina, do hereby certify that the COUNTY OF KERSHAW, by Steve S. Kelly, Jr., its Chairman, and Sammie Tucker, Jr., its Vice-Chairman, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my Hand and Seal this _____ day of May, 2009.

Notary Public for South Carolina
My commission expires: _____ (SEAL)

STATE OF SOUTH CAROLINA)
)
COUNTY OF KERSHAW)

ACKNOWLEDGMENT

I, _____, a Notary Public for the State of South Carolina, do hereby certify that the SOUTH CAROLINA EQUINE PROMOTION FOUNDATION, INC., by _____ its _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my Hand and Seal this _____ day of May, 2009.

Notary Public for South Carolina
My commission expires: _____ (SEAL)

EXHIBIT A
Description of the Property

All that certain piece, parcel or tract of land, with all of the improvements thereon, lying and being situate in the County of Kershaw, State of South Carolina, containing Thirty and seven-tenths (30.7) acres, more or less, and being designated as TRACT C on a plat of the property of A.L. McLeod Estate prepared by Daniel D. Riddick, RLS, dated February 16, 1972 and recorded in the Office of the Register of Deeds for Kershaw County in Plat Book 35 at page 337. Said tract is bounded as follows: North by the Right of Way for Interstate Highway 20 (I-20); East by the centerline of a One Hundred foot (100') right of way easement of Black River Electric Co-operative, which separates this tract from Tract E, property now or formerly of M.C. McLeod; South by SC Road S28-91(also known as Cleveland School Road); West by the northern half of Tract B, which property is now or formerly of Frank McLeod. This tract is the same property conveyed to Claude Robert Rogers and Ruetta T. Rogers by deed of Westfall Arena and Entertainment Complex, inc. dated September 1, 2004 and recorded in the Office of the Register of Deeds for Kershaw County in Book 1629 at Page 282.

This tract is one of the two tracts conveyed to the Bank of Travelers Rest by the Master's Deed of Jeffrey Tzerman, Master-In-Equity for Kershaw County, dated June 12, 2008 and recorded in the Office of the Register of Deeds for Kershaw County on June 20, 2008 in Volume 2380 at pages 302-307.

TMS# 315-00-00-008

ALSO:

All that certain piece, parcel or tract of land, with all of the improvements thereon, lying and being situate in the County of Kershaw, State of South Carolina, containing One and nine-hundredths (1.09) acres, more or less, located on the South side of Cleveland School Road (S-28-91) and being bounded generally as follows: North by the right of way of Cleveland School Road; East and South by property now or formerly of Larry E. Westfall; and West by property now or formerly of Frank McLeod. This tract of land is more particularly shown as 1.09 acres on that plat prepared for Harrison Road Associates by Daniel D. Riddick Associates dated May 10, 1996 and recorded in the Office of the Register of Deeds for Kershaw County in Plat Book A-127 at Page 9A. This is the same property conveyed to Claude Robert Rogers and Ruetta T. Rogers by deed of Harrison Road Associates dated September 1, 2004 and recorded in the Office of the Register of Deeds for Kershaw County in Book 1629 at Page 155.

This tract is one of the two tracts conveyed to the Bank of Travelers Rest by the Master's Deed of Jeffrey Tzerman, Master-In-Equity for Kershaw County, dated June 12, 2008 and recorded in the Office of the Register of Deeds for Kershaw County on June 20, 2008 in Volume 2380 at pages 302-307

TMS # 315-00-00-069

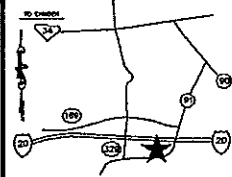
Both parcels set forth above are now more accurately and particularly described on a new Plat entitled "Proposed Business, Commercial and/or Industrial Park to be Owned by Kershaw County for Economic Development Purposes and To Be Known as the 'Park for the S.C. Equine Center,'" said plat having been prepared by Daniel D. Riddick, P.S., of Daniel Riddick and Associates, Inc., dated January 27, 2009 and attached to this Base Lease and Operating Agreement as Exhibit "B."

EXHIBIT B – Attached hereto and incorporated into this Exhibit B is a copy of a Plat entitled “Proposed Business, Commercial and/or Industrial Park to be Owned by Kershaw County for Economic Development Purposes and To Be Known as the ‘Park for the S.C. Equine Center,’” said plat having been prepared by Daniel D. Riddick. P.S., of Daniel Riddick and Associates, Inc., dated January 27, 2009.

