

RICHLAND COUNTY
ADMINISTRATION AND FINANCE
COMMITTEE

AGENDA



TUESDAY SEPTEMBER 26, 2023

6:00 PM

COUNCIL CHAMBERS

Richland County Council 2023



Deirek Pugh
District 2



Jason Branham
District 1



Gretchen Barron
District 7



Yvonne McBride
District 3



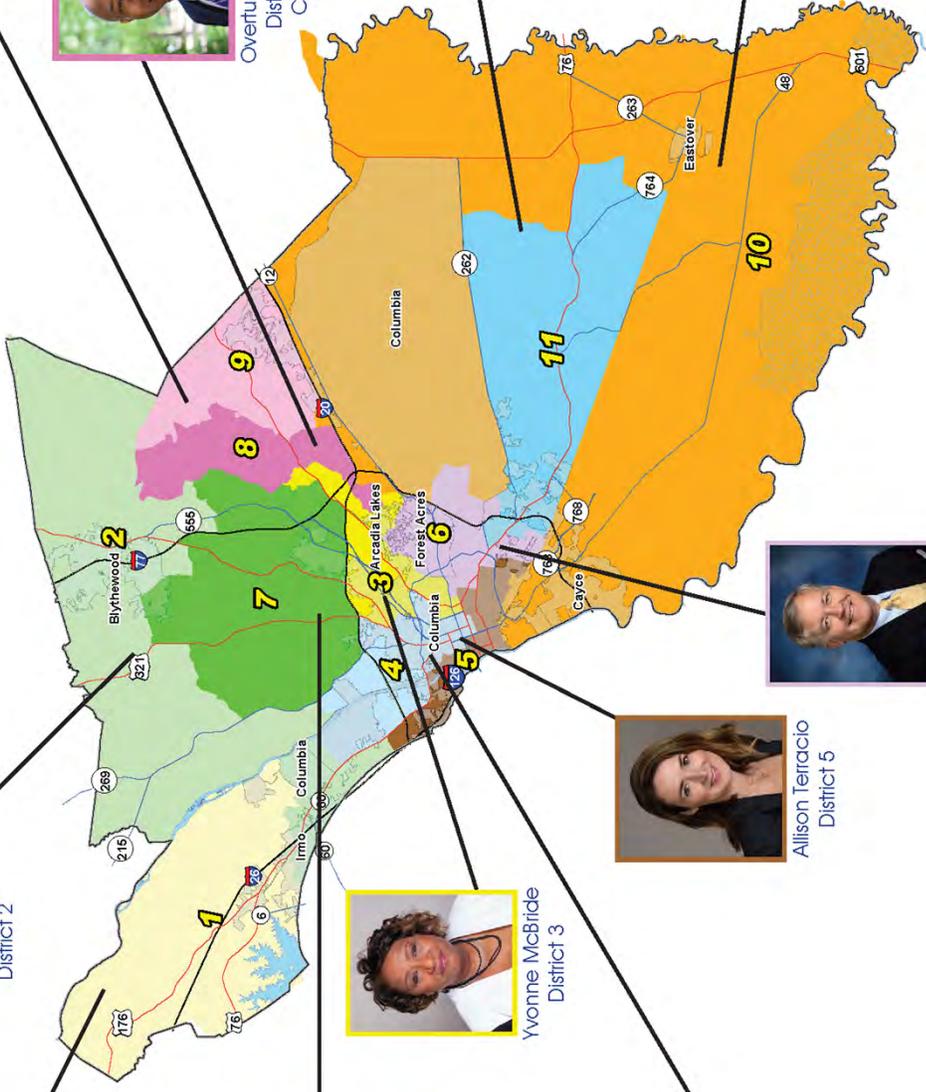
Paul Livingston
District 4



Allison Terracio
District 5



Don Weaver
District 6



Overture Walker
District 8
Chair



Chakisse Newton
District 11



Cheryl English
District 10



**Richland County
Administration and Finance Committee**

AGENDA

September 26, 2023 - 6:00 PM
2020 Hampton Street, Columbia, SC 29204

The Honorable Jason Branham	The Honorable Yvonne McBride	The Honorable Paul Livingston	The Honorable Don Weaver	The Honorable Jessica Mackey, Chair
County Council District 1	County Council District 3	County Council District 4	County Council District 6	County Council District 9

1. **CALL TO ORDER** The Honorable Jessica Mackey

2. **APPROVAL OF MINUTES** The Honorable Jessica Mackey
 - a. July 25, 2023 [\[PAGES 6-8\]](#)

3. **ADOPTION OF AGENDA** The Honorable Jessica Mackey

4. **ITEMS FOR ACTION** The Honorable Jessica Mackey
 - a. Community Planning & Development - Planning Services - Town of Blythewood Intergovernmental Agreement [\[PAGES 9-25\]](#)

 - b. I move County Council fund EdVenture Children’s Museum Hospitality Tax request for facility improvements and enhancements to improve safety and attract new visitors. [MACKEY - August 29, 2023] [\[PAGES 26-34\]](#)

 - c. I move to direct the County Administrator to add Paid Parental Leave as a benefit available to all full-time Richland County employees and to update the Employee Handbook with a policy that reflects a minimum of six weeks of available paid Parental Leave. The goal for implementation date of this new benefit is January 1, 2024 [MACKEY - April 18, 2023] [\[PAGES 35-40\]](#)

 - d. Department of Public Works - Solid Waste & Recycling -Landfill Capital Expansion [\[PAGES 41-49\]](#)

 - e. County Administration: Convention Center - Tourism Development Fee [\[PAGES 50-267\]](#)

5. EXECUTIVE SESSION

The Honorable Jesica Mackey

- a.** I move the County Council authorize the County Administrator to enter into negotiations with Divine Auro Development, LLC or its Assignee regarding the potential sale of the property located at 1430 Colonial Life Blvd., also known as, the old Harvety's property. [TERRACIO - July 18, 2023]
- b.** Property Inquiry - 1221 Gregg Street, Columbia, SC 29201, TMS # R11406-16-16, TMS # R11406-16-17

6. ADJOURN

The Honorable Jesica Mackey



Special Accommodations and Interpreter Services Citizens may be present during any of the County's meetings. If requested, the agenda and backup materials will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), as amended and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting the Clerk of Council's office either in person at 2020 Hampton Street, Columbia, SC, by telephone at (803) 576-2061, or TDD at 803-576-2045 no later than 24 hours prior to the scheduled meeting.



Richland County Council
ADMINISTRATION AND FINANCE COMMITTEE
MINUTES
July 25, 2023 – 6:00 PM
Council Chambers
2020 Hampton Street, Columbia, SC 29204

COUNCIL MEMBERS PRESENT: Jessica Mackey, Chair; Jason Branham, Paul Livingston, and Don Weaver

NOT PRESENT: Yvonne McBride

OTHERS PRESENT: Leonardo Brown, Ashiya Myers, Stacey Hamm, Michelle Onley, Angela Weathersby, Lori Thomas, Anette Kirylo, Kyle Holsclaw, Patrick Wright, Chelsea Bennett, Geo Price, Tish Gonzales, Sandra Haynes, Shirani Fuller, Chris Eversmann, and Thomas Gilbert

1. **CALL TO ORDER** – Chairwoman Jessica Mackey called the meeting to order at approximately 6:00 PM.
2. **APPROVAL OF MINUTES**
 - a. June 27, 2023 – Mr. Livingston moved to approve the minutes as distributed, seconded by Mr. Branham.
In Favor: Branham, Livingston, Weaver, and Mackey
Not Present: McBride
The vote in favor was unanimous.
3. **ADOPTION OF AGENDA** – Mr. Livingston moved to adopt the agenda as published, seconded by Mr. Weaver.
In Favor: Branham, Livingston, Weaver, and Mackey
Not Present: McBride
The vote in favor was unanimous.
4. **ITEMS FOR ACTION**
 - a. Department of Public Works – Jim Hamilton – LB Owens Airport (CUB) Airport- Conditional Approval of Work Authorization (WA) and Associated Grants – Mr. Leonardo Brown, County Administrator, stated this request is to conditionally approve an essential Work Authorization (WA) based on anticipated receipt this summer of two grants to provide 95% of the project funding. The remaining 5% will be paid from the Airport's FY24 Operating Budget. A copy of the WA can be found in the agenda packet. These actions will ensure the project can commence as soon as the grants are received, which may occur prior to the August 29th Special Called Council meeting. Similar conditional approvals by Council have been issued for Airport project previously. The condition of the taxi lane pavement at Hamilton-Owens Airport (CUB) is poor. Wide and deep cracks in this pavement generate Foreign Object Debris (FOD) which can be a safety hazard to people and aircraft. Since there are ten taxi lanes at the Airport future construction may be necessary in phases over multiple grant cycles. The design work being performed in this WA will be organized with this flexibility in mind. Staff's recommendation to award WA #4 to Michael Baker International (MBI) for the design and bidding of the Taxilanes Rehabilitation Project at the Hamilton-Owens Airport.

Mr. Livingston inquired if this was a sole source contract.

Mr. Chris Eversmann, Hamilton-Owens Airport General Manager, responded Council approved the award of a contract with Michael Baker in May 2022, which covers this work authorization.

Mr. Livingston moved to forward to Council with a recommendation to award Work Authorization #4 to Michael Baker International for the design and bidding of the Taxilanes Rehabilitation Project at the Hamilton-Owens Airport, seconded by Mr. Weaver.

In Favor: Branham, Livingston, Weaver, and Mackey
Not Present: McBride

The vote in favor was unanimous.

- b. Department of Public Works – Engineering – Pavement Management System – Mr. Brown stated Public Works currently maintains approximately 640 miles of paved roads. Staff currently tracks the County's network and projects through spreadsheets and GIS. To improve efficiency during the decision-making process, the team finds an automated system necessary to manage this inventory. Roadway Management Technology (RMT) has a product line to capture data daily, store and update road conditions, project deterioration, and assist with fund allocation. This technology is proprietary and includes all hardware, software, and support services to assist the County in managing its inventory. The Engineering Division requests approval for pavement management services from Roadway Management Technology (RMT). The associated cost is \$150,000, which includes all startup costs (hardware, software, importing roadway condition data, and support services from the vendor for one year). An annual subscription cost of \$80,000 is required to continue using the service.

Mr. Weaver inquired if the \$150,000 was coming from the General Fund.

Mr. Brown replied the \$150,000 will come from the Public Works budget.

Mr. Weaver inquired about what led the staff to want the pavement management system.

Mr. Brown indicated staff is currently tracking the information with Excel sheets and GIS. An individual is keeping the data versus having a system where the data is saved, stored, and secured in a way that is user-friendly. Ideally, the system will help us track long-term and reduce errors that transfer when people take over the spreadsheet data input (i.e., someone leaves the County). He noted from his experience you want to have some sort of system where you can track road integrity separately and apart from inputting it into an Excel spreadsheet.

Mr. Weaver inquired if we know of other counties utilizing the system.

Ms. Shirani Fuller, County Engineer, responded they have not met with anyone in South Carolina that is utilizing the software. She noted the spreadsheet is only updated every six years when a new pavement management study is done. This system will allow Public Works to have constant data collection so they always know the condition of each road.

Mr. Branham inquired about how the County became aware of the software.

Ms. Fuller replied Roadway Management Technology had reached out to the County. Over the last six months, Public Works contacted vendors to set up demos to review different pavement management systems. During that timeframe, Roadway Management Technology happened to reach out to them.

Mr. Branham inquired about what neighboring municipalities or government agencies were utilizing.

Ms. Fuller indicated Lexington County recently had their pavement management system approved in their budget. Previously, they were also utilizing Excel spreadsheets. The City of Columbia is using a program that is a step up from what the County will be utilizing but requires a lot of manual input. She noted the Roadway Management Technology system has hardware and software. The software makes projections for deterioration. You can also input values, so we can input the districts and the allocation of funds per district so that it can give you options for the type of treatment we should do.

Ms. Mackey inquired if staff expects increases in the annual costs.

Ms. Fuller replied we knew in the first year there would be a significant investment to get all of the manual data into the system. The following year we will only be doing the upkeep.

Ms. Mackey inquired if there would be an additional training period.

Ms. Fuller responded there would be a bit of a curve because they have to install all the hardware on the vehicles and then start riding the roads to collect the data.

Mr. Livingston moved to forward to Council with a recommendation to approve pavement management services from Roadway Management Technology, seconded by Mr. Branham.

In Favor: Branham, Livingston, and Mackey

Opposed: Weaver

Not Present: McBride

The vote was in favor.

- c. Community Planning & Development – Planning Services – Town of Blythewood Intergovernmental Agreement – Mr. Brown noted County and Blythewood staff have requested this item be deferred until the September committee meeting.

Mr. Livingston moved to defer this item until the September committee meeting, seconded by Mr. Branham.

In Favor: Branham, Livingston, Weaver, and Mackey

Not Present: McBride

The vote in favor was unanimous.

- d. I move the County Council to authorize the County Administrator to enter into negotiations with Divine Auro Development, LLC or its Assignee regarding the potential sale of the property located at 1430 Colonial Life Blvd., also known as, the old Haverty's property. [EXECUTIVE SESSION] [TERRACIO – July 11, 2023] – Mr. Branham moved to go into Executive Session, seconded by Mr. Weaver.

In Favor: Branham, Livingston, Weaver, and Mackey

Not Present: McBride

The vote in favor was unanimous.

***The Committee went into Executive Session at approximately 6:17 PM
and came out at approximately 6:38 PM***

Mr. Livingston moved to come out of Executive Session, seconded by Ms. Mackey.

In Favor: Branham, Livingston, Weaver, and Mackey

Not Present: McBride

The vote in favor was unanimous.

Ms. Mackey indicated no action was taken in Executive Session

5. **ITEMS FOR INFORMATION**

- a. Animal Services – Animal Care Ordinance Revisions – Assistant County Administrator Aric Jensen noted it had been several years since the County's Animal Care Ordinance was substantially updated. There have been minor amendments, but it is time to take a holistic look at the ordinance. He indicated they have been in discussions with various community partners. A proposed schedule is included in the agenda packet. The process should take approximately a year to complete.

Ms. Tish Gonzales, Assist County Attorney, advised that the Legal Department has been made a part of this process and will continue to be a part to ensure legal and practical considerations are made so the process is not derailed and does not usurp Council members' time unnecessarily.

Ms. Mackey requested the list of stakeholders be provided to the committee members.

Mr. Weaver noted he receives many emails regarding the County's animal services.

Ms. Mackey inquired if the emails Council receives and this are the same thing. She noted many of the animal care issues have been tied to the City of Columbia.

Mr. Jensen responded they will be holistically looking at everything from our internal practices all the way through the code. He mentioned that you cannot update the code without looking at how you operate. He indicated we currently partner with the City of Columbia for shelter services.

Mr. Livingston inquired if we would wait until September 2024 to deal with the current issues.

Mr. Jensen maintained everything would not be put on hold while this is moving forward. Items that are of immediate concern will be dealt with. Dealing with the overall code will take time because we must engage stakeholders.

6. **ADJOURNMENT** – Mr. Livingston moved to adjourn the meeting, seconded by Mr. Weaver.

In Favor: Branham, Livingston, Weaver, and Mackey

Not Present: McBride

The vote in favor was unanimous.

The meeting adjourned at approximately 6:44 PM.

**RICHLAND COUNTY
ADMINISTRATION**

2020 Hampton Street, Suite 4069
Columbia, SC 29204
803-576-2050



Agenda Briefing

Prepared by:	Geonard Price	Title:	Zoning Administrator
Department:	Community Planning & Development	Division:	Planning & Development Services
Contributor	Shirani Fuller	Title:	County Engineer
Date Prepared:	May 16, 2023	Meeting Date:	July 25, 2023
Legal Review	Elizabeth McLean via email	Date:	July 18, 2023
Budget Review	Abhijit Deshpande via email	Date:	June 20, 2023
Finance Review	Stacey Hamm via email	Date:	June 20, 2023
Approved for consideration:	Assistant County Administrator	Aric A Jensen, AICP	
Meeting/Committee	Administration & Finance		
Subject	Intergovernmental Agreement - Town of Blythewood		

RECOMMENDED/REQUESTED ACTION:

Staff recommends the approval of an intergovernmental agreement (IGA) between Richland County and the Town of Blythewood for engineering services and infrastructure maintenance, including the review of land development projects, stormwater review, and the maintenance of roadways.

Request for Council Reconsideration: Yes

FIDUCIARY:

Are funds allocated in the department’s current fiscal year budget?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
If not, is a budget amendment necessary?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No

ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:

This is effectively a revenue neutral, fee-based agreement to provide engineering plan review services and infrastructure maintenance to the Town of Blythewood. Said services include the review of land development projects, stormwater plan/project review, and the maintenance of certain roadways. This relationship is mutually beneficial as it is not cost effective for the Town to maintain full-time staff performing these functions, and the County has qualified personnel regularly operating within the vicinity of Blythewood.

Applicable department/grant key and object codes: n/a

OFFICE OF PROCUREMENT & CONTRACTING FEEDBACK:

Not applicable.

COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:

The County Attorney’s Office recommended edits to the agreement which have been shared with the Town of Blythewood and are contained within the draft agreement attached herein.

REGULATORY COMPLIANCE:

SC Code of Laws: Section 4-9-40

MOTION OF ORIGIN:

There is no associated motion of origin.

STRATEGIC & GENERATIVE DISCUSSION:

As required by SC Code and the SC Department of Health and Environmental Control (SCDHEC), each local jurisdiction must establish a process by which construction and development is permitted and monitored to assure compliance with environmental regulations. Due to its relatively small size, it is not cost effective for the Town of Blythewood to maintain a full-time stormwater inspection office. As such, the Town has contracted with the County since 1992 to provide this service.

For reference, Richland County is a medium Municipal Separate Storm Sewer System (MS4) and has the authority to review plans, issue permits, inspect projects, and enforce compliance on behalf of SCDHEC. The County has intergovernmental agreements (IGAs) for similar services with Arcadia Lakes, Forest Acres, and Town of Irmo. Records reflect an initial IGA between Richland County and the Town of Blythewood dated August 31, 1992, with renewals on May 5, 2008 and December 9, 2014.

For the County to provide stormwater inspection services, SCDHEC must first delegate the authority to self-regulate or to contract with an approved MS4 provider, such as Richland County. The Town of Blythewood is currently working with SCDHEC to finalize the delegation of authority, which should occur by the time this IGA becomes effective.

In addition, there are certain roadways that the County currently maintains or may maintain in the future within the Blythewood town boundaries. It is in the best interest of both the County and the Town that this infrastructure maintenance relationship be extended so as to provide continuous service to the public.

ASSOCIATED STRATEGIC GOAL, OBJECTIVE, AND INTIATIVE:

Objective 1.5: Collaborate with other governments

Objective 4.2: Coordinate departments to prepare for anticipated growth in areas by providing water, sewer, and roads in necessary locations

Objective 4.3: Create excellent facilities

ATTACHMENTS:

1. 2023 Draft IGA between Richland County and the Town of Blythewood
2. 2008 Richland County / Town of Blythewood IGA
3. 2014 Richland County / Town of Blythewood IGA
4. Section 4-9-40 of the SC Code of Laws

engineering standards. Once the final plat has been approved, each County agrees to maintain its respective roadways and storm drainage systems as to the approved plans. An objective determinant, such as a deed, plat map, survey, or similar documentation, agreed upon by the two Counties will decide who has greater than fifty (50) percent of the roadway. The County inspecting the project will notify the other County via email within ten (10) business days for inspection of major items, to include proof rolls. The use of one County's engineering standards for portions of the development that extend beyond that County's jurisdiction shall in no way obligate that County for any maintenance, repair, or liability with respect to the portion that lies outside of that County's jurisdiction.

- b. Commercial Developments- The County having more than fifty (50) percent of the acreage of disturbance will review and inspect the project to that County's engineering standards. An objective determinant, such as a deed, plat, map, survey, or similar documentation, agreed upon by the two Counties will decide who has greater than fifty (50) percent of the acreage of disturbance. The use of one County's engineering standards for portions of the development that extend beyond that County's jurisdiction shall in no way obligate that County for any maintenance, repair, or liability with respect to the portion that lies outside of that County's jurisdiction.

Section Two: Town Responsibilities and Land Development Applications

The Town shall receive all Land Development applications for processing as established by Town Ordinance to ensure all prerequisites and internal requirements have been met, including, but not limited to, the following:

1. The Town will be responsible for notifying the developer and/or engineer within ten (10) business days to inform them to which County the project has been allocated.
2. As a prerequisite to its issuance of building permits for new commercial buildings within the corporate limits, the County will require the review and approval of site

plans with regard to erosion control measures, floodplain management requirements, and road access regulations. The Town will manage the bond documentation as required.

3. As a prerequisite to its issuance of certificates of occupancy for new commercial buildings within the corporate limits, the Town will require the County's inspection and approval of site improvements to stormwater management, floodplain management, and road access.
4. The Town will require the submittal of plans (preliminary plans, approved plans, and as-built plans for developments and commercial buildings within the corporate limits) to the County Engineer's office for Quality Assurance and data management purposes. The County will make available to the Town review status, approvals, pre-construction meeting scheduling, and quality inspection reports during the execution of the project and any other related documentation for filing purposes.

Once the County has approved the Land Disturbance Permit and NPDES coverage is acquired, the approved Land Disturbance Permit will be copied to the Town within ten (10) business days. Approved Land Disturbance Permits shall remain in the custody of The County or the party herein to whom they were issued.

Section Three: County Maintenance Responsibilities

- A. Through its Department of Public Works, The County will provide routine maintenance on all those roads and drainage system, located within the corporate limits of the Town and geographic territory of the County, that have been accepted for maintenance by the County in accordance with Section 21-7 of the County Code of Ordinances.

The level of maintenance provided by the County to this Agreement will be subject to the availability of funds, labor, and equipment for the County's overall road and storm drainage maintenance responsibility. The same level of maintenance will be provided within the corporate limits of the Town as on those in unincorporated areas of the County providing maintenance pursuant to this Agreement. Maintenance will include:

- Pavement

- Drainage within the right-of-way and recorded County easements
- Traffic Control signs
- Street name signs
- Shoulder, if necessary
- Any additional maintenance deemed appropriate by the County

With the exception of street name signs and County-installed traffic calming measures, the County will not provide maintenance on roads or storm drainage infrastructure within the right-of-way of a State Road System. The County will provide maintenance services, as detailed above, on the portion of roadways within the Town's limits that lie within its geographic territory.

- B. The County will include the roads it maintains within the Town's limits in its pavement maintenance network. Roads within the Town's limits will be evaluated and prioritized for maintenance and resurfacing along with, and in the same manner as, roads that are in unincorporated areas.

The funding availability as allocated to each District of the County per Ordinance Chapter 21 will be considered.

- C. The drainage infrastructure located off of roads right-of-way within the Town's limits that lie within the County will be maintained by the County subject to the limitations contained in Chapters 21 and 26 of the Richland County Code of Ordinances. The level of maintenance provided will be subject to the availability of funds, labor, and equipment for the County's drainage maintenance responsibilities and strictly within the County's guidelines.

The same level of maintenance will be provided for drainage infrastructure within the Town's limits located within the County as in the unincorporated areas of the County.

Maintenance will include

- cleaning drainage ditches,
- cleaning and/or repairing closed storm sewers,
- cleaning and/or repairing catch basins, drop inlets, junction boxes,
- minor ditch maintenance,
- minor storm sewer installation that can be accomplished by County maintenance forces, and

- any additional maintenance deemed appropriate by the County.

Maintenance does not include construction of major capital drainage improvement projects. Under the terms of this Agreement, a major capital drainage improvement project is one requiring a private construction contract in the judgment of the Public Works Director of the County at issue.

Section Four: Floodplain Management Responsibilities

- A. The County will provide floodplain management services consistent with County ordinances, including the following:
- (FZV): The County will perform FZV services as requested. Plan Review: The County will review Plans for projects that include Special Flood Hazard Areas (SFHA) for compliance with the County floodplain management ordinances; and
 - Floodplain Development Permits (FDP): The County will review FDP applications for compliance with the County floodplain management ordinance. FDP will be approved or not approved based on their compliance with the aforementioned ordinance.
 - Records Keeping: FZV, Plans, and FDP applications and actions will be tracked by the County. Town will provide FZV's, Plans and FDP applications to The County for review. Once the application process is complete, the County will inform the applicant and the Town of the application result. When required the Town will provide records of previous actions conducted on properties related to floodplain management services, including but not limited to substantial improvements.
- B. The Town will adopt The County Floodplain Overlay District Ordinances and agree to enforce floodplain management decisions rendered by the County and notify the County if activities are conducted that are not in compliance with the County's ordinance.
- C. The Town will ensure that Town code inspectors document floodplain development requirements in accordance with applicable ordinances on all inspections and inform the County when inspections demonstrate non-compliance with those requirements.
- D. The Town, within 90 days after the execution of this agreement, shall adopt or amend applicable ordinances as required to make them compatible with existing County ordinances and standards.

- E. The Town will assist The County in projects for flood hazard mitigation, water quality improvement, or other related projects in the Town or County.

Section Four: Funding

The County will assess the residents of the Town the same taxes and fees for the services set forth therein, and at the same rates that are assessed in the unincorporated areas of The County.

The taxes and fees generated thereby shall be compensation to The County for the services provided. The provisions of this section shall apply to

- real and personal property taxes,
- automobile registration fees,
- subdivision and land development processing fees, and

“C” funds allocated to The County pursuant to State law will be utilized by The County for road improvement projects within the corporate limits in The County as well as in unincorporated parts of The County. The County will initiate projects on behalf of the Town in accordance with its capital road improvement programs.

Section Five: Termination

This agreement may be terminated by any party upon giving ninety (90) days’ notice of the intent to terminate to the non-terminating parties.

In the event the Town terminates the Agreement, The County shall be entitled to continue to collect all applicable taxes and fees within the Town for the tax year when the termination occurs. The Town will be entitled to a pro-rata distribution of such collections based on the percentage of the calendar year such services were provided.

Section Six: Term

This Agreement shall be effective once executed by the parties and shall continue for five (5) years therefrom. This Agreement may be extended by the parties either through an amendment to this Agreement or a new agreement.

Section Seven: Previous Agreements:

This Agreement supersedes all previous agreements between the Town and The County for land development services.

Section Eight: Indemnification

The Town shall defend and hold harmless The County, its agents, and representatives, including but not limited to its employees (Indemnities), from any costs arising out of the performance of the services provided by the Indemnities under this Agreement, to the extent the claim was due to the negligent acts, omissions, or wrongdoing of the Town in administering or performing this Agreement. The Town shall indemnify, save harmless, and defend the County, its officers, agents, and employees against all liability, claims, fines, penalties, and costs of whatsoever kind and nature for any losses, injury, or death to any person or persons or from loss or damage to any property occurring in connection with or in any way incident to or arising out of or in any way connected with the work or performance pursuant to the Agreement, to the extent resulting in whole or in part from the negligent acts or omissions of the Town, its officers, agents, employees, or other representatives, with respect to the administration of this Agreement. The terms and conditions contained in this Section shall survive the termination of this Agreement or the suspension of the work or services provided hereunder.

Section Nine: Insurance

Each party shall maintain insurance, whether commercial or self-funded, in amounts sufficient to fulfill its obligations and potential liabilities under this Agreement, but in no event shall such amounts be less than the limits of claims arising under the South Carolina Tort Claims Act.

IN WITNESS WHEREOF, the parties hereto execute this Agreement on the date first above written,

WITNESSES:

WITNESSES:

COUNTY OF RICHLAND

BY: _____

TOWN OF BLYTHEWOOD

BY: _____

3. The Town shall not authorize the construction or installation of such improvements until such time as the County has been provided with and approves plans for road or storm drainage installation.

4. The County, upon satisfactory completion of such improvements in accordance with the plans approved by the County, shall agree to maintain such improvements as part of the County system of such improvements. Roads may be dedicated to the County for perpetual maintenance as defined in Section 21-6 of the Richland County Code of Ordinances.

5. The Town agrees that the County shall manage all "C" funds on the Town's behalf and that the Town shall not be permitted to request "C" funds from the County Transportation Committee (CTC) without the written consent of the County.

6. In any and all instances where an ordinance of the Town conflicts, restrains or is unreasonably burdensome to any storm drainage and roadway ordinances of the County that have been adopted by the Town, the County's standards and ordinances shall take precedence since it is hereby declared to be the intent of the parties to give the County exclusive authority regarding the construction and maintenance of roadways and storm drainage improvements within the territorial limits of the Town of Blythewood which lie within the jurisdiction of Richland County.

7. This Agreement shall have a term of four (4) years from the date of execution or until sooner terminated by either party upon such party giving six months written notice to the other party of its intent to terminate this agreement.

8. This Agreement may be amended, modified or changed only upon the written agreement between the County Council for Richland County and the Town Council for Blythewood.

10. The County shall continue to assess, levy, and collect property taxes from the residents of that portion of the Town of Blythewood which lies within the boundaries of Richland County for the above services. Such assessment and levy shall not exceed that which is assessed and levied on property in the unincorporated areas of Richland County. The taxes generated by such assessment and levy shall be designated as an offset to the costs of providing these services and shall constitute the compensation to the County for the undertaking of these services.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and

year first above written.

WITNESSES:

Michelle Oley
Monique Walters

[Signature]

RICHLAND COUNTY

By: Paul King
Council Chairperson

TOWN OF BLYTHEWOOD

[Signature]
By: _____
Mayor

5. The Town agrees that the county shall manage all "C" funds on the Town's behalf and that the Town shall not be permitted to request "C" funds from the County Transportation Committee (CTC) without the written consent of the County.

6. In any and all instances where an ordinance of the Town conflicts, restrains or is unreasonably burdensome to any storm drainage and roadway ordinances of the County that have been adopted by the Town, the County's standards and ordinances shall take precedence since it is hereby declared to be the intent of the parties to give the County exclusive authority regarding the construction and maintenance of roadways and storm drainage improvements within the territorial limits of the Town of Blythewood which lie within the jurisdiction of Richland County.

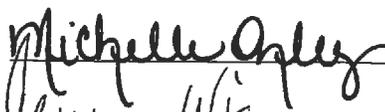
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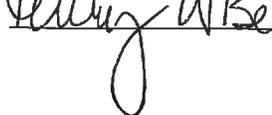
8. This Agreement may be amended, modified or changed only upon the written agreement between the County Council for Richland County and the Town Council for Blythewood.

9. The County shall continue to assess, levy, and collect property taxes from the residents of that portion of the Town of Blythewood which lies within the boundaries of Richland County for the above services. Such assessment and levy shall not exceed that which is assessed and levied on property in the unincorporated areas of Richland County. The taxes generated by such assessment and levy shall be designated as an offset to the costs of providing these services and shall constitute the compensation to the County for the undertaking of these services.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

WITNESSES:





RICHLAND COUNTY



By: Norman Jackson, Richland
County Council Chairperson

TOWN OF BLYTHEWOOD



Gary Parker
Town Administrator



By: J. Michael Ross
Mayor

SECTION 4-9-41

SECTION 4-9-41. Joint administration of functions by county, incorporated municipality, special purpose district, or other political subdivision.

(A) Any county, incorporated municipality, special purpose district, or other political subdivision may provide for the joint administration of any function and exercise of powers as authorized by Section 13 of Article VIII of the South Carolina Constitution.

