STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF October 13, 2020

REGULAR SESSION
ITEM NUMBER 9

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyance, Utility Conveyance and Easement - DDSN

The Department of Administration, Facilities Management and Property Services, recommends approval of the following real property conveyance, utility conveyance, and easement:

Controlling Agency:	**Department of Disabilities and Special Needs**
Acreage:	808 ± acres and improvements at the Whitten Center
Location:	28373 US-76, Clinton
County:	Laurens
Purpose:	To transfer Whitten Center real property, to transfer all right, title and interest in the sewer, storm water and water systems located upon the retained property and to grant an easement for access to the sewer system, storm water system, water system and water tank located on the retained property to the City of Clinton in exchange for the City assuming control and responsibility of the Whitten Center's storm sewer system, sanitary sewer system and water distribution system (estimated by the City and confirmed by DDSN's consultant to exceed the value of the property).
Price/Transferred To:	Property exchange and easement for ownership, operation and maintenance of the existing water, sewer and storm sewer utility systems/City of Clinton
Disposition of Proceeds:	N/A
Additional Information:	On October 14, 2014, the Budget and Control Board approved the sale of 374.5± acres at DDSN's Whitten Center for not less than the appraised value which was $825,000. The property was advertised for sale by sealed bids which resulted in only one offer. DDSN decided not to accept the offer and instead accept the proposal by the City of Clinton to take over the infrastructure needs at the Whitten Center in exchange for ownership of identified surplus property.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the real property conveyance as requested, conveyance of the water, sewer, and storm water systems that are located on the retained property, and approve an easement that permits the City of Clinton to enter the retained property for access to the conveyed sewer system, storm water system, water system, and water tank.

ATTACHMENTS: Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 13, 2020 **Regular Agenda**

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1. **Submitted by:**
   (a) Agency: Department of Administration, Division of Facilities Management and Property Services
   (b) Authorized Official Signature: Ashlie Lancaster, Director

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2. **Subject:REAL PROPERTY CONVEYANCE, UTILITY CONVEYANCE, AND EASEMENT**

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3. **Summary Background Information:**

Controlling Agency:	**Department of Disabilities and Special Needs**
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Price/Transferred To:	Property exchange and easement for ownership, operation and maintenance of the existing water, sewer and storm sewer utility systems/City of Clinton
Disposition of Proceeds:	N/A
Additional Information:	On October 14, 2014, the Budget and Control Board approved the sale of 374.5± acres at DDSN's Whitten Center for not less than the appraised value which was $825,000. The property was advertised for sale by sealed bids which resulted in only one offer. DDSN decided not to accept the offer and instead accept the proposal by the City of Clinton to take over the infrastructure needs at the Whitten Center in exchange for ownership of identified surplus property.

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4. **What is Authority asked to do?** Approve the real property conveyance as requested, conveyance of the water, sewer, and storm water systems that are located on the retained property, and approval of an easement that permits the City of Clinton to enter the retained property for access to the conveyed sewer system, storm water system, water system, and water tank.

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5. **What is recommendation of Department of Administration?** Approve the real property conveyance as requested, conveyance of the water, sewer, and storm water systems that are located on the retained property, and approval of an easement that permits the City of Clinton to enter the retained property for access to the conveyed sewer system, storm water system, water system, and water tank.

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6. **List of Supporting Documents:**
   a) Letter from Department of Disabilities and Special Needs dated May 15, 2020
   b) Whitten Center/City of Clinton Utilities Transfer Proposal dated March 15, 2019, update April 15, 2020
   c) Map/Plat (Parcel A, Parcels B & C, and Parcel D)
   d) SC Code of Laws Section 1-11-65
   e) Asset Conveyance Agreement
   f) Utility Easement Agreement
   g) Declaration of Covenants, Easements, and Restrictions

Mary Poole
State Director
Patrick Maley
Deputy Director
Rufus Britt
Associate State Director
Operations
Susan Kreh Beck
Associate State Director
Policy
W. Chris Clark
Chief Financial Officer

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COMMISSION
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Lorri S. Unumb
Secretary
Barry D. Malphrus
David L. Thomas

May 15, 2020

Ms. Ashlie Lancaster
Director, Division of Facilities Management and Property Services
South Carolina Department of Administration
1200 Senate Street, 6th Floor Columbia, SC 29201

Re: Transfer of Property and Other Assets to the City of Clinton

Dear Ms. Lancaster:

The South Carolina Department of Disabilities and Special Needs (DDSN) request that the transfer of Tracts A, B, C and D as outlined in the plats to the City of Clinton be approved by the Department of Administration. Also, the agency is requesting the transfer of the Whitten Center storm sewer system, the sanitary sewer system and water distribution system to the City.

This request is being made due to a smaller number of residents, an aging utility infrastructure and reduced maintenance staff, which leaves the Whitten Center water, sewer, storm sewer, dams, and impoundments in a compromised condition. Major improvements will be required in the near future and would be very costly to the agency. Most pipelines are original to the campus, and sized for previous much larger capacity that no longer exists, thus complicating repair decisions and replacement costs. The ever increasing regulatory requirements of appropriately maintaining the Whitten Center underground utilities, dams, excess acreage, timber, lakes and recreational areas is too expensive to continue. DDSN does not have the expertise, staff or funding to perform the necessary upgrades, repair, and ongoing maintenance required.

The City will assume control of and responsibility for Whitten Center's Storm Sewer, Sanitary Sewer, and Water Distribution system in exchange for real estate currently owned by DDSN at Whitten Center. This proposal provides economic development opportunities in a planned and coordinated way that will provide the maximum benefit to the residents and staff of the Whitten Center.

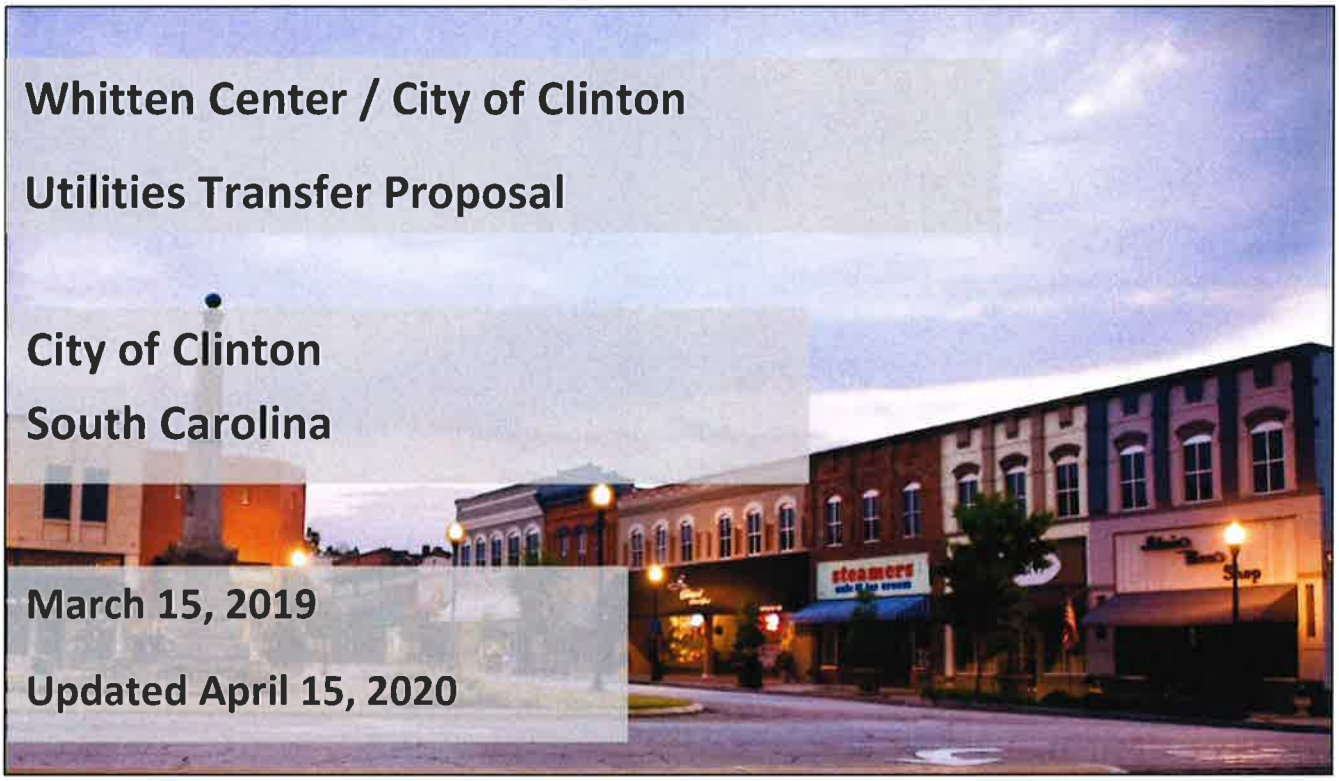
The City would operate the systems as part of the city's existing water, sewer, and storm sewer utility systems, providing routine maintenance and long-term capital improvement to the system at the same level of service provided to other system customers. The City of Clinton is qualified to provide long-term management of the system. City personnel are available 24 hours per day year round to respond to any issue with water distribution, storm sewer collection, or sanitary sewer collection on the campus of Whitten Center and will do so, at no additional charge, as part of our standard operating and maintenance procedures for the water and sewer utility system.

Based on the review done by AECOM on behalf of DDSN, the financial benefit to the agency based on the City's financial analysis, projected costs for preventative maintenance of the sewer, water, and storm sewer systems over the next 10 years exceeds $500,000, with emergency repairs having the potential to require an additional investment of $100,000. Systems capital maintenance is anticipated to cost $800,000 over the next decade. Road maintenance for the secondary campus exit and repair and maintenance of existing recreation facilities will likely cost almost $300,000, bringing the total potential outlay over the next decade to exceed $1.7 million. Estimates for full infrastructure replacement of aging sanitary sewer, water distribution, storm water, and egress road exceed $7,000,000. The future potential savings for DDSN may approach $9 million. The appraisal value to Tract A and Al= $1,030,000; Tract B = $715,000; Tract C = $365,000; and Tract D = $110,000. It is important to note that 35 acres of undeveloped land commonly known as the Piedmont Wilderness Institute (approximately 285 acres owned by DDSN, north of I-26 at Highway 72, with access from Highway 72) is being retained by DDSN in order to continue to lease the property to the South Carolina Department of Juvenile Justice.

Based on the above, DDSN requests the property transfer be approved. If you have any questions, please feel free to contact me at 898-9769 or Constance Holloway, General Counsel at 898-9683.

Respectfully yours,

Mary Poole
State Director



Whitten Center / City of Clinton

Utilities Transfer Proposal

City of Clinton

South Carolina

March 15, 2019

Updated April 15, 2020

The City of Clinton seeks to expand our strong existing partnership with the South Carolina Department of Disabilities and Special Needs in which the City will assume control of and responsibility for Whitten Center's Storm Sewer, Sanitary Sewer, and Water Distribution system in exchange for real estate currently owned by the State of South Carolina, Department of Disabilities and Special Needs, at Whitten Center.

City of Clinton

South Carolina

M.S. Bailey Municipal Center
211 North Broad Street
Post Office Drawer 748
Clinton, South Carolina 29325

Phone: (864) 833-7505
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CONTACT

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City Manager

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EXECUTIVE SUMMARY

Purpose

The City of Clinton seeks to expand our strong existing partnership with the South Carolina Department of Disabilities and Special Needs with the ultimate purpose being to ensure that growth compatible with the environment, mission, and purpose of Whitten Center, and growth which is most beneficial to the individuals who call the property home, occurs on surplus lands owned by the State of South Carolina, Department of Disabilities and Special Needs, at the Whitten Center site.