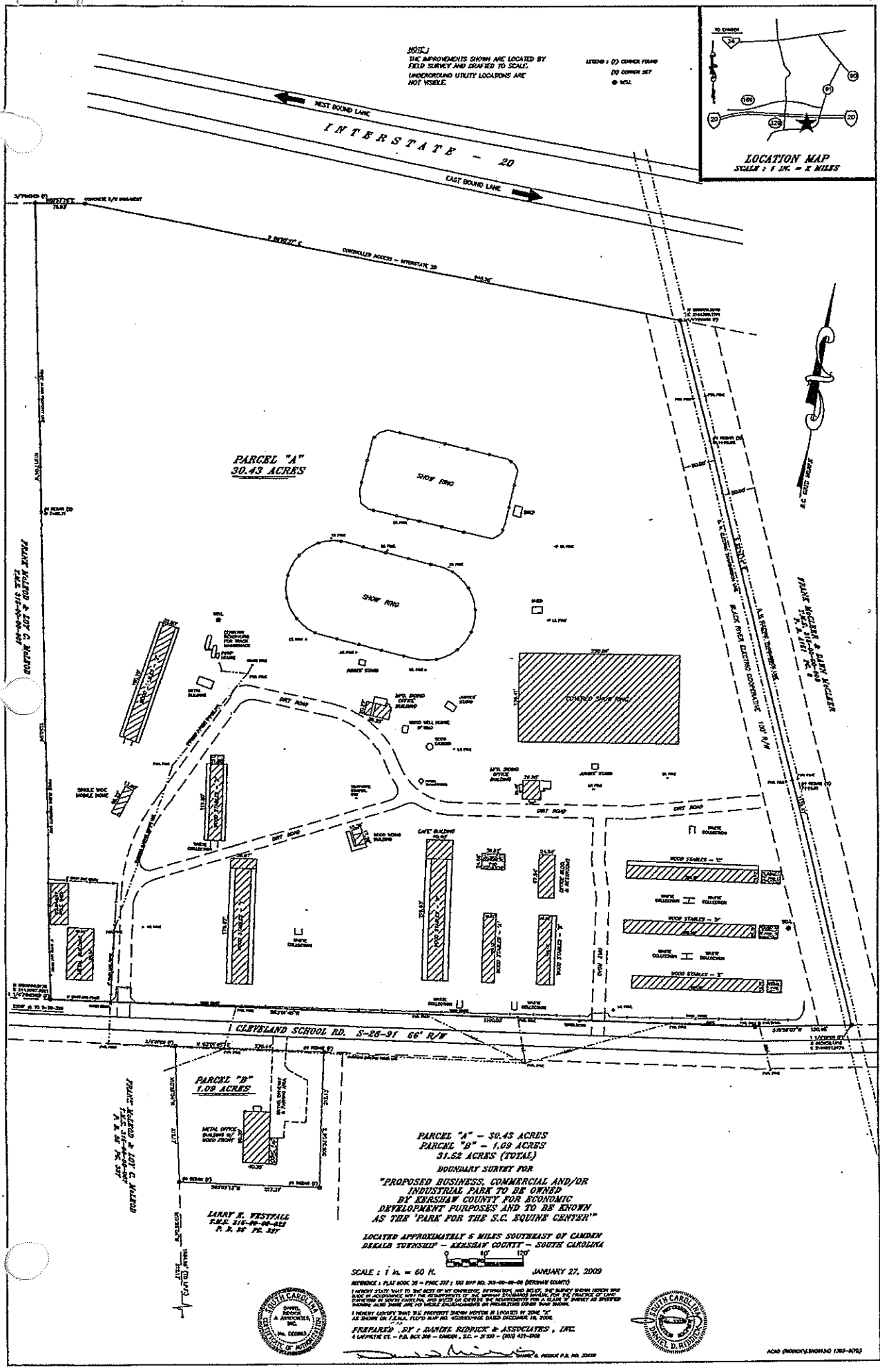
EXHIBIT B

NOTE:
THE IMPROVEMENTS SHOWN ARE LOCATED BY
FIELD SURVEY AND DRAFTED TO SCALE.
UNDERGROUND UTILITY LOCATIONS ARE
NOT VISIBLE.

LEGEND: (○) CORNER POINT
(□) CORNER SET
(●) WELL



LOCATION MAP
SCALE: 1 IN. = 2 MILES



PARCEL "A"
30.43 ACRES

PARCEL "B"
1.09 ACRES

PARCEL "A" - 30.43 ACRES
PARCEL "B" - 1.09 ACRES
31.52 ACRES (TOTAL)

BOUNDARY SURVEY FOR

"PROPOSED BUSINESS, COMMERCIAL AND/OR
INDUSTRIAL PARK TO BE OWNED
BY KERSHAW COUNTY FOR ECONOMIC
DEVELOPMENT PURPOSES AND TO BE KNOWN
AS THE 'PARK FOR THE S.C. EQUINE CENTER'"

LOCATED APPROXIMATELY 6 MILES SOUTHWEST OF CANDLER
DEKALB TOWNSHIP - KERSHAW COUNTY - SOUTH CAROLINA

SCALE: 1 IN. = 60 FT. JANUARY 27, 2009

REFERENCE: PLAT BOOK 26 - PAGE 337; 103 SUP. NO. 23-22-08-08 (KERSHAW COUNTY)
I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, BELIEF AND FAITH, THE SURVEY SHOWN HEREON WAS
MADE ACCORDANCE WITH THE REQUIREMENTS OF THE GENERAL STATUTES OF THIS STATE OF SOUTH CAROLINA
PUBLISHED IN PUBLIC CHAPTER 103, SECTION 103-22-08-08, AS AMENDED, AND IN ACCORDANCE WITH THE PROVISIONS OF THE
GENERAL STATUTES OF THIS STATE OF SOUTH CAROLINA, AND THAT THE SURVEY IS TRUE AND CORRECT AS SHOWN
HEREON. ALSO THAT I AM A LICENSED SURVEYOR IN THE STATE OF SOUTH CAROLINA.

I HEREBY CERTIFY THAT THE FOREGOING SURVEY WAS MADE BY ME OR BY ONE OF
MY AGENTS OR EMPLOYEES, AND THAT I AM A LICENSED SURVEYOR IN THE STATE OF SOUTH CAROLINA.

PREPARED BY: DANIEL RODRICK & ASSOCIATES, INC.
4 LAWRENCE CT. - P.O. BOX 300 - DANFORTH, S.C. 29528 - (803) 417-8200