(B) The provisions of this section may not be construed in any manner to result in diminution or alteration of the political integrity of any of the participant subdivisions which agree to and become a part of the functional consolidation, nor may any constitutional office be abolished by it.

HISTORY: 1992 Act No. 319, Section 2, eff April 8, 1992.

Editor's Note

1992 Act No. 319, Section 1 effective April 8, 1992, reads as follows:

"SECTION 1. It is the legislative intent and purpose of this chapter to provide a means for the consolidation of the governmental and corporate functions now vested in municipal corporations and other political subdivisions and with the governmental and corporate functions now vested in the counties in which these municipal corporations and other political subdivisions are located, and to provide a method for the creation of consolidated governments which may be used to fulfill the unique needs and demands in various county areas. This chapter is provided as enabling legislation to be liberally construed as a utilization of the constitutional power granted by Section 12 of Article VIII of the Constitution of South Carolina, 1895."



August 1st, 2023

Dear Chairman Walker,

On behalf of our staff and board of trustees, we are excited to propose a funding opportunity that will allow EdVenture to dramatically upgrade both visitor safety and the experiences we provide.

Since 2003 EdVenture has been a staple in our community and a place where countless memories have been made. We provide a safe, unique educational experience for children and their families while fostering a lifelong love of learning. Many of our exhibits are the original pieces that were here when we first opened! They have withstood the test of time, but as we begin to look at our 20th anniversary, we feel now is the time to invest in new 21st century experiences for our local community and visitors. Further, our building was designed in a different day and time—when safety was thought about differently. Our goal is to address experiences and safety efficiently and in a cost-effective manner.

As we begin to look forward to the next twenty years, we want to bring a new and dynamic permanent exhibit with profound underlying content. This exhibit will encompass 4,500 square feet within the museum and will use dinosaurs to convey educational messages around recycling, the environment, sustainability, circular economies, and environmental justice. This exhibit will be built at the price of \$300 a square foot and will be installed in available exhibit space inside the museum, requiring no additional bricks and mortar or building modifications. We project a 15% increase in annual attendance after the exhibit installation, which equates to an additional 27,000 visitors.

We are also in the process of evaluating and investing in our visitor and staff safety. Recently, we installed a new security system that includes the very latest in safety technology as well as a new surveillance camera system that covers 100% of our public spaces. We continue to invest in staff training to ensure that we are prepared for any emergency event with the latest protocols. An aspect that still needs to be addressed is our front visitor entry into the museum. Due to the original construction of our facility, there is a significant line of sight and visitor flow issue that we can address by enclosing one of our front open spaces. This will address the sightline issue for visitors and staff, improve visitor movement in and out of our exhibit spaces, and create a new programming area for our educational objectives. Both aspects of this project will propel EdVenture into the 21st century in regard to exhibit content and visitor safety.

We hereby humbly request \$1,750,000 from the Richland County H-Tax fund to support these projects to completion.

Respectfully,

A handwritten signature in black ink, appearing to read "AM", is written over a light blue horizontal line.

Andy Marquart
CEO

CC: Vice Chair Jesica Mackey

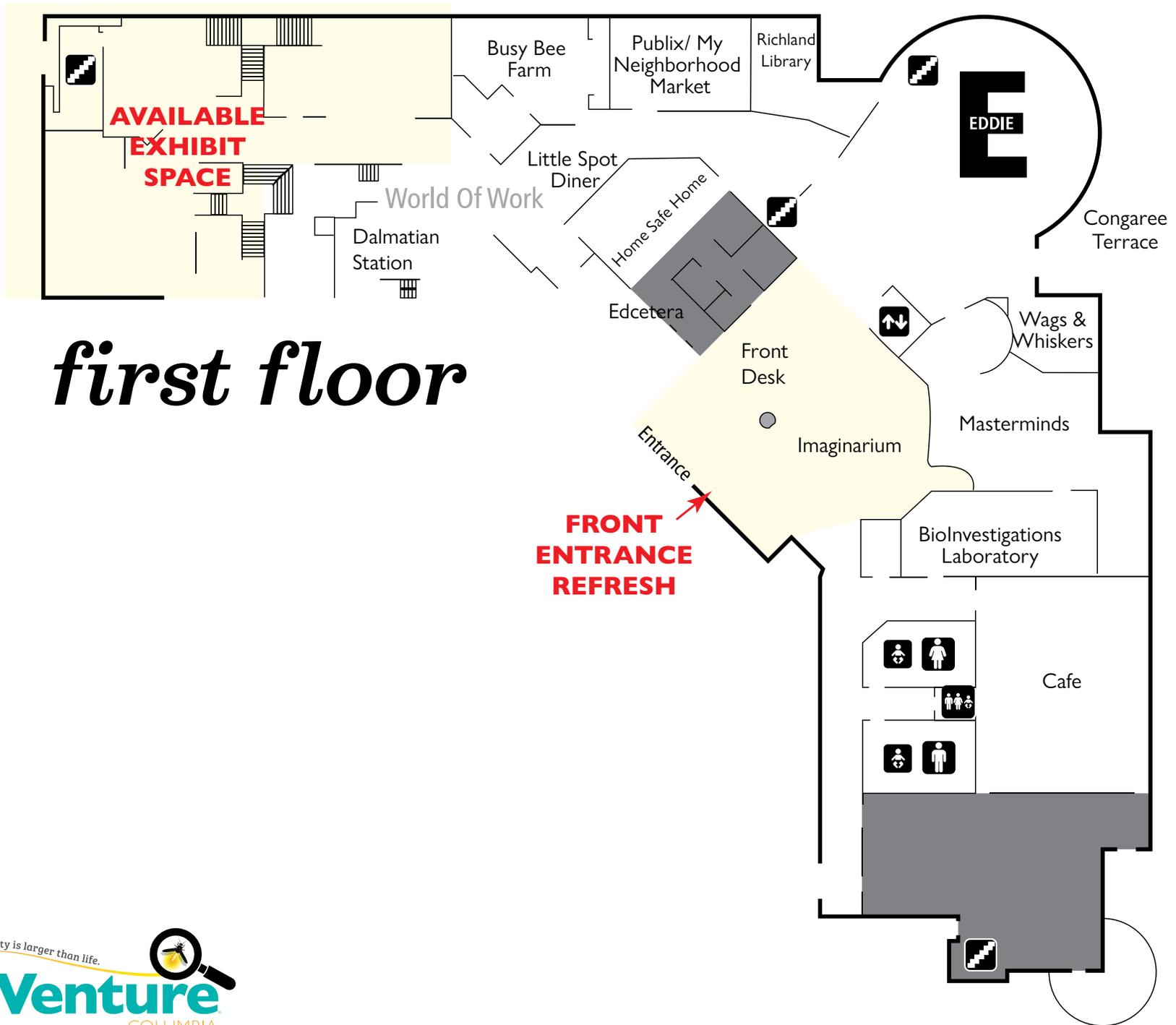
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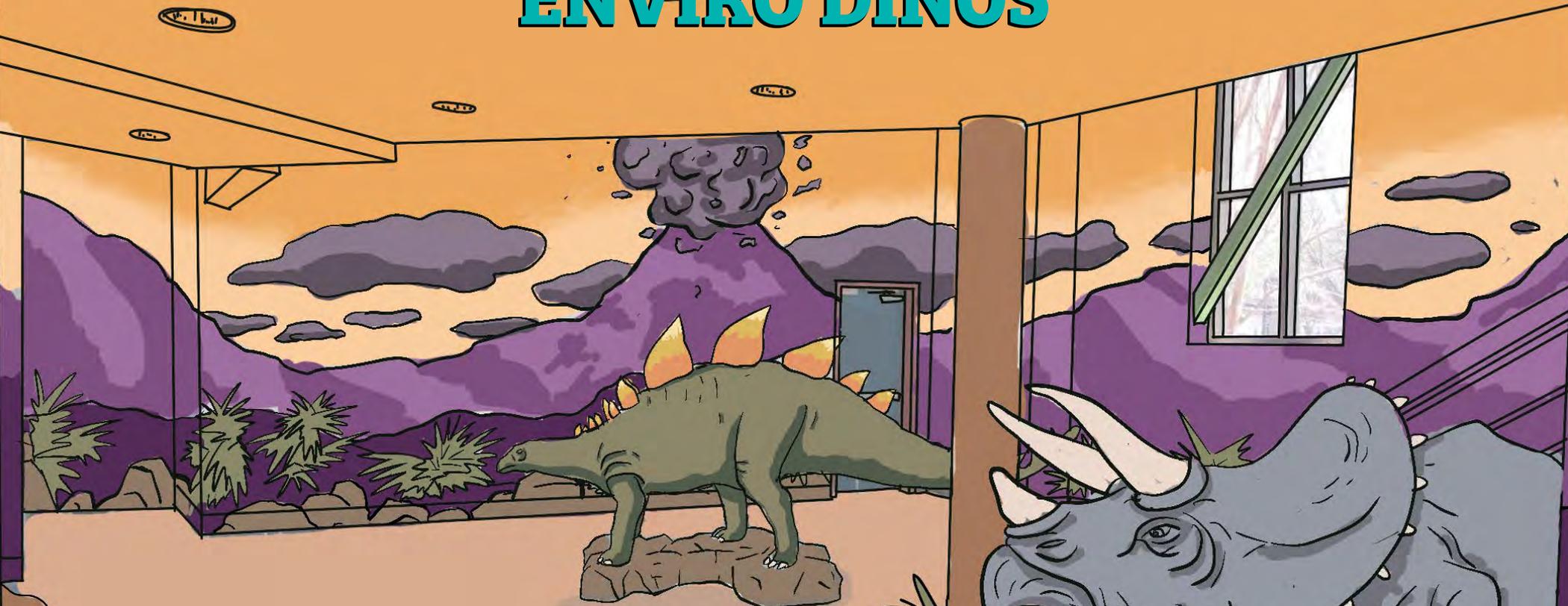
Enviro Dinos

Exhibit Space





Introducing... ENVIRO DINOS



EdVenture's new dinosaur exhibit will be a one-of-a-kind experience for EdVenture guests. This state-of-the-art exhibit will educate guests on:

- Recycling and circular economy
- Environmental justice and civil rights at the local level
- Reducing waste and preventing environment contamination
- Climate change and its impact on all animal species
- South Carolina's prehistoric history

Enviro Dinos

ECONOMIC IMPACT

EdVenture's total funding need: **\$1.75 million**

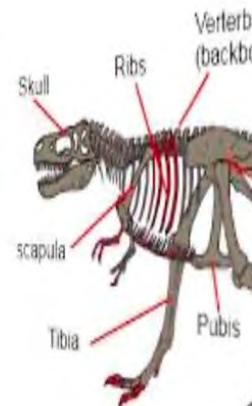
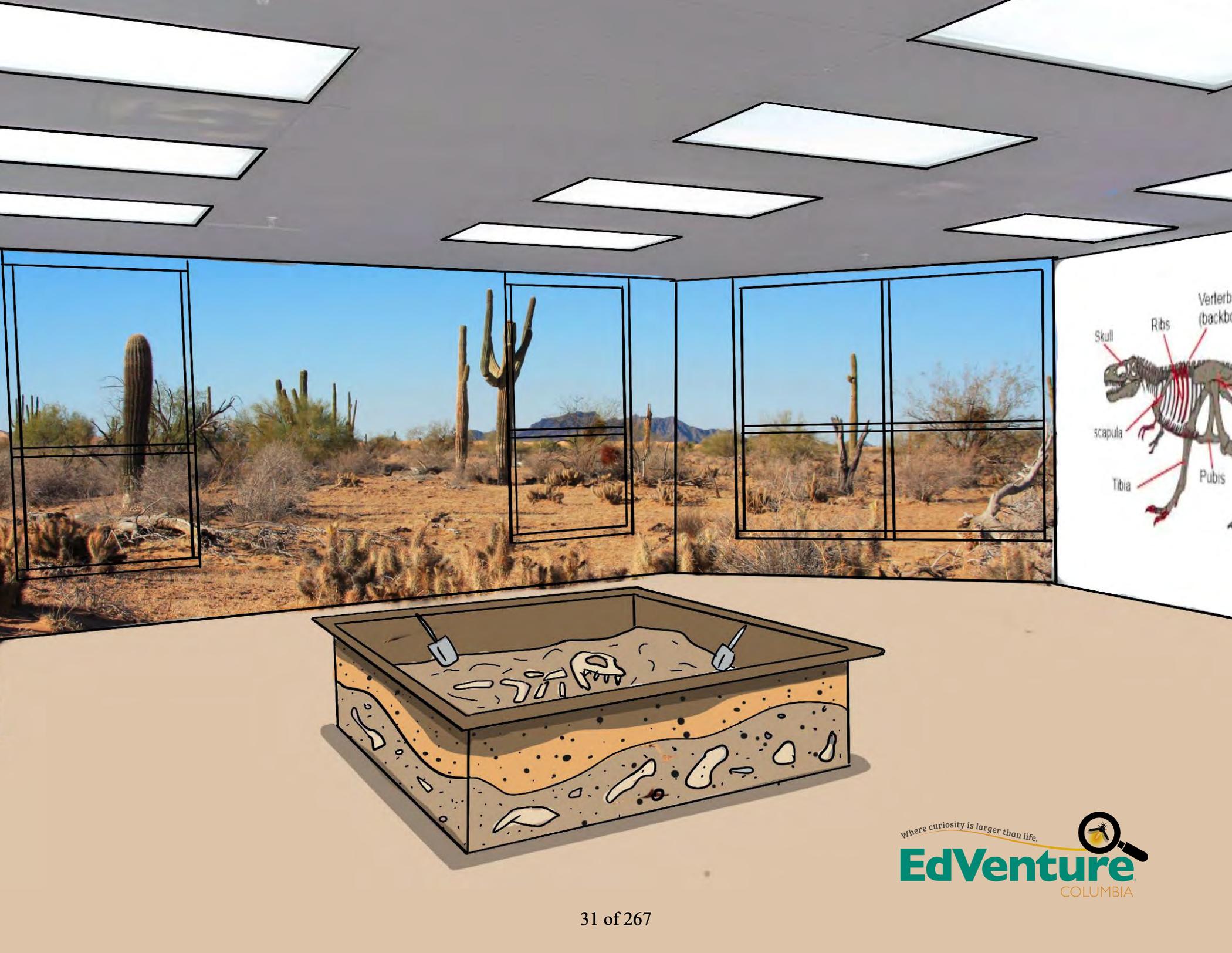
Use of Funds:

- **\$375,000** would be used to outfit the front entry for increased security and safety of our guests
- **\$1.4 million** would be used to outfit the new ENVIRO DINOs exhibit

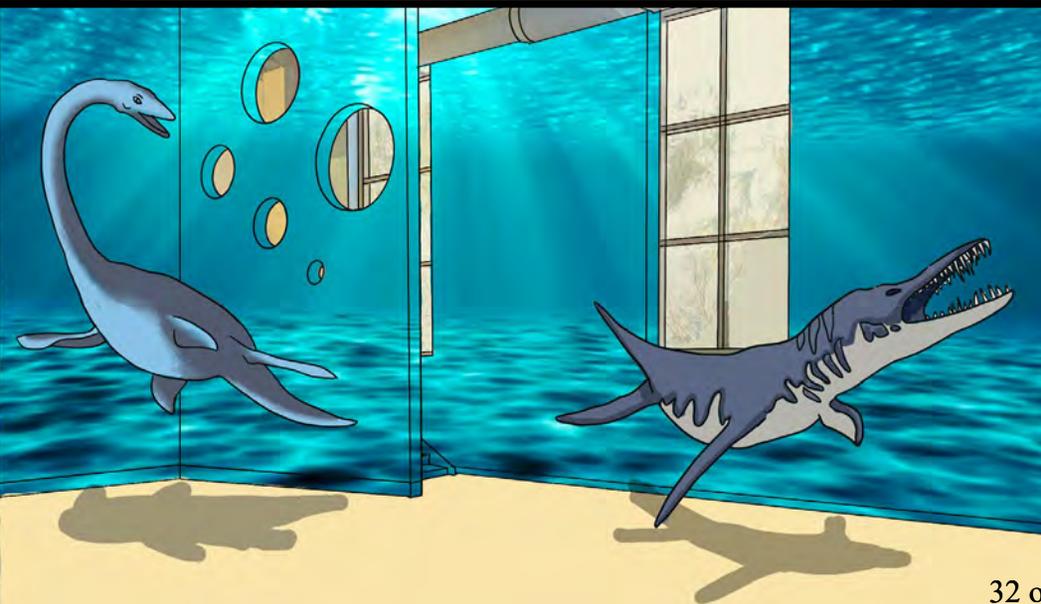
Economic Impact:

- Increase tourism revenue to the region
- Extended length-of-stay at EdVenture = increased distance a guest is willing to travel.
 - A longer length-of-stay means more money spent around town at local restaurants and hotels, benefiting our local economy as a whole.
- **15%** increase in overall attendance = **\$1.1 million** in local economic impact*
- This addition will continue to promote EdVenture as one of the most exciting attractions of its kind in the Southeast.
- Adds 4,000 sq. ft. of exhibit space to the museum *without laying a single new brick.*
 - Increases usable museum space by more than **10%**
 - Equivalent to **\$1.2 million** in savings by using the facility's existing infrastructure
- **30%** of visitors use EdVenture's reduced admission programs, **Yes Every Child** and **Yes, Every Family**. The increased revenue from this exhibit offsets this cost and ensures the museum is accessible for all, especially our underserved populations.

*According to Americans for the Arts.



Enviro Dinos VISITOR EXPERIENCE



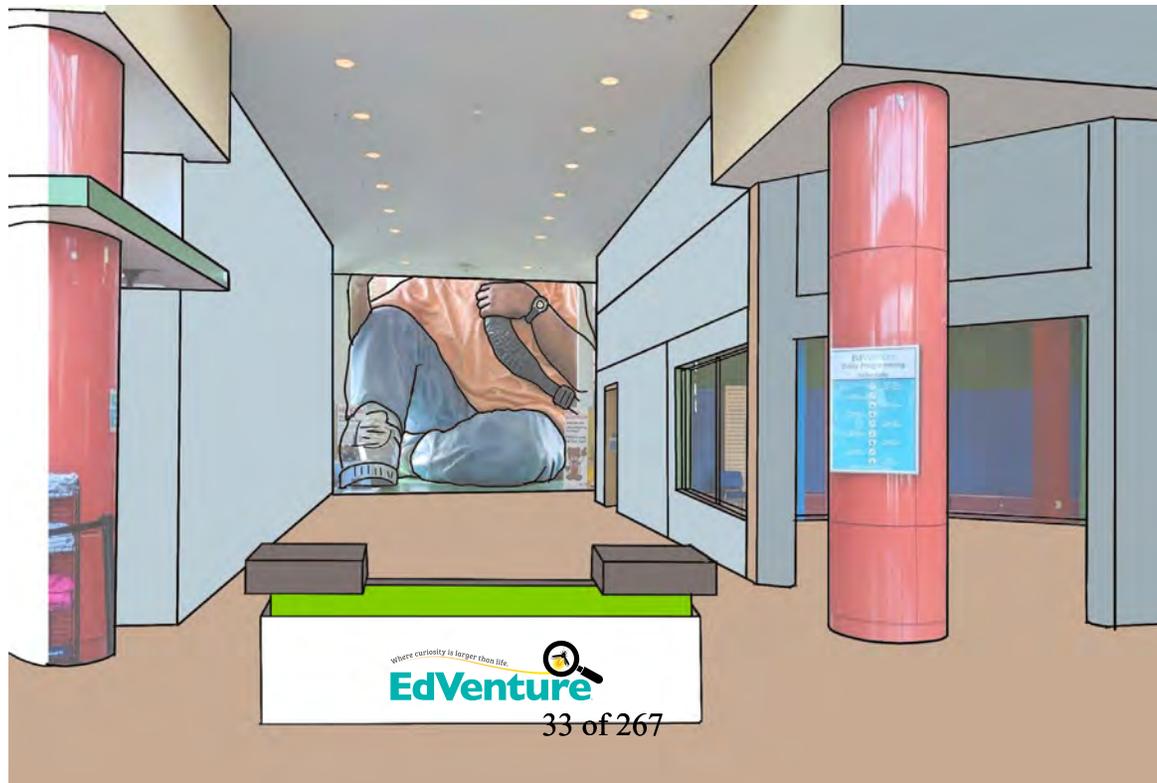
The ENVIRO DINOS exhibit will add an exciting, one-of-a-kind experience, unique only to Edventure, and will increase our tourism impact.

- Additional square footage will bring added capacity that is needed for better visitor experiences on busy days.
- New content entices guests for multiple return visits.
- New content extends the length of stay.
- Immersive experience engages guests while simultaneously educating them on important topics that impact our communities.
- Challenging topics are met with more acceptance when framed in harmless, exciting, and engaging exhibit experiences.

Front Entry REFRESH

EdVenture's front entrance is in critical need of security improvements and safety upgrades. This refresh will accomplish:

- Improved visitor safety by pivoting the front desk to face towards the front doors and create better eyesight for staff for visitors entering and leaving the facility.
- Expedited visitor access with a dedicated lane for members to fast-track into the museum.
- New exhibit space and a theater/presentation area by walling off the Imaginarium.



EdVenture 2022-23 BY THE NUMBERS



180,670

Total Attendance



44,350

Yes, Every Child
Attendance



400

Sensory Night
Attendance



2,664

Member Families



11,000

Students via
Field Trips

Where curiosity is larger than life.



EdVenture

211 Gervais St. | Columbia, SC. 29201

EdVenture.org

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Marc Drews

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Agenda Briefing

Prepared by:	Venyke Harley	Title:	Director
Department:	Human Resources	Division:	
Date Prepared:	September 7, 2023	Meeting Date:	September 26, 2023
Legal Review	Lauren Hogan via email	Date:	September 20, 2023
Budget Review	Abhijit Deshpande via email	Date:	September 19, 2023
Finance Review	Stacey Hamm via email	Date:	September 20, 2023
Approved for consideration:	Assistant County Administrator	Lori J. Thomas, MBA, CGFO	
Meeting/Committee	Administration & Finance		
Subject	Approval of Paid Parental Leave Policy		

RECOMMENDED/REQUESTED ACTION:

Staff recommends approval of the proposed Paid Parental Leave Policy for regular part-time and full-time County employees. The policy should be effective by January 1, 2024.

Request for Council Reconsideration: Yes

FIDUCIARY:

Are funds allocated in the department’s current fiscal year budget?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
If not, is a budget amendment necessary?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:

Over the last three years, the County has seen on average 57 employees per year utilize the Family Medical Leave Act to take time away from work due to childbirth. The average annual salary for Richland County employees is currently \$50,616. The salaries for 11 individuals making over 140K were removed from this calculation. The county should anticipate an annual indirect cost of \$332,897 annually.

Average Paternity Leaves (2020-2022)	Average County Salary	Total Salary Value	Six Weeks Salary Value
57	\$50,616	\$2,885,112	\$332,897

Applicable department/grant key and object codes:

OFFICE OF PROCUREMENT & CONTRACTING FEEDBACK:

Not applicable.

COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:

The County Attorney’s Office has identified areas within the policy which require attention. Staff continues to work with the County Attorney’s Office to address those areas and will modify the policy as advised.

REGULATORY COMPLIANCE:

Not applicable.

MOTION OF ORIGIN:

“I move to direct the County Administrator to add Paid Parental Leave as a benefit available to all full-time Richland County employees and to update the Employee Handbook with a policy that reflects a minimum of six weeks of available paid Parental Leave. The goal for implementation date of this new benefit is January 1, 2024.”

Council Member	The Honorable Jesica Mackey, District 9
Meeting	Regular Session
Date	April 18, 2023

STRATEGIC & GENERATIVE DISCUSSION:

On April 18, 2023, Richland County Council approve motion to implement paid parental leave for County employees effective January 1, 2024. The attached paid parental leave policy is designed to provide County leadership with details regarding the administration thereof.

The implementation of this policy aligns with the County’s strategic plan to “continue to maintain a highly inclusive work culture with an equity-based experience for all.” Paid parental leave will allow County employees the opportunity to balance their work and family responsibilities by reducing stress and enhancing overall well-being. When employees feel supported during significant life events like childbirth or adoption, they tend to be more satisfied with their jobs and are more likely to stay with an organization. They are also more likely to return to work with a clearer focus and higher productivity. Providing paid parental leave can help retain valuable employees, saving the costs associated with recruiting, hiring, and training new talent. Offering a generous parental leave policy will help the County attract top talent seeking family-friendly workplaces. Paid parental leave can contribute to healthier pregnancies, better postpartum recovery, and improved mental health for parents. Offering this benefit will demonstrate to County staff and residents that the County prioritizes employee well-being, diversity, and inclusivity and will enhance the County’s public image. While offering paid parental leave incurs some initial costs, it can be cost-effective in the long run by reducing turnover and recruitment expenses.

Over the last three years, the County has seen on average 57 employees per year utilize the Family Medical Leave Act to take time away from work due to childbirth. While the Family Medical Leave Act provides job protection for time away from work, it does not provide a paid alternative for staff. Human Resource Services does anticipate the number of employees who benefit from this leave will increase slightly; however, the financial impacts will be minimal as this number represents three percent of the County’s workforce. Currently, the State of South Carolina provides paid parental leave for all staff. South Carolina counties and cities across the state are starting to follow suit and provide this benefit. Offering a generous plan will allow the County to compete with its peers and become an employer of choice in the state.

ASSOCIATED STRATEGIC GOAL, OBJECTIVE, AND INITIATIVE:

Goal 6: Establish Operational Excellence

ADDITIONAL COMMENTS FOR CONSIDERATION:

Currently Florence County is the only county in South Carolina with an approved paid parental leave policy. The counties listed below are working to establish a paid parental leave policy for staff:

- Charleston County

ATTACHMENTS:

1. Paid Parental Leave Policy

Richland County Government Paid Parental Leave Policy (PPL)

Location: Richland County Handbook

Purpose/Objective

Effective January 1, 2024, all full-time and part-time (30 hours/week or more) employees are eligible for up to six (6) continuous weeks of Paid Parental Leave. Paid Parental Leave should be used immediately following the birth or adoption of a child for purposes of bonding with or caring for a newly-born or newly-adopted child for the birthing parent or non-birthing parent (or, in the case of adoption, the adoptive parent) of the child.

Eligibility

Eligible employees must meet the following criteria:

- Be a regular full-time or regular part-time employee (Leave for regular part-time, eligible employees will be on a prorated basis corresponding to the percentage of hours they are normally scheduled to work.)
- Be in an active employment status.
- No child can have more than two parents eligible for paid parental leave at the same time.

In addition, employees must meet one of the following criteria:

- Have given birth to a child.
- Be the co-parent listed as the legal parent with applicable required documentation (birth certificate, certified DNA results, etc.).
- Have adopted a child under the age of 18. The adoption of a new spouse's or partner's child is excluded from this policy.
- Have had a foster child under the age of 18 placed with the employee.

Amount, Time Frame, and Duration of Paid Parental Leave

- Eligible employees will receive a maximum of six weeks of paid parental leave per birth or adoption of a child/children. The fact that a multiple birth or adoption (e.g., the birth of twins or adoption of siblings) does not increase the six (6) week total amount of paid parental leave granted for that event. In addition, in no case will an employee receive more than six (6) weeks of paid parental leave in a rolling 12-month period, regardless of whether more than one birth, adoption, or foster care placement event occurs within that 12-month time frame.
- Eligible employees will receive a maximum of six weeks of paid parental leave for the placement of a foster child six months of age or younger.
- Eligible employees will receive a maximum of two weeks of paid parental leave for the placement of a foster child over the age of six months.
- Each week of paid parental leave is compensated at 100 percent of the employee's regular, straight-time weekly pay minus all regular deductions. Paid parental leave does not include any additional pay, such as overtime, supplements, interim pay, bonuses, longevity pay, temporary salary adjustments, shift differential pay, on-call pay, or call back pay, some of which may be

included in the calculation of other forms of paid leave. Paid parental leave will be paid on a biweekly basis on regularly scheduled pay dates.

- Approved paid parental leave must be taken immediately following the birth, adoption, or placement of a child and shall not be used before the qualifying event. Paid parental leave must be taken consecutively; partial days will not be permitted.
- Upon termination of the individual's employment with the County, he or she will not be paid for any unused paid parental leave for which he or she was eligible.

Coordination with Other Policies

- Paid parental leave taken under this policy will run concurrently with leave under the FMLA in cases where an employee is eligible for leave under both; thus, any leave taken under this policy that also qualifies for leave due to the birth or placement of a child due to adoption or foster care will be counted toward the 12 weeks of available FMLA leave. All other requirements and provisions under the FMLA will apply. In no case will the total amount of leave—whether paid or unpaid— be granted to the employee under the FMLA exceed 12 weeks. Please refer to the Disability and Personal Leave policy for further guidance on the FMLA.
- After paid parental leave under this policy is exhausted, the balance of FMLA leave (if applicable) and any use of other forms of paid leave during FMLA will be governed by the Disability and Personal Leave Policy.
- Continuance of benefits during paid parental leave will be in accordance with the terms of any plan documents governing benefits plans, if applicable, or County policy and practice on the accrual and use of such benefits during periods of paid leave.
- Eligible employees shall accrue annual and sick leave at the normal rate and receive holiday pay while on paid parental leave, if applicable. If a County holiday occurs while the employee is on paid parental leave, such day will be shown on the employee's pay stub as holiday pay, but will be charged against paid parental leave and will not extend the total paid parental leave entitlement.
- If the employee is on paid parental leave when the County offers administrative leave (i.e., for inclement weather or other unforeseen circumstances known as an "admin day"), that time will be recorded as paid parental leave. Administrative leave will not extend the paid parental leave entitlement.
- Paid parental leave must be used prior to an employee using his/her other accrued leave, subject to the limitation that paid parental leave must be taken immediately following the birth, adoption, or foster care placement of a child. The order of leave shall be paid parental leave, sick leave, annual leave, then leave without pay.
- Paid parental leave may not be donated.

- If both parents are eligible county employees, paid parental leave may be taken concurrently, consecutively, or at a different time than the other eligible county employee. The leave for both parents must be taken within 12 weeks of the date of the qualifying event.

Requests for Paid Parental Leave

- The employee will submit a notice of the request for leave to their director or elected official at least 30 days prior to the proposed date of the leave (or if the leave was not foreseeable, as soon as possible). The employee must complete the necessary leave request forms and provide all documentation as set out below to substantiate the request. The completed form shall then be submitted to the Human Resource Services Department for final approval.
- The employee will indicate on the leave request form the date they intend to return to work for the County on a regular full-time or regular part-time basis.

Required Documentation

Qualifying Event	Required Documentation (Employee Selects One)
Adoption	<ul style="list-style-type: none"> • Adoption order and/or agreement confirming the initial date of placement.
Birth	<ul style="list-style-type: none"> • Birth Certificate or Proof of Birth • Certified DNA Results • Custody Order
Foster Placement	<ul style="list-style-type: none"> • Foster Care Placement Agreement • Custody Order

- Employees may be permitted by the Human Resource Services Department to begin paid parental leave following the qualifying event and pending receipt of this documentation.
- However, if the required documentation is available and is not provided within 30 days of the start of paid parental leave the employee will be required to substitute all other paid leave available and if sufficient leave is not available, the employee will be placed on leave without pay status for the period they were absent from work. If documentation for the paid parental leave is not submitted within 30 calendar days, the county will recover the paid parental leave funds via payroll.
- If the required documentation is not available within 30 days of the start of paid parental leave the Human Resource Services Department has the discretion to decide if the employee will be required to substitute all other paid leave available and if sufficient leave is not available, the employee will be placed on leave without pay status for the period they were absent from work. If documentation for the paid parental leave is not submitted as directed by the county, the Human Resource Services Department has the discretion to decide if the county will recover the paid parental leave funds via payroll.