In order to achieve the goal outlined above, the City of Clinton, a political subdivision of the State of South Carolina and water and sewer utility service provider to the facility at Whitten Center, proposes assuming ownership of the facility's water distribution, sanitary sewer, and storm sewer systems. The City would operate the systems as part of the city's existing water, sewer, and storm sewer utility systems, providing routine maintenance and long term capital improvement to the system to the same level of service provided to other system customers.

In exchange for assuming the long term management, operation, and maintenance of the state owned utility systems in their present condition, the City would request that surplus property owned by the State of South Carolina, Department of Disabilities and Special Needs, at the Whitten Center site be transferred to the City of Clinton with such covenants and restrictions as outlined in this document.

By working together to leverage existing resources and strengths, the two organizations can work to provide economic development opportunities and jobs for state residents, while also ensuring that economic growth is planned and coordinated in such a way as to provide the maximum possible benefit to the consumers and residents of Whitten Center.

The City of Clinton is located in the upstate region of South Carolina and is home to approximately 9,000 residents. Clinton was once a thriving community with an economy that was centered on textile manufacturing, transportation, and banking. The local economy has suffered the loss of not only four textile manufacturing facilities, but a large ball bearing manufacturing facility as well.

Clinton is the proud home of Presbyterian College, Thornwell Home for Children, and Whitten Center. As the local economy has changed, the city has taken an active role in economic development and seeks to partner with as many local institutions as possible to create an environment conducive to economic growth and prosperity, while maintaining the values of our small upstate town.

DOWNTOWN CLINTON SERVES AS THE COMMERCIAL HEART OF THE CITY AND HAS BENEFITTED FROM SIGNIFICANT REINVESTMENT OVER THE PAST EIGHT YEARS.

One solution has been significant reinvestment in the downtown commercial core of the city. Through grants from the South Carolina Department of Commerce and the South Carolina Department of Transportation, the City of Clinton has invested in downtown streetscape improvements, building façade renovations, and other improvements to ensure that the city's downtown remains a vibrant commercial area. The total downtown investment has exceeded four million dollars.

In addition, the city has invested heavily in the development of an industrial and corporate park at the intersections of Interstates 385 and 26 on the northern border of the city. Adjacent to these key investments lays property

identified as surplus property owned by the State of South Carolina, Department of Disabilities and Special Needs, at the Whitten Center site. The portion of the Whitten Center property that lies north of Interstate 26 is adjacent to the I-26 industrial park. The portion of the property that lies to south of Interstate 26 is adjacent to a planned retail and commercial development area near the interstate, as well as adjacent to the campus of the recently constructed Clinton High School

In addition to allowing for planned economic growth, the City of Clinton is working to develop sports parks, such as softball and soccer, which could serve as regional competition facilities. These projects are being financed through special source revenue programs implemented by the City. A portion of the surplus property owned by the State could be utilized by the city to support recreational program development.

The City continues to seek to reinvent itself as a great place to live and as a great place to do business that seeks to provide quality services for residents and visitors. By working together, the City of Clinton and the State of South Carolina's Department of Disabilities and Special Needs can manage the transition of state surplus property at Whitten Center into a property which provides additional land for industrial development, job growth for a depressed area, residential growth, and outdoor recreational space. A vibrant economy improves the community and properly planned and executed growth on the surplus property preserves the beauty and serenity of the campus of Whitten Center, which contributes to the quality of life of the residents who call the facility home.

THE PROPOSAL

Opportunity

The City of Clinton seeks to expand our strong existing long term partnership with the South Carolina Department of Disabilities and Special Needs with the ultimate purpose being to ensure that growth compatible with the environment, mission, and purpose of Whitten Center, and which is most beneficial to the individuals who call the property home, occurs on surplus lands owned by the State of South Carolina at the Whitten Center site.

In order to achieve the goal outlined above, the City of Clinton, a political subdivision of the State of South Carolina and water and sewer utility service

provider to the facility at Whitten Center, proposes assuming ownership of the facility's water distribution, sanitary sewer, and storm sewer systems. The City would operate the systems as part of the city's existing water, sewer, and storm sewer utility systems, providing routine maintenance and long term capital improvement to the system to the same level of service provided to other system customers.

Utility System Transfer

The City of Clinton intends to accept ownership and operational responsibility for the sanitary sewer, water distribution, and storm sewer system on the campus of Whitten Center.

Storm Sewer

The City proposes accepting the ownership, maintenance and management of the storm sewer system including all underground piping, and all catch basins and drains located on the campus. The City will, at its expense, maintain the system to the required state standards for storm sewer systems, make repairs as needed, and perform routine maintenance and inspection services. The city does not charge a storm sewer fee or rate to any customers.

Sanitary Sewer

The City proposes accepting ownership, maintenance, and management of the sanitary sewer system including all collection lines up to a mutually agreed upon point along each facility's service line which connects a facility's indoor sewer plumbing to the main collection line. The city would install a clean out at this point if one was not already present. The city would perform annual routine inspections, using closed circuit television cameras, of the entire system and would perform maintenance up to and including a complete replacement of the system as needed based on system condition. Whitten Center would be subject to a sewer utility charge based on prevailing rates charged to all sanitary sewer utility customers, but would be eligible for the New Large Service Customer (NLSC) rider, resulting in a significant discount over the first ten years that the system is subject to collection rates

Water Distribution System

The City proposes accepting ownership, maintenance, and management of the water distribution system including all service lines up to a mutually agreed upon point along each facility's service line which connects a facility's indoor water plumbing to the main distribution line. The city would install a water meter at this point if one is not already present. In addition, the City will assume the ownership and any associated liability with the existing elevated water tank at Whitten Center that is connected to the water distribution system.

Whitten Center currently owns and operates a 2 way radio system transmitted from their elevated water tank. The City of Clinton agrees to maintain the operational presence of the antenna at a level of service that meets the industries service expectations. Should the City of Clinton dismantle the elevated water tank, we agree to relocate the transmitting equipment to a location agreeable to both parties and ensure equal or improved operational service as determined by an independent, licensed communications company.

The city would perform annual routine inspections of the entire system and would perform maintenance up to and including a complete replacement of the system as needed based on system condition. Whitten Center would be subject to a water utility charge based on prevailing rates charged to all water utility customers. Since the water rate would be billed based on a total consumption figure gathered monthly from each facility, Whitten Center would no longer be responsible for any costs associated with leaks in the main distribution system, if any are present. Whitten Center would have access to all meter data to assist in water conservation and cost control measures.

Dams & Impoundments

The City proposes accepting ownership, maintenance, and management of ponds, lakes, and other water impoundments located on the property that is deeded to the city, including ensuring that existing dams are maintained or managed in the safest manner possible. The City reserves the right to remove unsafe structures and agrees to hold the State of South Carolina, the Department of Disabilities and Special Needs, and Whitten Center harmless in regards to the condition of the dam and impoundment structures.

Qualifications of the City of Clinton

The City of Clinton is qualified to provide long term management of the system. The City currently maintains over 60 miles of sewer collection lines, over 50 miles of storm sewer lines, and over 80 miles of water distribution lines and has provided a water and sewer utility to its citizens for over 100 years. Maintenance is provided by the City's Department of Public Works, a department which consists of 40 personnel, and includes water distribution and wastewater collection licensed individuals. The city's utility fund includes a $21 million annual operating budget to provide for the maintenance and operation of utility systems. City personnel are available twenty-four hours per day year round to respond to any issue with water distribution, storm sewer collection, or sanitary sewer collection on the campus of Whitten Center and will do so at no additional charge as part of our standard operating and maintenance procedures for the water and sewer utility system.

Land Transfer

In exchange for assuming the long term maintenance costs and overall operational and regulatory responsibility for the existing sanitary sewer, storm

sewer, and water distribution systems at Whitten Center, the City of Clinton would like the opportunity to accept ownership of lands owned by the State of South Carolina, Department of Disabilities and Special Needs, at the Whitten Center site in order to work in partnership with the South Carolina Department of Disabilities and Special Needs to plan for and allow for compatible development which improves the economic condition of our city while being sensitive to the needs of Whitten Center and to the residents who call the facility home. The City of Clinton is proud to be the home of Whitten Center and hopes to continue to be a viable partner in making sure that the facility continues to meet its mission of service to the people of the State of South Carolina.

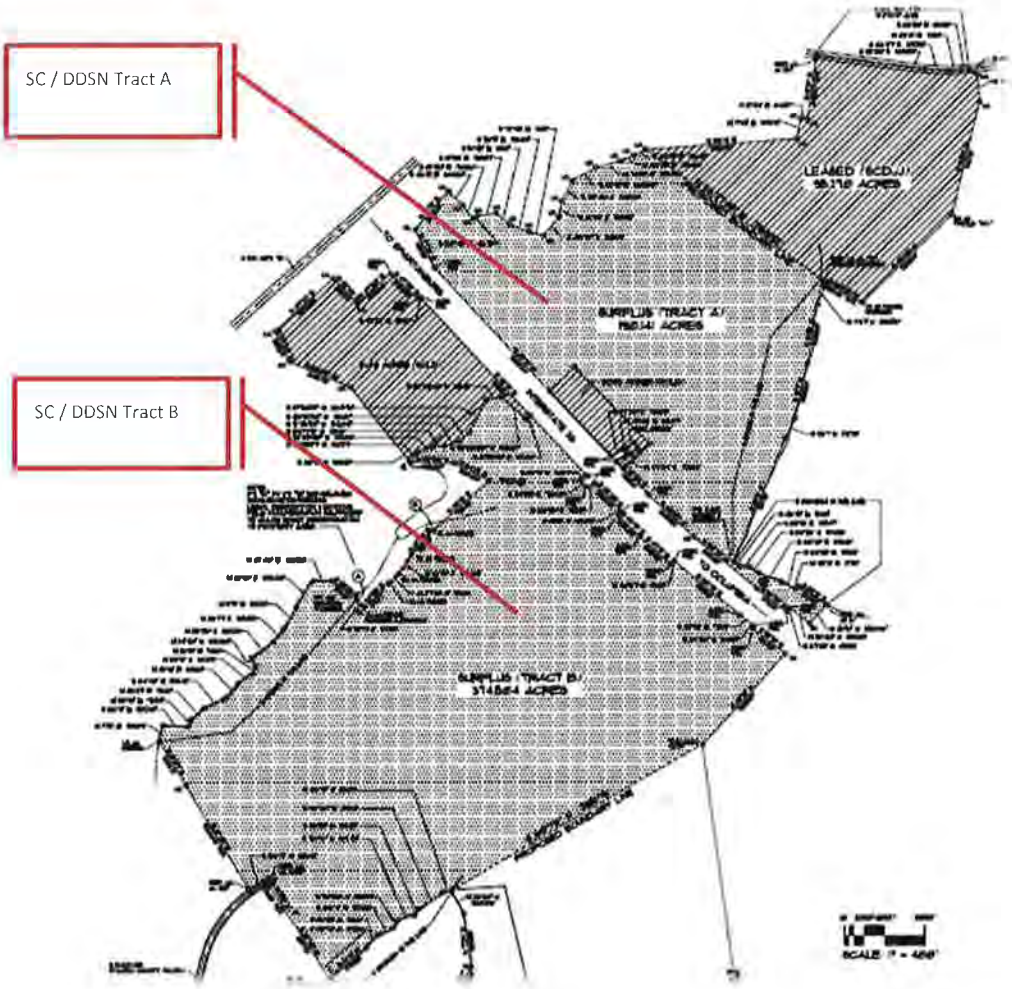
The land transfer would include the following property:

- All State of South Carolina, Department of Disabilities and Special Needs property located to the west of Springdale Drive / Ring Road consisting of approximately 7.3 acres at the corner of East Main Street and Springdale Drive. The City would pursue a development plan for this property that included a gateway park for the community and a potential site for a small commercial opportunity.

