

- (e) Replacement property provisions apply.
- (10) Any other feature or aspect of the agreement which may affect the calculation of items (7) and (8) of this subsection: Actual, not scheduled investments, determine the amount of fee payments. The County and the other taxing entities and not this agreement determine the actual distribution of fee payments among themselves. Other aspects of features that may affect the calculations are not aspects or features of this agreement but of the law.
- (11) Description of the effect upon the schedules required by items (7) and (8) of this subsection of any feature covered by items (9) and (10) not reflected in the schedules for items (7) and (8) of this subsection: The schedules are based on current estimates made by Lang-Mekra and the projected fee amounts are therefore subject to change in the future. They do not represent a binding commitment on behalf of Lang-Mekra pay a minimum or guaranteed amount of fees in lieu of taxes to any taxing entity or to actually place the investments in service as scheduled, but is merely a good faith estimate. Actual fee payments may be less or more than indicated due to a number of factors including, but not limited to, the timing and actual level of investment placed in service, replacement or disposal of property, availability of economic impact zone investment tax credit, and availability of exemptions. Distributions to taxing entities shown are based on the most current (2001) millage rates available. These millage rates will probably change in the future. In addition, the county is authorized to change the manner of distribution of the fees to the different taxing entities and may use some or all of the fee in lieu of tax revenues for certain other purposes authorized by law. Therefore, actual distributions to taxing entities may and probably will differ from the amounts indicated on the schedules.
- (12) Party or parties to the agreement that are responsible for updating any information contained in the summary document: Lang-Mekra North America LLC.

2. Extension of the Investment Period. The Investment Period for investments in excess of \$5 million under Section 4.01. and Section 6.03. of the Lease Agreement shall be extended until December 31, 2005, pursuant to Section 4-12-30 (C)(2) of the Act (as amended by Act 334 on June 24, 2002) and all respective sections of the FILOT Agreement shall be revised to allow for such a three-year extension of the Investment Period.

3. Amendment of the Exhibit A of the Lease Agreement. Exhibit A of the Lease Agreement shall be amended to read as follows:

See Exhibit A attached hereto and incorporated herein.

4. Special Source Revenue Credit. The County hereby grants the Company a Special Source Revenue Credit as authorized under Sections 4-12-30(K)(3) and 4-29-68(A)(4) of the Code of Laws of South Carolina in an amount up to \$125,000 (One Hundred Twenty-Five Thousand and 00/100 Dollars). The Special Source Revenue Credit shall be used by the Company exclusively to reimburse itself for road improvements in an amount up to \$75,000 and site work at the Facility incident to the present expansion in an amount up to \$50,000. The amount of the Special Source Revenue Credit shall be limited to the Company's actual cost of the road improvements and site work, and, and shall be determined upon the Company's presentment of sufficient documentation to the County evidencing the Company's actual cost. The Special Source Revenue Credit may be claimed over a two year period by the Company, with the first credit being applied to the Company's 2002 property

tax liability in an amount not to exceed \$75,000, and the remainder of the eligible credit shall be applied to the Company's 2003 property tax liability.