The Human Resource Services Department has the discretion to evaluate and interpret all paid parental leave policies.

**RICHLAND COUNTY
ADMINISTRATION**

2020 Hampton Street, Suite 4069
Columbia, SC 29204
803-576-2050



Agenda Briefing

Prepared by:	John Ansell	Title:	General Manager
Department:	Public Works	Division:	Solid Waste & Recycling
Date Prepared:	August 11, 2023	Meeting Date:	September 26, 2023
Legal Review	Elizabeth McLean via email	Date:	September 14, 2023
Budget Review	Abhijit Deshpande via email	Date:	September 8, 2023
Finance Review	Stacey Hamm via email	Date:	September 8, 2023
Approved for consideration:	Assistant County Administrator	John M. Thompson, Ph.D., MBA, CPM, SCEM	
Meeting/Committee	Administration & Finance		
Subject	Landfill Capital Expansion		

RECOMMENDED/REQUESTED ACTION:

Solid Waste & Recycling requests approval for Task Order 9 to Civil & Environmental Consultants, Inc. in the amount of \$225,000.00 specifically for capital expansion at the Richland County Landfill.

Request for Council Reconsideration: Yes

FIDUCIARY:

Are funds allocated in the department’s current fiscal year budget?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
If not, is a budget amendment necessary?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No

ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:

Capital expansion has been allocated in the FY24 budget. Funds are encumbered on requisition R2400125.

Applicable department/grant key and object codes: 2101365005.530700

OFFICE OF PROCUREMENT & CONTRACTING FEEDBACK:

Request for Proposals RC-356-P-2021 was issued in September of 2020. Eleven submittals were received and scored by an evaluation team. Civil & Environmental Consultants, Inc. was the most responsive & responsible offerer who was most advantageous to the County. Thus far, award to this vendor has not exceeded the threshold requiring Council approval. The work under Task Order 9 is \$225,000, and staff recommends awarding to the landfill engineer.

COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:

There are no legal concerns regarding this matter.

REGULATORY COMPLIANCE:

Capital Expansion and this request is consistent and compliant with SC DHEC Regulation 61-107.19 Solid Waste Landfills and Structural Fill.

MOTION OF ORIGIN:

There is no associated Council motion of origin.

STRATEGIC & GENERATIVE DISCUSSION:

Solid Waste & Recycling is requesting the approval of Task Order 9 for capital expansion at the Richland County Landfill. The existing landfill cell (phase IV) is reaching the end of its useful life and expansion is necessary to maintain daily landfill operations.

Following approval, the landfill can begin the administrative process of expanding operations to maintain the consistency thereof. Step one is to determine the need, consistency, and buffer requirements. Step two is submit the permit application through the South Carolina Department of Health and Environmental Control. Step three involves project meetings, public meetings, as well as public hearings.

Future landfill space is critical to Richland County residents and our commercial community. Under our current permit to operate, we are obligated to provide Class 2 solid waste management. Landfill space is the largest generator of revenue at the landfill. If the request is denied, the Richland County Landfill will have filled its remaining space and be forced to cease all landfilling operations. The proposed plan is the most cost effective and economical means to ensure future operations.

ASSOCIATED STRATEGIC GOAL, OBJECTIVE, AND INITIATIVE:

It is our goal to continue to provide fiscally responsible and environmentally conscious solid waste management here in Richland County. This approval meets objective 4.2 with anticipating future growth and anticipating greater needs for solid waste disposal. Objective 4.3 will be maintained by providing the best facility possible with future space as the County continues to grow.

ADDITIONAL COMMENTS FOR CONSIDERATION:

Solid waste management in any community is imperative. Without sufficient space and proper management, Richland County will suffer the effects in a variety of ways. As with any landfill, space eventually dries up and expansion becomes necessary. This approval will allow uninterrupted operation for many years to come.

ATTACHMENTS:

1. Task Order 9- Capital Expansion activities



CEC TASK ORDER 0009

July 24, 2023

As requested by Richland County Solid Waste & Recycling (Richland County), Civil & Environmental Consultants, Inc. (CEC) proposes to perform the services outlined herein in accordance with the Agreement by and between Richland County and CEC dated April 28, 2021. This Task Order shall supplement the Agreement.

CEC PROJECT NUMBER: 311-755

TASK ORDER NUMBER: 0009

TASK DESCRIPTION: The purpose of this task order is to obtain a permit from South Carolina Department of Health and Environmental Control (SCDHEC) Bureau of Land & Waste Management for the construction and operation of an overlay expansion of the Class Two Landfill in accordance with SCDHEC Regulation R61-107.19. Part IV. Class Two Landfills.

The permit application process is described in “Part H. Permit Application Requirements”. This section outlines the steps required to obtain a permit, including submittals to SCDHEC by the applicant, public notices required of the applicant, and determination/notices made by SCDHEC. There are three primary steps of the permit application process:

1. Determination of Need/Consistency Determination/Buffer Requirements (DON/LOC);
2. Permit Application Submittal; and
3. Public Hearings.

1.0 PROJECT BACKGROUND

Richland County owns and operates a solid waste landfill and recycling facility in Columbia, South Carolina. The solid waste facility contains: 1) a closed C&D landfill (Phase I and IA); 2) two closed unlined municipal solid waste (MSW) landfills (Phase II and III); and 3) an active Class Two landfill in the northeast portion of the site operated as Phase IV.

To continue to properly service the disposal needs of Richland County, the existing Class Two landfill will require an expansion.

2.0 SCOPE OF SERVICES TO BE PERFORMED BY CEC

CEC shall complete the proposed task as follows:

2.1 Task 1 – DON/LOC Determination

This section outlines the steps required, including submittals to SCDHEC by the applicant, public notices required of the applicant, and determination/notices made by SCDHEC. There are two primary steps of the Landfill Determination Process:

1. Administrative Review; and
2. Technical Review.

Subtask 1 – Administrative Review

As part of this determination process, CEC will prepare the following exhibits and documents for the Administrative Review:

- Letter of Request to SCDHEC to make a determination on Demonstration of Need, Solid Waste Management Plans, Zoning (if applicable), and Buffers;
- Documentation showing that the proposed C&D Overlay Expansion is in compliance with zoning and/or land use designations and restrictions;
- Documentation for Proof of Ownership;
- Narrative to demonstrate the need for the proposed C&D Overlay Expansion;
- Narrative to document that the proposed C&D Overlay Expansion is consistent with the County's Solid Waste Management Plan and the State Plan; and
- Map showing that the proposed C&D Overlay Expansion meets the buffer requirements. A detailed analysis will be necessary to determine that all residences, churches, hospitals, public parks, and day cares are accurately portrayed on the map. The map will include a visual verification of each and will require obtaining all names, TMS#, mailing addresses and location addresses. Preliminary design layout will be necessary to determine the potential waste placement limits.

Subtask 2 – Technical Review

As part of the Technical Review, CEC anticipates the following scope of service:

CEC will prepare the Notice of Intent to File a Permit Application (Notice) and submit the Notice to the County. Within 15 days of receipt of notification from SCDHEC that all requests for need and consistency determinations have been submitted, County will submit the Notice to the newspaper of general circulation in the area of the proposed landfill project to be carried in the legal section for 3 consecutive days. No later than the first date of publication in the newspaper, CEC will mail a copy of the Notice via Certified Mail, to all adjacent landowners.

After the notice is published, County should obtain an affidavit of publication from the newspaper and forward it to CEC. After receiving the affidavit and all "certified" mail receipts, CEC will submit the affidavit and "certified" mail receipts to SCDHEC.

Upon receipt of these documents, SCDHEC will review the exhibits and documents, which can take several months to complete. Following review, SCDHEC will publish a notice that the draft determinations are ready for review in the local newspaper. The public will have a 30-day period to review the draft determinations and submit comments to SCDHEC. If sufficient requests are received within the 30-day period, SCDHEC will conduct a public hearing of the draft determinations.

The Department will conduct a public hearing upon receipt of requests in writing by ten persons or by a governmental subdivision or agency or by an association having not less than ten members.

A request for a public hearing must be mailed (postmarked) to the Department during the 30-day comment period and shall be based on technical reasons relating to siting, design, or operation of the landfill. The Department will send a notice acknowledging receipt of a request for a public hearing to the applicant and to the person(s) requesting a hearing within 15 days following receipt of the request. The Department will publish a notice of the time, date, and location of the hearing. It is anticipated that Nathan Bivins will attend a public hearing, prepare poster size documents for the meeting, and address reasonable questions/concerns that may come out of the hearing, if held.

2.2 Task 2 – Permit Application

Following completion of Step 1 and approval by DHEC, in accordance with Part H., a complete permit application report and drawings will be prepared for submission to SCDHEC.

Subtask 1 – Permit Administration

The applicant must provide SCDHEC certain submittals during the permit application process. The following are listed for reference and are to be completed by the Owner with CEC's assistance.

- Subpart H.2.a – Completed Permit Application;
- Subpart H.2.c – Disclosure Statement; and
- Subpart H.3 – Publish Notice of Administratively Complete Application.

CEC will provide a draft public notice for review and submission by Owner.

Subtask 2 – Engineering Drawings

CEC will prepare the vicinity plan described in H.4.a.(1) and a site map/drawing showing the site property boundary, general site features, wetlands delineation, and the landfill footprint for incorporation in the permit application according to Subpart H.4.a.(2) – Site Plan.

CEC will provide detailed Engineering drawings and plans for incorporation into the permit application.

The detailed Engineering drawings and plans will include the following:

1. Landfill base grades and final cover system drawings. Landfill waste filling and final cover grades will be no steeper than 3:1;
2. Cross sections of the site topography, groundwater, and based grades;
3. A sequence of construction to show a phased approach to developing the landfill in approximately 5 year phases; and
4. Detailed plans of the sedimentation basins and other stormwater features.

Subtask 3 – Engineering Design

CEC will perform the engineering analysis and calculations that demonstrate the landfill is designed in accordance with the rules.

Foundation/Settlement

CEC will prepare calculations regarding the landfill settlement, post settlement grades, and foundation (geotechnical) stability. CEC will prepare 3-D analysis to demonstrate post-settlement separation of the bottom of the base grades from the top of groundwater/bedrock. The Scope of Services do not include the engineering of any ground improvement techniques to address any excessive settlement issues.

Landfill Stability Analysis

CEC will prepare calculations for the landfill final cover system stability. The Scope of Services do not include the evaluation or design of alternate final cover systems.

Stormwater Design

CEC will prepare stormwater management calculations for stormwater runoff and erosion control during operations of the landfill. Additional engineering and permitting may be necessary for stormwater and erosion control specific to a construction phase.

Subtask 4 – Engineering Report

CEC will develop an Engineering Report that will include the following:

- A discussion of the Class Two Landfill tonnage to be managed at the proposed facility based on historic rates to be provided by Owner according to Subpart H.2.f.(1) and Subpart H.2.f.(2) – Tonnage Limit;
- Tabulation of adjacent landowners according to Subpart H.2.e;
- A discussion of primary transportation routes as shown on the Vicinity Map completed in Subpart H.4.a.(1);
- A discussion of existing topography, surface water, and subsurface geological conditions;
- A discussion of cover material, stockpile volume and location for excess excavated soils during construction, and cover frequency according to Subpart H.4.b.(2,3);
- A discussion of the depth of waste and final elevation design, according to Subpart H.4.b.(4,5);
- A discussion of the stabilization plan, according to Subpart H.4.b.(6);
- An Operations Plan, including a Contingency Plan, according to Subpart H.4.b.(7);
- A Groundwater Monitoring and Corrective Action Plan, according to Subpart H.4.b.(8). The groundwater monitoring plan will describe the activities to be performed to satisfy the compliance requirements of 258.51 (Groundwater Monitoring), 258.53 (Groundwater Sampling and Analysis Requirements), and 258.54 (Detection Monitoring). CEC will provide a general discussion of the Post-Closure Water Quality Monitoring Program for

inclusion in the Engineering Report. CEC will address comments from SCDHEC in order to obtain plan approval;

- A Closure Plan, according to Subpart H.4.b. (10). CEC will prepare a Closure Plan meeting all the requirements described in Part V, Subpart F.258.60 to include:
 - A description of the final cover and the methods and procedures to be used to install the cover;
 - An estimate of the largest area of the landfill unit requiring a final cover at any time during the active life;
 - An estimate of the maximum inventory of wastes on-site over the active life of the landfill facility;
 - A schedule for completing all activities necessary to satisfy the closure criteria;
 - Included in the Closure Plan will be a summary of notification requirements to ensure Owner's Landfill Operators will be aware of the required notification/submittals and remain in compliance with regulatory requirements during closure of the facility; and
 - CEC will prepare a Closure cost estimate to the requirements of Part I, Subpart E.1.a.
- A Post-closure Plan and discussion of the future use of the site in the Engineering Report according to Subpart H.4.b. (10). This assumes the site will be maintained as a closed landfill with no other future use. CEC will prepare a Post-Closure Plan to satisfy the requirements described in Part V, Subpart F.258.61. The Plan will include:
 - A description of the monitoring and maintenance activities and the frequency at which these activities will be performed;
 - Name, address, and telephone number of the person or office to contact about the facility during the post-closure period;
 - A description of the planned uses of the property during the post-closure period; and
 - CEC will also prepare a Post-closure cost estimate to the requirements of Part I, Subpart E.1.a.

Subtask 5 – Geologic / Hydrogeologic Review

CEC assumes a full hydrogeologic investigation will not be required by SCDHEC due to the proposed expansion being an overlay design. As such, it is anticipated that field investigation(s) will be limited in scope and will not require the installation of new groundwater monitoring points.

This task includes a review of collected groundwater elevation data to determine the seasonal high groundwater elevation for the landfill expansion area, as well as a summary of this data to be included with the Engineering Report. In addition, this task includes the preparation of an updated Water Quality Monitoring Plan (WQMP) and updated Methane Monitoring Plan (MMP).

2.3 Task 3 – Project Meetings, Public Presentations, Public Hearings, and Contingency

Tasks 1-5 described above represent known services and deliverables, for which the services can be reasonably estimated based on our experience. Tasks 6-8 below present scope of service and budgets, which can be used as desired by the Owner, for project meetings during design, public

presentations as needed, and for public hearings, if requested by SCDHEC.

Subtask 1 – Project Meetings

CEC assumes meetings will be necessary to maintain the progress of the work. This task includes a budget to be used on an as needed basis when meetings are requested by the Owner.

Subtask 2 – Public Presentations

CEC assumes public presentations will be necessary to communicate the landfill expansion concepts to the public (county administrators and citizens). This task includes a budget to be used on an as needed basis when presentations are requested by the Owner.

Subtask 3 – Public Hearings

CEC assumes public hearings will be necessary following SCDHEC's issuance of the Draft Permit. This task includes a budget to be used on an as needed basis for CEC to prepare supporting documents and for attendance at public hearings.

2.4 Task 4 – Contingency

CEC assumes a budget for this task to be used as requested by the Owner as a contingency for services to be performed that are not included in the scope these services.

3.0 LIMITATIONS AND EXCLUSIONS

This task order describes the services to be provided to assist Richland County in preparing the materials and permit application for a SCDHEC Solid Waste Permit. Additional services (either that which is not considered to be necessary at this time or that which cannot be estimated at this time) may be required to obtain the landfill permit. This scope of services does not include the following: wetland delineation and/or permitting; cultural resources consulting; land surveying; engineering of ground improvement techniques (such as for extraordinary settlement, seismic liquefaction, and foundation stability); design of alternative final cover systems; alternative or specialized groundwater monitoring systems; mitigation of existing groundwater impacts; NPDES permitting or wastewater treatment; wastewater permit to construct; local/state grading, stormwater and erosion control permitting; electrical engineering; structural engineering.

4.0 PERIOD OF SERVICE

Based on the above scope of services and experience with similar projects, we estimate approximately 12 months will be required from notice to proceed to submission of the application.

5.0 TASK ORDER COSTS

Services outlined in Part 2.0 will be performed by CEC for an estimated cost of \$225,000 as specified in the Itemized Cost Breakdown table below. No additional payment shall be made without written amendment to this Task Order. The attached billing rates are applicable to CEC's

staff and services and will be applied to this Task Order and to any additional service that are not included in this Task Order that are authorized in writing by Richland County. Reimbursable expenses, including subcontracted services, will be invoiced at cost, plus a 10% administrative fee.

Table 1 – Itemized Cost Breakdown

TASK	DESCRIPTION	TOTAL COST
Task 1	Determination of Need, Consistency Determination, Buffer Requirements	\$37,500
Task 2	Permit Application	\$144,000
Task 3	Project Meetings, Public Presentations, and Public Hearings	\$18,500
Task 4	Contingency	\$25,000
TASK ORDER TOTAL		\$225,000

6.0 EXECUTIONS

This Task Order is executed this ___ day of _____.

Richland County, South Carolina

Civil & Environmental Consultants, Inc. (CEC)

By: _____

By: W. Todd Whittle

Name: _____

Name: Todd Whittle

Title: _____

Title: Principal

Address: _____

Address: 3701 Arco Corporate Drive, Suite 400
Charlotte, NC 28273



Agenda Briefing

Prepared by:	Ashiya Myers	Title:	Assistant to the County Administrator
Department:	Administration	Division:	
Date Prepared:	September 5, 2023	Meeting Date:	September 26, 2023
Legal Review	Patrick Wright via email	Date:	September 20, 2023
Budget Review	Abhijit Deshpande via email	Date:	September 20, 2023
Finance Review	Stacey Hamm via email	Date:	September 19, 2023
Approved for consideration:	County Administrator	Leonardo Brown, MBA, CPM	
Meeting/Committee	Administration & Finance		
Subject	Columbia Metropolitan Convention Center – Tourism Development Fee		

RECOMMENDED/REQUESTED ACTION:

The Columbia Metropolitan Convention Center (CMCC) requests fifty percent (50%) of the collected tourism development fee to be used for operational expenses and marketing to fill a portion of their budget deficit.

Request for Council Reconsideration: Yes

FIDUCIARY:

Are funds allocated in the department’s current fiscal year budget?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If not, is a budget amendment necessary?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No

ADDITIONAL FISCAL/BUDGETARY MATTERS TO CONSIDER:

Attached for consideration is the CMCC FY 2023-2024 budget as provided and dated September 12, 2023. Included below as provided by the Director of Finance is the Tourism Development Fee as collected for the past two fiscal years:

	FY22	FY23
Fee Collected	\$1,336,727.63	\$1,453,501.3
Half of fee	\$668,363.82	\$726,750.66

Applicable department/grant key and object codes: Click or tap here to enter text.

OFFICE OF PROCUREMENT & CONTRACTING FEEDBACK:

Not applicable.

COUNTY ATTORNEY’S OFFICE FEEDBACK/POSSIBLE AREA(S) OF LEGAL EXPOSURE:

There are no legal concerns regarding this matter.

REGULATORY COMPLIANCE:

Ordinance No. 96-096HR, which established a three percent (3%) tourism fee on all business providing transient accommodations in the unincorporated area of Richland County.

MOTION OF ORIGIN:

“Mr. Livingston moved, seconded by Ms. Scott, to approve the execution of the Governmental Entities Funding Agreement, and the Township Agreement, and agreed that Council’s proposed amendments will be addressed in the Convention Center Authority By-Laws.”

Council Member	The Honorable Paul Livingston, District 4
Meeting	Regular Session
Date	March 7, 2001

STRATEGIC & GENERATIVE DISCUSSION:

In 2001, Richland County entered into a “Governmental Entities Funding Agreement” with Lexington County and the City of Columbia to collect a three percent (3%) tourism development fee of all lodging charges within their respective jurisdictions to fund the construction, operations, and debt service of the Columbia Metropolitan Convention Center (CMCC) for a period of 20 years. The debt service was satisfied on June 30, 2022, and the fee has totally funded the expenses of the CMCC for the past 20 years.

Per the President and Chief Executive Officer of the Convention Center, Mr. Bill Ellen, guests of area hotels/motels have totally funded the center, and no citizen tax funds have been necessary. However, funds are still needed for the operation and marketing of the CMCC. As such, CMCC is requesting fifty percent (50%) of the collection of the tourism development fee to be used to fill a portion of their budget deficit.

ASSOCIATED STRATEGIC GOAL, OBJECTIVE, AND INTIATIVE:

- Goal 1: Foster Good Governance
 - Objective 1.5: Collaborate with other governments
 - Build relationships with non-profit governmental organizations, municipalities, state, and federal organizations across all departments to determine points of parity
- Goal 4: Plan for Growth through Inclusive and Equitable Infrastructure
 - Objective 4.3: Create excellent facilities
 - Evaluate how Richland County may support other community partners to provide services to enhance the quality of life for Richland County residents.

ATTACHMENTS:

1. Communication from Mr. Bill Ellen, President & CEO, Experience Columbia SC
2. Columbia Metropolitan Convention Center FY 2023-2024 Budget
3. Amended Ordinance No. 96-096HR
4. Richland County Administration & Finance Committee Minutes - February 20, 2001
5. Richland County Council Minutes – March 07, 2001
6. Governmental Entities Funding Agreement

Topic:

Tourism Development Fee (TDF) collected by hotels from their guests and funded to CMCC for operation and marketing.

Background:

In 2002 Richland County along with City of Columbia and Lexington County established a tourism development fee of 3% added to every hotel guest bill. This fee was established to fund the construction, operations, and debt service of CMCC. The debt service was for 20 years and was paid off June 30, 2022. This fee totally funded all the expenses for the last 20 years. There has never been an additional request for funding for any of these expenses. The visitors staying in our area hotels have totally funded the CMCC and no local citizen's tax money has been needed.

Current status:

The Tourism Development Fee (TDF) continues to be collected by our area hotels. The hotel owners have been okay charging their customers this fee because their hotel receives business as a result of the CMCC.

The amount of the fee used to pay debt service is no longer used due to debt service being paid in full. However, funds are still needed for operations and marketing of the CMCC. The success of CMCC is vital to the continued generation of the TDF. The success of the CMCC generates business to the hotels that attract the guests that pay the TDF.

Success of CMCC and benefit to Richland County:

1. Increase in hotel business increases these fees collected by hotels.
2. Part of the fees collected are no longer needed for debt service and are available for other uses.
3. Success of CMCC results in demand of hotels needed. Every hotel pays a significant amount of property tax to Richland County. The more hotels, the more property tax generated. The evidence of the positive impact of the Convention Center and its marketing of our area can be seen by the number of new hotels in recent years. This demand continues and is helping to drive the need for new hotels that will pay property tax.
4. CMCC helps bring visitors to our area, increasing exposure and awareness of our County and City. It can play a part in economic development and to this awareness.

Request:

The CMCC requests that Richland County continues to fund a portion of this TDF collected to the operation/management of the CMCC so that we can continue to support the growth of the Tourism Development Fee.

Now that debt service has been satisfied, the money that went towards debt service can be used for other projects as Council desires.

We ask that 50% of the fees continue to fund CMCC. This funding is critical to our ability to continue the things that have made the CMCC successful for the last 20 years.

Thank you for your consideration of this request.

Midlands Authority for Conventions, Sports & Tourism

Fiscal Year Budget

904 - Columbia Metropolitan Convention Center

From 7/1/2023 Through 6/30/2024

		Fiscal Year 2023-2024 Budget
		<hr/>
Revenue		
Grant Revenue		
4045	City of Columbia Tourism Development Fees	<u>2,750,000.00</u>
	Total Grant Revenue	<u>2,750,000.00</u>
Investment Income		
4207	Interest Earned	<u>13,200.00</u>
	Total Investment Income	<u>13,200.00</u>
Event Revenue		
4300	Rental	850,000.00
4305	Food Service	1,500,000.00
4306	Equipment Rental	225,000.00
4307	Utilities Revenue	220,000.00
4308	Labor Revenue	40,000.00
4309	Audio Visual Revenue	<u>100,000.00</u>
	Total Event Revenue	<u>2,935,000.00</u>
	Total Revenue	<u>5,698,200.00</u>
	Total Revenue & Transfers	<u>5,698,200.00</u>
Expenditures		
Personnel Expenses		
5001	Salaries - FT Administration	193,461.00
5002	Salaries - FT Sales & Marketing	177,916.00
5003	Salaries - FT Operations	821,417.00
5004	Salaries - FT Engineering	207,062.00
5020	Salaries - PT Administration	62,265.00
5022	Salaries - PT Operations	126,959.00
5040	Personnel Contingency	26,257.00
5050	Payroll Tax Expense	127,126.00
5055	Retirement - 401k	63,563.00
5060	Health Insurance	311,368.00
5061	Dental Insurance	14,712.00
5062	Life & Disability Insurance	22,391.00
5070	Workers Compensation	31,915.00
5071	Unemployment Insurance	4,536.00
5075	Incentives	122,000.00
5076	Auto Allowance	<u>4,800.00</u>
	Total Personnel Expenses	2,317,748.00
Contract Labor		
5080	Contract Labor	<u>207,500.00</u>
	Total Contract Labor	207,500.00
Professional Fees		
5085	Professional Legal Fees	75,000.00
5086	Professional Service Fees	53,500.00
5088	Expansion Services	<u>75,000.00</u>
	Total Professional Fees	203,500.00
Event Expense		
5118	Decorating	6,500.00
5120	Equipment Rental	7,000.00
5130	Event Expense	<u>5,000.00</u>
	Total Event Expense	<u>18,500.00</u>
Program Expenses		
5100	Client Recruitment & Entertainment	13,350.00

Midlands Authority for Conventions, Sports & Tourism

Fiscal Year Budget

904 - Columbia Metropolitan Convention Center

From 7/1/2023 Through 6/30/2024

		Fiscal Year 2023-2024 Budget
		<hr/>
5111	Convention Recruitment Fund	10,000.00
5112	Partner & Community Relations	6,200.00
	Total Program Expenses	<hr/> 29,550.00
	Marketing, Advertising & Publications	
5200	Marketing & Advertising	623,688.00
	Total Marketing, Advertising & Publications	<hr/> 623,688.00
	Occupancy Expense	
5305	Warehouse/Additional Storage	25,202.00
	Total Occupancy Expense	<hr/> 25,202.00
	Operating Expenses	
5310	Utilities	502,211.00
5313	Telephone	7,794.00
5315	General Insurance	150,000.00
5320	Repairs & Maintenance	92,450.00
5321	Maintenance Supplies	175,500.00
5322	Office Equipment Lease	14,225.00
5325	Computer Expense & Maintenance	311,817.00
5326	Technology	336,142.00
5327	Website Enhancements	25,884.00
5334	Tradeshows	55,300.00
5335	Tradeshow/Event Sponsorship	10,150.00
5340	Postage	121.00
5341	Printing	12,445.00
5342	Office Supplies	6,000.00
5343	Maintenance Supplies	3,000.00
	Total Operating Expenses	<hr/> 1,703,039.00
	Other Operating Expenses	
5400	Contract Building Service	294,213.00
5405	Depreciation	425,000.00
5412	Furniture Fixtures & Equipment	347,000.00
5413	Major Capital	1,320,000.00
5415	Parking	1,000.00
5416	Membership Dues & Subscriptions	8,329.00
5420	Sales & Use Tax	5,000.00
5425	Promotional Materials	13,000.00
5427	Employee Travel, Meals & Accomodations	34,441.00
5429	Uniforms	9,150.00
5430	Employee Training & Development	20,648.00
5436	Banking & Merchant Fees	10,000.00
5438	Vehicle Maintenance	20,000.00
	Total Other Operating Expenses	<hr/> 2,507,781.00
	Total Expenditures	<hr/> 7,636,508.00
	Net Revenue Over Expenditures	<hr/> (1,938,308.00)
	Transfers Out	
5700	Transferred out to Authority	632,096.00
	Total Transfers Out	<hr/> 632,096.00
	Total Expenditures & Transfers	<hr/> 8,268,604.00
	Net Revenue Over Expenditures (After Transfers)	<hr/> (2,570,404.00)

**STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR RICHLAND COUNTY
ORDINANCE NO. ____-08HR**

AN ORDINANCE AMENDING ORDINANCE NO. 96-096HR, WHICH ESTABLISHED A THREE PERCENT (3%) TOURISM FEE ON ALL BUSINESSES PROVIDING TRANSIENT ACCOMMODATIONS IN THE UNINCORPORATED AREA OF RICHLAND COUNTY. AND WHICH ESTABLISHED A SPECIAL REVENUE FUND TO ACCOUNT FOR THESE COLLECTIONS.

WHEREAS, Richland County Council enacted Ordinance No.96-096HR on December 3, 1996, effective on January 1, 1997; and

WHEREAS, Richland County Council has now determined that further revisions to Ordinance No. 96-096HR are needed; and

WHEREAS, the intention of these revisions is to, 1) designate the County Administrator or other authorized agent to enforce the ordinance; 2) designate that revenue and expenditures will be with the Richland County Tourism Development Fee Special Revenue Fund; 3) remove the cap on penalties (consistent with the County's business license ordinance and the handling of hospitality taxes); 4) clearly state that penalties will not be waived (consistent with the County's business license ordinance and the handling of hospitality taxes); and 5) make the violation section consistent with the County's business license ordinance and the handling of hospitality taxes;

NOW, THEREFORE, pursuant to the authority by the Constitution of the State of South Carolina and the General Assembly of the State of South Carolina, BE IT ENACTED BY RICHLAND COUNTY COUNCIL, that the Sections of Ordinance No. 96-096 shall be amended to read as follows:

SECTION I. DEFINITION: Accommodation is defined as any room (excluding meeting and conference rooms), campground spaces, recreational vehicles spaces, lodgings or sleeping accommodations furnished to transients by any hotel, motel, inn, condominium, "bed and breakfast", residence, or any other place in which rooms, lodgings, or sleeping accommodations are furnished for consideration within the unincorporated area of Richland County, South Carolina. The gross proceeds received from the lease or rental of sleeping accommodations supplied to the same person or persons for a period of thirty (30) continuous days are not considered proceeds from transients.

SECTION II. TOURISM DEVELOPMENT FEE. A uniform fee equal to three percent (3%) is hereby imposed on the gross proceeds derived from the rental of any accommodations within the unincorporated area of Richland County.

SECTION III. PAYMENT OF TOURISM DEVELOPMENT FEE. Payment of the tourism development fee established herein shall be the liability of the consumer of the services. The fee

shall be paid at the time of delivery of the services to which the fee applies, and shall be collected by the provider of the services. The County shall promulgate a form of return which shall be utilized by the provider of the services to calculate the amount of tourism development fees collected and due. This form shall contain a sworn declaration as to the correctness thereof by the provider of the services.

The provider of the services shall remit the form, a copy of the State of South Carolina sales tax computation form, and the tourism development fees due not later than the 20th of each month to the ~~Richland County Finance Department, 2020 Hampton Street, Columbia, South Carolina 29204~~ Business Service Center.