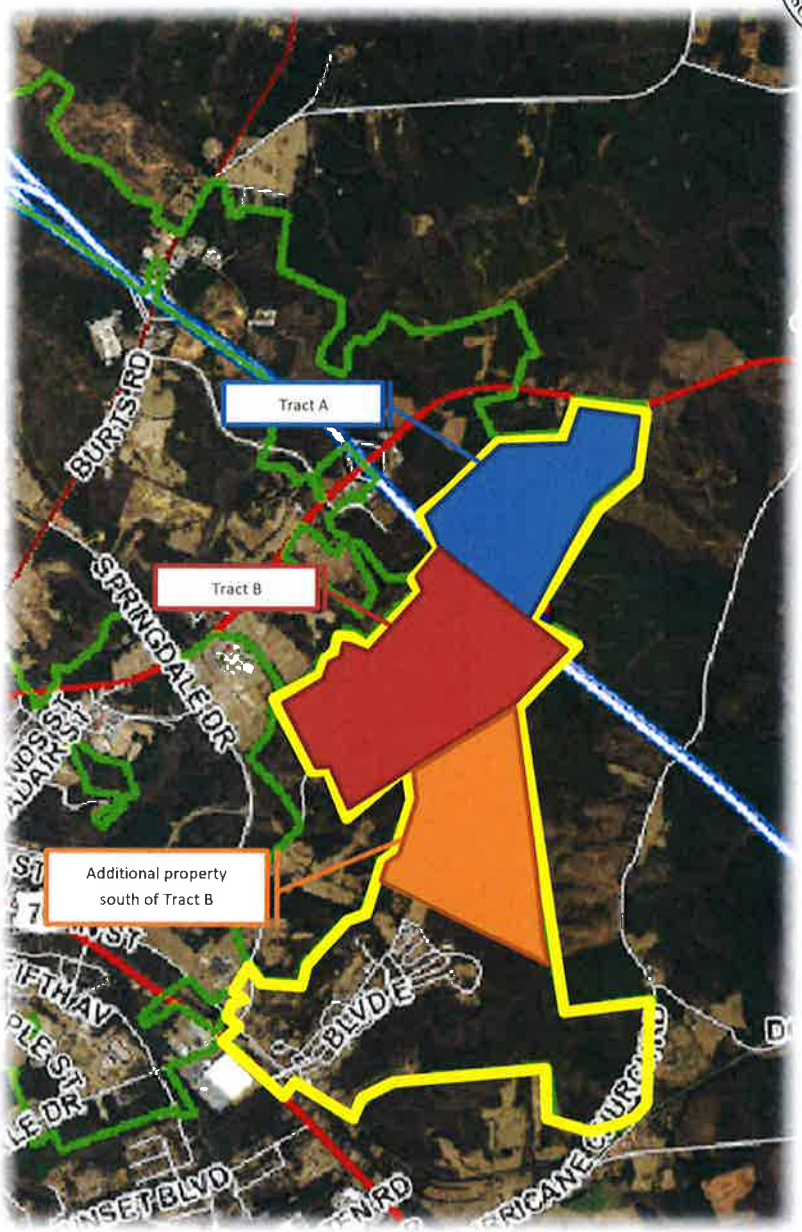
- Approximately 286 +/- acres of property located north of I-26 and adjacent to the existing I-26 Corporate Park identified as "Tract A" in the figure on the following page, less approximately 35 acres of property that the Department of Disabilities and Special Needs leases to the South Carolina Department of Juvenile Justice, which will be retained by the Department.

Adjacent to the 190 acres located between the SCDJJ leased parcel and Interstate 26 is the City of Clinton's I-26 Commerce Park. The Park is a South Carolina State Certified Development Site that is currently under construction through a public private venture and will include over 700 acres of property, a new access road, a 75,000 sf speculative building, and a 100,000 sf development ready pad. The city is targeting light manufacturing and distribution facilities for this park and is excited about the opportunity for job growth offered by the facility. The State of South Carolina property would be incorporated into the park.

- Approximately 374.5 acres of property located south of I-26 and north of the main campus of Whitten center identified as "Tract B" in the figure below. The City would restrict the development on this property to residential, agricultural, public greenspace, and light commercial with a mutually agreed upon buffer between the northern boundary of the remaining state property and future development.



- Approximately 180 acres of property located south of "Tract B" and north of the main campus of Whitten Center as indicated in the figure above. The City would restrict the development on this property to residential, agricultural, public greenspace, and light commercial with a mutually agreed upon buffer between the northern boundary of the remaining state property and future development.



Planned Future Growth

Prior to the transfer of property, the City of Clinton agrees to work with the State of South Carolina and the Department of Disabilities and Special Needs to develop a set of covenants and restrictions which will guide the future development of the property. Proper planned development can yield job growth, improved housing, better outdoor recreation opportunities, and be done in a manner that integrates and compliments Whitten Center so that no

future development creates a negative impact on the quality of life of the residents. Covenants and restrictions on the property would be transferable and include:

Promotion of Economic Development Job Growth Adjacent to Areas Already Identified for Industrial Growth. Planning to allow for appropriate manufacturing growth between the AMI Kids / SCDJJ campus and the interstate as a natural expansion of the I-26 Corporate Park would be included in the covenants. Any industrial growth at the property will be done in accordance with a mutually agreed upon master plan completed at the city's expense by a qualified engineer. The plan will ensure that there are no adverse effects from this type of development on the residents of Whitten Center or the AMI Kids facility.

Provisions That Provide for the Safety of Staff and Residents of Whitten Center. A secondary access route to the campus would be provided using the existing Old Colony Road corridor and the existing spur road from Old Colony Road to the main campus of Whitten Center. The access will be maintained by the City of Clinton as a publicly maintained road from the state maintained portion of the existing Old Colony Road to the rear property line of the Whitten Center Campus. This will be for emergency access and egress for Whitten Center, and may also be used as an access road for the transferred property. Through traffic from the transferred property across the Whitten Center Campus will not be allowed without the express permission of the State of South Carolina. The City will commit to the maintenance of the road in perpetuity if allowed by state law and will install and maintain, at the City's cost, appropriate gates to manage traffic on the roadway.

Campus and Existing Infrastructure. The City of Clinton will maintain a 1,000 foot buffer between Eighth Avenue on the campus of Whitten Center and any development. The City of Clinton will also assume responsibility for the maintenance, demolition if needed, and liability associated with any structures on the transferred property, including barns and buildings, elevated water storage structures, and dams associated with existing water impoundments.

Designation of Public Recreation Facilities. The City of Clinton would preserve and protect property around the two lakes located to the south of Interstate 26 as public parkland for the enjoyment of all citizens and visitors. The City will maintain and improve as needed the access to all lakes, the picnic shelter, and the restrooms as a public park. The public park and facilities will remain available to be reserved by Whitten Center for the enjoyment of their residents on a first come first served basis, at no charge, but the City does reserve the right to charge a facility rental and use fee to the general public if deemed prudent and necessary.

Land Use Planning for Compatible Residential and Commercial Development. The City of Clinton and the State of South Carolina, Department of Disabilities and Special Needs, will develop a mutually agreed upon set of restrictions for the property between the boundary of the Whitten Center campus and I-26 to allow for residential and commercial growth that meets the needs of the community without having an adverse impact upon the Whitten Center Campus.

Revenue Sharing & Financial Benefit

In addition to the financial benefit that comes from elimination of maintenance costs associated with current maintenance and any future maintenance associated with water distribution, storm sewer, elevated tanks, closed structures, dams, and sanitary sewer systems, as well as the financial incentives that come from the elimination of any future regulatory burden in regards to the operation of the utilities, the City of Clinton also proposes a long term revenue sharing agreement between the City of Clinton and the South Carolina Department of Disabilities and Special Needs.

Based on financial analysis, projected costs for preventative maintenance of the sewer, water, and storm sewer systems over the next ten years exceeds $500,000, with emergency repairs having the potential to require an additional investment of $100,000. Systems capital maintenance is anticipated to cost $800,000 over the next decade. Road maintenance for the secondary campus exit and repair and maintenance of existing recreation facilities will likely cost almost $300,000, bringing the total potential outlay over the next decade to exceed $1.7 million. Estimates for full infrastructure replacement of aging sanitary sewer, water distribution, storm water, and egress road exceed $7,000,000. The future potential savings for SCDDSN may approach $9 million.

Other revenue opportunities are demonstrated through financial analysis, including shared timber sales revenues that possibly contribute $450,000 to the State of South Carolina and shared land sales revenues that may provide DDSN with $2 million over the life of the project. The total impact of the City of Clinton Cooperative / Commerce Park development could provide more than 600 jobs locally with a potential economic impact to the region in excess of $41 million.

In addition, to the extant allowed by state law and previous agreements, the City will stipulate that it will ensure that Whitten Center is placed on the lowest tier water and sewer rates available to City of Clinton utility system customers. At this time, the City does not charge a storm water fee. Financial analysis is included in Appendix A and current city water and sewer rates are included in

Appendix B of this report. Detailed stipulations regarding revenue sharing from the sale of natural resources and property are outlined below.

Sale of Land. If the land is sold to a third party, then the City of Clinton will provide to the South Carolina Department of Disabilities and Special Needs, whichever is greater, 50% of the proceeds of the sale to the third party or 50% of the appraised value of the property on the date of the transfer of the property from the South Carolina Department of Disabilities and Special Needs to the City of Clinton. The appraised value at transfer of the property from the South Carolina Department of Disabilities and Special Needs will be determined by an independent appraiser selected by the City of Clinton with the approval of the South Carolina Department of Disabilities and Special Needs. This agreement for the Sale of Land shall commence on the date of transfer of the Property to the City of Clinton and shall become null and void 30 years from the date of the transfer of land. Thereafter, the City of Clinton shall receive all proceeds from the sale of land.

Timber Sales. The City of Clinton agrees that any proceeds from any sale of timber on the transferred property during the first timber cutting after the transfer of the property, if such cutting should occur, will be split with 50% being retained by the City of Clinton and 50% being paid to the South Carolina Department of Disabilities and Special Needs. Sensitive areas, including the buffer around the campus and areas of public parkland will not be timbered except as necessary to protect and preserve a healthy forest. It is the practice of the City of Clinton to manage City owned property that includes forestry assets in a manner that is in the best interests of the citizens of the city, which includes well planned and executed timber thinning when needed. It is not the desire, nor is it the mission, of the City of Clinton to clear-cut large swaths of property or to operate a commercial forestry enterprise.

Advantages to Joint Action

The City of Clinton believes strongly in the power of partnership, and by partnering for progress resulting in a transfer of utility operations and ownership from Whitten Center to the City of Clinton in exchange for identified property owned by the State of South Carolina, Department of Disabilities and Special Needs, the City believes we can improve the quality of life in our

community and protect and preserve the campus at Whitten Center so that it can focus on its important mission of service.