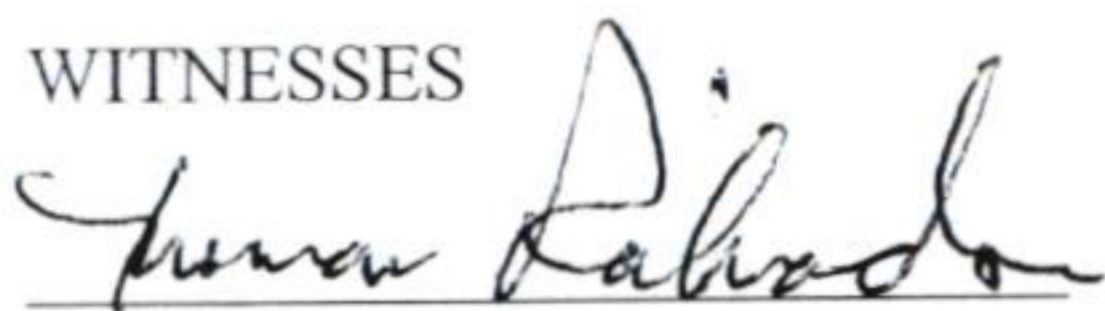
5. Responsibility and Authority to Update Summary Document. To the extent required by law, Lang-Mekra shall have the authority and responsibility to update any information contained in the summary document contained herein as Section 1. and shall file such updated information each year with his property tax return simultaneously with the Department of Revenue and at the same time with the County Auditor. Forms PT-300S and PT-300W filed with such property tax return shall be considered an appropriate update of the schedule contained in subsection (7) of the summary document. Upon receipt of a written request, the County shall provide for such purposes to Lang-Mekra each year, at least one month before such filings become due, with a list of current millage rates and numbers concerning the fee distribution among taxing entities, which the Company may use to update the schedule contained in subsection (8) of the summary document.
6. Additional Investment. Lang-Mekra shall invest a minimum of an additional \$2.5 million at the Project by December 31, 2005 (the "Additional Investment") in order to expand production; provided however, that the failure to make such Additional Investment shall not affect the fee-in-lieu-of-tax arrangement as a whole but only the Special Source Revenue Credit as provided above.
7. Maintaining Existing Jobs. During October 2002, Lang-Mekra employs approximately 150 full time employees, and 50 temporary contractors. The number of full time employees has consistently grown over the years, and Lang-Mekra expects modest growth over the next 3 years. Lang-Mekra has also established a wholly-owned limited liability company, which operates a day-care facility within the County and near the Project, named Palmetto Montessori School Ridgeway ("PMSR"). PMSR currently employs an additional 25 employees. While Lang-Mekra does not commit to increasing overall employment at the Project or PMSR in the near future, Lang-Mekra intends to maintain this existing employment, and, if market conditions permit, increase employment at the Project and PMSR. Upon receipt of a written request, Lang-Mekra shall provide to the County each year a report showing the number of employees sorted by Zip Code of the employees' residence.
8. Company Responsible for County Expenses. Lang-Mekra hereby acknowledges that it shall be responsible for reasonable expenses, including attorneys' fees, which may not exceed \$2000, incurred by the County in connection with the granting of the incentives discussed herein. Lang-Mekra shall reimburse the County for such reasonable expenses within 30 days of receiving a reimbursement request from the County.
9. Transfer of Property to Town of Winnsboro. Lang-Mekra shall, in accordance with previous discussions with the County, deed sufficient property to the Town of Winnsboro (the "Town") upon which the Town shall erect a new water tower. Lang-Mekra shall likewise grant the Town sufficient easements to allow the Town access to the new water tower site. Such transfer must be completed by December 31, 2002.

10. Severability. If any term or provision, or any portion thereof, of this Amendment, shall to any extent and for any reason be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this agreement shall not be affected thereby and shall nevertheless remain in full force and effect, and each term and/or provision of this agreement shall be valid and enforceable to the fullest extent permitted by the law .

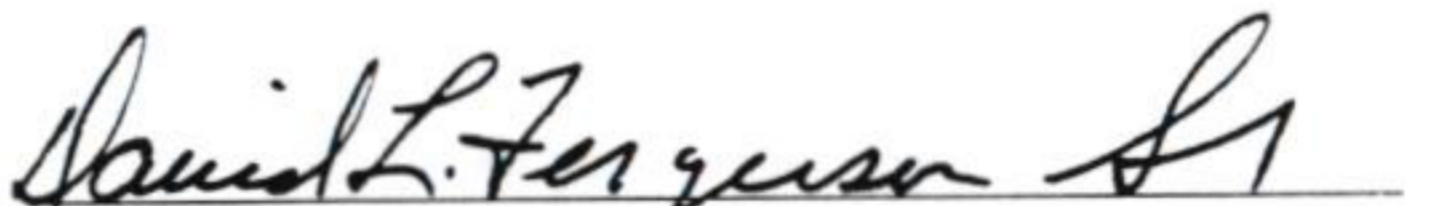
IN WITNESS WHEREOF, Fairfield County, South Carolina, has executed this Amendment by causing its name to be hereunto subscribed by the Chairman of its County Council for the County and attested by the Clerk to the County Council, and Lang-Mekra North America LLC has executed this Amendment to the Lease Agreement by causing its corporate name to be hereunto subscribed by its authorized representative, all being done as of the day and year first written above.