SECTION IV. TOURISM DEVELOPMENT FEE SPECIAL REVENUE FUND. An interest bearing, segregated and restricted account to be known as the "Richland County Tourism Development Fee Special Revenue Fund" is hereby established. All revenues received from the tourism development fee shall be deposited into this fund. The principal and any accrued interest in this fund shall be expended only as permitted by this Ordinance.

SECTION V. DISTRIBUTION OF FUNDS.

- (a) All fund placed in the Richland County Tourism Development Fee Special Revenue Fund including accrued interest shall be expended only for the purpose of investigating the feasibility of the construction of public meeting facilities, the construction of public meeting facilities and for other enhancements to services used by tourists and convention delegates in Richland County. Any such expenditure shall be authorized by a subsequent ordinance indicating a specific amount and purpose by the Richland County Council.
- (b)
 - (1) No funds shall be expended until the impact of any such expenditure on the operation of the Township Auditorium has been determined;
 - (2) The county shall not be held liable for any operating deficit of any facilities beyond the amount generated by this fee;
 - (3) An agreement be reached that the City of Columbia sewer and water rates shall not be increased for County residents to offset any operating deficits incurred by any facility constructed and operated with these funds.
- (c.) In the event an ordinance has not been enacted by this Council to expend these funds in compliance with paragraph A, the funds would then revert to the general Accommodations Tax Fund and this act be repealed.

SECTION VI. INSPECTIONS, AUDITS, AND ADMINISTRATION. For the purpose of enforcing the provisions of this Ordinance, the ~~Director of Finance~~ County Administrator or other authorized agent of the County is empowered to enter upon the premises of any person subject to this Ordinance and to make inspections, examine and audit books and records. It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon twenty-four (24) hours written notice. In the event an audit reveals that false information has been filed by the remitter, the cost of the audit shall be added to

to the correct amount of fees determined to be due.

All operational and administrative costs associated with the billing and collection of this tourism development fee will may be charged to the ~~Richland County Finance Department~~ and will be paid for from the ~~earned interest to the County~~ “Richland County Tourism Development Fee Special Revenue Fund.” The ~~Finance Director~~ County Administrator or other authorized agent of the County may make systematic inspections of all accommodations within the County to ensure compliance with this Ordinance. Records of inspections shall not be deemed public records.

SECTION VII. ASSESSMENTS OF TOURISM DEVELOPMENT FEE. When a person fails to pay their Tourism Development Fees or to furnish the information required by this Ordinance or by the Business Service Center, a license official of the Business Service Center shall proceed to examine such records of the business or any other available records as may be appropriate and to conduct such investigations and statistical surveys as the license official may deem appropriate to assess a Tourism Development Fee and penalties, as provided herein.

A notice of such assessment shall be served by certified mail. Within five (5) business days after the notice is mailed, any person who desires to have the assessment adjusted must make application to the Business Service Center for a reassessment. The license official shall establish a procedure for hearing an application for a reassessment, and for issuing a notice of final assessment. A final assessment may be appealed to the Business Service Center Appeals Board, provided that an application for reassessment was submitted within the allotted time period of five (5) business days. However, if no application for reassessment is submitted within the allotted time period, the assessment shall become final.

SECTION VIII. VIOLATIONS AND PENALTIES.

(1) It shall be a violation to:

- a. Fail to collect the tourism development fee in connection with the rental of any accommodations to transients,
- b. Fail to remit to the County of Richland the tourism development fee collected, pursuant to this Ordinance on a monthly basis,
- c. Knowingly provide false information on the form of return submitted to the County of Richland, and/or
- d. Fail to provide books and records to the ~~Richland County Finance Department~~ County’s authorized agent for the purpose of an audit upon twenty-four (24) hours written notice.

(2) Penalties. The penalty for violation of this ordinance shall be five percent (5%) per month, charged on the original amount of the tourism development fee due, ~~up to a maximum of 100%.~~ Penalties shall not be waived. Additionally, violators may be deemed guilty of a misdemeanor, subject to a \$500 fine and/or imprisonment for up to thirty (3) days for violation of this Ordinance.

(3) Violations. Any persons violating the provision of this article shall be deemed guilty of a misdemeanor and upon conviction shall be subject to punishment under the general penalty provisions of Section 1-8 of this Code of Ordinances: that is, shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days or both. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the of offender of liability for delinquent fees, penalties, and costs provided for herein.

SECTION IX. Separability. If any section, subsection, or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

SECTION X. Conflicting Ordinances Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION XI. Effective Date. This ordinance shall be enforced from and after _____, 2008

RICHLAND COUNTY COUNCIL.

BY: _____
Joseph McEachern, Chair

ATTEST THIS THE ____ DAY
OF _____, 2008

Michielle R. Cannon-Finch
Clerk of Council

RICHLAND COUNTY ATTORNEY'S OFFICE

Approved As To LEGAL Form Only
No Opinion Rendered As To Content

First Reading: February 5, 2008

Second Reading: February 19, 2008 (tentative)
Public Hearing:
Third Reading:

**RICHLAND COUNTY COUNCIL
ADMINISTRATION AND FINANCE COMMITTEE
SPECIAL CALLED MEETING
TUESDAY, FEBRUARY 20, 2001
5:00 P.M.**

MEMBERS PRESENT: Joseph McEachern, Chair; Paul Livingston; Joan Brady; James Tuten

ABSENT: Tony Mizzell (At the May 22nd Committee, Mr. Mizzell stated he was present at this time meeting).

OTHERS PRESENT: Bernice G. Scott, Thelma Tillis, Susan Brill, L. Gregory Pearce, Jr., J.D. "Buddy" Meetze, Kit Smith, Michielle Cannon-Finch, Tony McDonald, Marsheika Martin, Pam Davis Ash Miller, T. Cary McSwain, Monique Walters, Mullen Taylor, Darren Gore, Milton Pope, Randy Jorgenson

1. CALL TO ORDER

Mr. McEachern called the meeting to order at approximately 5:20 p.m.

2. ADOPTION OF AGENDA

Mr. Tuten moved, seconded by Mr. Livingston, to adopt the agenda as submitted. The vote in favor was unanimous.

3. ITEMS FOR ACTION

- a. **Convention Center Agreement (Approval to be contingent upon the City of Columbia's approval of Township Agreement)**
- b. **Township Agreement with City of Columbia (Agreement to be provided to the Committee/Council on Tuesday, February 20, 2001)**

Mr. McSwain reported on the Convention Center Agreement. He stated the City of Columbia and the County of Lexington have adopted the Governmental Entities Funding Agreement that is the basis for appropriating the money that has been collected since January 1, 1997. Mr. McSwain further stated that it provides for the 7-1/2 million dollars that has been committed to the University of South Carolina for co-locating the arena with the Conference Center and the second part is to appropriate the remaining portions of the Tourism Development Fee that has been collected since January 1, 1997 to an escrow fund to be utilized by an authority to be appointed by the governmental entities that would provide for the capital cost of building the conference center.

Mr. McSwain stated one of the most critical points of the agreement to the County states "No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees." Mr. McSwain stated that limits Richland County's liability with regard to the cost of operating the center. He stated the funding agreement is for 20 years, and at the request of the University of South Carolina, it provides for Richland County to pay part of the

**Administration and Finance Committee
Special Called Meeting
February 20, 2001
Page Two**

7-1/2 million dollars which is 2.5 million which has already been appropriated in the process from the Tourism Development Fee money. He informed the Committee that he has talked with the attorneys of the University of South Carolina and has asked them to give the County at least 30 days notice in order for arrangements to be made for investments to come due so the 2.5 million dollars can be paid at an appropriate time without doing damage to the investments.

A discussion took place.

Mr. Livingston moved, seconded by Ms. Brady, to approve the agreement in conjunction with the Township Agreement but not contingent upon. The vote in favor was unanimous.

4. ADJOURNMENT

Mr. McEachern adjourned the meeting at approximately 5:45 p.m.

Submitted by,

Joseph McEachern
Chair

The minutes were transcribed by Marsheika G. Martin

**Richland County Council
Regular Session
March 7, 2001
Page Four**

Mr. McEachern moved, seconded by Ms. Brill, to approve this item for First Reading. The vote in favor was unanimous.

b. Billboard Moratorium

Ms. Brady moved, seconded by Ms. Scott, to give first reading by title only to extend the moratorium until further action is taken.

A discussion took place.

Ms. Scott made an amendment, seconded by Ms. Brady, to extend the moratorium until July 31st. The vote in favor was unanimous.

4. REPORT OF RULES AND APPOINTMENTS COMMITTEE

a. Appointments to Building Board of Adjustment and Appeal-4

Mr. Livingston stated there are four appointments to be made to this board with one application received by Mr. George R. Little.

Ms. Brill moved, seconded by Ms. Brady, to appoint Mr. George R. Little to the board. The vote in favor was unanimous.

Mr. Livingston informed Council that the Rules Committee would meet on March 20th at 5:00 in the County Administrator's Conference Room to discuss revisions to the Council Rules.

5. Report of Administration and Finance Committee (Special Called Meeting) (Forwarded from Council Meeting held February 20, 2001)

a. Convention Center

Ms. Smith informed Council of a meeting she had regarding the Convention Center. She stated she did not speak on behalf of Council. She stated a number of amendments to the agreement were discussed and other concerns. Ms. Smith stated an explanation was faxed to each Council member regarding this meeting.

A discussion took place.

Mr. Livingston moved, seconded by Ms. Scott, to approve the execution of the Governmental Entities Funding Agreement, and the Township Agreement, and agreed that Council's proposed amendments will be addressed in the Convention Center Authority By-Laws. The vote was in favor. Mr. Meetze opposed.

6. REPORT OF DEVELOPMENT AND SERVICES COMMITTEE

a. Ordinance Amendment: Increase in County Code Violation Penalty

Mr. McEachern moved, seconded by Ms. Brill, to give First Reading approval to an ordinance amendment that increases the maximum penalty for code violations from \$200.00 to \$500.00. The vote in favor was unanimous.

NEXSEN PRUET JACOBS & POLLARD, LLP
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SEND TO:	COMPANY	FAX NUMBER
Larry Smith, Esquire	Richland County Attorney	[119] 929-6186
Jeffrey M. Anderson, Esquire	Lexington County Attorney	[119] 359-7478
James S. Meggs, Esquire	City Attorney	[119] 733-8464

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 11

FROM: Edward G. Menzie

DATE: August 31, 2000 TIME: 11:00am

CLIENT/MATTER NO.: 17611-10

Original Copy Via:	<input type="checkbox"/> U.S. Mail	<input type="checkbox"/> Overnight	<input type="checkbox"/> Hand Delivered	<input checked="" type="checkbox"/> Fax Only
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NEXSEN PRUET JACOBS & POLLARD, LLP
ATTORNEYS AND COUNSELORS AT LAW

Edward G. Menzie
PARTNER

DIRECT DIAL
803-253-8215
EMENZIE@NPJP.COM

August 31, 2000

RECEIVED
AUG 31, 2000

Larry Smith, Esquire
Post Office Box 192
Columbia, South Carolina 29202

dm

Re: Governmental Entities Funding Agreement

Dear Larry:

Enclosed is a discussion draft of the Government Entities Funding Agreement which Mike Bierman requested so that the Governmental Entities could agree on all financial matters outside the Project Agreement. I have not heard anything since I forwarded this to Mike in early June. I have done nothing with the Project Agreement since the last draft provided to you.

Very truly yours,



Edward G. Menzie

EGM/tjs

Enclosure

cc: Jeffrey M. Anderson, Esquire
James S. Meggs, Esquire

NPJCOL1:455425.1-LT:(EGM) 017811-00010

1441 MAIN STREET, SUITE 1500, COLUMBIA, SC (29201) ■ POST OFFICE DRAWER 2428, COLUMBIA, SC (29202)
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GREENVILLE SC

HILTON HEAD, SC

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GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the _____ day of _____, 2000, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

As set forth on Exhibit A attached hereto, the Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement as to the specific use of the Tourism Development Fees and other related matters.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1 Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2 Purpose

2.1 Use of Tourism Development Fees. The primary purpose of this Funding Agreement is to set forth the obligations of the Governmental Entities with respect to the application of all Tourism Development Fees.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence the general agreement of the Governmental Entities to proceed with the development of the Project, including the providing of the Assistance Payment to the University and authorizing the City to proceed with development of the Center subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3
Use of Tourism Development Fees

3.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began in [1997]. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in approximately the amount set forth in Exhibit C attached hereto. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner.

3.2 Closing Procedures. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 3.1 above. Upon receipt of these funds, in accordance with the Project Documents the Assistance Payment shall be released to the University and the balance on hand in the Escrow Account shall be retained for application to the Center Project Costs in accordance with the Approved Center Project Budget.

3.3 Additional Collections. Until the closing of the issuance of the Special Revenue Bonds, all Governmental Entities shall continue to collect Tourism Development Fees and at the end of each calendar quarter, deposit the same in the Escrow Account. In conjunction with the closing of the Special Revenue Bonds, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to pledge and assign all future collections of Tourism Development Fees to the trustee of the Special Revenue Bonds to assure the availability of such funds for payment of the Special Revenue Bonds. Anything to the contrary contained herein notwithstanding, the Special Revenue Bonds shall have a maturity of no longer than 20 years so long as the Special Revenue Bonds have been paid in full, whereupon the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the payment of Debt Service shall terminate.

3.4 Obligations of Governmental Entities. The obligations of the Governmental Entities to pledge and assign their respective Tourism Development Fees for payment of the Special Revenue Bonds shall be subject to the City's performance of its obligations as set forth in this Funding Agreement to provide Credit Enhancement for the Special Revenue Bonds and achieve the most favorable interest rate on the Special Revenue Bonds generally available based upon the credit rating of the Project and Credit Enhancement, as well as provide such other assistance as may be required to properly issue the Special Revenue Bonds in a manner which will promote the orderly financing and development of the Center.

ARTICLE 4
Limitations

4.1 Limitations on Application of Tourism Development Fees of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, the Project documents or the Special

Revenue Bond documents notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Special Revenue Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied to the Assistance Payment, the costs set forth in the Approved Center Project Budget and Debt Service on the Special Revenue Bonds. No portion of the Tourism Development Fees of Lexington or Richland shall be utilized for Operating Deficits or the repayment of any Advances made by the City.

4.2 Acknowledgment of the City. The City acknowledges the limitations contained in Section 4.1 above and agrees that the City shall not seek any variance in such limitations from Lexington or Richland.

ARTICLE 5 Sources of Funds

5.1 Application of Tourism Development Fees. All Tourism Development Fees from and after the closing of the Special Revenue Bonds shall be applied as follows:

- (i) first, all Tourism Development Fees received from Lexington and Richland shall be applied to Debt Service on each Debt Service Payment Date;
- (ii) next, all Tourism Development Fees received from the City shall be applied to Debt Service on each Debt Service Payment Date to the extent Debt Service obligations remain after the application of the Tourism Development Fees received under subsection (i) above;
- (iii) next, to the extent any Tourism Development Fees of the City remain after (ii) above, such funds shall be applied to Operating Deficits;
- (iv) next, to the extent any Tourism Development Fees of the City remain after (iii) above, such funds shall be utilized to fund any sinking fund or operating reserve fund required by the Special Revenue Bonds documents or otherwise reasonably established by the Governmental Entities to assure payment of Debt Service and Operating Deficits;
- (v) next, to the extent any Tourism Development Fees of the City remain after (iv) above, such funds shall be applied to a capital reserve fund reasonably established by the Governmental Entities for future capital expenditures (excluding amounts covered by the FF&E Reserve); and
- (vi) finally, to the extent any Tourism Development Fees remain after (v) above, such funds shall be utilized to reimburse the City for Advances without interest.

5.2 Credit Enhancement. The City shall be obligated to pledge its sewer and water revenues or pledge other funds to provide the Credit Enhancement which is anticipated to be required to obtain the most favorable rate possible for the Special Revenue Bonds. To the extent the City is called upon to make payments with respect to the Credit Enhancement, such payment shall constitute Advances.

5.3 Issuance of Special Revenue Bonds. The City shall issue the Special Revenue Bonds solely in its name. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Special Revenue Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Special Revenue Bonds.

5.4 Advances. To the extent that additional funds are ever required to make payments with respect to Debt Service and/or fund Operating Deficits, the City acknowledges that neither Lexington nor Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the Center and make required payments. All amounts so advanced by the City shall constitute Advances under the terms of this Funding Agreement.

ARTICLE 6

Development of the Project and the Center

6.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center based upon the recommendations of the Commission subject to the approval by Lexington and Richland of all Project Documents, which approval shall not unreasonably be withheld.

6.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into a Project Agreement and various other Project Documents more fully described therein, and that the City will cause the Special Revenue Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all such documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld. Upon the execution of the Project Documents necessary to proceed to permit the University to proceed with the Arena, the Closing with the University shall be held and the Assistance Payment made to the University in accordance with the terms of the Project Documents. Thereafter, the City shall proceed with the issuance of the Special Revenue Bonds and undertake all matters related to the development of the Center in accordance with the Project Documents.

6.3 FF&E Reserve. The City acknowledges and agrees that in order to insure that the Center will at all times be maintained in a first class commercial condition, a fixtures, furnishings and equipment reserve (the "FF&E Reserve") shall be established in accordance with the Center Operating Agreement and funds representing three percent (3%) of the gross revenues generated from operation of the Center placed in the FF&E Reserve. Funds on deposit in the FF&E Reserve may be utilized only upon the recommendation of the Operator with the approval of the Governmental Entities, with such approval not to unreasonably be withheld.

ARTICLE 7
Conduct

7.1 General Standard. The Governmental Entities agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Project and the Center in accordance with good real estate development practices.

7.2 Guidance from Commission. The Governmental Entities shall generally be guided by the recommendations of the Commission and such other additional consultants as may be retained collectively by the Governmental Entities.

7.3 Facility Size. The Governmental Entities acknowledge that based upon the pledges made by Lexington and Richland, substantial expenses could be incurred by the City in connection with the payment of Debt Service and Operating Expenses. However, to the extent that the City is inclined to promote a larger Center to service the needs of the Midlands for a greater period of time, neither Lexington nor Richland shall object to such larger facility so long as reasonably market feasibility studies exist to indicate that the Center will accomplish its goal of enhancing tourism and economic development for the benefit of all the Governmental Entities and their constituents.

7.4 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees of Lexington or Richland shall be used directly or indirectly to fund such development and the Debt Service which will be paid in part with the Tourism Development Fees of Lexington and Richland shall be solely Debt Service related to development of the Center as presently contemplated without a hotel component. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees of Lexington or Richland.

ARTICLE 8
Township Auditorium

8.1 Administrative Services. Richland County may transfer authority for operation of the Township Auditorium to the Commission and the Operator in order to insure that an integrated and coordinated focus is provided for the operation and utilization of the Center and the Township Auditorium.

8.2 Funding. No additional charge shall be made for oversight functions provided by the Commission and the Operator, but any day to day activities undertaken by the Operator related to the operation of the Township Auditorium, including direct management, ticket sales, marketing, program development, or other activities, will be charged to the operation of the Township Auditorium at rates not to exceed prevailing rates for similar services otherwise found in the State of South Carolina.

ARTICLE 9
Miscellaneous

9.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

9.2 No Third Party Beneficiaries. Only the Governmental Entities shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

9.3 No Increase. The City agrees that there will be no increase in sewer or water rates for unincorporated areas of Richland County to fund Operating Deficits of the Center.

9.4 Assignment. This Funding Agreement is not assignable by any party.

9.5 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to :

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 9.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 9.5.

9.6 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

9.7 Litigation Costs. In the event of any litigation between the Governmental Entities to construe or enforce the provisions of this Funding Agreement, the prevailing party in such litigation shall be entitled to recover from the non-prevailing party(ies) its reasonable attorney's fees and expenses.

9.8 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

9.9 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

9.10 Amendments. This Funding Agreement may only be amended by a writing executed by all the parties hereto.

9.11 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the _____ day of _____ January, 2001, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize all use of the Tourism Development Fees for the development of a multipurpose conference/convention facility which is described in Exhibit A attached hereto (the "Center") having a present estimated total cost of approximately \$36,000,000.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2
Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

- (i) to organize the [Midlands Regional Convention Center] Authority (the "Authority") ~~as a non-profit corporation~~ (in which the sole members shall be the Governmental Entities) to oversee development of the Center and operate the Center;

- (ii) to commit the initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments to the University as an inducement for the University to construct the Arena adjacent to the Center; and
- (iii) to pledge all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence the authorization of Authority to proceed with develop the Project, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3 The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund funded with up to \$36,000,000 (or such higher amount as described in Section 6.2) in proceeds from the sale of Bonds plus Tourism Development Fees in excess of the Assistance Payments, with all such funds to be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment owing due on the Bonds and working capital to commence operations.

3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center utilizing the Construction Fund to pay for all costs associated therewith, with the construction phase of the development will be governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the TIF, the Authority will lease the sSite for the Center for a term of ninety-nine (99) years for \$1 per year.

3.1.5 Ownership of the Center. The Authority shall have the option to purchase the Site for \$100.00 upon retirement of the Bonds. Upon such purchase, the Center shall be deemed owned by the Authority for the benefit of the Governmental Entities ~~upon the retirement of the Bonds.~~

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of ~~O~~operating ~~C~~osts, but specifies that all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be initially organized as a South Carolina non-profit corporation under the laws of the State of South Carolina in accordance with the Articles of Incorporation attached hereto as Exhibit C, subject to Section 3.12 below.

3.4 Sole Members. The sole Members of the Authority shall be the Governmental Entities. The Members shall each have one vote on all matters requiring the vote of the Members.

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the ~~hospitality~~lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.6 Advisory Directors. The Chief Administrator or Manager of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

3.9 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") to promote an integrated marketing program that not only benefits the Center but that benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

3.10 Management Activities. The Authority shall have the power to enter into a management agreement with Richland County and serve in a management capacity for the Township Auditorium on such terms and conditions as mutually agreed between the Authority and Richland County from time to time. However, so long as the Bonds are outstanding, the Authority shall not be permitted to utilize any funds available to the Authority for the marketing, operation, repair, renovation or other expenses of the Township Auditorium except as specified in Section 9.1 below.

3.11 Annual Report/Annual Meeting. Within ninety (90) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within one hundred twenty (120) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

3.12 Conversion to State-Authorized Authority. As soon as practicable, the Authority with the assistance of the Governmental Entities shall seek adoption of appropriate legislation by the State of South Carolina reorganizing the Authority as a governmental entity with the power to continue its activities as set forth in this Article 3. This legislation shall enable the Authority to receive the protection and benefits otherwise afforded to governmental entities.

ARTICLE 4

Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer \$2,500,000 of its respective Tourism Development Fees to the University to fund the aggregate \$7,500,000 in Assistance Payments.

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments

in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents.

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to pledge and assign all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate.

ARTICLE 5 Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6 Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;

(ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;

(iii) next, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;

(iv) next, Tourism Development Fees which remain shall fund ~~Operating Costs~~ in excess of operating revenues; and

(v) ~~next~~ finally, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future ~~Operating Costs~~ and capital expenditures not funded by the Replacement Reserves; and

(vi) ~~finally, to the extent any.~~

6.2 Surplus. To the extent the Board determines that a surplus exists in funds of the Authority after making allowances for all obligations of the Authority and the needs of the Authority for the future operation, maintenance, repair, replacement and expansion of the Center, the surplus shall be distributed to the three Governmental Entities in proportion to the Tourism Development Fees ~~remain, such funds shall be utilized to reimburse the City for Advances without interest.~~

~~6.2~~ contributed by the three Governmental Entities as of the date of each distribution.

6.3 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

6.34 Issuer of the Bonds. The City shall issue the Bonds solely in its name. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

6.45 Bond Insurance. The City shall be the only Governmental Entity which may incur any liability or obligation for Bond Insurance should the same be required for the issuance of the Bonds.

6.56 Advances Additional Funding. To the extent that additional funds are ever required to make payments with respect to Bonds and/or fund ~~Operating Costs~~, the City acknowledges that neither Lexington nor Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the Center and make required payments. ~~All amounts so advanced by the City shall constitute Advances under the terms of this Funding Agreement.~~

ARTICLE 7
Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8
Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9
Marketing of Township Auditorium

9.1 Marketing Services. The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

ARTICLE 10
Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to:

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

10.6 Litigation Costs. In the event of any litigation related to the construction or enforcement of the provisions of this Funding Agreement, the prevailing party in such litigation shall be entitled to recover from the non-prevailing party(ies) its reasonable attorney's fees and expenses.

10.7 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

10.8 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

10.9 Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

10.10 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

NPCOL1:442152.5-CA-(EGM) 017811-00010

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

"Center" means the multipurpose convention/conference center generally described in Exhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with this Funding Agreement.

"Governmental Entities" means Lexington, Richland, and the City.

"Lexington" means Lexington County, South Carolina.

"Marketing Costs" means the marketing costs shown in the applicable Operating Budget.

"Operating Budget" means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

"Replacement Reserve" means the replacement reserve shown in the applicable Operating Budget.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

NPCOL1:442152.5-CA-(EGM) 017611-00010

EXHIBIT C

Articles of Incorporation

[To be Included]

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the _____ day of _____, 200_, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize all use of the Tourism Development Fees for the development of a multipurpose conference/convention facility which is described in Exhibit A attached hereto (the "Center") having a present estimated total cost of approximately \$36,000,000.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2
Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

- (i) to organize the [Midlands Regional Convention Center] Authority (the "Authority") as a non-profit corporation (in which the sole members shall be the Governmental Entities) to oversee development of the Center and operate the Center;
- (ii) to commit the initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments to the University as an inducement for the University to construct the Arena adjacent to the Center; and

(iii) to pledge all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence the authorization of Authority to proceed with develop^{ment of} the Project, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3 The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund funded with up to \$36,000,000 (or such higher amount as described in Section 6.2) in proceeds from the sale of Bonds plus Tourism Development Fees in excess of the Assistance Payments, with all such funds to be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment owing due on the Bonds and working capital to commence operations.

*substantive
writing* (3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center utilizing the Construction Fund to pay for all costs associated therewith, with the construction phase of the development ~~will be~~ governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the TIF, the Authority will lease the site for the Center for a term of 99 years for \$1 per year. *conflict*

3.1.5 Ownership of the Center. The Center shall be deemed owned by the Authority for the benefit of the Governmental Entities upon the retirement of the Bonds.

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of Operating Costs, but specifies that all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be organized as a South Carolina non-profit corporation under the laws of the State of South Carolina in accordance with the Articles of Incorporation attached hereto as Exhibit C.

3.4 Sole Members. The sole Members of the Authority shall be the Governmental Entities. The Members shall each have one vote on all matters requiring the vote of the Members.

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds *and to any operating deficit (costs)*

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the hospitality industry so there will be at least three Directors of the Authority to provide input on issues related to the hospitality industry. All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually.

3.6 Advisory Directors. The Chief Administrator or Manager of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

3.9 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") to promote an integrated marketing program that not only benefits the Center but that benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

Define

ARTICLE 4
Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer \$2,500,000 of its respective Tourism Development Fees to the University to fund the aggregate \$7,500,000 in Assistance Payments.

the total

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents. *work accountability*

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to pledge and assign all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than 20 years and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate. *(Consider growth in Fees over years)*

ARTICLE 5
Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in

the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6
Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;
- (ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;
- (iii) next, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;
- (iv) next, Tourism Development Fees which remain shall fund Operating Costs;
- (v) next, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future Operating Costs and capital expenditures not funded by the Replacement Reserves; and
- (vi) finally, to the extent any Tourism Development Fees remain, such funds shall be utilized to reimburse the City for Advances without interest.

6.2 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

6.3 Issuer of the Bonds. The City shall issue the Bonds solely in its name. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

6.4 Bond Insurance. The City shall be the only Governmental Entity which may incur any liability or obligation for Bond Insurance should the same be required for the issuance of the Bonds.

6.5 Advances. To the extent that additional funds are ever required to make payments with respect to Bonds and/or fund Operating Costs, the City acknowledges that neither Lexington nor

Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the Center and make required payments. All amounts so advanced by the City shall constitute Advances under the terms of this Funding Agreement.

ARTICLE 7

Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8

Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to ^{of}approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9

Marketing of Township Auditorium

9.1 Marketing Services. The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

ARTICLE 10
Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

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or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

10.6 Litigation Costs. In the event of any litigation related to the construction or enforcement of the provisions of this Funding Agreement, the prevailing party in such litigation shall be entitled to recover from the non-prevailing party(ies) its reasonable attorney's fees and expenses.