There are significant benefits to Whitten Center, the South Carolina Department of Disabilities and Special Needs and the State of South Carolina, which include:

Operational Cost Reductions for Whitten Center. Whitten Center and the South Carolina Department of Disabilities and Special Needs will see immediate cost reductions associated with the maintenance and operation of portions of their underground water and sewer utility systems. Expenditures related to the maintenance of those systems would be assumed by the City of Clinton. In addition, any future maintenance costs, either from planned maintenance activities or the result of any type of system failure, would be assumed by the City of Clinton. The city estimates the annual operational and maintenance expenditures per foot of underground utility to be approximately $4 per foot. In addition, any current or future expenditures associated with providing a secondary access route to the campus are transferred to the city.

Elimination of Current and Future Regulatory Burden. State and federal regulations regarding the maintenance and operation of water and sewer systems continue to change rapidly. These changes often bring financial consequences that come from the need to adjust maintenance plans and operations to meet new state and federal guidelines. With over 100 years in the business of providing public water and sewer service, the City of Clinton is ready, equipped, staffed, and willing to assume any and all future regulatory compliance issues associated with the provision of water and sewer services to Whitten Center at the city's cost.

Utility System Maintenance. The City of Clinton is prepared to respond quickly, at any time of day in any weather condition, to address any issues with the water and sewer distribution systems that it maintains. This ability to quickly bring people, heavy equipment, and financial resources to address issues should provide some level of comfort in the knowledge that the provision of utilities is being addressed by professionally trained and experienced personnel who deal with the intricacies of providing water and sewer service each day, freeing up state resources to focus on the residents of Whitten Center and other priorities as the department sees fit to address.

Utility System Capital Investment: LCWSC (Laurens County Water & Sewer Commission) is actively working with multiple partners, including the City of Clinton, to implement a capital improvement project that will result in significantly increased efficiency for the Sanitary Sewer system at Whitten Center. This investment will create a system that is more efficient than the current system, and more efficient system will serve the residents of the community better by reducing potential impacts and liabilities associated with

system maintenance. The total anticipated capital investment for this project, coming from various sources including state funds, is $ 748,000.

Potential Job Growth. Portions of the property are adjacent to existing corporate and industrial park property and could be used to attract employment and investment to our community. Our city has suffered with the economic downtown and the loss of textile manufacturing, and by working together to develop the property at Whitten Center we could help attract new jobs and new investment to our community.

Controlled Compatible Growth. While the City fully supports private investment and development, the City has no desire to see incompatible land use directly adjacent to the Whitten Center campus. We believe the surplus property at Whitten Center offers amazing potential to address several challenges faced by our city while being managed in such a way as to insure that incompatible use is not constructed adjacent to the campus of Whitten Center. In our view, it is important that the experience and quality of life of the citizens of Whitten Center be protected. By jointly developing restrictions and covenants of transferred properties both organizations will be able to achieve this goal.

Increased Access to Recreational Facilities. Two beautiful lakes, one with developed accessible recreational facilities, are located on the property. The city intends to protect these areas as public greenspace and parks and to maintain the accessible facilities for the enjoyment of all of our citizens, including the residents at Whitten Center.

Revenue Generation. The City of Clinton anticipates that partnerships with private investors will result in property sales for development, and we also believe that any revenue earned form the property should be shared, as outlined previously, with the South Carolina Department of Disabilities and Special Needs. While we know it will take many years to plan and develop the property, we could foresee this being a significant opportunity for revenue for SCDDSN over time.

CONCLUSION

The City of Clinton is proud to be the home of Whitten Center and supports the mission of the facility. The state owned surplus property at Whitten Center is a valuable asset that, if managed and developed correctly, could promote economic growth, enhance recreational opportunities, provide future jobs and homes for residents, and be done in such a manner as to enhance and protect Whitten Center without putting the core campus of the facility at risk.

The City of Clinton hopes that the State of South Carolina and the Department of Disabilities and Special Needs will agree that a long term approach that creates a better community has benefits that are both financially and intrinsically more lucrative than a simple property sale. We look forward to working with the State of South Carolina and the Department of Disabilities and Special Needs to implement all or part of the above plan for the betterment of the community and our residents.

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APPENDIX A:

FINANCIAL ANALYSIS

Whitten Center State Surplus Property Financial Analysis

Financial Summary

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year N	Total
Potential Direct Revenues											
Shared Revenue Projections	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,292,500.00	$ 1,292,500.00
Total Potential Direct Revenues	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ 1,292,500.00***	***$ 1,292,500.00***
Potential Avoided Maintenance and Liability Expenditures											
Sanitary Sewer											
Preventative Maintenance	$ 20,065.36	$ 20,466.67	$ 20,876.00	$ 21,293.52	$ 21,719.39	$ 22,153.78	$ 22,596.85	$ 23,048.79	$ 23,509.77	$ 23,979.96	$ 219,710.09
Capital Expenditures	$ 748,000.00	$ 3,000.00	$ 68,000.00	$ 3,000.00	$ 3,000.00	$ 68,000.00	$ 3,000.00	$ 3,000.00	$ 68,000.00	$ 103,000.00	$ 1,070,000.00
Emergency Repairs	$ 3,976.30	$ 4,075.70	$ 4,177.60	$ 4,282.04	$ 4,389.09	$ 4,498.81	$ 4,611.28	$ 4,726.57	$ 4,844.73	$ 4,965.85	$ 44,547.95
System Replacement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,562,125.00	$ 3,562,125.00
Total Sanitary Sewer	*$ 772,041.66*	*$ 27,542.37*	*$ 93,053.60*	*$ 28,575.56*	*$ 29,108.48*	*$ 94,652.59*	*$ 30,208.14*	*$ 30,775.36*	*$ 96,354.50*	*$ 3,694,070.81*	$ 4,896,383.05
Water											
Preventative Maintenance	$ 2,218.17	$ 2,262.53	$ 2,307.78	$ 2,353.94	$ 2,401.02	$ 2,449.04	$ 2,498.02	$ 2,547.98	$ 2,598.94	$ 2,650.92	$ 24,288.34
Capital Expenditures	$ -	$ -	$ -	$ 50,000.00	$ -	$ -	$ 50,000.00	$ -	$ -	$ 150,000.00	$ 250,000.00
Emergency Repairs	$ 4,216.30	$ 4,321.70	$ 4,429.75	$ 4,540.49	$ 4,654.00	$ 4,770.35	$ 4,889.61	$ 5,011.85	$ 5,137.15	$ 5,265.58	$ 47,236.77
System Replacement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,091,153.75	$ 2,091,153.75
Total Water	*$ 6,434.47*	*$ 6,584.24*	*$ 6,737.53*	*$ 56,894.43*	*$ 7,055.02*	*$ 7,219.39*	*$ 57,387.63*	*$ 7,559.83*	*$ 7,736.09*	*$ 2,249,070.24*	$ 2,412,678.86
Storm Sewer											
Preventative Maintenance	$ 23,560.16	$ 24,031.37	$ 24,511.99	$ 25,002.23	$ 25,502.28	$ 26,012.32	$ 26,532.57	$ 27,063.22	$ 27,604.49	$ 28,156.58	$ 257,977.22
Capital Expenditures	$ -	$ 40,000.00	$ -	$ -	$ 50,000.00	$ -	$ -	$ 65,000.00	$ -	$ 100,000.00	$ 255,000.00
Emergency Repairs	$ 1,967.60	$ 2,016.79	$ 2,067.21	$ 2,118.89	$ 2,171.87	$ 2,226.16	$ 2,281.82	$ 2,338.86	$ 2,397.33	$ 2,457.27	$ 22,043.82
System Replacement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,365,000.00	$ 1,365,000.00
Total Storm Sewer	*$ 25,527.77*	*$ 66,048.16*	*$ 26,579.21*	*$ 27,121.13*	*$ 77,674.15*	*$ 28,238.49*	*$ 28,814.39*	*$ 94,402.09*	*$ 30,001.82*	*$ 1,495,613.85*	$ 1,900,021.05
Emergency Egress Road											
Preventative Maintenance	$ 9,271.00	$ 9,456.42	$ 9,645.55	$ 9,838.46	$ 10,035.23	$ 10,235.93	$ 10,440.65	$ 10,649.46	$ 10,862.45	$ 11,079.70	$ 101,514.86
Road Replacement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 143,181.82	$ 143,181.82
Total Emergency Egress Road	*$ 9,271.00*	*$ 9,456.42*	*$ 9,645.55*	*$ 9,838.46*	*$ 10,035.23*	*$ 10,235.93*	*$ 10,440.65*	*$ 10,649.46*	*$ 10,862.45*	*$ 154,261.52*	$ 244,696.68
Total Potential Avoided Maintenance and Liability Expenditures	***$ 813,274.89***	***$ 109,631.19***	***$ 136,015.88***	***$ 122,429.57***	***$ 123,872.87***	***$ 140,346.40***	***$ 126,850.81***	***$ 143,386.74***	***$ 144,954.86***	***$ 7,593,016.42***	***$ 9,453,779.63***
Potential Community Enhancement Impacts											
Recreational Facility Development	$ -	$ 150,000.00	$ 20,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 10,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 198,000.00
Economic Development Impact	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 41,776,305.00	$ 41,776,305.00
Total Potential Community Enhancement Impacts	***$ -***	***$ 150,000.00***	***$ 20,000.00***	***$ 3,000.00***	***$ 3,000.00***	***$ 3,000.00***	***$ 10,000.00***	***$ 3,000.00***	***$ 3,000.00***	***$ 41,779,305.00***	***$ 41,974,305.00***
Utility Rate Impact											
Water Rates - No change in current cost to Whitten Center/ SCDDSN											
Storm Sewer Rate - The City does not charge a storm sewer fee											
Sanitary Sewer Charges	$ 79,548.60	$ 80,652.12	$ 82,313.75	$ 82,694.47	$ 83,685.32	$ 84,225.00	$ 85,373.17	$ 86,047.37	$ 87,350.40	$ 88,167.59	$ 840,057.78
Sanitary Sewer Credits	$ (42,404.60)	$ (42,404.60)	$ (42,929.60)	$ (42,139.60)	$ (41,924.60)	$ (34,083.76)	$ (28,719.97)	$ (22,826.90)	$ (17,172.76)	$ (11,199.63)	$ (325,806.02)
Current Sewer Costs Paid by Whitten Center / SCDDSN Credited	$ (36,784.00)	$ (37,887.52)	$ (39,024.15)	$ (40,194.87)	$ (41,400.72)	$ (42,642.74)	$ (43,922.02)	$ (45,239.68)	$ (46,596.87)	$ (47,994.78)	$ (421,687.34)
Total New Utility Charges Annually Estimated	***$ 360.00***	***$ 360.00***	***$ 360.00***	***$ 360.00***	***$ 360.00***	***$ 7,498.50***	***$ 12,731.18***	***$ 17,980.79***	***$ 23,580.77***	***$ 28,973.18***	***$ 92,564.42***

Whitten Center State Surplus Property Financial Analysis

Section I: Potential Future Cost Offset / Savings to Whitten Center Based on City of Clinton Future Maintenance Expenditures Estimates

The analysis below depicts estimated costs associated with the annual operation and maintenance of the utility system to include the cost of providing annual preventative maintenance, projected future capital maintenance, and costs associated with emergency repairs if the need arises. While it is difficult to predict costs to make repairs to the system in an emergency, these estimates are based on on the City of Clinton's experience in operating water and sewer systems and the costs of emergency repairs on portions of the system that are similar to the DDSN system at Whitten Center. In addition, costs associated with making portion of the surplus property accessible for public recreation and the maintenance and upkeep of the Whitten Center Emergency Egress Road are included. Finally, the city estimated the cost of a full replacement of the utility systems. If needed, the city is committed to fully replacing the system at Whitten Center and will repair and upgrade the system as needed to keep in in operational order.