FAIRFIELD COUNTY, SOUTH CAROLINA

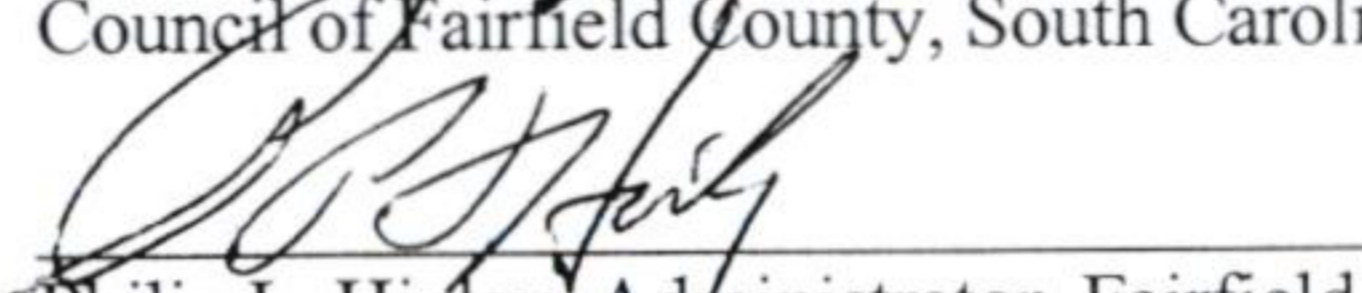
WITNESSES



By:


David L. Ferguson, Chairman, County
Council of Fairfield County, South Carolina

By


Philip L. Hinley, Administrator, Fairfield
County, South Carolina

(SEAL)

ATTEST:

By:


Shryll M. Brown, Clerk to County
Council of Fairfield County, South Carolina

WITNESSES:

Lang-Mekra North America LLC

By:

Sabine Lang

Its:

Manager

10. Severability. If any term or provision, or any portion thereof, of this Amendment, shall to any extent and for any reason be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this agreement shall not be affected thereby and shall nevertheless remain in full force and effect, and each term and/or provision of this agreement shall be valid and enforceable to the fullest extent permitted by the law .

IN WITNESS WHEREOF, Fairfield County, South Carolina, has executed this Amendment by causing its name to be hereunto subscribed by the Chairman of its County Council for the County and attested by the Clerk to the County Council, and Lang-Mekra North America LLC has executed this Amendment to the Lease Agreement by causing its corporate name to be hereunto subscribed by its authorized representative, all being done as of the day and year first written above.

FAIRFIELD COUNTY, SOUTH CAROLINA

WITNESSES

By:

David L. Ferguson, Chairman, County
Council of Fairfield County, South Carolina

By

Philip L. Hinley, Administrator, Fairfield
County, South Carolina

(SEAL)

ATTEST:

By:

Shryll M. Brown, Clerk to County
Council of Fairfield County, South Carolina

WITNESSES:

Lang-Mekra North America LLC

By:

Sabine Lang

Its:

Manager

Legal Description of Leased Land

All that certain piece, parcel or tract of land with any and all improvements thereon, situate, lying and being in Fairfield County, South Carolina, containing 16.58 acres and being shown as N/F Lang-Mekra A Portion of TMS #200-00-09 Walter B. Brown Industrial Park on a Plat prepared for Lang-Mekra North America, Inc. by Power Engineering Company, Inc. dated October 22, 1996, and recorded in Slide 556, at Page 1357, Fairfield County Clerk of Court's Office, and being more particularly described as follows:

TO FIND THE POINT OF BEGINNING, BEGIN AT A granite monument found on the eastern right-of-way of Boney Road, said monument being approximately 0.9 mile from the intersection of Boney Road and S.C. Highway 34; thence running S15°31'04"E along the eastern right-of-way of Boney Road for a distance of 148.73' to an iron pin found, which iron pin found marks the POINT OF BEGINNING; thence turning and running N84°34'56"E for a distance of 148.73' to an iron pin found; thence turning and running N15°31'04"W for a distance of 148.73' to an iron pin found; thence turning and running N84°34'56"E along property now or formerly of John R. Dove for a distance of 1188.46' to a granite monument found; thence running N84°34'56"E along property now or formerly of John R. Dove for a distance of 12.95' to an iron pin set; thence turning and running along the arc of a curve to the right along property shown as Tillessen Blvd. (proposed road) 60' R/W, said curve having a radius of 320.00', a chord bearing of S18°20'24"W and a chord length of 220.17' to an iron pin set; thence turning and running S38°03'02"W along the northern right-of-way of property shown as Tillessen Blvd. (proposed road) 60' R/W for a distance of 515.17' to an iron pin found; thence turning and running along the arc of a curve to the right along the northern right-of-way of property shown as Tillessen Blvd. (proposed road) 60' R/W, said curve having a radius of 511.28', a chord bearing of S54°14'32"W and a chord length of 288.97' to an iron pin found; thence turning and running S84°55'12"W along the northern right-of-way of property shown as Tillessen Blvd. (proposed road) 60' R/W for a distance of 102.66' to an iron pin found; thence turning and running S73°48'26"W along the northern right-of-way of property shown as Tillessen Blvd. (proposed road) for a distance of 60.00' to an iron pin found; thence turning and running S73°53'01"W along the northern right-of-way of property shown as Tillessen Blvd. (proposed road) for a distance of 217.12' to an iron pin found; thence turning and running N60°50'25"W for a distance of 209.37' to an iron pin found; thence turning and running N15°31'04"W along the eastern right-of-way of Boney Road for a distance of 509.04' to the POINT OF BEGINNING.

TMS No.: Portion of 200-00-00-075

Derivation: This being the same tract of land conveyed to Lang-Mekra North America, Inc. by general warranty deed of Fairfield County dated October 23, 1996 and recorded in the Office of the Clerk of Court for Fairfield County in Deed Book "OE" at page 161.

Together with:

All that certain piece, parcel, or tract of land situate, lying and being in the County of Fairfield, State of South Carolina, totaling 13.570 acres, more or less, and shown and designated as "N/F FAIRFIELD COUNTY A PORTION OF TMS 200-00-00-007, 067 & 068" on a plat prepared for Lang-Mekra North America, LLC by Power Engineering Company, Inc dated September 28, 1999, and recorded in the office of the Register of Deeds for Fairfield County in Plat Slide 605 __, at Page 99, said tract having such location, metes and bounds, courses, and distances as will by reference to said plat more fully appear.

TMS #: Portion of 200-00-00-007, 067 & 068

Derivation: This being the same property conveyed to Fairfield County, South Carolina by deed of Lang Mekra North America LLC dated November 2, 1999 and recorded in the office of the Register of Deeds for Fairfield County in Book QA at Page 260.

Less:

All that certain piece, parcel, or tract of land situate, lying and being in the County of Fairfield, State of South Carolina, totaling 2.613 acres, more or less, and shown and designated as "N/F LANG MEKRA NORTH AMERICA, LLC FAIRFIELD COUNTY A PORTION OF TMS 200-00-00-075" on a plat prepared for Fairfield County by Power Engineering Company, Inc dated September 28, 1999, and recorded in the office of the Register of Deeds for Fairfield County in Plat Slide 605, at Page 99, said tract having such location, metes and bounds, courses, and distances as will by reference to said plat more fully appear.

TMS #: Portion of 200-00-00-075

Derivation: This being the same property conveyed to Fairfield County, South Carolina by deed of Lang-Mekra North America LLC dated November 2, 1999 and recorded in the office of the Register of Deeds for Fairfield County in Book QA at Page 249.