10.7 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

10.8 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

10.9 Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

10.10 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

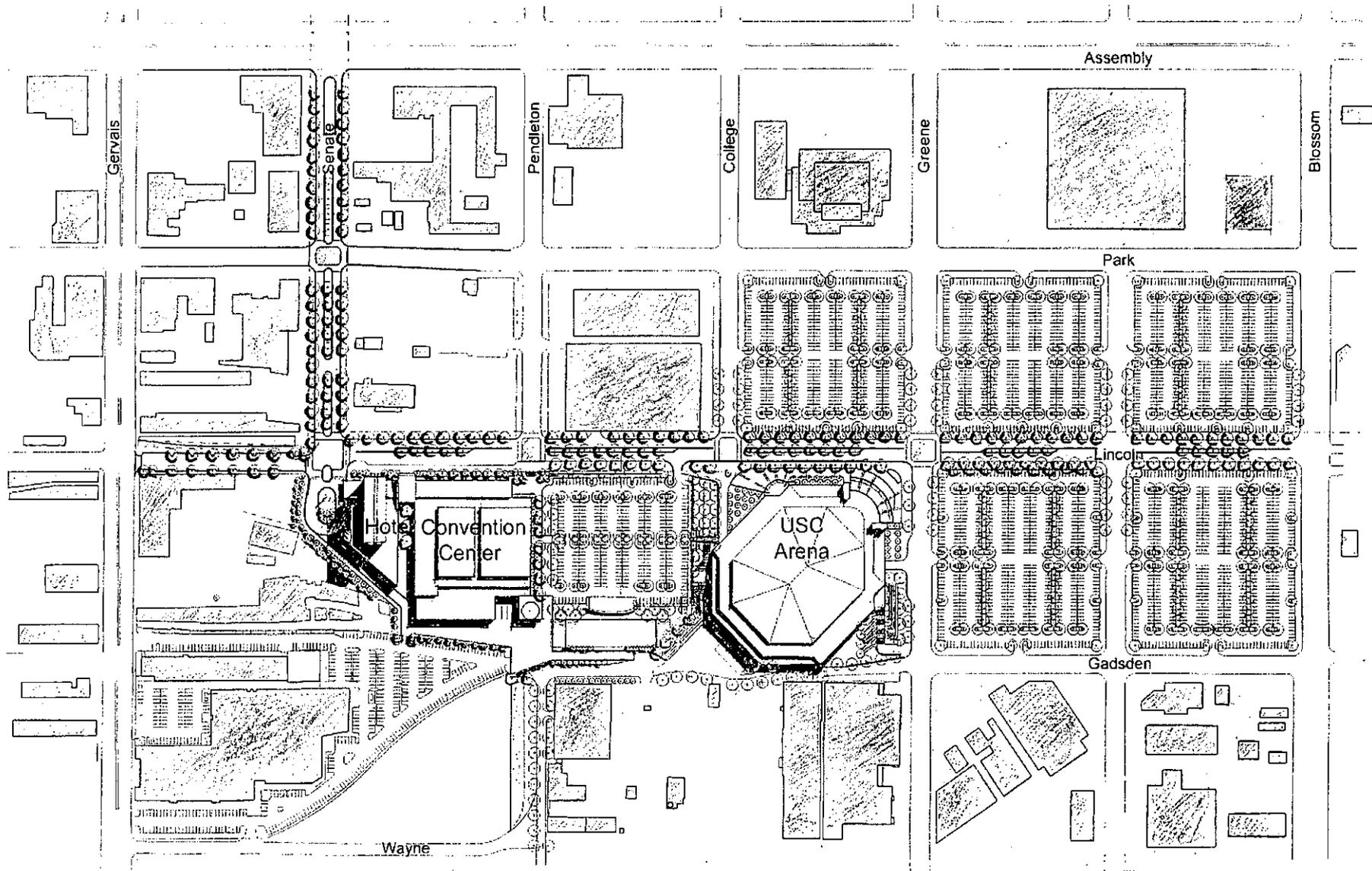
By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center



MIDLANDS REGIONAL CONVENTION CENTER and HOTEL

MASTERPLAN



October 31, 2000

CONVENTION CENTER BUDGET ESTIMATE

ASSUME DESIGN BEGINS NOVEMBER 2000 and CONSTRUCTION BEGINS MARCH 2002

A. BUILDING HARD CONSTRUCTION COST: 130,500 SF @ \$171.50/SF (Year 2000 Dollars)	\$22,400,000
B. SITEWORK ALLOWANCE (Arrival plaza, truck apron, on-site surface parking, etc.)	\$1,600,000
C. ESCALATION (To Midpoint of Construction)(5% of A and B per year to 2002)	\$2,400,000
D. ESTIMATE OF CONSTRUCTION COST (A + B + C)(2002 Dollars)	\$26,400,000
E. CONSTRUCTION CONTINGENCY (5% of D)	\$1,300,000
F. ESTIMATE OF PROJECT SOFT COST (in 2002 Dollars)	
Land Acquisition Cost, Demolition, Remediation	\$0
Public Art Fund	\$0
Furniture, Fixtures, and Equipment Budget and Fee (6% of D)	\$1,600,000
Telecommunications and Computer System Allowance (2% of D)	\$525,000
Smallwares, Banquetwares, and Loose Food Service Equipment (1.5% of D)	\$400,000
Surveys, Testing and Permits (1% of D)	\$250,000
Professional and Special Consultant fees (8.5% of D)	\$2,250,000
Reimbursable Expenses Allowance (1% of D)	\$250,000
Construction Management Fee	\$1,000,000
Owner Project Administration Expenses	\$0
SUB-TOTAL PROJECT SOFT COSTS	\$6,275,000
G. OWNER'S PROJECT CONTINGENCY (7.5% of D)	\$2,000,000
H. TOTAL ESTIMATED PROJECT COSTS (D+E+F+G)(2002 DOLLARS)	\$35,975,000

Note: The project costs shown do not include legal fees, taxes, financing or marketing costs. This estimate does not include cost for street and utility improvements, the hotel project or hotel parking. This Estimate of Probable Construction cost is based only on historical data.

Midlands Regional Convention Center

OWNER'S BUILDING PROGRAM

NET to GROSS RATIO: 58,000 SF Net = 130,500 GSF

Exhibit Hall Typical exhibit space. May not be divisible. Link to Ballroom.	25,000 SF
Ballroom Divisible into several rooms; highest quality space. Seats 1200.	18,000 SF
Meeting Rooms Possibly three permanent rooms and up to ten divisions.	15,000 SF
Public Circulation Lobbies, Registration Area, Prefunction and Circulation space.	25,000 SF
Service / Support Restrooms, Show Manager Offices, Dressing Rooms, Exit Stairs, Truck Dock, Storage, Housekeeping / Maintenance areas, Mechanical and Electrical Rooms, as well as Back-of-House Circulation.	38,000 SF
Food Service Full Banquet Kitchen, Dock, Storage, and Trash Rooms.	7,500 SF
Administration Offices	2,000 SF
Total Square Footage (Enclosed Building Space)	130,500 GSF

Additional Exterior Space Requirements

Truck Service Apron and Truck Ramp
Outdoor Terrace / Prefunction
Drop-off / Arrival Plaza
Surface Parking for 300 Cars

Midlands Regional Convention Center

MIDLANDS REGIONAL CONVENTION CENTER

October 26, 2000

DEFINITIONS

The following definitions have been developed to help clarify the meaning of terms used relative to Program and Budget information for the new center.

1. **LEASABLE SPACE** – Those rooms or spaces in the Center that are leased for conventions, shows, or events, typically including exhibit halls, meeting rooms, and ballroom(s).
2. **SUPPORT SPACE** – In a general sense, all space in the Center that is not typically leased. This includes public circulation areas (lobbies, registration, prefunction, and concourses) and all of the many back-of-house spaces, such as storage, docks, kitchens, offices, toilets, box office, first aid, mechanical, and electrical spaces, etc. *(In a specific sense, support space is a sub-category of space that is not a leasable space or public circulation or pure back-of-house space, but may be accessed by the public – such as, toilets, box office, first aid, etc. This is clearly explained in our Building Program Document)*
3. **SUPPORT SPACE RATIO** – The ratio of square feet for leasable space to support space. A typical ratio for an efficient center is 1 : 1.25 – or for every one square foot of leasable space, 1.25 square feet of support space is needed. Thus, if we desire 58,000 SF of leasable area, we need 72,500 SF of support space.
4. **BUILDING HARD CONSTRUCTION COST** – That portion of a project's cost directly related to the construction of the building itself – for example, it does not include land, sitework, fees, furniture, portable equipment, infrastructure improvements, or contingencies. During the design phases, the dollar value is calculated in today's dollars and then may be escalated to the time of construction (see Escalation to Mid Point of Construction).
5. **SITWORK ALLOWANCE** – Costs associated with on-site improvements around the building, such as plazas, terraces, driveways, truck service yards, surface parking, landscaping, etc.

6. **ESCALATION TO MID POINT OF CONSTRUCTION** – The best prediction of the cost estimator to anticipate the escalating cost of materials and labor from today (when prices and costs are known) to the mid point of construction (when the contractor will complete the “buy out” of the project). Escalation rates are tied to the construction industry and often exceed the rate of economic inflation.
7. **CONSTRUCTION COST PER SQUARE FOOT** – In general, this is the average cost of construction per square foot of enclosed space. This is a useful method of developing a budget prior to the start of design. It is based on many factors including the anticipated level of quality (design, construction systems, technical systems, exterior and interior finishes, etc.) *Caution: There can be many variations to this number depending on what is included in the “construction cost” – just the building or sitework, contingencies, FF&E, escalation, etc. also.*
8. **CONSTRUCTION CONTINGENCY** – An Owner controlled contingency to cover changes in the project during construction. *The changes may be for Owner enhancements, rulings by code official after bid, unforeseeable existing conditions, design clarifications with unavoidable costs, design clarifications with costs that might have been avoided. This contingency is based, in part, on the principle that the drawings and specifications are not perfect. TVS recommends a construction contingency of 5% of the construction cost. This is not the contingency held by the contractor or construction manager.*
9. **PROJECT SOFT COST** – Soft costs are all costs not directly associated with permanent construction (i.e., the building and sitework), but that are essential for the completion of a project. These costs vary from project to project and may include such costs as land, fees, furniture, public art funds, surveys, testing, permits and administrative expenses.
10. **OWNER'S PROJECT CONTINGENCY** – This is a special contingency held by the Owner to help avoid the project being derailed by an unforeseen problem or to allow the Owner to take advantage of a surprise opportunity. It is not a required contingency, but we recommend it be set aside to protect the viability of the project.
11. **CONSTRUCTION MANAGEMENT FEE** – Fees to engage the services of a firm to assist the Owner in managing the construction process, typically used for a large, complex, fast-track project with multiple bid packages.

Government Entities Funding Agmt.
(Convention Center Project File)

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

"Center" means the multipurpose convention/conference center generally described in exhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with this Funding Agreement.

"Governmental Entities" means Lexington, Richland, and the City.

"Lexington" means Lexington County, South Carolina.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

EXHIBIT C

Articles of Incorporation

[To be Included]

06/15/00

MEMORANDUM

TO: Persons on the Attached List

FROM: Edward G. Menzie

RE: Convention Center

DATE: January 9, 2001

At Bill Dukes' request, we enclose for your review a copy of the revised Governmental Funding Agreement, which incorporates suggestions made by each of the Governmental Entities. Also enclosed is a blacklined copy showing the changes made from the prior draft. Copies of the enclosures have already been provided to the administrators and attorneys for all the entities.

Mr. Dukes and I have tried very hard to handle all the issues raised in an appropriate manner and hope that the agreement is now in a form which may be approved by each entity.

/tjs

Mayor Bob Coble
Frannie Heizer
Johnnie Jeffcoat
Bill Banning, Sr.
Bruce Rucker
John Carrigg
Kit Smith
~~Greg Pierce~~

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the ____ day of January, 2001, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize all use of the Tourism Development Fees for the development of a multipurpose conference/convention facility which is described in Exhibit A attached hereto (the "Center") having a present estimated total cost of approximately \$36,000,000.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1

Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2

Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

- (i) to organize the [Midlands Regional Convention Center] Authority (the "Authority") (in which the sole members shall be the Governmental Entities) to oversee development of the Center and operate the Center;
- (ii) to commit the initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments to the University as an inducement for the University to construct the Arena adjacent to the Center; and

- (iii) to pledge all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence the authorization of Authority to proceed with develop the Project, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3 The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund funded with up to \$36,000,000 (or such higher amount as described in Section 6.2) in proceeds from the sale of Bonds plus Tourism Development Fees in excess of the Assistance Payments, with all such funds to be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment owing due on the Bonds and working capital to commence operations.

3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center utilizing the Construction Fund to pay for all costs associated therewith, with the construction phase of the development will be governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the TIF, the Authority will lease the Site for the Center for a term of ninety-nine (99) years for \$1 per year.

3.1.5 Ownership of the Center. The Authority shall have the option to purchase the Site for \$100.00 upon retirement of the Bonds. Upon such purchase, the Center shall be deemed owned by the Authority for the benefit of the Governmental Entities.

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of operating costs, but specifies that all such obligations shall be incurred separately by the

City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be initially organized as a South Carolina non-profit corporation under the laws of the State of South Carolina in accordance with the Articles of Incorporation attached hereto as Exhibit C, subject to Section 3.12 below.

3.4 Sole Members. The sole Members of the Authority shall be the Governmental Entities. The Members shall each have one vote on all matters requiring the vote of the Members.

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.6 Advisory Directors. The Chief Administrator or Manager of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

3.9 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") to promote an integrated marketing program that not only benefits the Center but that

benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

3.10 Management Activities. The Authority shall have the power to enter into a management agreement with Richland County and serve in a management capacity for the Township Auditorium on such terms and conditions as mutually agreed between the Authority and Richland County from time to time. However, so long as the Bonds are outstanding, the Authority shall not be permitted to utilize any funds available to the Authority for the marketing, operation, repair, renovation or other expenses of the Township Auditorium except as specified in Section 9.1 below.

3.11 Annual Report/Annual Meeting. Within ninety (90) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within one hundred twenty (120) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

3.12 Conversion to State-Authorized Authority. As soon as practicable, the Authority with the assistance of the Governmental Entities shall seek adoption of appropriate legislation by the State of South Carolina reorganizing the Authority as a governmental entity with the power to continue its activities as set forth in this Article 3. This legislation shall enable the Authority to receive the protection and benefits otherwise afforded to governmental entities.

ARTICLE 4

Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer \$2,500,000 of its respective Tourism Development Fees to the University to fund the aggregate \$7,500,000 in Assistance Payments.

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to

temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents.

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to pledge and assign all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate.

ARTICLE 5 Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6 Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;
- (ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;

- (iii) next, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;
- (iv) next, Tourism Development Fees which remain shall fund operating costs in excess of operating revenues; and
- (v) finally, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future operating costs and capital expenditures not funded by the Replacement Reserves.

6.2 Surplus. To the extent the Board determines that a surplus exists in funds of the Authority after making allowances for all obligations of the Authority and the needs of the Authority for the future operation, maintenance, repair, replacement and expansion of the Center, the surplus shall be distributed to the three Governmental Entities in proportion to the Tourism Development Fees contributed by the three Governmental Entities as of the date of each distribution.

6.3 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

6.4 Issuer of the Bonds. The City shall issue the Bonds solely in its name. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

6.5 Bond Insurance. The City shall be the only Governmental Entity which may incur any liability or obligation for Bond Insurance should the same be required for the issuance of the Bonds.

6.6 Additional Funding. To the extent that additional funds are ever required to make payments with respect to Bonds and/or fund operating costs, the City acknowledges that neither Lexington nor Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the Center and make required payments.

ARTICLE 7

Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance

the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8 Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9 Marketing of Township Auditorium

9.1 Marketing Services. The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

ARTICLE 10 Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to:

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

10.6 Litigation Costs. In the event of any litigation related to the construction or enforcement of the provisions of this Funding Agreement, the prevailing party in such litigation shall be entitled to recover from the non-prevailing party(ies) its reasonable attorney's fees and expenses.

10.7 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

10.8 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

10.9 Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

10.10 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

"Center" means the multipurpose convention/conference center generally described in Exhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with this Funding Agreement.

"Governmental Entities" means Lexington, Richland, and the City.

"Lexington" means Lexington County, South Carolina.

"Marketing Costs" means the marketing costs shown in the applicable Operating Budget.

"Operating Budget" means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

"Replacement Reserve" means the replacement reserve shown in the applicable Operating Budget.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

EXHIBIT C

Articles of Incorporation

[To be Included]

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this Funding Agreement), made and entered into as of the _____ day of _____ January, 2001, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA (Lexington), RICHLAND COUNTY, SOUTH CAROLINA (Richland) and the CITY OF COLUMBIA, SOUTH CAROLINA (the City) (Lexington, Richland and the City collectively, the Governmental Entities).

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the Tourism Development Fees) equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize all use of the Tourism Development Fees for the development of a multipurpose conference/convention facility which is described in Exhibit A attached hereto (the Center) having a present estimated total cost of approximately \$36,000,000.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2
Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

- (i) to organize the [Midlands Regional Convention Center] Authority (the Authority) ~~as a non-profit corporation~~ (in which the sole members shall be the Governmental Entities) to oversee development of the Center and operate the Center;

- (ii) to commit the initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments to the University as an inducement for the University to construct the Arena adjacent to the Center; and
- (iii) to pledge all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence the authorization of Authority to proceed with develop the Project, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3
The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund funded with up to \$36,000,000 (or such higher amount as described in Section 6.2) in proceeds from the sale of Bonds plus Tourism Development Fees in excess of the Assistance Payments, with all such funds to be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment owing due on the Bonds and working capital to commence operations.

3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center utilizing the Construction Fund to pay for all costs associated therewith, with the construction phase of the development will be governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the TIF, the Authority will lease the sSite for the Center for a term of ninety-nine (99) years for \$1 per year.

3.1.5 Ownership of the Center. The Authority shall have the option to purchase the Site for \$100.00 upon retirement of the Bonds. Upon such purchase, the Center shall be deemed owned by the Authority for the benefit of the Governmental Entities upon the retirement of the Bonds.

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of Operating Costs, but specifies that all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be initially organized as a South Carolina non-profit corporation under the laws of the State of South Carolina in accordance with the Articles of Incorporation attached hereto as Exhibit C, subject to Section 3.12 below.

3.4 Sole Members. The sole Members of the Authority shall be the Governmental Entities. The Members shall each have one vote on all matters requiring the vote of the Members.

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the hospitality/lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.6 Advisory Directors. The Chief Administrator or Manager of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

3.9 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the Bureau) to promote an integrated marketing program that not only benefits the Center but that benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

3.10 Management Activities. The Authority shall have the power to enter into a management agreement with Richland County and serve in a management capacity for the Township Auditorium on such terms and conditions as mutually agreed between the Authority and Richland County from time to time. However, so long as the Bonds are outstanding, the Authority shall not be permitted to utilize any funds available to the Authority for the marketing, operation, repair, renovation or other expenses of the Township Auditorium except as specified in Section 9.1 below.

3.11 Annual Report/Annual Meeting. Within ninety (90) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within one hundred twenty (120) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

3.12 Conversion to State-Authorized Authority. As soon as practicable, the Authority with the assistance of the Governmental Entities shall seek adoption of appropriate legislation by the State of South Carolina reorganizing the Authority as a governmental entity with the power to continue its activities as set forth in this Article 3. This legislation shall enable the Authority to receive the protection and benefits otherwise afforded to governmental entities.

ARTICLE 4

Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer \$2,500,000 of its respective Tourism Development Fees to the University to fund the aggregate \$7,500,000 in Assistance Payments.

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments

in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the Escrow Account) shall be established pursuant to the Project Documents and all Governmental Entities shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents.

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to pledge and assign all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate.

ARTICLE 5 Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6 Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;

- (ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;
- (iii) next, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;
- (iv) next, Tourism Development Fees which remain shall fund Operating Costs in excess of operating revenues; and
- (v) ~~next~~finally, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future Operating Costs and capital expenditures not funded by the Replacement Reserves; and
- (vi) ~~finally~~, to the extent any.

6.2 Surplus. To the extent the Board determines that a surplus exists in funds of the Authority after making allowances for all obligations of the Authority and the needs of the Authority for the future operation, maintenance, repair, replacement and expansion of the Center, the surplus shall be distributed to the three Governmental Entities in proportion to the Tourism Development Fees remain, such funds shall be utilized to reimburse the City for Advances without interest.

~~6.2~~ contributed by the three Governmental Entities as of the date of each distribution.

6.3 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

6.34 Issuer of the Bonds. The City shall issue the Bonds solely in its name. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

6.45 Bond Insurance. The City shall be the only Governmental Entity which may incur any liability or obligation for Bond Insurance should the same be required for the issuance of the Bonds.

6.56 Advances Additional Funding. To the extent that additional funds are ever required to make payments with respect to Bonds and/or fund Operating Costs, the City acknowledges that neither Lexington nor Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the

Center and make required payments. ~~All amounts so advanced by the City shall constitute Advances under the terms of this Funding Agreement.~~

ARTICLE 7

Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8

Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9

Marketing of Township Auditorium

9.1 Marketing Services. The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

ARTICLE 10
Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

—
If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to:-

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

10.6 Litigation Costs. In the event of any litigation related to the construction or enforcement of the provisions of this Funding Agreement, the prevailing party in such litigation shall be entitled to recover from the non-prevailing party(ies) its reasonable attorney s fees and expenses.

10.7 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

10.8 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

10.9 Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

10.10 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject mater hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

Center means the multipurpose convention/conference center generally described in Exhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with this Funding Agreement.

"Governmental Entities" means Lexington, Richland, and the City.

"Lexington" means Lexington County, South Carolina.

Marketing Costs means the marketing costs shown in the applicable Operating Budget.

Operating Budget means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

Project Documents means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

Replacement Reserve means the replacement reserve shown in the applicable Operating Budget.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

EXHIBIT C

Articles of Incorporation

[To be Included]

NEXSEN PRUET JACOBS & POLLARD, LLC
ATTORNEYS AND COUNSELORS AT LAW

CHARLESTON OFFICE
 200 Meeting Street
 Suite 301
 Post Office Box 486
 Charleston, SC 29402
 803-577-9440
 FAX: 803-720-1777

COLUMBIA OFFICE
 1441 Main Street
 Suite 1500
 Post Office Drawer 2426
 Columbia, SC 29202
 803-771-8900
 FAX: 803-253-8277

GREENVILLE OFFICE
 201 West McBee Avenue
 Suite 400
 Post Office Drawer 10648
 Greenville, SC 29603
 864-370-2211
 FAX: 864-282-1177

CHARLOTTE OFFICE
 212 S. Tryon Street
 Suite 1700
 Charlotte, NC 28281
 (704) 339-0904
 TOLL FREE: 800-850-6757
 FAX: (704) 338-5377

SEND TO:	COMPANY	FAX NUMBER
		[119] 359-8101
Art Brooks	County of Lexington	[119] 359-8101
Jeffrey M. Anderson, Esquire	Lexington County Attorney	[119] 359-7478
T. Carey McSwain	Richland Count Administrator	[119] 748-4644
Larry Smith, Esquire	Richland County Attorney	[119] 929-6186 748-4644
Michael A. Bierman	City Manager	[119] 733-8317
James S. Meggs, Esquire	City Attorney	[119] 733-8464
Bill Dukes		[119] 345-8980

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 33

FROM: Edward G. Menzie

DATE: January 23, 2001 TIME: 12:10pm

CLIENT/MATTER NO.: 17611-10

Original Copy Via: U.S. Mail Overnight Hand Delivered Fax Only

IF YOU SHOULD HAVE ANY PROBLEMS RECEIVING THIS
 TELECOPY, PLEASE CONTACT TRUDY J. SHEALY AT (803) 771-8900 (ext. 3010).

MESSAGE:

CONFIDENTIALITY NOTE:

The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified

NPCOL1:250528.1-IS-(B2) 900000-00119

DISCUSSION DRAFT - 1/23/01

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the _____ day of January, 2001, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize all of the Tourism Development Fees for the development of a multipurpose conference/convention facility as generally described in Exhibit A attached hereto (the "Center") having a present estimated total cost of approximately \$36,000,000.

The Governmental Entities also desire to utilize South Carolina Constitution Article VIII, Section 13 and South Carolina Code of Laws (1976), as amended, Section 4-9-41 (collectively the "Enabling Law") by the creation of a joint administrative body known as the Midlands Regional Convention Center Authority (the "Authority") to operate and maintain the Center subject to the limitations set forth herein. The Authority will be organized as permitted under South Carolina law and shall act for the Governmental Entities in carrying out the duties described herein.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2
Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

- (i) to organize the Authority to oversee development of the Center and operate the Center;

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- (ii) to commit the initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments to the University as an inducement for the University to construct the Arena adjacent to the Center; and
- (iii) to pledge irrevocably all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence authorization of the Authority to proceed with development of the Center, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3 The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund funded with up to \$36,000,000 (or such higher amount as described in Section 6.2) in proceeds from the sale of Bonds plus all Tourism Development Fees in excess of the Assistance Payments. All such funds shall be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment due and owing on the Bonds and working capital to commence operations. The City shall have sole responsibility for arranging for the financing of the Center through the issuance of the Bonds.

3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center by the City utilizing the Construction Fund to pay for all costs associated therewith, with the construction phase of the development to be governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the TIF, the Authority will lease the Site for the Center for a term of ninety-nine (99) years for \$1 per year.

3.1.5 Ownership of the Center. The Authority shall have the option to purchase the Site for \$100.00 upon retirement of the Bonds. Upon such purchase, the Center shall be deemed owned by the Authority as a fiduciary for the benefit of the Governmental Entities.

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of operating costs, but specifies that all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be organized as permitted under the laws of the State of South Carolina pursuant to the Enabling Law to undertake all activities related to the development and operation of the Center, as well as discharge other duties referenced herein. The Authority shall be deemed created only to facilitate the joint administration of all matters related directly or indirectly to the Center and the Governmental Entities shall be the actual owners of all assets related to the Center.

3.3.1 To the extent deemed appropriate by the Board of Directors, the Authority may be organized as a South Carolina non-profit corporation or any other form of entity recommended by legal counsel for the Governmental Entities.

3.3.2 All documentation as to the legal status of the Authority shall be included in the Project Documents.

3.4 Governance. Subject to the limitations set forth herein and in the Project Documents, the Authority shall be governed exclusively by its Board of Directors who shall be appointed by the Governmental Entities in the manner hereafter set forth.

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.5.2 Actions. Unless otherwise specified in the Bylaws, action taken at any duly called meeting of the Board by a majority of the directors shall be deemed the action of the Board so long as a quorum is present at the meeting.

3.6 Advisory Directors. The Administrator or Manager (or his or her designee) of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

3.9 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") to promote an integrated marketing program that not only benefits the Center but that benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

3.10 Management Activities. The Authority shall have the power to enter into a management agreement with Richland County and serve in a management capacity for the Township Auditorium on such terms and conditions as mutually agreed between the Authority and Richland County from time to time. However, so long as the Bonds are outstanding, the Authority shall not be permitted to utilize any funds available to the Authority for the marketing, operation, repair, renovation or other expenses of the Township Auditorium except as specified in Section 9.1 below.

3.11 Annual Report/Annual Meeting. Within one hundred eighty (180) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within two hundred ten (210) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

ARTICLE 4
Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner. Irrespective of the foregoing, the Governmental Entities acknowledge that the City has utilized a small portion of its Tourism Development Fees for computer equipment for the Columbia Convention and Visitors Bureau. Such equipment shall be deemed a part of the Center and utilized to assist in tourism development, including activities benefitting the Center.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer \$2,500,000 of its respective Tourism Development Fees to the University to fund the aggregate \$7,500,000 in Assistance Payments.

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents, including payment of the hard and soft costs associated with development of the Center. To the extent the City incurs expenses prior to the Closing which constitute "Project Costs" within the meaning of the Project Documents, the City shall be reimbursed for such expenditures out of the Escrow Account at the Closing.

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to irrevocably pledge and assign all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years from the date of issuance of the Bonds and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate.

ARTICLE 5 Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6 Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, after the Closing, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund and utilized as specified in Section 3.1.1. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;
- (ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;
- (iii) next, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;
- (iv) next, Tourism Development Fees which remain shall fund operating costs in excess of operating revenues; and
- (v) finally, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future operating costs and capital expenditures not funded by the Replacement Reserves.

6.2 Surplus. To the extent the Board determines that a surplus exists in funds of the Authority after making allowances for all obligations of the Authority and the needs of the Authority for the future operation, maintenance, repair, replacement and expansion of the Center, the surplus shall be distributed to the three Governmental Entities in proportion to the Tourism Development Fees contributed by the three Governmental Entities as of the date of each distribution.

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amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

6.4 Issuer of the Bonds. The City shall issue the Bonds solely in its name or an entity created by the City. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

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Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld or delayed. If specific written objections are not received by the Authority as to any Project Documents within thirty (30) days after the same are provided to the Governmental Entities for approval, such approval shall be deemed given by any Governmental Entity who does not otherwise object as specified above. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8

Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

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Marketing of Township Auditorium

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9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

ARTICLE 10
Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to:

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other

communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

10.6 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

10.7 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

10.8 Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

10.9 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

NPCOL1:442152.7-CA-(EGM) 017611-00010

EXHIBIT B**Definitions**

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

"Center" means the multipurpose convention/conference center generally described in Exhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with this Funding Agreement.

"Governmental Entities" means Lexington, Richland, and the City.

"Lexington" means Lexington County, South Carolina.

"Marketing Costs" means the marketing costs shown in the applicable Operating Budget.

"Operating Budget" means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

"Replacement Reserve" means the replacement reserve shown in the applicable Operating Budget.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

NPCOL1:442152.7-CA-(EGM) 017611-00010

EXHIBIT C

Articles of Incorporation

[To be Included]

DISCUSSION DRAFT - 12/6/001/23/01

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the _____ day of _____ January, 2001, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize all use of the Tourism Development Fees for the development of a multipurpose conference/convention facility which is generally described in Exhibit A attached hereto (the "Center") having a present estimated total cost of approximately \$36,000,000.

The Governmental Entities also desire to utilize South Carolina Constitution Article VIII, Section 13 and South Carolina Code of Laws (1976), as amended, Section 4-9-41 (collectively the "Enabling Law") by the creation of a joint administrative body known as the Midlands Regional Convention Center Authority (the "Authority") to operate and maintain the Center subject to the limitations set forth herein. The Authority will be organized as permitted under South Carolina law and shall act for the Governmental Entities in carrying out the duties described herein.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1 Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2 Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

NPCOL1:442152.5-CA-(EGM) 017611-00010

- (i) to organize the ~~[Midlands Regional Convention Center]~~ Authority (the "Authority") ~~as a non-profit corporation (in which the sole members shall be the Governmental Entities)~~ to oversee development of the Center and operate the Center;
- (ii) to commit the initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments to the University as an inducement for the University to construct the Arena adjacent to the Center; and
- (iii) to pledge irrevocably all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence ~~the~~ authorization of ~~the~~ Authority to proceed with development of the Project Center, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3 The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund funded with up to \$36,000,000 (or such higher amount as described in Section 6.2) in proceeds from the sale of Bonds plus all Tourism Development Fees in excess of the Assistance Payments, ~~with a~~. All such funds to shall be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment due and owing due on the Bonds and working capital to commence operations. The City shall have sole responsibility for arranging for the financing of the Center through the issuance of the Bonds.

3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center by the City utilizing the Construction Fund to pay for all costs associated therewith, with the construction phase of the development ~~will to~~ be governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the TIF, the Authority will lease the ~~s~~Site for the Center for a term of ninety-nine (99) years for \$1 per year.

3.1.5 Ownership of the Center. The Authority shall have the option to purchase the Site for \$100.00 upon retirement of the Bonds. Upon such purchase, the Center shall be deemed owned by the Authority as a fiduciary for the benefit of the Governmental Entities upon the retirement of the Bonds.

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of Operating Costs, but specifies that all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be organized as a ~~South Carolina non-profit corporation permitted~~ under the laws of the State of South Carolina in accordance with the Articles of Incorporation attached hereto as Exhibit C.

3.4 Sole Members. ~~The sole Members pursuant to the Enabling Law to undertake all activities related to the development and operation of the Center, as well as discharge other duties referenced herein. The Authority shall be deemed created only to facilitate the joint administration of all matters related directly or indirectly to the Center and the Governmental Entities shall be the actual owners of all assets related to the Center.~~

3.3.1 To the extent deemed appropriate by the Board of Directors, the Authority may be organized as a South Carolina non-profit corporation or any other form of entity recommended by legal counsel for the Governmental Entities.

3.3.2 All documentation as to the legal status of the Authority shall be included in the Project Documents.

3.4 Governance. ~~Subject to the limitations set forth herein and in the Project Documents, the Authority shall be governed exclusively by its Board of Directors who shall be appointed by the Governmental Entities. The Members shall each have one vote on all matters requiring the vote of the Members in the manner hereafter set forth.~~

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the hospitality/lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.5.2 Actions. Unless otherwise specified in the Bylaws, action taken at any duly called meeting of the Board by a majority of the directors shall be deemed the action of the Board so long as a quorum is present at the meeting.

3.6 Advisory Directors. The Chief Administrator or Manager (or his or her designee) of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director, entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

3.9 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") to promote an integrated marketing program that not only benefits the Center but that benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

3.10 Management Activities. The Authority shall have the power to enter into a management agreement with Richland County and serve in a management capacity for the Township Auditorium on such terms and conditions as mutually agreed between the Authority and Richland County from time to time. However, so long as the Bonds are outstanding, the Authority shall not be permitted to utilize any funds available to the Authority for the marketing, operation, repair, renovation or other expenses of the Township Auditorium except as specified in Section 9.1 below.

3.11 Annual Report/Annual Meeting. Within one hundred eighty (180) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within two hundred ten (210) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

ARTICLE 4

Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner. Irrespective of the foregoing, the Governmental Entities acknowledge that the City has utilized a small portion of its Tourism Development Fees for computer equipment for the Columbia Convention and Visitors Bureau. Such equipment shall be deemed a part of the Center and utilized to assist in tourism development, including activities benefitting the Center.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer \$2,500,000 of its respective Tourism Development Fees to the University to fund the aggregate \$7,500,000 in Assistance Payments.