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year N /10	Total	Notes
System Maintenance Expenditures												
System Preventative Maintenance												
Sewer	$ 20,065	$ 20,467	$ 20,876	$ 21,294	$ 21,719	$ 22,154	$ 22,597	$ 23,049	$ 23,510	$ 23,980	$ 219,710	A
Water	$ 2,218	$ 2,263	$ 2,308	$ 2,354	$ 2,401	$ 2,449	$ 2,498	$ 2,548	$ 2,599	$ 2,651	$ 24,288	B
Storm Sewer	$ 23,560	$ 24,031	$ 24,512	$ 25,002	$ 25,502	$ 26,012	$ 26,533	$ 27,063	$ 27,604	$ 28,157	$ 257,977	C
Total System Preventive Maintenance	*$ 45,844*	*$ 46,761*	*$ 47,696*	*$ 48,650*	*$ 49,623*	*$ 50,615*	*$ 51,627*	*$ 52,660*	*$ 53,713*	*$ 54 787*	*$ 501,976*	
System Capital Maintenance												
Sewer	$ -	$ -	$ 65,000	$ -	$ -	$ 65,000	$ -	$ -	$ 65,000	$ 100,000	$ 295,000	
Water	$ -	$ -	$ -	$ 50,000	$ -	$ -	$ 50,000	$ -	$ -	$ 150,000	$ 250,000	
Storm Sewer	$ -	$ 40,000	$ -	$ -	$ 50,000	$ -	$ -	$ 65,000	$ -	$ 100,000	$ 255,000	
Total System Capital Maintenance	*$ -*	*$ 40,000*	*$ 65,000*	*$ 50,000*	*$ 50,000*	*$ 65,000*	*$ 50,000*	*$ 65,000*	*$ 65,000*	*$ 350,000*	*$ 800,000*	D
System Emergency Repairs												
Sewer	$ 3,976	$ 4,076	$ 4,178	$ 4,282	$ 4,389	$ 4,499	$ 4,611	$ 4,727	$ 4,845	$ 4,966	$ 44,548	
Water	$ 4,216	$ 4,322	$ 4,430	$ 4,540	$ 4,654	$ 4,770	$ 4,890	$ 5,012	$ 5,137	$ 5,266	$ 47,237	
Storm Sewer	$ 1,968	$ 2,017	$ 2,067	$ 2,119	$ 2,172	$ 2,226	$ 2,282	$ 2,339	$ 2,397	$ 2,457	$ 22,044	
Total System Emergency Repairs	*$ 10,160*	*$ 10,414*	*$ 10,675*	*$ 10,941*	*$ 11,215*	*$ 11,495*	*$ 11,783*	*$ 12,077*	*$ 12,379*	*$ 12,689*	*$ 113,829*	E
Total System Maintenance	**$ 56,004**	**$ 97,175**	**$ 123,370**	**$ 109,591**	**$ 110,838**	**$ 127,110**	**$ 113,410**	**$ 129,737**	**$ 131,092**	**$ 417,476**	**$ 1,415,804**	
Emergency Egress Road Maintenance	**$ 9,271**	**$ 9,456**	**$ 9,646**	**$ 9,838**	**$ 10,035**	**$ 10,236**	**$ 10,441**	**$ 10,649**	**$ 10,862**	**$ 11,080**	**$ 101,515**	F
Recreational Facility Investment	**$ -**	**$ 150,000**	**$ 20,000**	**$ 3,000**	**$ 3,000**	**$ 3,000**	**$ 10,000**	**$ 3,000**	**$ 3,000**	**$ 3,000**	**$ 198,000**	G
Total Potential Future Cost Offset	**$ 65,275**	**$ 256,631**	**$ 153,016**	**$ 122,430**	**$ 123,873**	**$ 140,346**	**$ 133,851**	**$ 143,387**	**$ 144,955**	**$ 431,556**	**$ 1,715,319**	H
Full Infrastructure Replacement Costs							*Sanitary Sewer*				*$ 3,562,125*	
							Water Distribution				*$ 2,091,154*	
							Storm Sewer				*$ 1,365,000*	
							Egress Road				*$ 143,182*	
							Total				*$ 7,161,461*	I
Total Future Savings to DDSN including future full utility and road system replacement:											**$ 8,876,780**	J

Notes

A Assumption: 80 hours of camera inspection and 80 hours of cleaning annually
B Assumption: 20 hours of general maintenance annually
C Assumption: Weekly street sweeping and vacuuming of storm drains, and annual camera inspections and cleaning
D Assumption: Periodic capital projects on all systems with an additional $350,000 unscheduled at this time
E Assumption: 37 hours spent on emergency repairs annually
F Assumption: Periodic street sweeping and patching
G Assumption: Development of lakes into a passive recreational park
H This is the total future cost offset as estimated by the city
I City's estimated cost to replace all systems and egress road
J Total estimated future cost offset. Full system replacement would be performed when needed, and no timeframe is projected.

Whitten Center State Surplus Property Financial Analysis

Section II: Shared Revenue Opportunities

If the surplus property transferred from the State of South Carolina's Department of Disabilities and Special Needs produces revenue for the City of Clinton, the City will share that revenue with SCDDSN. The City believes that potential shared revenue opportunities exist in natural resources and land development. If the land is sold to a third party, then the City will provide to the South Carolina Department of Disabilities and Special Needs 50% of the proceeds of the sale or 50% of the appraised value of the property as determined, by an independent appraiser selected with the approval of the South Carolina Department of Disabilities and Special Needs, on the date of the transfer of property from the South Carolina Department of Disabilities and Special Needs to the City of Clinton, whichever is the greater.

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year N /10	Total	Notes
Natural Resource Sales										$ 442,500	$ 442,500	IIA
Land Sales										$ 850,000	$ 850,000	IIB
Total Shared Revenue										**$ 1,292,500**	**$ 1,292,500**	

Notes
IIA Assumption: Timber sales revenue of $885,000 split over a ten year period with 50% being provided to DDSN
IIB Assumption: Property sold to developers and SCDDSN receives 50% of appraised value

Whitten Center State Surplus Property Financial Analysis

Section III: Economic Impact of Corporate Park Development

The City of Clinton is actively pursuing economic development prospects in the target industries of automotive suppliers, distribution, and plastics. The City is already the site of the largest facility for manufacturing plastics owned by Sterilite Corporation. The figures for employment and economic impact are based on salary analysis performed by the Upstate Alliance Regional Economic Development Organization and the Laurens County Development Corporation. Figures are based on average regional employment in those industries per square foot, average regional salary in those sectors, and established economic impact multipliers.

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year N /10	Total	Notes
Scenario 1: 150,000 sf distribution facility employing 75 people										$ 3,138,525	$ 3,138,525	
Scenario 2: 250,000 sf plastics manufacturer employing 70 people										$ 3,027,780	$ 3,027,780	
Scenario 3: 300,000 sf automotive supplier employing 500 people										$ 35,610,000	$ 35,610,000	
Total potential economic impact on the region										**$ 41,776,305**	**$ 41,776,305**	

Notes

Whitten Center State Surplus Property Financial Analysis

Section IV: Laurens County Water & Sewer Commission / City of Clinton Sewer Routing Project (Whitten Center Trunk Line Rerouting Project)

LCWSC (Laurens County Water & Sewer Commission) is actively working with multiple partners, including the City of Clinton, to implement a capital improvement project that will result in significantly increased efficiency for the sanitary sewer system at Whitten Center. This investment will create a system that is more efficient than the current system, and more efficient system will serve the residents of the community better by reducing potential impacts and liabilities associated with system maintenance.

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year N /10	Total	Notes
Installation of two new sewer lift stations	$ 450,000.00	$	$	$	$	$	$	$	$	$	$ 450,000.00	
Installation of 4000 feet of Force Main	$ 90,500.00	$	$	$	$	$	$	$	$	$	$ 90,500.00	
Testing, Engineering, Contingency, & Constr	$ 207,500.00	$	$	$	$	$	$	$	$	$	$ 207,500.00	
Lift Station Maintenance (by City of Clinton	$	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 27,000.00	
Total Project (Capital Repair / Replacement an	**$ 748,000.00**	**$ 3,000.00**	**$ 3,000.00**	**$ 3,000.00**	**$ 3,000.00**	**$ 3,000.00**	**$ 3,000.00**	**$ 3,000.00**	**$ 3,000.00**	**$ 3,000.00**	**$ 775,000.00**	

Notes

Whitten Center State Surplus Property Financial Analysis

Section V: Sewer Rate Impact

As Whitten Center transitions to a municipally managed system subject to the same rates as other system customers, there will be a financial impact to SC DDSN resulting in some increased costs associated with sewer service. The City of Clinton has developed a rate structure that would offset the impact and allow SC DDSN to gradually ease into paying a standard sewer rate over ten years.

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	Notes
Sewer Base / Readiness to Serve Charges	$ 4,671.00	$ 4,671.00	$ 4,671.00	$ 4,671.00	$ 4,671.00	$ 4,811.13	$ 4,811.13	$ 4,811.13	$ 4,811.13	$ 4,811.13	$ 47,411	* VA
Sewer Collection Standard Rate	$ 35,000.00	$ 39,500.00	$ 35,000.00	$ 44,750.00	$ 45,750.00	$ 47,000.00	$ 47,940.00	$ 48,899.00	$ 49,877.00	$ 50,874.00	$ 444,590	* VB
Sewer Treatment Rate	$ 57,375.00	$ 59,125.00	$ 60,875.00	$ 62,125.00	$ 63,375.00	$ 65,276.25	$ 64,643.00	$ 65,935.00	$ 67,254.00	$ 68,599.00	$ 634,582	* VC
Inflow and Infiltration Base Rate	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 360.00	$ 3,600	* VD
Inflow and Infiltration Surcharge Rate	$ 12,250.00	$ 12,250.00	$ 12,250.00	$ 11,637.50	$ 11,055.63	$ 10,502.84	$ 9,977.70	$ 9,478.82	$ 9,004.88	$ 8,554.63	$ 106,962	* VD
NLVC Incentive Rider	$ (52,281.00)	$ (56,281.00)	$ (52,281.00)	$ (61,418.50)	$ (61,836.63)	$ (47,551.42)	$ (41,340.85)	$ (34,078.81)	$ (24,453.24)	$ (14,852.12)	$ (448,475)	* VE
Annual Sewer Rate Total	$ 57,375.00	$ 59,125.00	$ 60,875.00	$ 62,125.00	$ 63,375.00	$ 80,398.80	$ 84,390.98	$ 95,405.14	$ 106,853.77	$ 118,746.65	$ 788,670.33	
Minus current annual rates	$ (57,375.00)	$ (59,125.00)	$ (60,875.00)	$ (62,125.00)	$ (63,375.00)	$ (65,276.25)	$ (64,643.00)	$ (65,935.00)	$ (67,254.00)	$ (68,599.00)	$ (634,582.25)	* VF
Total annual NEW impact on Whitten Cent	$ -	$ -	$ -	$ -	$ -	$ 15,122.55	$ 19,747.98	$ 29,470.14	$ 39,599.77	$ 50,147.65	$ 154,088.08	* VG
Total New Rate Impact	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 15,123**	**$ 19,748**	**$ 29,470**	**$ 39,600**	**$ 50,148**	**$ 154,088**	

Notes

- * All annual consumption numbers are based on annual consumption history from Whitten Center billing data.

VA The City of Clinton charges a base rate / service charge of $8.65 per month for each sewered facility. For this estimate, we used a calculation of 45 facilities. Inactive facilities are not charged this fee

VB The City of Clinton charges $2.80 per 1,000 gallons for sewer collection. This annual figure is based on an annual estimate of sewer use from Whitten Center. The projection assumes an increase of 2% every two

VC Laurens County Water & Sewer Commission charges $3.67 per 1,000 gallons of Sanitary Sewer for treatment. The City of Clinton collects this charge on behalf of the county. Annual rate increases were assumed.

VD The City of Clinton charges an Inflow and Infiltration Rate of $8 per commercial connection and a surcharge per 1,000 gallons. The surcharge fluctuates every six months based on actual measured impacts from inflow an infiltration. As the city makes repairs to the sewer system, the rate automatically goes down. These two rows represent projected I&I costs over the next decade.

VE The City of Clinton, pending approval al by City Council, is prepared to adopt a New Large Sewer Customer Rider which would provide financial incentives to new large customers to offset the costs associated with collection and inflow / infiltration.

VF Whitten Center currently pays treatment charges, therefore this was included to show that it is not a new impact on DDSN finances.

VG This represents new costs payable to the city of Clinton, for sewer services over the next ten years.

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APPENDIX B:

CITY OF CLINTON WATER & SEWER UTILITY RATES

SANITARY SEWER RATES

The City of Clinton serves approximately 4,000 sewer customers. The sewer rate is based on the amount of water sold to the customer, the geographic location of the customer within the system, and includes three components: 1.) a readiness to serve charge; 2.) a collection charge; and 3.) a treatment charge. The readiness to serve charge and the collection charge are designed to recover the cost associated with the operations and maintenance of the system. The treatment charge is passed through to the customer at the rate that the Laurens County Water & Sewer Commission, which treats the city's sewer by contract, charges the city per thousand gallons.

Charge Type	Inside City Customer	
Readiness to Serve Charge (Minimum Bill)	*$*	*9.65*
Wastewater Collection Charge - per 1,000 gallons	***$***	***3.16***
Wastewater Treatment Charge - per 1,000 gallons	*$*	*4.73*
Total Monthly Charge - per 1,000 gallons ***(does not include Readiness to Serve Charge)***	***$***	***7.85***

New Large Sewer Customer Rate Rider

The NLSC Rider, if approved by City Council, provides financial incentives for new customers using in excess of 600,000 gallons per month who agree to join the City of Clinton utility system. The rider provides a ten-year discount plan as follows:

"NEW LARGE CUSTOMER" RATE STRUCTURE
% Rebate from Lowest Standard Rate

	Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10
Base Customer Charge	100%	0%	0%	0%	0%	0%
Sewer Collection Charge	100%	100%	80%	60%	40%	20%
I and I* Base Rate	100%	0%	0%	0%	0%	0%
I and I* Surcharge Rate	100%	50%	50%	50%	50%	50%
Sewer Treatment Charge	0%	0%	0%	0%	0%	0%

*I and I refers to Infiltration and Inflow.

Sewer I & I

The City of Clinton charges all customers an Inflow & Infiltration fee to repair old sewer and storm drains to reduce the amount of rain water that enters into sanitary sewer lines, which in turn increases sewer treatment expenses.

Institutional Sewer Customer	$8.00 per month

Sewer Treatment Surcharge

In order to make the system financially viable, stabilize revenue, and ensure that funding is available for system improvement, the FY 18 budget included a "Treatment Cost Adjustment Charge" (TCA). The TCA is calculated every six months based on the cost of treatment and a surcharge is assessed on each sewer bill per 1,000 gallons to make up for any shortfalls between what is collected by the volumetric treatment rate and what is charged for treatment. In the event that the treatment rate collects more revenue than is billed, the TCA contains a mechanism for refunding the customers.

Water Rates

The City of Clinton serves approximately 4,000 water customers within two different categories – Inside the City and Outside the City. The Readiness to Serve Charge is based on the size of the meter which is the minimum that will be billed, as shown in the chart below:

Meter Size	Inside City Customer
¾" or smaller	$ 12.50
1"	27.03
1 ½"	47.03
2"	83.40
3"	165.20
4"	274.27
6"	546.96
8"	910.54
10"	1,546.82

User charge for Inside the City customers per 1,000 gallons is $4.15.

Penalties and Reconnection Fees

The City of Clinton charges a 10% penalty on the total utility charges if a customer's bill is paid after the due date stated on the customer's utility statement. For those services that are disconnected, an additional $25.00 fee would be charged for reconnections. The City of Clinton charges a $250.00 tamper fee towards a customer account when field personnel are able to discern whether an electric or water meter has been tampered with. In addition to the $250 per occurrence, the city retains the right to prosecute meter tampering to the fullest extent allowed under the law

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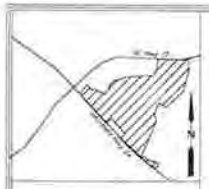
City of Clinton
South Carolina
M.S. Bailey Municipal Center
211 North Broad Street
Post Office Drawer 748
Clinton, South Carolina 29325

Phone: (864) 833-7505
FAX: (864) 833-7533



Location Map

Tract A-1
95.24 Acres Gross
-1.60 Acres SCDOT R/W
93.64 Acres Net

Tract A
190.60 Acres

Center of Sand Creek the Line

Center of Branch the Line

SC Grid North
NAD 1983 (2011)

LINE	BEARING	DISTANCE
L1	S 19°29'10" W	180.83'
L2	S 31°54'47" W	79.93'
L3	S 06°03'57" E	137.77'
L4	S 13°18'34" W	268.63'
L5	S 34°17'58" W	94.32'
L6	S 26°29'21" W	272.90'
L7	S 19°46'35" W	176.00'
L8	S 32°11'11" W	185.00'
L9	S 17°26'18" W	41.63'
L10	S 31°47'55" W	76.08'
L11	S 38°41'45" W	133.18'
L12	S 27°37'29" W	257.94'
L13	S 34°03'30" W	311.86'
L14	S 29°57'30" W	302.86'
L15	S 28°47'57" W	177.15'
L16	N 39°22'08" W	29.30'
L17	S 78°00'01" E	171.31'
L18	S 37°20'01" E	86.04'
L19	S 60°31'11" E	119.17'
L20	S 86°27'57" E	43.98'
L21	S 37°40'08" E	71.42'
L22	N 89°53'01" E	44.75'
L23	S 49°51'17" E	158.37'
L24	N 58°19'45" E	60.35'
L25	S 56°18'01" E	171.86'
L26	S 67°40'01" E	185.70'
L27	S 38°24'53" E	78.77'

CURVE TABLE				
CURVE	LENGTH	RADIUS	BEARING	CHORD
C1	[illegible]	[illegible]	[illegible]	[illegible]
C2	[illegible]	[illegible]	[illegible]	[illegible]
C3	[illegible]	[illegible]	[illegible]	[illegible]