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities

shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents, including payment of the hard and soft costs associated with development of the Center. To the extent the City incurs expenses prior to the Closing which constitute "Project Costs" within the meaning of the Project Documents, the City shall be reimbursed for such expenditures out of the Escrow Account at the Closing.

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to irrevocably pledge and assign all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years from the date of issuance of the Bonds and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate.

ARTICLE 5 Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6 Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, after the Closing, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund and utilized as specified in Section 3.1.1. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;
- (ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;

(iii) ~~next~~, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;

(iv) ~~next~~, Tourism Development Fees which remain shall fund Operating Costs in excess of operating revenues; and

(v) ~~next~~finally, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future Operating Costs and capital expenditures not funded by the Replacement Reserves; ~~and~~

~~(vi) finally, to the extent any.~~

6.2 Surplus. To the extent the Board determines that a surplus exists in funds of the Authority after making allowances for all obligations of the Authority and the needs of the Authority for the future operation, maintenance, repair, replacement and expansion of the Center, the surplus shall be distributed to the three Governmental Entities in proportion to the Tourism Development Fees remain, such funds shall be utilized to reimburse the City for Advances without interest.

6.2 contributed by the three Governmental Entities as of the date of each distribution.

6.3 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

6.34 Issuer of the Bonds. The City shall issue the Bonds solely in its name or an entity created by the City. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

6.45 Bond Insurance. The City shall be the only Governmental Entity which may incur any liability or obligation for Bond Insurance should the same be required for the issuance of the Bonds.

6.56 Advances/Additional Funding. To the extent that additional funds are ever required to make payments with respect to Bonds and/or fund Operating Costs, the City acknowledges that neither Lexington nor Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the Center and make required payments. All amounts so advanced by the City shall constitute Advances under the terms of this Funding Agreement.

ARTICLE 7

Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld or delayed. If specific written objections are not received by the Authority as to any Project Documents within thirty (30) days after the same are provided to the Governmental Entities for approval, such approval shall be deemed given by any Governmental Entity who does not otherwise object as specified above. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8 Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9 Marketing of Township Auditorium

9.1 Marketing Services: The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

ARTICLE 10
Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to:

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision of the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

~~10.6~~ Litigation Costs. In the event of any litigation related to the construction or enforcement of the provisions of this Funding Agreement, the prevailing party in such litigation shall be entitled to recover from the non-prevailing party(ies) its reasonable attorney's fees and expenses.

~~10.76~~ Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

~~10.87~~ Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

~~10.98~~ Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

~~10.109~~ Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

NPCOL:442152.5-CA-(EGM) 017811-00010

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

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"Marketing Costs" means the marketing costs shown in the applicable Operating Budget.

"Operating Budget" means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

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"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

EXHIBIT C

Articles of Incorporation

[To be Included]

**THIS IS A BLACKLINE
OF THE FINAL VERSION
JANUARY 25, 2001**

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the _____ day of _____ January, 2001, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (—Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize ~~all use of~~ the Tourism Development Fees for the development of a multipurpose conference/convention facility which is generally described in Exhibit A attached hereto (the "Center") having a present estimated total cost of approximately \$36,000,000.

The Governmental Entities also desire to utilize South Carolina Constitution Article VIII, Section 13 and South Carolina Code of Laws (1976), as amended, Section 4-9-41 (collectively the "Enabling Law") by the creation of a joint administrative body known as the Midlands Regional Convention Center Authority (the "Authority") to operate and maintain the Center subject to the limitations set forth herein. The Authority will be organized as permitted under South Carolina law and shall act for the Governmental Entities in carrying out the duties described herein.

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NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2
Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

- (i) to organize the [~~Midlands Regional Convention Center~~] Authority (the "Authority") as a non-profit corporation (in which the sole members shall be the Governmental Entities) to oversee development of the Center and operate the Center;
- (ii) to commit the ^{SPECIFY AMOUNT} initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments to the University as an inducement for the University to construct the Arena adjacent to the Center; and
- (iii) to pledge irrevocably all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence the authorization of the Authority to proceed with development of the Project Center, subject to the limitations set forth herein and to be set forth in the Project Documents.

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3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

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6.2
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3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the ~~MP~~ the Authority will lease the sSite for the Center for a term of ninety-nine (99) years for \$1 per year.

~~3.1.5 Ownership of the Center. The Authority shall have the option to purchase the Site for \$100,000 upon retirement of the Bonds. Upon such purchase, the Center shall be deemed owned by the Authority as a fiduciary for the benefit of the Governmental Entities upon the retirement of the Bonds.~~

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

*to the
owner
of
trustee*

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of Operating Costs, but specifies that all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be organized as a ~~South Carolina non-profit corporation permitted~~ under the laws of the State of South Carolina in accordance with the Articles of Incorporation attached hereto as Exhibit C.

~~3.4 Sole Members.~~ The sole Members pursuant to the Enabling Law to undertake all activities related to the development and operation of the Center, as well as discharge other duties referenced herein. The Authority shall be deemed created only to facilitate the joint administration of all matters related directly or indirectly to the Center and the Governmental Entities shall be the actual owners of all assets related to the Center.

3.3.1 To the extent deemed appropriate by the Board of Directors, the Authority may be organized as a South Carolina non-profit corporation or any other form of entity recommended by legal counsel for the Governmental Entities.

3.3.2 All documentation as to the legal status of the Authority shall be included in the Project Documents.

3.4 Governance. Subject to the limitations set forth herein and in the Project Documents, the Authority shall be governed exclusively by its Board of Directors who shall be appointed by the Governmental Entities. The Members shall each have one vote on all matters requiring the vote of the Members in the manner hereafter set forth.

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the hospitality lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.5.2 Actions. Unless otherwise specified in the Bylaws, action taken at any duly called meeting of the Board by a majority of the directors shall be deemed the action of the Board so long as a quorum is present at the meeting.

*including
each
session*
3.6 Advisory Directors. The Chief Administrator or Manager (or his or her designee) of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

3.9 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") to promote an integrated marketing program that not only benefits the Center but that benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

3.10 Management Activities. The Authority shall have the power to enter into a management agreement with Richland County and serve in a management capacity for the Township Auditorium on such terms and conditions as mutually agreed between the Authority and Richland County from time to time. However, so long as the Bonds are outstanding, the Authority shall not be permitted to utilize any funds available to the Authority for the marketing, operation, repair, renovation or other expenses of the Township Auditorium except as specified in Section 9.1 below.

3.11 Annual Report/Annual Meeting. Within one hundred eighty (180) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within two hundred ten (210) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

ARTICLE 4

Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner. Irrespective of the foregoing, the Governmental Entities acknowledge that the City has utilized a small portion of its Tourism Development Fees for computer equipment for the Columbia Convention and Visitors Bureau. Such equipment shall be deemed a part of the Center and utilized to assist in tourism development, including activities benefitting the Center.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer \$2,500,000 of its respective Tourism Development Fees to the University to fund the aggregate \$7,500,000 in Assistance Payments.

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities

2000M.TX funds

shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents, including payment of the hard and soft costs associated with development of the Center. To the extent the City incurs expenses prior to the Closing which constitute "Project Costs" within the meaning of the Project Documents, the City shall be reimbursed for such expenditures out of the Escrow Account at the Closing.

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to irrevocably pledge and assign ^{as necessary} all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years from the date of issuance of the Bonds and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate.

ARTICLE 5
Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6
Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, after the Closing, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund and utilized as specified in Section 3.1.1. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- ✓ (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;
- ✓ (ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;

(iii) next, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;

(iv) next, Tourism Development Fees which remain shall fund ~~Operating Costs~~ in excess of operating revenues; and

(v) ~~next~~ finally, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future ~~Operating Costs~~ and capital expenditures not funded by the Replacement Reserves; ~~and~~

~~(vi) finally, to the extent any.~~

6.2 Surplus. ~~To the extent the Board determines that a surplus exists in funds of the Authority after making allowances for all obligations of the Authority and the needs of the Authority for the future operation, maintenance, repair, replacement and expansion of the Center, the surplus shall be distributed to the three Governmental Entities in proportion to the Tourism Development Fees remain, such funds shall be utilized to reimburse the City for Advances without interest.~~

~~6.2 contributed by the three Governmental Entities as of the date of each distribution.~~

6.3 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

6.34 Issuer of the Bonds. The City shall issue the Bonds solely in its name or an entity created by the City. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

6.45 Bond Insurance. The City shall be the only Governmental Entity which may incur any liability or obligation for Bond Insurance should the same be required for the issuance of the Bonds.

6.56 Advances Additional Funding. To the extent that additional funds are ever required to make payments with respect to Bonds and/or fund ~~Operating Costs~~, the City acknowledges that neither Lexington nor Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the Center and make required payments. ~~All amounts so advanced by the City shall constitute Advances under the terms of this Funding Agreement.~~

ARTICLE 7

Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld or delayed. If specific written objections are not received by the Authority as to any Project Documents within thirty (30) days after the same are provided to the Governmental Entities for approval, such approval shall be deemed given by any Governmental Entity who does not otherwise object as specified above. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8 Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9 Marketing of Township Auditorium

9.1 Marketing Services. The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.



ARTICLE 10
Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

—
If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to:-

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

~~10.6~~ Litigation Costs. In the event of any litigation related to the construction or enforcement of the provisions of this Funding Agreement, the prevailing party in such litigation shall be entitled to recover from the non-prevailing party(ies) its reasonable attorney's fees and expenses.

~~10.76~~ Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

~~10.87~~ Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

~~10.98~~ Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

~~10.109~~ Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

"Center" means the multipurpose convention/conference center generally described in eExhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with this Funding Agreement.

"Governmental Entities" means Lexington, Richland, and the City.

"Lexington" means Lexington County, South Carolina.

"Marketing Costs" means the marketing costs shown in the applicable Operating Budget.

"Operating Budget" means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

"Replacement Reserve" means the replacement reserve shown in the applicable Operating Budget.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

EXHIBIT C

Articles of Incorporation

[To be Included]

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the _____ day of January, 2001, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize all of the Tourism Development Fees for the development of a multipurpose conference/convention facility as generally described in Exhibit A attached hereto (the "Center") having a present estimated total cost of approximately \$36,000,000.

The Governmental Entities also desire to utilize South Carolina Constitution Article VIII, Section 13 and South Carolina Code of Laws (1976), as amended, Section 4-9-41 (collectively the "Enabling Law") by the creation of a joint administrative body known as the Midlands Regional Convention Center Authority (the "Authority") to operate and maintain the Center subject to the limitations set forth herein. The Authority will be organized as permitted under South Carolina law and shall act for the Governmental Entities in carrying out the duties described herein.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1

Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2

Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

- (i) to organize the Authority to oversee development of the Center and operate the Center;

- (ii) to commit the initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments (as described in Section 4.2 hereof) to the University as an inducement for the University to construct the Arena adjacent to the Center; and
- (iii) to pledge irrevocably all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence authorization of the Authority to proceed with development of the Center, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3 The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund funded with up to \$36,000,000 (or such higher amount as described in Section 6.2) in proceeds from the sale of Bonds plus all Tourism Development Fees in excess of the Assistance Payments. All such funds shall be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment due and owing on the Bonds and working capital to commence operations. The City shall have sole responsibility for arranging for the financing of the Center through the issuance of the Bonds.

3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center by the City utilizing the Construction Fund to pay for all costs associated therewith, with the construction phase of the development to be governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the TIF, the Authority will lease the Site for the Center for a term of ninety-nine (99) years for \$1 per year.

3.1.5 Ownership of the Center. The Authority shall have the option to purchase the Site for \$100.00 upon retirement of the Bonds. Upon such purchase, the Center shall be deemed owned by the Authority as a fiduciary for the benefit of the Governmental Entities.

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of operating costs, but specifies that all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be organized as permitted under the laws of the State of South Carolina pursuant to the Enabling Law to undertake all activities related to the development and operation of the Center, as well as discharge other duties referenced herein. The Authority shall be deemed created only to facilitate the joint administration of all matters related directly or indirectly to the Center and the Governmental Entities shall be the actual owners of all assets related to the Center.

3.3.1 To the extent deemed appropriate by the Board of Directors, the Authority may be organized as a South Carolina non-profit corporation or any other form of entity recommended by legal counsel for the Governmental Entities.

3.3.2 All documentation as to the legal status of the Authority shall be included in the Project Documents.

3.4 Governance. Subject to the limitations set forth herein and in the Project Documents, the Authority shall be governed exclusively by its Board of Directors who shall be appointed by the Governmental Entities in the manner hereafter set forth.

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.5.2 Actions. Unless otherwise specified in the Bylaws, action taken at any duly called meeting of the Board by a majority of the directors shall be deemed the action of the Board so long as a quorum is present at the meeting.

3.6 Advisory Directors. The Administrator or Manager (or his or her designee) of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

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3.11 Annual Report/Annual Meeting. Within one hundred eighty (180) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within two hundred ten (210) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

ARTICLE 4
Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner. Irrespective of the foregoing, the Governmental Entities acknowledge that the City has utilized a small portion of its Tourism Development Fees for computer equipment for the Columbia Convention and Visitors Bureau. Such equipment shall be deemed a part of the Center and utilized to assist in tourism development, including activities benefitting the Center.

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4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents, including payment of the hard and soft costs associated with development of the Center. To the extent the City incurs expenses prior to the Closing which constitute "Project Costs" within the meaning of the Project Documents, the City shall be reimbursed for such expenditures out of the Escrow Account at the Closing.

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to irrevocably pledge and assign all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years from the date of issuance of the Bonds and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate.

4.6 Intergovernmental Agreement Regarding Tourism Development Fees. Upon or prior to the issuance of the Bonds, the Governmental Entities shall enter into an Intergovernmental Agreement in substantially the form attached hereto as Exhibit . Such Intergovernmental Agreement shall constitute the full and complete authority of the Governmental Entities to transfer all of the Tourism Development Fees to the Escrow Agent as set forth therein. The Intergovernmental Agreement shall be in substantially the form attached hereto with such changes therein as shall be approved by the Chair of the Lexington County Council or the Chair of the Richland County Council or the Mayor of the City, such Chairs' and Mayor's execution thereof to constitute conclusive evidence of the approval of any and all changes or revisions therein from the form of Intergovernmental Agreement attached hereto as Exhibit .

ARTICLE 5 Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6 Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, after the Closing, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund and utilized as specified in Section 3.1.1. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;
- (ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;
- (iii) next, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;
- (iv) next, Tourism Development Fees which remain shall fund operating costs in excess of operating revenues; and

(v) finally, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future operating costs and capital expenditures not funded by the Replacement Reserves.

6.2 Surplus. To the extent the Board determines that a surplus exists in funds of the Authority after making allowances for all obligations of the Authority and the needs of the Authority for the future operation, maintenance, repair, replacement and expansion of the Center, the surplus shall be distributed to the three Governmental Entities in proportion to the Tourism Development Fees contributed by the three Governmental Entities as of the date of each distribution.

6.3 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

6.4 Issuer of the Bonds. The City shall issue the Bonds solely in its name or an entity created by the City. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

6.5 Bond Insurance. The City shall be the only Governmental Entity which may incur any liability or obligation for Bond Insurance should the same be required for the issuance of the Bonds.

6.6 Additional Funding. To the extent that additional funds are ever required to make payments with respect to Bonds and/or fund operating costs, the City acknowledges that neither Lexington nor Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the Center and make required payments.

ARTICLE 7

Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld or delayed. If specific written objections are not received by the Authority as to any Project Documents within thirty (30) days after the same are provided to the Governmental Entities for approval, such approval shall be deemed given by any Governmental Entity who does not otherwise object as specified above. Thereafter,

the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8
Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9
Marketing of Township Auditorium

9.1 Marketing Services. The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

ARTICLE 10
Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to:

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

10.6 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

10.7 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

10.8 Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

10.9 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

"Center" means the multipurpose convention/conference center generally described in Exhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with this Funding Agreement.

"Governmental Entities" means Lexington, Richland, and the City.

"Lexington" means Lexington County, South Carolina.

"Marketing Costs" means the marketing costs shown in the applicable Operating Budget.

"Operating Budget" means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

"Replacement Reserve" means the replacement reserve shown in the applicable Operating Budget.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

EXHIBIT C

Articles of Incorporation

[To be Included]

**THIS IS THE
FINAL VERSIO**

Mr. McSwain:
This came in
today's mail
from Nesser Ruet
Jacobs & Pollard
Law Firm.
Jm

JANUARY 25, 2001

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"), made and entered into as of the _____ day of January, 2001, by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate at this time to enter into an agreement to utilize all of the Tourism Development Fees for the development of a multipurpose conference/convention facility as generally described in Exhibit A attached hereto (the "Center") having a present estimated total cost of approximately \$36,000,000.

The Governmental Entities also desire to utilize South Carolina Constitution Article VIII, Section 13 and South Carolina Code of Laws (1976), as amended, Section 4-9-41 (collectively the "Enabling Law") by the creation of a joint administrative body known as the Midlands Regional Convention Center Authority (the "Authority") to operate and maintain the Center subject to the limitations set forth herein. The Authority will be organized as permitted under South Carolina law and shall act for the Governmental Entities in carrying out the duties described herein.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2
Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are:

- (i) to organize the Authority to oversee development of the Center and operate the Center;

- (ii) to commit the initial Tourism Development Fees collected by the Governmental Entities to make the Assistance Payments to the University as an inducement for the University to construct the Arena adjacent to the Center; and
- (iii) to pledge irrevocably all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center until the Bonds are paid in full.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence authorization of the Authority to proceed with development of the Center, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3 The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund funded with up to \$36,000,000 (or such higher amount as described in Section 6.2) in proceeds from the sale of Bonds plus all Tourism Development Fees in excess of the Assistance Payments. All such funds shall be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment due and owing on the Bonds and working capital to commence operations. The City shall have sole responsibility for arranging for the financing of the Center through the issuance of the Bonds.

3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center by the City utilizing the Construction Fund to pay for all costs associated therewith, with the construction phase of the development to be governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities.

3.1.4 Lease of Site. Subject to the terms of the Bonds and the TIF, the Authority will lease the Site for the Center for a term of ninety-nine (99) years for \$1 per year.

3.1.5 Ownership of the Center. The Authority shall have the option to purchase the Site for \$100.00 upon retirement of the Bonds. Upon such purchase, the Center shall be deemed owned by the Authority as a fiduciary for the benefit of the Governmental Entities.

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees as collected by each Governmental Entity.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of operating costs, but specifies that all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees.

3.3 Organization. The Authority shall be organized as permitted under the laws of the State of South Carolina pursuant to the Enabling Law to undertake all activities related to the development and operation of the Center, as well as discharge other duties referenced herein. The Authority shall be deemed created only to facilitate the joint administration of all matters related directly or indirectly to the Center and the Governmental Entities shall be the actual owners of all assets related to the Center.

3.3.1 To the extent deemed appropriate by the Board of Directors, the Authority may be organized as a South Carolina non-profit corporation or any other form of entity recommended by legal counsel for the Governmental Entities.

3.3.2 All documentation as to the legal status of the Authority shall be included in the Project Documents.

3.4 Governance. Subject to the limitations set forth herein and in the Project Documents, the Authority shall be governed exclusively by its Board of Directors who shall be appointed by the Governmental Entities in the manner hereafter set forth.

3.5 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors from time to time, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.5.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.5.2 Actions. Unless otherwise specified in the Bylaws, action taken at any duly called meeting of the Board by a majority of the directors shall be deemed the action of the Board so long as a quorum is present at the meeting.

3.6 Advisory Directors. The Administrator or Manager (or his or her designee) of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors if and to the extent requested by their respective Governmental Entity.

3.7 Bylaws. The Board of Directors shall develop Bylaws to govern the operation of the Authority and its affairs.

3.8 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing an operation of the Center.

3.9 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") to promote an integrated marketing program that not only benefits the Center but that benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

3.10 Management Activities. The Authority shall have the power to enter into a management agreement with Richland County and serve in a management capacity for the Township Auditorium on such terms and conditions as mutually agreed between the Authority and Richland County from time to time. However, so long as the Bonds are outstanding, the Authority shall not be permitted to utilize any funds available to the Authority for the marketing, operation, repair, renovation or other expenses of the Township Auditorium except as specified in Section 9.1 below.

3.11 Annual Report/Annual Meeting. Within one hundred eighty (180) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within two hundred ten (210) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

ARTICLE 4
Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the date of this Funding Agreement, each of the Governmental Entities has on hand Tourism Development Fees in excess of \$2,500,000. Until the Closing, each of the Governmental Entities shall continue to collect and reserve Tourism Development Fees in the same manner. Irrespective of the foregoing, the Governmental Entities acknowledge that the City has utilized a small portion of its Tourism Development Fees for computer equipment for the Columbia Convention and Visitors Bureau. Such equipment shall be deemed a part of the Center and utilized to assist in tourism development, including activities benefitting the Center.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer \$2,500,000 of its respective Tourism Development Fees to the University to fund the aggregate \$7,500,000 in Assistance Payments.

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. In conjunction with the Closing, a separate escrow account (the "Escrow Account") shall be established pursuant to the Project Documents and all Governmental Entities shall deposit into this Escrow Account all of the Tourism Development Fees collected and reserved in accordance with Section 4.1 above, excluding Assistance Payments made in accordance with Section 4.2 above. Upon receipt, all funds in the Escrow Account shall be applied in accordance with the Project Documents, including payment of the hard and soft costs associated with development of the Center. To the extent the City incurs expenses prior to the Closing which constitute "Project Costs" within the meaning of the Project Documents, the City shall be reimbursed for such expenditures out of the Escrow Account at the Closing.

4.4 Pledge of Future Tourism Development Fees. In conjunction with the Closing, each of the Governmental Entities shall execute such documents and instruments as may be reasonably required to irrevocably pledge and assign all future collections of Tourism Development Fees to the trustee of the Bonds to assure the availability of such funds for payment of the Bonds.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years from the date of issuance of the Bonds and upon payment in full, the obligations of Lexington and Richland to apply their respective Tourism Development Fees to the Center shall terminate.

ARTICLE 5
Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland shall have no financial obligations whatsoever for the Center except to the extent of Tourism Development Fees collected in their respective jurisdictions.

ARTICLE 6
Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, after the Closing, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund and utilized as specified in Section 3.1.1. Once the Center opens, Tourism Development Fees shall generally be applied as follows:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;
- (ii) next, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;
- (iii) next, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded;
- (iv) next, Tourism Development Fees which remain shall fund operating costs in excess of operating revenues; and
- (v) finally, Tourism Development Fees shall be deposited in reserve accounts reasonably established by the Authority for future operating costs and capital expenditures not funded by the Replacement Reserves.

6.2 Surplus. To the extent the Board determines that a surplus exists in funds of the Authority after making allowances for all obligations of the Authority and the needs of the Authority for the future operation, maintenance, repair, replacement and expansion of the Center, the surplus shall be distributed to the three Governmental Entities in proportion to the Tourism Development Fees contributed by the three Governmental Entities as of the date of each distribution.

6.3 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be

amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained.

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Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld or delayed. If specific written objections are not received by the Authority as to any Project Documents within thirty (30) days after the same are provided to the Governmental Entities for approval, such approval shall be deemed given by any Governmental Entity who does not otherwise object as specified above. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents.

ARTICLE 8

Conduct

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9
Marketing of Township Auditorium

9.1 Marketing Services. The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

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Miscellaneous

10.1 Compliance with Laws. All Parties shall undertake all activities required under the terms of this Funding Agreement in compliance with all applicable governmental requirements.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

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10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

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or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other

communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

10.6 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

10.7 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

10.8 Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

10.9 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

"Center" means the multipurpose convention/conference center generally described in Exhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with this Funding Agreement.

"Governmental Entities" means Lexington, Richland, and the City.

"Lexington" means Lexington County, South Carolina.

"Marketing Costs" means the marketing costs shown in the applicable Operating Budget.

"Operating Budget" means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

"Replacement Reserve" means the replacement reserve shown in the applicable Operating Budget.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"TIF Financing" means the tax increment financing anticipated to be made available for the financing of the acquisition of the Site.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

EXHIBIT C

Articles of Incorporation

[To be Included]

GOVERNMENTAL ENTITIES FUNDING AGREEMENT

THIS GOVERNMENTAL ENTITIES FUNDING AGREEMENT (this "Funding Agreement"); made and entered into as of the Effective Date by, between and among LEXINGTON COUNTY, SOUTH CAROLINA ("Lexington"), RICHLAND COUNTY, SOUTH CAROLINA ("Richland") and the CITY OF COLUMBIA, SOUTH CAROLINA (the "City") (Lexington, Richland and the City collectively, the "Governmental Entities").

BACKGROUND

The Governmental Entities have adopted ordinances related to the collection of tourism development fees (the "Tourism Development Fees") equal to three percent (3%) of all lodging charges collected within their respective jurisdictions. The Governmental Entities deem it appropriate to enter into an agreement to utilize ~~the~~ the Tourism Development Fees for the development of a multipurpose conference/convention facility as generally described in Exhibit A attached hereto (the "Center"), having a present estimated total cost of approximately \$36,000,000.

NOW, THEREFORE, in consideration of the mutual covenants hereafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Governmental Entities, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
Definitions

1.1 Definitions. All capitalized terms, unless otherwise defined herein, shall have the respective meanings set forth in Exhibit B attached hereto.

ARTICLE 2
Purposes

2.1 Primary Purposes. The primary purposes of this Funding Agreement are to:

- (i) organize a nonprofit corporation to be known as the Midlands Regional Convention Center Authority (the "Authority") to oversee development of the Center and operate the Center under a long term management arrangement for the benefit of the Governmental Entities;
- (ii) reserve \$7,500,000 in initial Tourism Development Fees already collected by the Governmental Entities to make the Assistance Payments (as described in Section 4.2 hereof) to the University, which Assistance Payments shall serve as an inducement for the University to construct the Arena adjacent to the Center; and

- (iii) to the fullest extent permitted by law, irrevocably pledge all remaining Tourism Development Fees collected by the Governmental Entities for use in development and operation of the Center for a period of twenty (20) years from the date of issuance of the Bonds.

2.2 Proceeding with the Project. This Funding Agreement shall also evidence authorization of the City and the Authority to proceed with development of the Center as hereafter described, subject to the limitations set forth herein and to be set forth in the Project Documents.

ARTICLE 3 The Authority

3.1 Responsibility. The Authority shall be responsible for developing an overall development plan for the Center, including site location, facilities, design, budgets, financing, construction, management, operation, marketing, debt service, reserves, and capital improvements.

3.1.1 Construction Fund. The Authority shall work directly with the City to devise a financing plan for the Center which will create a Construction Fund at the Closing funded with up to \$36,000,000 (or such higher amount as described in Section 6.3) in proceeds from the sale of Bonds plus all Tourism Development Fees (including all interest and other income earned thereon) collected by the Governmental Entities in excess of the Assistance Payments and Interim Expenses. All such funds shall be utilized for the development, construction, fixtures, furnishings and equipment, pre-opening expenses of the Center, any payment due and owing on the Bonds and working capital to commence operations. The City shall have sole responsibility for arranging for the financing of the Center through the issuance of the Bonds.

3.1.2 Construction. The Authority will cooperate with the City to establish specified procedures for construction of the Center by the City utilizing the Construction Fund to pay for all costs associated therewith. The construction phase of the development shall be governed by a separate agreement regarding the same entered into between the Authority and the City.

3.1.3 Operations. Once the Center is open, the Authority will be responsible to market, operate, and maintain the Center for the benefit of the Governmental Entities in accordance with the Management Agreement.

3.1.4 Management Agreement. The Authority will enter into a Management Agreement with the City for the Center for a term of ninety-nine (99) years, whereby all net revenues realized from operation of the Center shall be retained by the Authority and utilized for the ongoing operation of the Center or distributed as a Surplus to the Governmental Entities.

3.1.5 Ownership of the Center. The Center shall be deemed owned by the City, but at times such ownership shall be subject to the Management Agreement and all the benefits conferred upon the Authority and the Governmental Entities pursuant thereto. ?

3.1.6 Insurance. The Authority shall maintain or cause to be maintained reasonable levels of hazard and liability insurance on the Center as determined by the Board from time to time, but in any event with limits and coverages generally consistent with limits and coverages maintained by third party management companies engaged in operating similar facilities located in North and South Carolina. All liability insurance shall name all Governmental Entities as additional insureds.

3.2 Limitations. The Authority shall have no ability to directly or indirectly obligate any Governmental Entity to provide any funds or incur any financial obligation except for the remittance of Tourism Development Fees (and all interest and other income earned thereon) as collected by each Governmental Entity for a period of twenty (20) years from the date of the issuance of the Bonds as specified herein and in the Project Documents.

3.2.1 Obligations of the City. The City recognizes that financial obligations may be incurred by the City related to providing credit enhancement for the Bonds and/or funding of operating costs, but all such obligations shall be incurred separately by the City through express written instruments as determined in the sole and absolute discretion of the City.

3.2.2 No Further Obligation of Lexington or Richland. In no event whatsoever shall Lexington or Richland be called upon to provide any funding for the Center except for their respective Tourism Development Fees. *

3.3 Organization. Subject to Section 3.3.1 below, the Authority shall be organized as a nonprofit corporation under the laws of the State of South Carolina and authorized to undertake all activities related to the development and operation of the Center, as well as discharge all other duties referenced herein. Articles of Incorporation by the Authority in substantially the form of Exhibit C attached hereto shall be utilized to incorporate the Authority.

3.3.1 Alternate Organizational Structure. In the event the use of a nonprofit corporation creates material adverse income tax, ad valorem tax or other similar consequences, the Authority may be structured in an alternate manner with the approval of the Governmental Entities, which approval shall not be withheld unreasonably by any Governmental Entity so long as the alternate structure does not create any material exposure to liability, whether grounded in contract or tort, to such Governmental Entity.

3.4 Members. The sole members of the Authority shall be the Governmental Entities. *

3.5 Governance. Subject to the limitations set forth herein and in the Project Documents, the Authority shall be governed exclusively by its Board of Directors who shall be appointed by the Governmental Entities in the manner hereafter set forth.

3.6 Board of Directors. The Board of Directors of the Authority shall consist of nine (9) Directors. Each Member shall be entitled to appoint two (2) directors, with the City entitled to appoint an additional three (3) Directors as a result of the City's additional financial exposure with respect to the Bonds.

3.6.1 Qualifications. At least one Director appointed by each Governmental Entity shall be employed in the lodging industry so there will be at least three Directors of the Authority to provide input on issues related to the lodging industry. At least one additional Director appointed by the City shall be employed in the hospitality industry (meaning not only the lodging industry but as a broader category, the food and beverage industry and other related industries which benefit from tourism). All Directors shall have substantive business experience and subject to removal by the Board for failure to attend a specified number of meetings annually as specified in the Bylaws.

3.6.2 Actions. Unless otherwise specified in the Bylaws, action taken at any duly called meeting of the Board by a majority of the directors shall be deemed the action of the Board so long as a quorum is present at the meeting.

3.6.3 Removal. Each Governmental Entity shall have the right to remove any or all of its respective appointees as Directors at any time with or without cause and appoint a replacement Director for the remainder of each removed Director's then current term.

3.7 Advisory Directors. The Administrator or Manager (or his or her designee) of each Governmental Entity shall be deemed an Advisory Director of the Authority, entitled to attend and participate in all meetings of the Board of Directors (and all committees of the Board) as advisors to the Board. Until the Center is complete and open for operations, the chief attorney for each Governmental Entity shall also be deemed an Advisory Director entitled to attend and participate in all meetings of the Board of Directors (and all committees of the Board) if and to the extent requested by the Governmental Entity such attorney represents.

3.8 Bylaws. The Board of Directors shall develop Bylaws for governance of the Authority and discharge by the Authority of all obligations under the Funding Agreement and the Project Documents.

3.9 Executive Director. The Authority shall employ an Executive Director who shall be responsible for the day-to-day activities of the Authority, including marketing and operation of the Center.

3.10 Integrated Marketing. The Authority shall coordinate marketing efforts for the Center with the marketing activities of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") to promote an integrated marketing program that not only benefits the Center but that benefits all of the Governmental Entities so long as the marketing budget of the Bureau is maintained at no less than current levels.

3.11 Management Activities. The Authority shall have the power to enter into a management agreement with Richland County and serve in a management capacity for the Township Auditorium on such terms and conditions as mutually agreed between the Authority and Richland County from time to time. However, so long as the Bonds are outstanding, the Authority shall not be permitted to utilize any funds available to the Authority for the operation, repair, renovation or other expenses of the Township Auditorium except the limited marketing activities specified in Article 9 below (which Article 9 does not contemplate any material expenditures of funds in excess of amounts which would be expended in any event).

3.11 Annual Report/Annual Meeting. Within one hundred eighty (180) days after the close of each fiscal year of the Authority, a detailed financial and operational report shall be provided to each Governmental Entity by the Authority. The annual report shall review the performance of the Authority for the prior year and describe the anticipated activities to be undertaken during the upcoming year. In addition, within two hundred ten (210) days after the end of the fiscal year, the Board of the Authority shall hold a meeting for the benefit of all the elected officials of the Governmental Entities who desire to attend. At this annual meeting, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority shall be available to review the annual report, answer questions from elected officials, and generally provide information regarding the ongoing operation of the Center.

ARTICLE 4

Use of Tourism Development Fees

4.1 Current Escrow Arrangements. Each of the Governmental Entities has separately escrowed all Tourism Development Fees collected since collection of the Tourism Development Fees began. As of the Effective Date, each of the Governmental Entities shall retain Tourism Development Fees in the amount of \$2,500,000 to be utilized for the Assistance Payments and remit the balance of the Tourism Development Fees on hand, ~~which includes all interest earned thereon,~~ to the Interim Trustee as provided in Section 4.3 below. After the Effective Date, the Governmental Entities shall continue to collect and remit Tourism Development Fees to the Interim Trustee as provided in Section 4.3 below on or about the first day of each month until the Bonds are issued, whereupon all Tourism Development Fees shall be remitted monthly to the Bond Trustee pursuant to the Project Documents. After the Effective Date, all interest earned on Tourism Development Fees while in the hands of each Governmental Entity (the period from the date of collection until the monthly remittance to the Interim Trustee or the Bond Trustee) may be retained by such Governmental Entity to cover its administrative costs of collecting Tourism Development Fees.

4.1.1 Computer Purchase. Lexington and Richland acknowledge the City has utilized a small portion of its Tourism Development Fees for computer equipment for the Columbia Convention and Visitors Bureau. Such equipment shall be deemed a part of the Center and utilized to assist in tourism development, including activities benefitting the Center.

4.2 Assistance Payments. Each Governmental Entity agrees that in conjunction with commencement of construction by the University, such Governmental Entity shall transfer

\$2,500,000 of its respective Tourism Development Fees as retained pursuant to Section 4.1 above to the University to fund the aggregate \$7,500,000 in Assistance Payments.

4.2.1 Refund. As a prerequisite to the funding of the Assistance Payments, the University shall commit to the Governmental Entities to refund all Assistance Payments in the event the University discontinues its efforts to construct the Arena. This provision shall not apply to temporary delays caused by matters beyond the reasonable control of the University so long as reasonable commercial efforts are being made to proceed with construction.

4.3 Escrow Account. The Authority shall establish a separate account (the "Escrow Account") with a corporate fiduciary (the "Interim Trustee") who is in a position to invest all funds in the Escrow Account in the same manner as the City makes short term investments of its funds. The Interim Trustee shall receive all amounts remitted by the Governmental Entities in accordance with Section 4.1 and retain the same in the Escrow Account. All funds in the Escrow Account shall be invested by the Interim Trustee in the same manner that the City generally invests its funds on a short term basis and all earnings shall become part of the funds on deposit in the Escrow Account.

4.4 Withdrawals from the Escrow Account. The City shall submit to the Authority and the Interim Trustee a statement of all direct out-of-pocket expenditures made in connection with the development of the Center through the Effective Date, and upon approval by the Authority, with such approval not be withheld unreasonably, the Authority shall cause the Interim Trustee to disburse funds from the Escrow Account to the City to reimburse the City for all approved expenditures. Thereafter, on a monthly basis the Authority and the City shall be entitled to make monthly requests for payment of direct expenses reasonably incurred in connection with the development of the Center, including architectural fees, engineering fees, fees of outside legal counsel, incidental operating expenses of the Authority, and other similar expenses required for the issuance of the Bonds, commencement of construction and operation of the Authority prior to the Closing. In addition, Lexington County and Richland County shall be entitled to make requests from time to time for direct out-of-pocket expenses reasonably incurred in obtaining legal advise with respect to the matters which are the subject of this Funding Agreement through the date of Closing. All such requests for payments or reimbursement shall be subject to approval by the Authority, which approval shall not be withheld unreasonably. Upon approval, the Authority shall cause the Interim Trustee to disburse appropriate funds from the Escrow Account to the party entitled thereto. Once the Closing occurs, payment of additional expenditures shall be governed by the Project Documents and the Bond Documents.

4.4.1 Prior Notice of Payments. Copies of all requests for disbursements shall be provided to all Governmental Entities at least five (5) days prior to any disbursement from the Escrow Account to permit all parties to monitor disbursements fro the Escrow Account.

4.4.2 Limitations. No withdrawals shall be made from the Escrow Account except as specified above without the approval of all Governmental Entities and the Authority.

4.5 Limitation on Pledge of Tourism Development Fees. Anything to the contrary contained herein notwithstanding, the Bonds shall have a maturity of no longer than twenty (20) years from

the date of issuance of the Bonds. All obligations of Lexington and Richland to remit their respective Tourism Development Fees to the Bond Trustee shall terminate twenty (20) years from the date of issuance of the Bonds unless expressly agreed otherwise in the sole discretion of each such Governmental Entity.

4.6 Intergovernmental Agreement Regarding Tourism Development Fees. Upon or prior to the issuance of the Bonds, the Governmental Entities shall enter into an Intergovernmental Agreement in substantially the form attached hereto as Exhibit D. Such Intergovernmental Agreement shall constitute the full and complete authority of the Governmental Entities to transfer all of the Tourism Development Fees to the Escrow Agent as set forth therein. The Intergovernmental Agreement shall be in substantially the form attached hereto with such changes therein as shall be approved by the Chair of the Lexington County Council or the Chair of the Richland County Council or the Mayor of the City, such Chairs' and Mayor's execution thereof to constitute conclusive evidence of the approval of any and all changes or revisions therein from the form of Intergovernmental Agreement attached hereto as Exhibit D. The Intergovernmental Agreement shall bind each Governmental Entity to the fullest extent permitted by law and may contain non-appropriation language if necessary to comply with applicable law.

ARTICLE 5 Limitations

5.1 Sole Obligation of Lexington and Richland. Anything to the contrary contained in this Funding Agreement, notwithstanding, Lexington and Richland shall have no financial obligation or liability with respect to the Bonds, the Center or the Project whatsoever except to cause all Tourism Development Fees collected to be applied first to the Assistance Payments and then as provided in the Project Documents, and Lexington and Richland for a period of terminate twenty (20) years from the date of issuance of the Bonds unless expressly agreed otherwise in the sole discretion of each such Governmental Entity.

ARTICLE 6 Financial Matters

6.1 Application of Tourism Development Fees. The use of all Tourism Development Fees shall be specified in the Project Documents. However, after the Closing, until the Center commences operations, all Tourism Development Fees will be deposited in the Construction Fund and utilized as specified in Section 3.1.1. Once the Center opens, Tourism Development Fees shall generally be applied on a priority basis in the manner hereafter set forth, before being utilized for any other purposes:

- (i) first, Tourism Development Fees received shall be applied to amounts due and owing with respect to the Bonds;
- (ii) second, Tourism Development Fees shall fund payments to Replacement Reserves requirement by the Bond Documents and/or the Project Documents;

Handwritten calculations:

$$\begin{array}{r} 9000000 \\ \hline 90 \end{array}$$
$$\begin{array}{r} 900 \\ \hline 90 \\ \hline 900 \end{array}$$

(iii) third, Tourism Development Fees shall be applied to fund Marketing Costs until the annual amount shown in the then current Operating Budget has been funded.

6.2 Surplus. To the extent the Board determines that a Surplus exists in funds of the Authority from any source after establishing reasonable reserves for future operating expenses, debt service, maintenance, repair, replacement and expansion of the Center, the Surplus shall be distributed to the three Governmental Entities in proportion to their respective Contribution Balances until all Tourism Development Fees have been returned, with any excess to be distributed on a one-third (1/3) basis to each Governmental Entity.

6.2.1 Unforeseen Events. If any unforeseen circumstance arises which makes development of the Center unfeasible, with the consent of all Governmental Entities, this Funding Agreement may be terminated. In such event, after use of funds in the Escrow Account to pay all expenses incurred by the Authority and repay all Interim Expenses, the balance in the Escrow Account shall be distributed to the Governmental Entities in proportion to their respective Contribution Balances.

6.2.2 Sale or Liquidation. Upon any sale of the Center or the liquidation of the Authority, all funds generated from the applicable disposition of assets shall be distributed in the same manner as any Surplus.

6.3 Limitation on Bonds. The Bonds to be issued to finance development, construction and start up of the Center shall not exceed \$36,000,000 (or such higher amount as may reasonably be amortized by Tourism Development Fees) unless the prior written consent of each Governmental Entity is obtained. The Bonds shall be issued pursuant to the Bond Documents.

6.4 Issuer of the Bonds. The City shall issue the Bonds solely in its name or an entity created by the City. Other than the pledges and assignments of Tourism Development Fees called for by this Funding Agreement, neither Lexington nor Richland shall have any responsibility or obligation with respect to the Bonds, nor shall either of such entities be otherwise named as or deemed to be issuers of such Bonds.

6.5 Bond Insurance. The City shall be the only Governmental Entity which may incur any liability or obligation for Bond Insurance should the same be required for the issuance of the Bonds.

6.6 Additional Funding. To the extent that additional funds are ever required to make payments with respect to Bonds and/or fund operating costs, the City acknowledges that neither Lexington nor Richland shall have any further responsibility or obligation and the City shall be solely responsible to locate sources of funds to supplement revenues from the Center and make required payments.

ARTICLE 7
Development of the Project and the Center

7.1 Authorization to Proceed. Based upon the commitments of the Governmental Entities set forth above and the limitations placed upon any further obligations of the Governmental Entities, the City may proceed with development of the Center.

7.2 Approval of Project Documents. It is contemplated that the Governmental Entities and the University will enter into various Project Documents including various documents with the University related to the development of the Arena and Bond Documents to be prepared to finance the development and construction of the Center. The City shall proceed to cause all Project Documents and Bond Documents to be generated in an appropriate manner and submitted to Lexington and Richland for their approval, with such approval not to be unreasonably withheld or delayed. If specific written objections are not received by the Authority as to any Project Documents or Bond Documents within thirty (30) days after the same are provided to the Governmental Entities for approval, such approval shall be deemed given by any Governmental Entity who does not otherwise object as specified above. Thereafter, the City shall proceed with the issuance of the Bonds and the City and the Authority shall undertake all matters required for the development of the Center in accordance with the Project Documents and Bond Documents.

ARTICLE 8
Conduct/ Other Matters

8.1 General Standard. The Governmental Entities and the Authority agree to act reasonably, diligently and in good faith to approval all matters required to promote the development of the Center in accordance with good real estate development practices.

8.2 Facility Size. The Governmental Entities acknowledge that the general size of the Center shall be as set forth in Exhibit A. No material increase in the size of the Center shall be undertaken unless the prior written consent of the Governmental Entities is obtained.

8.3 Hotel Development. While the Governmental Entities recognize that hotel development may become part of the Center, no portion of the Tourism Development Fees shall be used directly or indirectly to fund such development. Any expenses associated with the hotel component shall be funded solely through resources not involving the Tourism Development Fees. Irrespective of the foregoing, this Section shall not apply to site design costs, parking design costs or designs for connectors so that the hotel may be properly placed adjacent to the Center when developed.

ARTICLE 9
Marketing of Township Auditorium

9.1 Marketing Services. The Authority will actively market the Township Auditorium as part of the sales efforts for the Center.

9.2 Charges. No additional charge shall be made for such marketing provided by the Authority except for all actual expenses associated with the preparation of advertising materials, which expenses shall be borne by the Township Auditorium.

ARTICLE 10
Miscellaneous

10.1 Compliance with Laws. Each Governmental Entity shall use its good faith effort to adopt all further ordinances and undertake all additional actions reasonably requested to consummate the transactions which are the subject of this Funding Agreement in accordance with applicable law.

10.2 No Third Party Beneficiaries. Only the Governmental Entities and the Authority shall be entitled to enforce the provisions of this Agreement and no other party shall be deemed a third-party beneficiary or have any standing to enforce any provision or have any standing to enforce any provision of this Agreement.

10.3 Assignment. This Funding Agreement is not assignable by any party.

10.4 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile) and shall be given

If to Lexington:

With a copy to:

If to Richland:

With a copy to:

If to the City:

With a copy to:

or such other address or facsimile number as such party may hereafter specify for such purpose by notice to the other party to this Funding Agreement. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section 10.5 and the appropriate confirmation is received, or (ii) if given by any other means, when delivered at the address specified in this Section 10.4.

10.5 Severability. If any term or provision of this Funding Agreement or the application thereof is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other provisions of this Funding Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the agreements contained herein is not affected in any manner adverse to any party. Upon such determination that any provision or the application thereof is invalid, illegal or unenforceable, the Governmental Entities hereto shall negotiate in good faith to modify this Funding Agreement so as to effect the original intent of the Governmental Entities as closely as possible in a mutually acceptable manner in order that the agreements contained herein may be performed as originally contemplated to the fullest extent possible.

10.6 Governing Law. This Funding Agreement shall be construed under and governed by the law of the State of South Carolina.

10.7 Headings. The headings in this Funding Agreement are for the convenience of reference only and shall not affect the meaning or interpretation of this Funding Agreement.

10.8 Amendments. This Funding Agreement may only be amended by a writing executed by all the Parties hereto.

10.9 Entire Agreement. This Funding Agreement, including the Schedules and Exhibits to this Funding Agreement constitute the entire agreement of the Governmental Entities with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, with respect to the subject matter hereof and thereof.

10.10 Subsequent Legislation. In the event legislation is enacted after the Effective Date hereof by the General Assembly of the State empowering the Governmental Entities to jointly exercise governmental functions and powers as permitted by Article VIII, Section 13 of the State Constitution, the Governmental Entities may agree to undertake the powers, duties and responsibilities contemplated herein pursuant to such legislation; provided, however, that Lexington County and Richland County shall in no event be exposed to any material liability, either as to matters of contract or tort, through the use of any joint powers provision.

IN WITNESS WHEREOF, the Governmental Entities hereto have executed this Funding Agreement as of the date first set forth above.

THE COUNTY OF LEXINGTON, SOUTH CAROLINA

By: _____
Title: _____

THE COUNTY OF RICHLAND, SOUTH CAROLINA

By: _____
Title: _____

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Title: _____

EXHIBIT A

Description of Conference/Convention Center

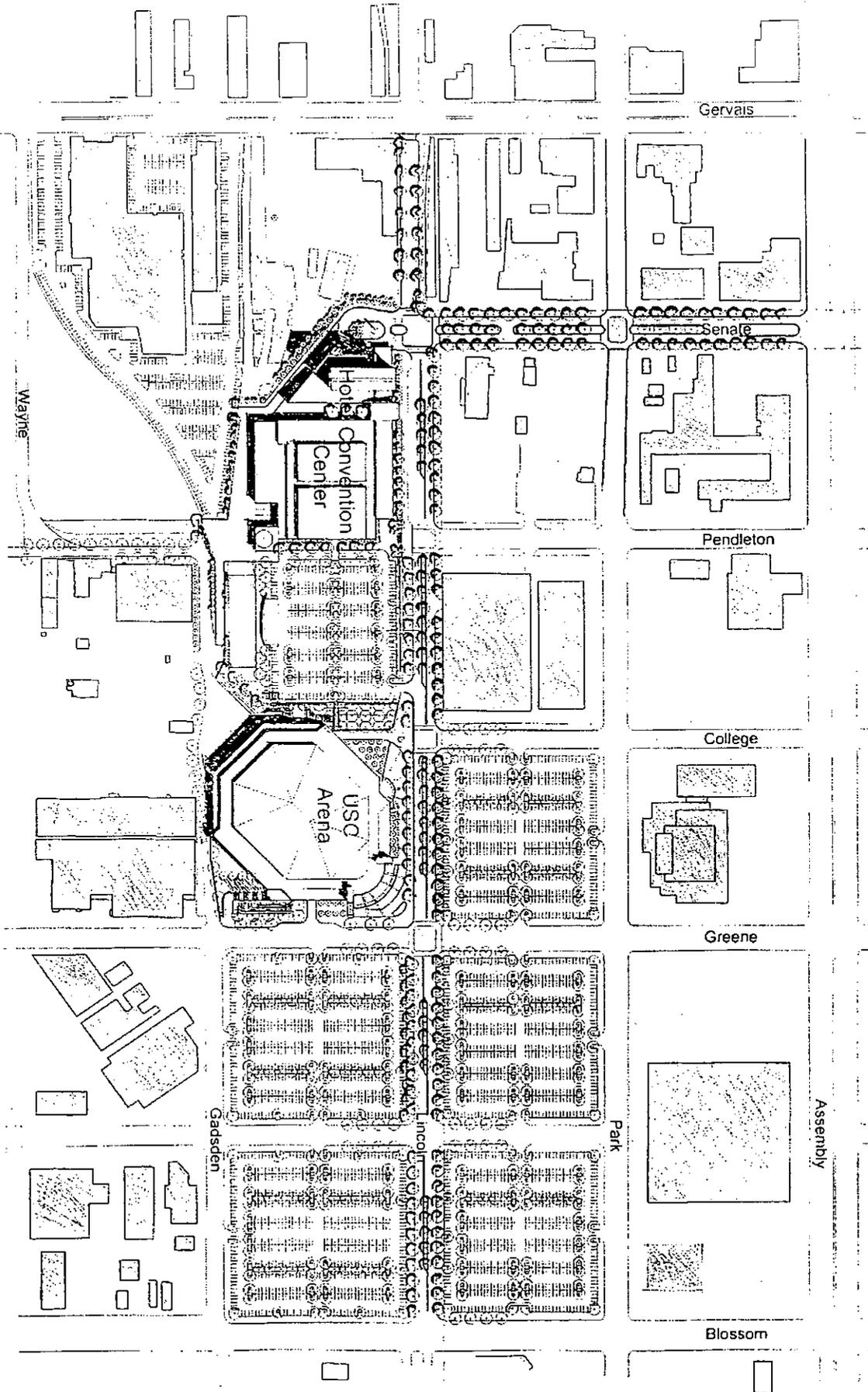


LDR
International

MIDLANDS REGIONAL CONVENTION CENTER and HOTEL

MASTERPLAN

October 31, 2000



CONVENTION CENTER BUDGET ESTIMATE

ASSUME DESIGN BEGINS NOVEMBER 2000 and CONSTRUCTION BEGINS MARCH 2002

A. BUILDING HARD CONSTRUCTION COST: 130,500 SF @ \$171.50/SF (Year 2000 Dollars)	\$22,400,000
B. SITEWORK ALLOWANCE (Arrival plaza, truck apron, on-site surface parking, etc.)	\$1,600,000
C. ESCALATION (To Midpoint of Construction)(5% of A and B per year to 2002)	\$2,400,000
D. ESTIMATE OF CONSTRUCTION COST (A + B + C)(2002 Dollars)	\$26,400,000
E. CONSTRUCTION CONTINGENCY (5% of D)	\$1,300,000
F. ESTIMATE OF PROJECT SOFT COST (in 2002 Dollars)	
Land Acquisition Cost, Demolition, Remediation	\$0
Public Art Fund	\$0
Furniture, Fixtures, and Equipment Budget and Fee (6% of D)	\$1,600,000
Telecommunications and Computer System Allowance (2% of D)	\$525,000
Smallwares, Banquetwares, and Loose Food Service Equipment (1.5% of D)	\$400,000
Surveys, Testing and Permits (1% of D)	\$250,000
Professional and Special Consultant fees (8.5% of D)	\$2,250,000
Reimbursable Expenses Allowance (1% of D)	\$250,000
Construction Management Fee	\$1,000,000
Owner Project Administration Expenses	\$0
SUB-TOTAL PROJECT SOFT COSTS	\$6,275,000
G. OWNER'S PROJECT CONTINGENCY (7.5% of D)	\$2,000,000
H. TOTAL ESTIMATED PROJECT COSTS (D+E+F+G)(2002 DOLLARS)	\$35,975,000

Note: The project costs shown do not include legal fees, taxes, financing or marketing costs. This estimate does not include cost for street and utility improvements, the hotel project or hotel parking. This Estimate of Probable Construction cost is based only on historical data.

Midlands Regional Convention Center

OWNER'S BUILDING PROGRAM

NET to GROSS RATIO: 58,000 SF Net = 130,500 GSF

Exhibit Hall Typical exhibit space. May not be divisible. Link to Ballroom.	25,000 SF
Ballroom Divisible into several rooms; highest quality space. Seats 1200.	18,000 SF
Meeting Rooms Possibly three permanent rooms and up to ten divisions.	15,000 SF
Public Circulation Lobbies, Registration Area, Prefunction and Circulation space.	25,000 SF
Service / Support Restrooms, Show Manager Offices, Dressing Rooms, Exit Stairs, Truck Dock, Storage, Housekeeping / Maintenance areas, Mechanical and Electrical Rooms, as well as Back-of-House Circulation.	38,000 SF
Food Service Full Banquet Kitchen, Dock, Storage, and Trash Rooms.	7,500 SF
Administration Offices	2,000 SF
Total Square Footage (Enclosed Building Space)	130,500 GSF

Additional Exterior Space Requirements

Truck Service Apron and Truck Ramp
Outdoor Terrace / Prefunction
Drop-off / Arrival Plaza
Surface Parking for 300 Cars

Midlands Regional Convention Center

10.03.00

242 of 267

MIDLANDS REGIONAL CONVENTION CENTER

October 26, 2000

DEFINITIONS

The following definitions have been developed to help clarify the meaning of terms used relative to Program and Budget information for the new center.

1. **LEASABLE SPACE** – Those rooms or spaces in the Center that are leased for conventions, shows, or events, typically including exhibit halls, meeting rooms, and ballroom(s).
2. **SUPPORT SPACE** – In a general sense, all space in the Center that is not typically leased. This includes public circulation areas (lobbies, registration, prefunction, and concourses) and all of the many back-of-house spaces, such as storage, docks, kitchens, offices, toilets, box office, first aid, mechanical, and electrical spaces, etc. *(In a specific sense, support space is a sub-category of space that is not a leasable space or public circulation or pure back-of-house space, but may be accessed by the public – such as, toilets, box office, first aid, etc. This is clearly explained in our Building Program Document)*
3. **SUPPORT SPACE RATIO** – The ratio of square feet for leasable space to support space. A typical ratio for an efficient center is 1 : 1.25 – or for every one square foot of leasable space, 1.25 square feet of support space is needed. Thus, if we desire 58,000 SF of leasable area, we need 72,500 SF of support space.
4. **BUILDING HARD CONSTRUCTION COST** – That portion of a project's cost directly related to the construction of the building itself – for example, it does not include land, sitework, fees, furniture, portable equipment, infrastructure improvements, or contingencies. During the design phases, the dollar value is calculated in today's dollars and then may be escalated to the time of construction (see Escalation to Mid Point of Construction).
5. **SITWORK ALLOWANCE** – Costs associated with on-site improvements around the building, such as plazas, terraces, driveways, truck service yards, surface parking, landscaping, etc.

6. **ESCALATION TO MID POINT OF CONSTRUCTION** – The best prediction of the cost estimator to anticipate the escalating cost of materials and labor from today (when prices and costs are known) to the mid point of construction (when the contractor will complete the “buy out” of the project). Escalation rates are tied to the construction industry and often exceed the rate of economic inflation.
7. **CONSTRUCTION COST PER SQUARE FOOT** – In general, this is the average cost of construction per square foot of enclosed space. This is a useful method of developing a budget prior to the start of design. It is based on many factors including the anticipated level of quality (design, construction systems, technical systems, exterior and interior finishes, etc.) *Caution: There can be many variations to this number depending on what is included in the “construction cost” – just the building or sitework, contingencies, FF&E, escalation, etc. also.*
8. **CONSTRUCTION CONTINGENCY** – An Owner controlled contingency to cover changes in the project during construction. *The changes may be for Owner enhancements, rulings by code official after bid, unforeseeable existing conditions, design clarifications with unavoidable costs, design clarifications with costs that might have been avoided. This contingency is based, in part, on the principle that the drawings and specifications are not perfect. TVS recommends a construction contingency of 5% of the construction cost. This is not the contingency held by the contractor or construction manager.*
9. **PROJECT SOFT COST** – Soft costs are all costs not directly associated with permanent construction (i.e., the building and sitework), but that are essential for the completion of a project. These costs vary from project to project and may include such costs as land, fees, furniture, public art funds, surveys, testing, permits and administrative expenses.
10. **OWNER'S PROJECT CONTINGENCY** – This is a special contingency held by the Owner to help avoid the project being derailed by an unforeseen problem or to allow the Owner to take advantage of a surprise opportunity. It is not a required contingency, but we recommend it be set aside to protect the viability of the project.
11. **CONSTRUCTION MANAGEMENT FEE** – Fees to engage the services of a firm to assist the Owner in managing the construction process, typically used for a large, complex, fast-track project with multiple bid packages.

EXHIBIT B

Definitions

"Arena" means the proposed arena to be owned and operated by the University of South Carolina.

"Bond Documents" means any documents or agreements to be entered into by the City in order to effectuate the financing structure necessary for the issuance of the Bonds.

"Bond Trustee" means the corporate fiduciary who serves as the trustee under the terms of the governing documents related to the issuance of the Bonds.

"Bonds" means the special revenue bonds or certificates of participation related to a lease/purchase transaction issued by the City of Columbia to finance the construction of the Center, which bonds or certificates of participation shall be retired utilizing the Tourism Development Fees.

"Center" means the multipurpose convention/conference center generally described in Exhibit A attached hereto.

"City" means the City of Columbia, South Carolina.

"Closing" means the date upon which the Bonds are issued by the City.

"Contribution Balances" means the total Tourism Development Fees contributed by each Governmental Entity to the Center, including all sums remitted to the Interim Trustee and the Bond Trustee, less all distribution of a Surplus or liquidation proceeds to such Governmental Entity. The Contribution Balances shall not take into consideration any Assistance Payments.

"Effective Date" means the date this Funding Agreement is last signed by all the Governmental Entities.

"Escrow Account" means the escrow account created to retain Tourism Development Fees in accordance with Section 4.4 hereof.

"Governmental Entities" means Lexington, Richland, and the City.

"Interim Expenses" means all expenses paid from the Escrow Account in accordance with Section 4.4 hereof.

"Interim Trustee" means the corporate fiduciary selected by the Authority to maintain the Escrow Account in accordance with Section 4.4 hereof.

"Lexington" means Lexington County, South Carolina.

"Management Agreement" means the management agreement to be entered into between the City and the Authority for the long term management of the Center on a basis whereby the Authority shall be entitled to retain all net operating revenues.

"Marketing Costs" means the marketing costs shown in the applicable Operating Budget.

"Operating Budget" means the annual operating budget adopted by the Board of the Authority for each fiscal year.

"Project" means the Arena, the Center and the adjacent parking areas.

"Project Agreement" means the Project Agreement to be entered into between the University and the Governmental Entities regarding the Project.

"Project Documents" means the overall documents which will be prepared which will be to govern the relations of all the parties involved in the Project.

"Replacement Reserve" means the replacement reserve shown in the applicable Operating Budget.

"Richland" means Richland County, South Carolina.

"Site" means the entire acreage required for the Center.

"Surplus" means funds in the possession of the Authority which the Board of Directors reasonably determines are not required for the prudent operation of the Center and are available for distribution to the Governmental Entities after establishing reasonable reserves as described in Section 6.2 hereof.

"Tourism Development Fees" means the special tourism development fees collected since January 1, 1997 by the Governmental Entities.

"University" means the University of South Carolina.

EXHIBIT C

Articles of Incorporation

[To be Included]

EXHIBIT D

Intergovernmental Agreement

Draft

INTERGOVERNMENTAL AGREEMENT

This INTERGOVERNMENTAL AGREEMENT, dated as of _____, 2001, by and among Lexington County ("Lexington County") and Richland County ("Richland County") or (collectively, the "Counties"), each a body corporate and politic and a political subdivision of the State of South Carolina, and the City of Columbia, a body politic and corporate and a municipal corporation organized under the laws of the State of South Carolina (the "City").

WITNESSETH:

WHEREAS, the County Council of Lexington County (the "Lexington County Council"), the governing body of Lexington County, has previously enacted Ordinance No. 96-21 on December 26, 1996, (the "Lexington County Ordinance") which provides for the imposition of a uniform tourism development fee equal to 3% of gross proceeds derived from the rental of any accommodations within the County of Lexington (the "Lexington Tourism Development Fee"); and

WHEREAS, the County Council of Richland County (the "Richland County Council"), the governing body of Richland County, has previously enacted Ordinance No. 96-096HR effective on January 1, 1997, (the "Richland County Ordinance") which provides for the imposition of a uniform tourism development fee equal to 3% of gross proceeds derived from the rental of any accommodations within the unincorporated area of Richland County (the "Richland Tourism Development Fee"); and

WHEREAS, the City Council of the City of Columbia (the "Columbia City Council"), the governing body of the City of Columbia, has previously enacted Ordinance No. 96-003 on March 20, 1996, (the "Columbia Ordinance") which provides for the imposition of a uniform tourism development fee equal to 3% of gross proceeds derived from the rental of any accommodations within the boundaries of the City of Columbia (the "Columbia Tourism Development Fee"); and

WHEREAS, the Lexington County Council, Richland County Council and the City Council of the City have determined and found that the acquisition, construction, and operation of the Project (as defined below) constitutes a proper expenditure of the respective Tourism Development Fees; and

WHEREAS, South Carolina Constitution Article VIII, Section 13 and Section 4-9-41(A) of the Code of Laws of South Carolina 1976, as amended, provide that any county, incorporated municipality, special purpose district, or other political subdivision may provide for the joint administration of any function and exercise of powers and the sharing of the costs thereof;

WHEREAS, pursuant to the Ordinances imposing the Tourism Development

Fees by the Lexington County Council, Richland County Council, and Columbia City Council, respectively, permit the use of such Tourism Development Fees to be applied to defray a portion of the costs of financing the acquisition and construction of a new multipurpose convention/conference center and related ancillary facilities to be located in the City of Columbia (the "Project") and to be used for a public purpose, including use in support and enhancement of tourism and tourist services within Lexington County, Richland County and the City of Columbia; and

WHEREAS, the Lexington County Council, Richland County Council and Columbia City Council, respectively, have determined that it is necessary and advantageous that their respective Tourism Development Fees shall be made available to pay a portion of the cost of acquiring the Project, including debt service payments on the Series 2001 Certificates (as described below), during the entire term of the financing of the Project.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto hereby formally covenant, agree, and bind themselves as follows, to-wit:

Section 1. Definitions. The following words, terms, or phrases, when used in this Intergovernmental Agreement, have the following meanings respectively, unless the context clearly indicates a different meaning.