LEGEND
IPF IRON PIPE FOUND
IPS IRON PIPE SET
CM CPST
VC VAL & CAP
CH LOW MOUNTAIN
OVERHEAD UTILITIES
POST
POINT

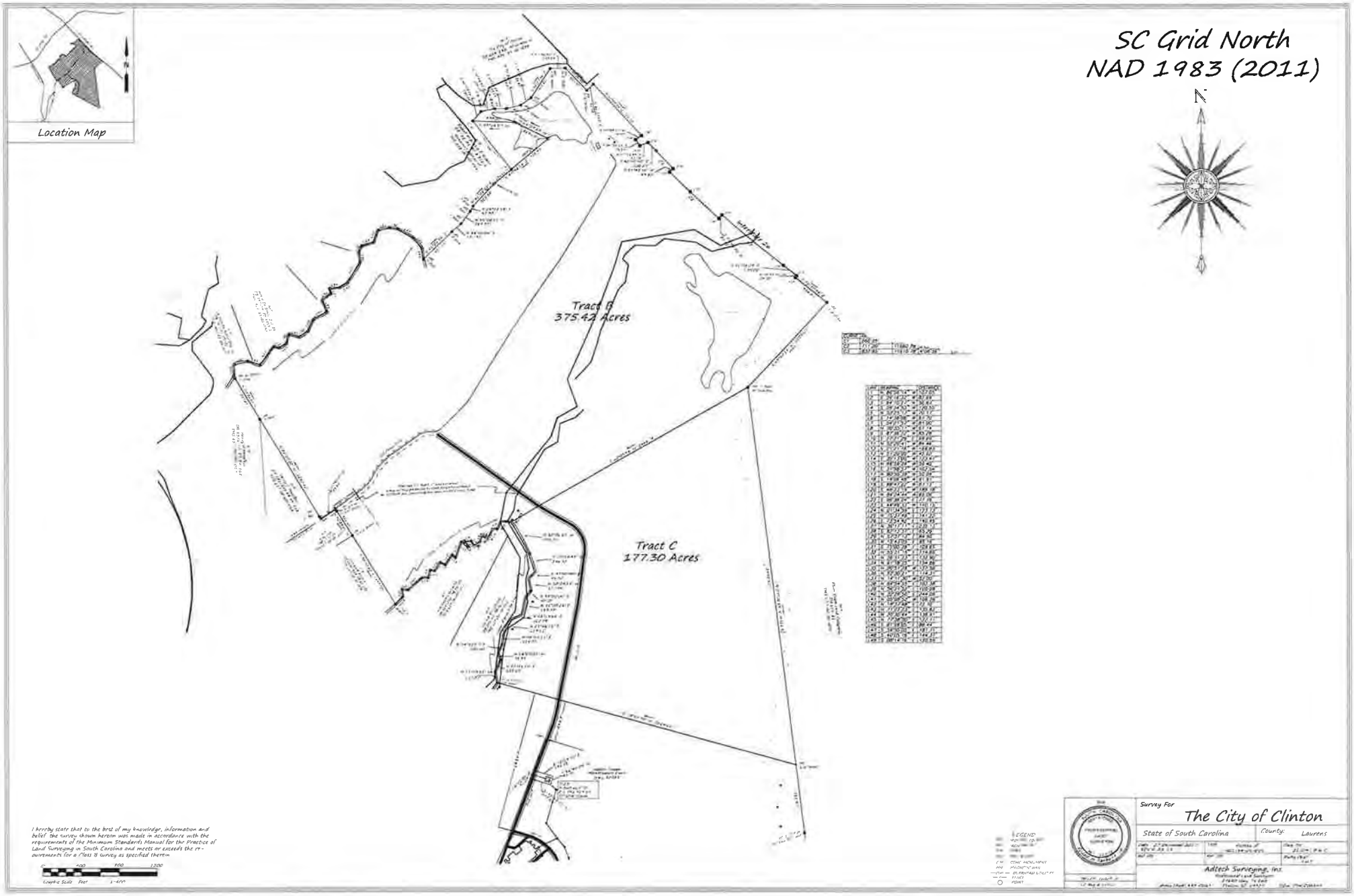
Survey For:
The City of Clinton

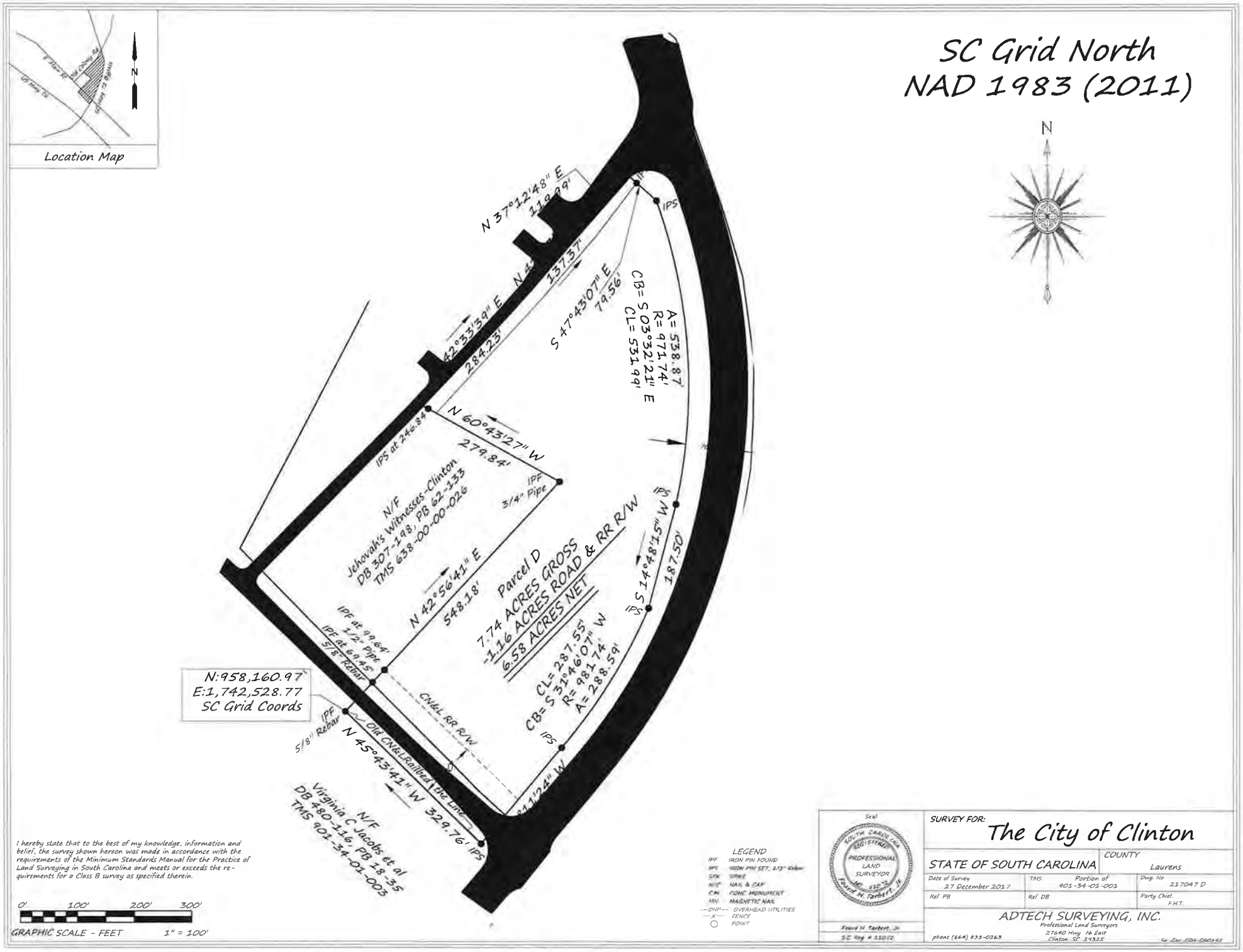
State of South Carolina
County: Laurens

Date: [illegible]
Purchase of: [illegible]
Tax No: [illegible]
Job No: [illegible]
Party Chief: [illegible]

Adtech Surveying, Inc
Professional Land Surveyors
[illegible]

PROFESSIONAL LAND SURVEYOR
[illegible]


SC Grid North
NAD 1983 (2011)
N
Location Map
Tract B
375.42 Acres
Tract C
177.30 Acres
I hereby state that to the best of my knowledge, information and belief the survey shown hereon was made in accordance with the requirements of the Minimum Standards Manual for the Practice of Land Surveying in South Carolina and meets or exceeds the requirements for a Class B survey as specified therein
0 400 800 1200
Graphic Scale Feet 1-400
LEGEND
Survey For
The City of Clinton
State of South Carolina
County: Laurens
Adtech Surveying, Inc.



SC Grid North
NAD 1983 (2011)
N
Location Map
N 37°12'48" E
119.99'
N 4
137.37'
42°33'39" E
284.23'
S 47°43'07" E
79.56'
CB= S 03°32'21" E
CL= 531.99'
A= 538.87'
R= 971.74'
IPS
IPS at 246.84'
N 60°43'27" W
279.84'
IPF
3/4" Pipe
N/F
Jehovah's Witnesses-Clinton
DB 307-198, PB 62-133
TMS 638-00-00-026
N 42°56'41" E
548.18'
Parcel D
7.74 ACRES GROSS
-1.16 ACRES ROAD & RR R/W
6.58 ACRES NET
S 14°48'15" W
187.50'
IPS
IPF at 99.64'
1/2" Pipe
IPF at 69.45'
5/8" Rebar
CL= 287.55'
CB= S 31°46'07" W
R= 981.74'
A= 288.59'
N:958,160.97
E:1,742,528.77
SC Grid Coords
IPF
5/8" Rebar
CN&L RR R/W
Old CN&L Railbed the Line
N 45°43'41" W
329.76'
IPS
N/F
Virginia C Jacobs et al
DB 480-116, PB 18-35
TMS 901-34-01-003
I hereby state that to the best of my knowledge, information and belief, the survey shown hereon was made in accordance with the requirements of the Minimum Standards Manual for the Practice of Land Surveying in South Carolina and meets or exceeds the requirements for a Class B survey as specified therein.
0' 100' 200' 300'
GRAPHIC SCALE - FEET 1" = 100'
LEGEND
IPF IRON PIN FOUND
IPS IRON PIN SET, 1/2" Rebar
SPK SPIKE
N/C NAIL & CAP
CM CONC MONUMENT
MN MAGNETIC NAIL
—OHP— OVERHEAD UTILITIES
—X— FENCE
POINT
Seal
SOUTH CAROLINA REGISTERED PROFESSIONAL LAND SURVEYOR
Frank H. Tarbert, Jr.
SURVEY FOR:
The City of Clinton
STATE OF SOUTH CAROLINA
COUNTY
Laurens
Date of Survey
27 December 2017
TMS
Portion of
901-34-01-001
Dwg. No
217047 D
Ref PB
Ref DB
Party Chief.
F.H.T.
ADTECH SURVEYING, INC.
Professional Land Surveyors
27640 Hwy 16 East
Clinton SC 29325
phone (864) 833-0263

SOUTH CAROLINA CODE OF LAWS

SECTION 1–11–65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the department's and authority's approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The department and authority may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

HISTORY: 1985 Act No. 201, Part II, Section 5; 1989 Act No. 26, Section 1; 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Editor's Note

Except for designation of the paragraphs, this section and former Section 1-11-57 were identical. For consistency, Section 1-11-57 is treated as an amendment to this section.

Effect of Amendment

2014 Act No. 121, Section 7.C, rewrote subsection (A).

AGREEMENT FOR THE
CONVEYANCE OF UTILITY ASSETS AND
SURPLUS PROPERTY

This Agreement for the Conveyance of Utility Assets and Surplus Property (this "***Agreement***") is entered into this ___ day of_____, 2020 (the "***Effective Date***") by and between the City of Clinton, South Carolina, a body corporate and politic and a municipality of the State of South Carolina (the "***City***"), and the South Carolina Department of Disabilities and Special Needs, an agency of the State of South Carolina ("***DDSN***" and together with the City, the "***Parties***" or individually, each a "***Party***"), and is acknowledged and approved by the South Carolina Department of Administration (the "***Department***").

WHEREAS, the City is empowered by laws of the State of South Carolina to acquire, own, operate, and maintain a stormwater system (the "***Stormwater System***").

WHEREAS, pursuant to the favorable results of elections held within the City did acquire and construct a waterworks system, sewer system and electric light system, which were combined into a combined utility system of the City on October 15, 1957 ("***Utility System***" and together with the Stormwater System, the "***City System***").

WHEREAS, DDSN has historically owned, operated, and maintained a waterworks system, sewer system, and stormwater system (collectively, as further defined herein, the "***Whitten System***") in order to provide such services to DDSN's Whitten Center (the "***Whitten Center***").

WHEREAS, the Parties believe that the Whitten System is in need of significant maintenance and upgrades, which will require substantial costs to be incurred.

WHEREAS, the Parties believe that the City is best suited to own, operate and maintain the Whitten System and by the terms of this Agreement have determined to convey the Whitten System to the City, thereby consolidating the assets of the Whitten System with the City System to create a consolidated system through which the City will be able to efficiently operate and maintain the Whitten System.

WHEREAS, by the terms of this Agreement and as further consideration for the acquisition of the Whitten System, the Department shall convey the Surplus Property (as defined herein) to the City.

NOW, THEREFORE, and in consideration of the sum of $10.00, and such other promises and mutual covenants and obligations contained herein, the receipt and the sufficiency of which is hereby acknowledged, the City and DDSN do hereby agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1. ***Definitions.*** The terms defined below are used in this Agreement with meanings ascribed thereto unless a different meaning is plainly intended.

"***Agreement***" means this Agreement for the Conveyance of Utility Assets and Surplus Property by and between the City, the Department, and DDSN.

"***Bond Ordinance***" means that certain ordinance of the City dated June 5, 2017, authorizing the issuance of revenue bonds secured by the revenues of the Utility System.

"***City***" means the City of Clinton, South Carolina.

"***City Council***" means the City Council of the City of Clinton.

"***City System***" means the Stormwater System and the Utility System as combined together.

"***Closing Date***" means the mutually agreed upon date upon which the Whitten System shall be conveyed to the City.

"***DDSN***" means the South Carolina Department of Disabilities and Special Needs.

"***Declaration of Covenants***" means the Declaration of Covenants, Restrictions, and Easements attached hereto at **EXHIBIT E** containing those restrictions on development and other terms and conditions with respect to the Retained Property.

"***Demarcation Point***" means (i) with respect to the Whitten Water System, the point on each service water line connecting each building's indoor plumbing to the water distribution line at which a water meter currently exists or the Parties mutually agree to install a water meter, and (ii) with respect to the Whitten Sewer System, the point on each service sewer line connecting each building's indoor plumbing to the sewer collection line at which a cleanout is currently installed or at which the Parties mutually agree to install a cleanout. Both water meters and cleanouts shall generally be installed at the point at which each such Service Line intersects the boundary of the Utility Easement granted to the City. Until such time as water meters or cleanouts, as applicable, are installed, the Demarcation Point with respect to each Service Line shall be the point at which the Service Line intersects the boundary of the Utility Easement granted to the City.

"***Department***" means the South Carolina Department of Administration.

"***Environmental Laws***" means any federal, state, local, or foreign law (including, without limitation, common law), treaty, judicial decision, regulation, rule, judgment, order, decree, injunction, permit, or governmental restriction or any agreement with any governmental body or other third party, whether now or hereafter in effect, relating to the environment, human health and safety, or to pollutants, contaminants, wastes, or chemicals or any toxic, radioactive, ignitable, corrosive, reactive, or otherwise hazardous substances, wastes, or materials.