"Tourism Development Fees" means the respective Tourism Development Fees imposed and collected by the Counties and the City pursuant to the County Ordinances and the City Ordinance.

"Agreement" means this Intergovernmental Agreement and any amendments or supplements hereto.

"Certificate Insurance Policy" means the certificate insurance policy issued by the Certificate Insurer insuring the payment when due of the principal of and interest on the Series 2001 Certificates as provided therein.

"Certificate Insurer" means company providing the Certificate Insurance Policy.

"City" means the City of Columbia, South Carolina.

"City Council" means the governing body of the City.

"Columbia Ordinance" means Ordinance No. 96-003 enacted on March 20, 1996, by the City Council of the City of Columbia.

"Collateral Assignment" means the Collateral Assignment dated as of the date hereof, by the City to the Trustee.

"Corporation" means Columbia Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of South Carolina, its successors and assigns.

"Escrow Agent" means _____, as escrow agent pursuant to the terms of the Escrow Agreement, and its successors as escrow agent thereunder.

"Escrow Agreement" means the Escrow Agreement, dated of even date herewith, between Lexington County, Richland County, the City and the Escrow Agent, as amended from time to time.

"Escrow Fund" means the fund by that name created in the Escrow Agreement.

"Event of Default" means one or more events of default as defined in Section 4 of this Agreement.

"Facilities Lease Agreement" means the Facilities Lease Agreement, dated of even date herewith, between the Corporation and the City.

"Force Majeure" means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials or any civil or military authority; insurrection, riots; landslides; earthquakes; flood; fire; storms; droughts; explosion; breakage or accidents to machinery, transmission pipes, or canals; or any other cause or event not within the control of the party seeking the benefit of force majeure and not due to its own negligence.

"Lease Rentals" means rental payments payable by the City pursuant to the Facilities Lease Agreement.

"Lexington County" means Lexington County, South Carolina.

"Lexington County Council" means the governing body of Lexington County.

"Lexington County Ordinance" means Ordinance No. 96-21 enacted on December 26, 1996, by Lexington County.

"Project" means the multipurpose convention/conference center and related ancillary facilities.

"Richland County" means Richland County, South Carolina.

"Richland County Council" means the governing body of Richland County, South Carolina.

"Richland County Ordinance" means Ordinance No. 960096HR enacted on January 1, 1997, by Richland County.

"Series 2001 Certificates" means the Certificates of Participation (Convention/Conference Center Project") Series 2001, evidencing proportionate undivided interests in the right to receive Lease Rentals, issued under the Trust Agreement.

"Term" means the term of this Agreement.

"Trust Agreement" means the Trust Agreement, dated of even date herewith, between the Corporation and the Trustee, pursuant to which the Series 2001 Certificates are being issued, as amended or supplemented from time to time.

"Trustee" means _____, a banking association with its principal corporate trust office located in _____, South Carolina, acting in the capacity of trustee for the Registered Owners pursuant to the Trust Agreement, and any successor thereto appointed under the Trust Agreement.

Section 2. Representations, Warranties, and Covenants.

(a) Lexington County represents and warrants that:

(i) it has full legal right, power, and authority to impose and collect the Lexington Tourism Development Fee pursuant to the terms of the Lexington County Ordinance and apply such Lexington Tourism Development Fee for the purpose of financing a portion of the cost of the Project, including debt service payments on the Series 2001 Certificates, and related ancillary facilities; and has full legal right, power, and authority to enter into this Agreement and carry out and consummate all other transactions contemplated by this Agreement.

(ii) it has duly authorized the execution, delivery, and performance of its obligations under this Agreement and the taking of any and all actions as may be required on the part of Lexington County to carry out, give effect to, and consummate the transactions contemplated by this Agreement.

(iii) this Agreement constitutes a legal, valid, and binding obligation of Lexington County, enforceable in accordance with its terms.

(iv) there is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any court, public board, or body, pending or, to the best of the knowledge of Lexington County, threatened against Lexington County, nor to the best of the knowledge of Lexington County is there any basis therefor, which in any manner questions the validity of the Lexington County Ordinance, the powers of Lexington County referred to in paragraph (a) (i) above, or the validity of any proceedings taken by Lexington County Council in connection with this Agreement or wherein any

unfavorable decision, ruling, or finding could materially adversely affect the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Lexington County Ordinance or this Agreement (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby and hereby).

(b) Richland County represents and warrants that:

(i) it has full legal right, power, and authority to impose and collect the Richland Tourism Development Fee pursuant to the terms of the Richland County Ordinance and apply a portion of such Richland Tourism Development Fee for the purpose of financing a portion of the cost of the Project, including debt service payments on the Series 2001 Certificates, and related ancillary facilities; and has full legal right, power, and authority to enter into this Agreement and carry out and consummate all other transactions contemplated by this Agreement.

(ii) it has duly authorized the execution, delivery, and performance of its obligations under this Agreement and the taking of any and all actions as may be required on the part of Richland County to carry out, give effect to, and consummate the transactions contemplated by this Agreement.

(iii) this Agreement constitutes a legal, valid, and binding obligation of Richland County, enforceable in accordance with its terms.

(iv) there is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any court, public board, or body, pending or, to the best of the knowledge of Richland County, threatened against Richland County, nor to the best of the knowledge of Richland County is there any basis therefor, which in any manner questions the validity of the Richland County Ordinance, the powers of Richland County referred to in paragraph (b) (i) above, or the validity of any proceedings taken by Richland County Council in connection with this Agreement or wherein any unfavorable decision, ruling, or finding could materially adversely affect the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Richland County Ordinance or this Agreement (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby and hereby).

(c) The City represents and warrants that:

(i) it has full legal right, power, and authority to apply the Columbia Tourism Development Fee received from the Counties and itself pursuant to the terms of this Agreement for the purpose of financing a portion of the cost of the Project, including debt service payments on the Series 2001 Certificates, and related ancillary facilities; and has full legal right, power, and authority to enter into this Agreement and carry out and consummate all other transactions contemplated by this Agreement.

(ii) the Project will be used during the entire term of the Trust Agreement for a public purpose, which purpose includes use in support and enhancement of the tourism industry and economic development within Lexington County, Richland County and the City.

(iii) it has duly authorized the execution, delivery, and performance of its obligations under this Agreement and the taking of any and all actions as may be required on the part of the City to carry out, give effect to, and consummate the transactions contemplated by this Agreement.

(iv) this Agreement constitutes a legal obligation of the City, enforceable in accordance with its terms.

(v) there is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any court, public board, or body, pending or, to the best of the knowledge of the City, threatened against the City, nor to the best of the knowledge of the City is there any basis therefor, which in any manner questions the powers of the City referred to in paragraph (c)(i) above, or the validity of any proceedings taken by the City Council in connection with this Agreement or wherein any unfavorable decision, ruling, or finding could materially adversely affect the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of this Agreement (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby and hereby).

Section 3. Tourism Development Fees.

(a) Upon the terms and conditions of this Agreement, the Collateral Assignment, and the Escrow Agreement, the Counties and the City each agree to pay, or cause to be paid, to the Escrow Agent on or before the ___ day of each month during the entire Term hereof (commencing _____, 2001) all of the respective Tourism Development Fees imposed and collected pursuant to the respective County Ordinances and the City Ordinance. All Tourism Development Fees paid to the Escrow Agent in accordance with the terms of this Agreement shall be used solely to defray the costs of a portion of acquisition and construction of the Project, including debt service payments on the Series 2001 Certificates, to be used for a public purpose, including use in support and enhancement of tourism and tourist services, and shall be held and applied in accordance with the provisions of the Escrow Agreement.

(b) Subject to the provisions of Section 3(e) below, the obligations of the Counties to make payments of the respective Tourism Development Fees in each fiscal year ending June 30 under this Section 3 shall be absolute and unconditional and are not subject to, nor shall they be paid from, annual appropriation by the respective County Councils, and the Counties shall make the payments without abatement, diminution, or deduction regardless of any cause or circumstances whatsoever, including, without limitation, any defense, setoff, recoupment, or counterclaim which

either of the Counties may have or assert against the City, the Trustee, the Escrow Agent, or any other person; provided, however, the respective Counties' obligations are subject to the ability to collect Tourism Development Fees and are limited to the collection of Tourism Development Fees in each fiscal year less any amount used by the respective Counties in collecting such Tourism Development Fees.

(c) The City hereby expressly acknowledges that, upon payment by the respective Counties of Tourism Development Fees to the Escrow Agent and the deposit thereof into the Escrow Fund, the City will have no interest in such Tourism Development Fees and that such Tourism Development Fees shall be subject to the trust established under the Escrow Agreement with respect to the Escrow Fund, for the benefit of the owners of the Series 2001 Certificates.

(d) The obligation of the Counties to pay the respective Tourism Development Fees pursuant to this Agreement is separate and independent of the City's obligations under the Facilities Lease Agreement and shall terminate only upon the earlier of the following:

- (i) Satisfaction and discharge, pursuant to the terms thereof, of the Trust Agreement.
- (ii) Termination of this Agreement pursuant to Section 5(a) hereof.

(e) No provision of this Agreement shall be construed to restrict in any way the respective County's right, in its sole discretion, to satisfy its obligation to make payments in any fiscal year as required under this Section 3 from any other moneys legally available to the respective County for such purpose, pursuant to authorization by the respective County Council in any such fiscal year.

Section 4. Events of Default.

(a) Each of the following shall be an Event of Default:

(i) Either of the Counties or the City shall fail to observe and perform any agreement, term, or condition contained in this Agreement, and the continuation of the failure for a period of thirty (30) days after written notice thereof shall have been given to such party by any other party hereto; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected, but not within the applicable, that failure shall not constitute an Event of Default so long as such party institutes curative action within the applicable period and diligently pursues that action to completion.

(ii) Either of the Counties or the City shall (a) admit in writing its inability to pay its debts generally as they become due; (b) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (c) commence a proceeding under any other federal or state

bankruptcy, insolvency, reorganization, or similar law, or have such a proceeding commenced against it and, in the case of an involuntary proceeding, either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety (90) days; (d) make an assignment for the benefit of creditors; or (e) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(iii) There shall occur an "Event of Default" pursuant to the terms of the Trust Agreement or the Facilities Lease Agreement.

(iv) There shall occur an "Event of Nonappropriation" pursuant to the terms of the Facilities Lease Agreement.

(v) Any other event shall occur which results in the termination of the Facilities Lease Agreement.

(b) Notwithstanding the foregoing, if, by reason of Force Majeure, the defaulting party is unable to perform or observe any agreement, term, or condition hereof which would give rise to an Event of Default under paragraph (a) hereof, provided the inability to perform is other than the payment of money, that party shall not be deemed in default during the continuance of that inability. That party, however, shall promptly give notice to the other parties hereto of the existence of an event of Force Majeure and shall use its best efforts to remove the effects thereof; provided, that the settlement of strikes or other industrial disturbances shall be entirely within that party's discretion.

Section 5. Remedies on Default. Whenever an Event of Default shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) If the Event of Default is one described in Section 4(a)(iv) above, the respective Counties may immediately terminate this Agreement. In no other circumstance, except as provided in Section 3(d)(i) hereof, may the Counties or the City terminate all or part of this Agreement.

(b) Any of the parties hereto may have access to, inspect, examine, and make copies of the books, records, accounts, and financial data of the defaulting party pertaining to the Project.

(c) The non-defaulting parties hereto may seek injunction or order of specific performance to collect all amounts and to enforce all obligations then due and thereafter to become due under this Agreement; provided, however, that no remedy against the City may affect the financial obligations, revenues, expenses, liabilities, or prospects of the Project; and provided further that any remedies against the City or the respective Counties shall be limited to Tourism Development Fees received by or for the account of the City.

Section 6. Miscellaneous.

(a) All notices, certificates, requests, or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when either hand delivered or deposited in the United States mail, certified mail, return receipt requested, with postage pre-paid, and addressed to the party or parties for whom intended as follows:

If to Lexington County:

If to Richland County:

If to the City:

City of Columbia
1737 Main Street
Post Office Box 147
Columbia, South Carolina 29217
Attn: City Manager

A duplicate copy of each notice, certificate, request, or other communication given hereunder to the Counties, the City, the Trustee, or the Escrow Agent, shall also be given to the others. The Counties, the City, the Trustee, and the Escrow Agent, by notice given hereunder, may designate any further or different address as to which subsequent notices, certificates, requests, or other communication shall be sent.

(b) No covenant, obligation, or agreement contained herein shall be deemed to be a covenant, obligation, or agreement of any present or future member, officer, agent or employee, of the Counties or the City, in any other than his official capacity, and neither the members of the respective County Council or the City Council, nor any official executing this Agreement shall be personally liable thereon or be subject to any personal liability or accountability by reason of the covenants, obligations, or agreements of the respective County or the City contained in this Agreement.

(c) This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the respective County, the City, and their respective successors and assigns. The parties expressly acknowledge that the City has

simultaneously herewith collaterally assigned its rights to receive the respective Tourism Development Fees pursuant to this Agreement to the Trustee pursuant to the terms of the Collateral Assignment.

(d) This Agreement may not be effectively amended, changed, modified, altered or terminated, except in accordance with the express provisions of this Agreement or with the written consent of all parties hereto and with the written consent of the Trustee or the Escrow Agent. Unless the Certificate Insurer is in payment default under the Certificate Insurance Policy or is insolvent, this Agreement may not be amended, changed, modified, or altered within the written consent of the Certificate Insurer.

(e) This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

(f) If any other provision of this Agreement, or any covenant, obligation, or agreement contained herein, is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation, or agreement shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

(g) This Agreement shall be deemed to be a contract made under the laws of the State of South Carolina and for all purposes shall be governed by and construed in accordance with the laws of the State of South Carolina.

IN WITNESS WHEREOF, the Counties and the City have caused this Agreement to be duly executed in their respective names, all as of the date first above written.

LEXINGTON COUNTY, SOUTH CAROLINA

By:

Its: Chairman, County Council

RICHLAND COUNTY, SOUTH CAROLINA

By:

Its: Chairman, County Council

CITY OF COLUMBIA, SOUTH CAROLINA

By:

Its: Mayor

of awards issued after
normal business hours

ISSUES: ^{time of award}
Define award to be

Define award process

Define in-structure

6.7

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2-26-01

**Executive Summary of
Governmental Entities Funding Agreement**

- The sole obligation of Richland County is to pledge all its Tourism Development Fees to the Center for 20 years from the date the Bonds are issued. (See Section 5.1; see also Section 3.2.2, 6.4 and 6.6.)
 - Richland County will have no other obligation or liability.
 - The City will be solely responsible for all other funds of any nature needed for the Center.
- The City has already agreed to all the principles regarding the Township established at the County's Retreat in January.
 - A definitive agreement is being prepared to confirm all items regarding the Township.
- Lexington County and the City of Columbia have already approved the identical agreement.
 - Once approved by Richland County, development of the Center can proceed.
- A non-profit Authority will be created to oversee development and operation of the Center.
 - There will be a nine-member board which will control the Authority, with at least four (4) total members to be business people from the lodging or hospitality industry.
 - Richland County will appoint two (2) members, with one required to be from the lodging industry (which is the identical status for Lexington County).
 - All directors are to have substantive business experience and subject to removal by the Board for failure to attend meetings.
 - The Administrator or Manager of each Governmental Entity will be an advisory member, and the chief attorneys for each Entity will also be advisory members during the construction period.
- The Authority Board will approve all Tourism Development Fee expenditures, including reimbursement of initial expenditures made by the City.
 - Expenditures will only be for direct out of pocket expenses reasonably incurred. (Section 4.4)

- There will be no reimbursement for any overhead or personnel costs of the City unless a specific employee is assigned to the Project and is substituted for an outside party which the Authority would otherwise be required to employ (i.e., the Project Manager.)
- Because the Center may be constructed pursuant to a Lease Purchase Transaction with Certificates of Participation (as opposed to a Special Revenue Bond), the City's direct participation during the construction period will be required. (Section 3.1.2; see also Section 7.2 which contemplates the development of detail Project Documents.)
- The Center will be operated by the Authority pursuant to a 99 year Management Agreement wherein all the net revenues realized will be retained by the Authority and utilized for ongoing operations or distribution as a Surplus. See Section 3.1.4.
 - In this manner, no ad valorem taxes will be due and neither Richland County nor Lexington County will be exposed to any potential liability for operations.
 - In any event, the Authority will maintain reasonable levels of hazard and liability insurance on the Center which will name all the Governmental Entities as additional insureds.
- Initial handling of funds will involve remittance by each Entity of all Tourism Development Fees which have been collected except for the \$2.5 million payment each Entity will make to the University.
 - The City will be reimbursed for all direct expenses reasonably incurred in connection with the development of the Center. A list of the principal expenditures is attached hereto.
 - Until the Bond Closing occurs, additional expenditures will principally involve architectural fees and other professional fees related to the creation of the Project Documents and the issuance of the Bonds.
- Once the Bonds are issued, all Tourism Development Fees will be turned over to the Construction Fund and used for actual construction of the Center.
 - Ongoing Authority expenses will also be paid out of the Construction Fund.
- Once the Center is opened, Tourism Development Fees will be utilized on a first priority basis for payment of debt service on the Bonds, funding of the Replacement Reserve required by the Bond Documents, and funding of the Marketing Budget specified in the Annual Budget adopted by the Authorities Board.
 - After these amounts have been funded, Tourism Development Fees will be utilized for operation of the Center. See Section 6.1.

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- If there are any deficits, the same will be funded solely through the City. See Section 6.6.
- In the event the Board determines that a Surplus exists, funds will be distributed to the Governmental Entities in proportion to their respective contributions of Tourism Development Fees until all such Tourism Development Fees have been returned, with any excess to be distributed on a one-third basis to each Governmental Entity.
 - No Surpluses are anticipated for the foreseeable future and it is likely that Surpluses will only be created once the Bonds have been retired unless there is an extraordinary and unforeseen increase in the collection of Tourism Development Fees.
 - The Board of the Authority will determine when any Surplus funds are to be distributed after establishing reasonable reserves. (See Section 6.2)
 - The key to any disbursement of Surplus is that only reasonable reserves may be established by the Authority, which means that the Authority should not be able to hoard money when there is no legitimate purposes for the same.
- All the Governmental Entities will be entitled to approve all the Project Documents, with such approval not to be unreasonably withheld.
 - The Project Documents will be developed by the Authority working with the City to establish clear procedures with respect to construction and operation of the Center under the supervision of the Authority.
- The basic size and features of the Center are described in an attachment to the Funding Agreement.
 - The primary responsibility for the design of the Center will be delegated to TVS * Associates of Atlanta, Georgia, the most experienced and highly regarded architectural firm in the United States for Convention/Conference Facilities.
 - The Authority will oversee development of the Plans and Specifications, as well as the Project Documents, as the design phase of the Center proceeds.
 - The City will proceed to arrange for financing of the Center based on the projected \$36 million Bond issue.
- On an annual basis, the Authority will make a detailed financial and operational report to each Governmental Entity. In addition, an annual meeting will be held for all elected officials of each Governmental Entity, the Executive Director of the Authority, the Chair of the Board and the accountants for the Authority will be available to answer all pertinent questions. (See Section 3.11)

CITY OF COLUMBIA, SOUTH CAROLINA
TOURISM AND DEVELOPMENT FEES EXPENDITURES
THROUGH 02/20/97

PAGE 1 OF 3

DATE	VENDOR NAME	PO #	CHECK #	FNTD6368	FNTD6586	FNTD689
FY 96/97	PEAT MARWICK STUDY	67206	161305	48,808.95	0.00	0.00
FY 97/98						
12/02/97	STEVENS AND WILKINSON, INC	81816	184303	3,418.72		
12/02/97	LDR INTERNATL, INC	81814	184288	10,376.85		
12/17/97	THOMPSON, VENTULETT, STANBACK & ASSOC., INC	82514	185581	17,012.20		
12/17/97	SUNBEE ENTERPRISE OF COLA., INC.	82513	185588	5,000.00		
12/17/97	STEVENS & WILKINSON, INC.	82512	185582	3,290.00		
12/17/97	LDR INTERNATL, INC	82511	185529	10,433.17		
12/17/97	ROSSER FABRAP/ ROSSER INTERNATL, INC.	82510	185581	22,300.78		
12/17/97	SMITH WILBUR & ASSOC., CORP	82509	185578	11,980.80		
12/17/97	COSTING SERVICES GROUP, INC	82508	185484	8,313.00		
12/17/97	ROSEN APPRAISAL ASSOC.	82507	185460	6,800.00		
12/17/97	ATLANTA TESTING & ENGINEER	82504	185452	12,800.00		
01/08/98	ROSSER FABRAP/ROSSER INTERNATL, INC.	82223	188766	8,916.57		
01/08/98	LDR INTERNATL, INC	82224	188735	8,420.45		
01/27/98	THOMPSON, VENTULETT, STANBACK & ASSOC., INC	82917	187442	8,789.78		
02/18/98	SUNBEE ENTERPRISE OF COLA., INC	84440	190896	5,000.00		
02/18/98	STEVENS & WILKINSON, INC.	84439	189128	2,354.15		
03/29/98	SUNBEE ENTERPRISE OF COLA., INC.	88111	180898	15,000.00		
06/08/98	LDR INTERNATL, INC.	89283	198309	6,836.88		
06/08/98	SUNBEE ENTERPRISE OF COLA., INC.	89287	198461	15,000.00		
06/20/98	LDR INTERNATL, INC.	J8512154	JE028054	885.12		
TOTAL '97-'98				181,207.21	0.00	0.00
FY 98/99						
01/22/99	PARADEO & ASSOCIATES	88487	211246	4,827.50		
03/18/99	MEPULAM TECHNOLOGY	88486	214718	102,536.20		
03/18/99	MEPULAM TECHNOLOGY	88485	214719	75,718.24		
03/28/99	MEPULAM TECHNOLOGY	88488	218250	6,448.00		
03/26/99	PARADEO & ASSOCIATES	88487	218363	2,989.00		
04/08/99	PARADEO & ASSOCIATES	88487	215998	258.83		
04/06/99	PARADEO & ASSOCIATES	88487	215998	1,333.00		
01/08/99	SUNBEE ENTERPRISES	87487	210528	3,000.00		
01/14/99	ROSSER INTERNATIONAL	87734	210788	2,826.43		
02/02/99	SUNBEE ENTERPRISES	88488	211816	3,000.00		
02/16/99	SUNBEE ENTERPRISES	88457	212680	3,000.00		
03/01/99	C-SERVOFF/SILVER	88538	213588	31,581.15		
03/12/99	SUNBEE ENTERPRISES	88884	214414	3,000.00		
03/18/99	THOMPSON, VENTULETT, STANBACK & ASSOC	100580	214758	11,274.44		
04/08/99	SUNBEE ENTERPRISES	101607	218128	3,000.00		
05/13/99	SUNBEE ENTERPRISES	102818	218814	3,000.00		
06/07/99	SUNBEE ENTERPRISES	103841	220128	3,000.00		
TOTAL FY 98/99				68,682.02	187,107.77	0.00

CITY OF COLUMBIA, SOUTH CAROLINA
TOURISM AND DEVELOPMENT FEES EXPENDITURES
THROUGH 02/20/01

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DATE	VENDOR NAME	PO #	CHECK #	FMTD6388	FMTD6586	FMTD699
07/14/99	SUNSHINE ENTERPRISES	108814	222875	3,000.00		
08/19/99	SUNSHINE ENTERPRISES	107370	225374	3,000.00		
09/09/99	GOTTLES & SMITH	108234	228802	4,810.00		
09/09/99	SUNSHINE ENTERPRISES	108266	228842	3,000.00		
10/01/99	STRATEGIC ADVISORY GROUP	109328	229022	8,987.00		
10/06/99	SUNSHINE ENTERPRISES	108421	229206	3,000.00		
10/08/99	STEVENS AND WILKERSON	108858	228882	436.00		
11/09/99	NIXEON FRUET, JACOBS AND POLLARD	110723	230872	3,700.00		
11/10/99	THOMPSON, VENTULETT, STANBECK	110773	230797	2,878.13		
11/18/99	STEVENS AND WILKERSON	111127	231331	1,871.07		
11/18/99	SUNSHINE ENTERPRISES	111121	231336	3,000.00		
12/09/99	STRATEGY ADVISORY GROUP	111808	232881	25,513.00		
12/09/99	SUNSHINE ENTERPRISES	111803	232882	3,000.00		
01/28/00	STRATEGIC ADVISORY GROUP	113244	235458	283.00		
01/28/00	SUNSHINE ENTERPRISES	113247	235459	4,388.74		
02/03/00	THOMPSON, VENTULETT, STANBECK	113289	238722	200.23		
02/10/00	SUNSHINE ENTERPRISES	113928	238224	3,000.00		
02/11/00	GOTTLES & SMITH	113935	238285	3,112.00		
02/13/00	SUNSHINE ENTERPRISES	114874	239818	3,000.00		
	COFFEE PROPERTY SCIENCE	114881	240358			28,438.00
03/31/00	STEVENS AND WILKERSON	115701	239929	1,478.38		
04/03/00	COFFEE PROPERTY SCIENCE	115578	240008	39,302.38		
04/03/00	THOMPSON, VENTULETT, STANBECK	115576	240014	592.27		
04/06/00	SUNSHINE ENTERPRISES	115588	240215	3,000.00		
04/20/00	STEVENS AND WILKERSON	116557	241407	3,118.00		
04/25/00	ABSOLUTE TITLE INC	116707	241838	152.78		
04/26/00	LAWYERS TITLE INSURANCE	116708	241839	372.50		
05/10/00	SUNSHINE ENTERPRISES	117189	242874	3,000.00		
05/31/00	THOMPSON, VENTULETT, STANBECK	117887	244836	2,838.68		
08/26/00	NIXEON FRUET, JACOBS AND POLLARD	119702	246388	7,535.38		
08/28/00	SUNSHINE ENTERPRISES	119874	246870	3,000.00		
08/30/00	NIXEON FRUET, JACOBS AND POLLARD	AP 119789	247177	1,762.38		
				<u>148,328.74</u>	<u>0.00</u>	<u>28,438.00</u>
			FY 99/00 AS OF 08/30/00			

CITY OF COLUMBIA, SOUTH CAROLINA
 TOURISM AND DEVELOPMENT FEES EXPENDITURES
 THROUGH 02/29/01

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DATE	VENDOR NAME	PO #	CHECK #	FNTD6368	FNTD6588	FNTD6889
07/18/00	SUNSHINE ENTERPRISES	120758	247177	3,000.00		
08/14/00	SUNSHINE ENTERPRISES	125018	249510	3,000.00		
08/14/00	SUNSHINE ENTERPRISES	122198	251843	3,000.00		
08/27/00	STRATEGIC ADVISORY GROUP	123001	252478	5,812.00		
08/27/00	STRATEGIC ADVISORY GROUP	122400	252478	5,000.00		
09/28/00	STEVENS AND WILKERSON	122387	252583	7,015.01		
10/13/00	SUNSHINE ENTERPRISES	122032	253829	3,000.00		
10/18/00	THOMPSON, VENTULETT, STAMBECK	123060	253958	10,382.17		
10/24/00	GOTTLIEB & SMITH	123088	254425	4,150.09		
10/24/00	STEVENS AND WILKERSON	123088	254468	2,760.00		
10/24/00	THOMPSON, VENTULETT, STAMBECK	124118	254468	10,888.40		
11/09/00	THOMPSON, VENTULETT, STAMBECK	124189	255854	29,280.44		
11/14/00	SUNSHINE ENTERPRISES	125657	255858	3,000.00		
11/16/00	SWO HOTELS	125882	258014	974.50		
11/29/00	STEVENS AND WILKERSON	126124	258862	8,181.05		
12/13/00	SUNSHINE ENTERPRISES	126771	257853	3,000.00		
12/18/00	STRATEGIC ADVISORY GROUP	128734	258079	5,458.82		
12/15/00	THOMPSON, VENTULETT, STAMBECK	126735	258084	1,647.58		
01/08/01	STEVENS AND WILKERSON	127411	259283	1,824.24		
01/11/01	THOMPSON, VENTULETT, STAMBECK	127410	258628	18,504.69		
01/28/01	SUNSHINE ENTERPRISES	128159	260831	3,000.00		
02/01/01	NECKER PRUIT, JACOBS AND POLLARD	127847	261289	9,078.53		
02/06/01	STEVENS AND WILKERSON	128590	261859	4,081.70		
02/08/01	SOUTH CAROLINA ELECTRIC AND GAS	128541	262000	15,000.00		
02/13/01	CHARLOTTE CONVENTIONS CENTER	128543	262202	1,581.30		
02/13/01	NECKER PRUIT, JACOBS AND POLLARD	128458	262248	6,525.00		
02/15/01	SUNSHINE ENTERPRISES	128305	262680	3,000.00		
02/18/01	THOMPSON, VENTULETT, STAMBECK	128304	262487	2,735.28		
FY 00/01 THRU 02/19/01				<u>172,891.82</u>		
TOTAL ALL YEARS				<u>618,978.84</u>	<u>187,107.77</u>	<u>28,436.00</u>
					<u>842,520.61</u>	

FAST FAX

from

Kit Smith, 120 Edisto Avenue, Columbia, SC 29205

Phone (803) 254-0542 or (864) 836-0422

Fax (803) 254-4241 or (864) 836-0422

E-mail kitsalley@aol.com

TO: Bob Coble, Mayor

CARY MCKSWAIN - COPY

FROM: Kit Smith

Richland County Council discussed the Conference Center/Township at its retreat Saturday morning. We suggest that City Council adopt a resolution to pursue an agreement with the County to operate the Township according to these principles:

- Appointments to the governing Board will be shared with County retaining majority control.
- 50/50 split of capital and advertising needs; county to be responsible for operating losses.
- Ownership remains with the county.
- Management and promotions contract with conference center authority will be pursued.
- Agreement to run concurrently with Tourism Fee agreement, i.e., 20 years.

If the City will adopt a resolution along these lines, basically an agreement to agree, I believe the County will be comfortable enough to initiate approval of the Conference Center agreement. We're getting our Finance Department to examine it now.

Call me if you have any questions. 254-0542 or Cell 414-1958.

This transmission consists of 1 pages, including the cover sheet. If you do not receive all of the pages, please call Kit Smith, (803) 254-0542.