"***Service Line***" means, (i) with respect to the Whitten Water System, the service line connecting the water distribution line to the indoor plumbing of the buildings located on the Retained Property, and (ii) with respect to the Whitten Sewer System, the service line connecting the sewer collection line to the indoor plumbing of the buildings located on the Retained Property.

"***Retained Property***" means that 711.79 acre tract whereupon Whitten Center is located, as labeled on the plat attached hereto at **Exhibit B**.

"***Surplus Property***" means, collectively, Tract A, Tract A-1, Tract B, Tract C, and Tract D, as each are labeled on plats attached hereto at **Exhibit A**.

"***Tract A***" means that 190.6 acre tract located north of I-26 adjacent to the I-26 Corporate Park, labeled as "Tract A" in the plat attached hereto at **Exhibit A**.

"***Tract A-1***" means that 60.24 acre tract located northeast of Tract A, labeled as "Tract A-1" on the plat attached hereto at **Exhibit A.**

"***Tract B***" means that 374.42 acre tract located south of I-26 and north of the main campus of Whitten Center, labeled as "Tract B" on the plat attached hereto at **Exhibit A**.

"***Tract C***" means that 177.3 acre tract located north of the main campus of Whitten Center, labeled as "Tract C" on the plat attached hereto at **Exhibit A**.

"***Tract D***" means that 6.58 acre tract located at the corner of Springdale Drive and East Main Street, labeled as "Tract D" on the plat attached hereto at **Exhibit A**.

"***Utility Easement***" means the easements conveyed to the City across the Retained Property, as described in the Right of Way and Easement Agreement, the form of which is attached hereto at **Exhibit C**.

"***Water Tank***" means that elevated water tank, tower, and all apparatus located thereon or used in connection therewith located on the Retained Property.

"***Whitten System***" means the assets, rights, claims, properties, and interests that DDSN owns or in which DDSN has any right, title, or interest comprising the waterworks system (the "***Whitten Water System***"), sewer system (the "***Whitten Sewer System***"), and stormwater system (the "***Whitten Stormwater System***") providing service to the Whitten Center, as such assets, rights, claims, properties, and interests are further described in Section 2.1 hereof.

ARTICLE II
CONVEYANCE OF WHITTEN SYSTEM

SECTION 2.1. ***Conveyance of the Whitten System.*** Subject to the terms and conditions of this Agreement, on the Closing Date DDSN agrees to convey and the City agrees to accept conveyance of the following assets, rights, claims, properties, and interests that DDSN owns or in which DDSN has any right, title, or interest:

(a) All of DDSN's right, title, and interest in and to (i) the collection lines and other physical assets comprising the Whitten Sewer System up to the Demarcation Point of each sewer Service Line; (ii) the distribution lines, the Water Tank, and other physical assets comprising the Whitten

Water System up to the Demarcation Point of each water Service Line; and (iii) the underground piping, drains, catch basins, and other physical assets comprising the Whitten Stormwater System;

(b) The entirety of the fixed assets, equipment and other tangible personal property owned or possessed by DDSN used in the operation of the Whitten System, including without limitation, the assets, equipment, and other tangible personal property listed on the bill of sale of all of the fixed assets is attached as **Exhibit D(1)** hereof;

(c) All of DDSN's right, title, and interest in and to the real property related to the use and operation of the Whitten System, including, without limitation, those real properties more fully described in **Exhibit D(2)** hereof;

(d) All of DDSN's rights to access or use of any real property or fixtures (whether such right arises by lease, license, or easement) directly or indirectly used in the operation of the Whitten System, including, without limitation, those leases, licenses, or easements listed in **Exhibit D(3)** hereto;

(e) All approvals, consents, licenses, permits, waivers or other authorizations issued, granted, given, applied for as of the Closing Date or otherwise made available by or under the authority of any governmental authority (collectively, "***Permits***") for the ownership or operation of the Whitten System or any part thereof, to the extent such Permits are assignable, including, without limitation, those Permits listed in **Exhibit D(4)** hereto.

SECTION 2.2. ***Contractual Obligations.*** The City shall accept those contractual or other payment obligations related to the Whitten System existing or due and payable as of the Closing Date as are listed in **EXHIBIT D(5)** hereof. The City shall have no responsibility relating to contractual, permit or other payment obligations DDSN may have incurred related to the Whitten System arising before the Closing Date if such obligations are not listed on **Exhibit D(5)**.

SECTION 2.3. ***Transfer of Records.*** On the Closing Date, DDSN shall transfer to the City all records and customer accounts related to the Whitten System in possession of DDSN, to include, without limitation, all books and business records, contracts, permits, permit files, drawings, engineering reports regulatory and compliance reports, studies, inspection records, maintenance records, documents related to warranties, and information related to capital improvement projects.

SECTION 2.4. ***Conditions to Closing***: The conditions shall be met prior to the occurrence of the Closing Date:

(a) DDSN shall obtain such approvals and authorizations as are required under State law for the conveyance of the Surplus Property, as evidenced by a certificate authorizing such conveyance executed by the appropriate official of the State;

(b) The acquisition of the Whitten Water System and Whitten Sewer System and ratification of the acquisition of Whitten Center's electrical distribution system as previously conveyed to the City shall be completed in accordance with Section 11.02 of the Bond Ordinance;

(c) The execution and recording by the Department of the Declaration of Covenants with respect to the use and future development of the Surplus Property; and

(d) The adoption by the City Council of a rate ordinance setting forth rates for Whitten Center in accordance with the provisions of Section 3.4 of this Agreement.

If the closing shall fail to occur as the result of the failure of any condition precedent, each Party shall be responsible for its own costs.

SECTION 2.5. ***Right-of-Way and Utility Easement.*** On or before the Closing Date, the Department shall execute a Right of Way and Easement Agreement, the form of which is attached hereto at **EXHIBIT C**, conveying to the City the Utility Easement.

SECTION 2.6. ***Whitten System Closing Deliverables.*** On the Closing Date, DDSN or the Department, as applicable, shall execute and deliver to the City such bills of sale, assignments, deeds, easements, and all other instruments reasonably requested by the City in order to effect the conveyance of the Whitten System to the City. To the extent that any component of the Whitten System is subject to any security interest, the DDSN or the Department, as applicable, shall deliver to the City any termination statements required by the Uniform Commercial Code, lien releases, or such other release or termination instrument reasonably requested by the City.

SECTION 2.7. ***Maintenance of the Whitten System Prior to the Closing Date.*** DDSN shall continue to maintain the Whitten System prior to the Closing Date in such a manner so as to deliver the Whitten System to the City in substantially the same condition as of the Effective Date.

SECTION 2.8. ***No Assumption of Liabilities.*** Except as otherwise expressly provided for herein, the City shall not assume or agree to, and shall not be obligated to pay, perform, or discharge any obligations, indebtedness, liabilities, contracts, agreements, or commitments of DDSN or the Department relating to the Whitten System, all of which shall remain the sole liability and responsibility of DDSN or the Department, as applicable. DDSN is not aware of any liabilities with respect to the System.

SECTION 2.9. ***Compliance with Bond Ordinance.*** By and through the authorizations herein and subject to the provisions of 11.02 of the Bond Ordinance, it is anticipated that the Whitten Water System and the Whitten Sewer System shall be combined into and consolidated with the Utility System. However, in no event shall the acquisition of the Whitten Stormwater System, the combination of the Stormwater System into the Utility System (by the terms hereof) and the combination of the City System with the Whitten System (by the terms hereof) be considered as a combination of the Stormwater System into the Utility System and under the Bond Ordinance and no portion of the Stormwater System (including the Whitten Stormwater System) shall be considered additional security for revenue bonds issued under the Bond Ordinance.

ARTICLE III
OPERATION AND MAINTENANCE OF THE WHITTEN SYSTEM; RATES

SECTION 3.1. ***Operation and Maintenance.*** On and after the Closing Date, the City shall, at its sole expense operate and maintain the various components of the Whitten System in accordance with generally accepted standards applicable to the water, sewer, or stormwater industry, as applicable. The City will replace components of the Whitten System that it determines are no longer serviceable and is beyond its useful life. Additionally, the City will perform an annual routine CCTV inspections of all collection lines of the Whitten Sewer System.

SECTION 3.2. ***Installation of Meters and Clean-Outs; Demarcation Points.*** The City shall, at the City's cost, (i) with respect to the Whitten Water System, install water meters at the mutually agreed upon Demarcation Points on water Service Lines, to the extent that there is no water meter currently in place on such Service Line, and (ii) with respect to the Whitten Sewer System, install a cleanout at mutually agreed upon Demarcation Points on sewer Service Lines, to the extent that no cleanout is currently in place on such Service Line. Upon installation, such water meters and cleanouts shall be owned and maintained by the City.

SECTION 3.3. ***Water Tank.*** Upon conveyance of the Water Tank to the City as a portion of the Whitten System, the City shall assume responsibility for the operation, maintenance, and liability associated with the Water Tank in accordance with the provisions and terms set forth in the Utility Easement.

SECTION 3.4. ***Rates for Water and Sewer Service.*** The City Council shall take appropriate action to classify Whitten Center to be subject to the lowest standard rate for water and sewer service (the "***Rates***"), and to classify Whitten Center as a "New Large Customer" of the City to be afforded the rebates to Rates offered under the City's New Service Large Customer Rider as set forth as follows in Schedule 1:

SCHEDULE 1

"NEW LARGE CUSTOMER" RATE STRUCTURE
% Rebate from Lowest Standard Rate

	Years 1-5	Year 6	Year 7	Year 8	Year 9	Year 10
Base Customer Charge	100%	0%	0%	0%	0%	0%
Sewer Collection Charge	100%	100%	80%	60%	40%	20%
I and I* Base Rate	100%	0%	0%	0%	0%	0%
I and I* Surcharge Rate	100%	50%	50%	50%	50%	50%
Sewer Treatment Charge	0%	0%	0%	0%	0%	0%

*I and I refers to Infiltration and Inflow.

SECTION 3.5. ***Stormwater Fees.*** The City does not currently charge fees stormwater service; however, if at any time the City determines to charge such fees, Whitten Center shall be subject to standard rates and classifications for such service as determined by the City Council at such time; provided, however, with the acknowledgment of the Parties that the rate-setting authority of the

City Council may not be inhibited, the City shall use its reasonable best efforts to include Whitten Center within the lowest stormwater fee class created by the City Council.

SECTION 3.6. ***Access to Usage Data.*** Upon request of DDSN, the City shall provide meter data for Whitten Center.

ARTICLE IV
CONVEYANCE OF SURPLUS PROPERTY

SECTION 4.1. ***Conveyance of the Surplus Property.*** Subject to the terms and conditions of this Agreement, on the Closing Date the Department shall convey and the City agrees to accept conveyance of the Surplus Property. The Department shall execute and deliver to the City such authorizations, bills of sale, assignments, deeds, easements, and all other instruments reasonably requested by the City in order to effect the conveyance of the Surplus Property to the City. The City shall acquire and take the Surplus Property and any structures located thereon in "as-is, where-is" condition.

SECTION 4.2. ***Liability for Dams and Impoundments.*** Upon the conveyance of the Surplus Property, the City shall assume the responsibility to maintain and manage any ponds, lakes, or other impoundments located thereon, including, without limitation, the responsibility to ensure that any existing dams are maintained and managed in accordance with industry standards and South Carolina law. As of the Closing Date, the City assumes all liability related to the maintenance and operation of any dam located on the Surplus Property, as well as any damages caused thereby.

SECTION 4.3. ***Restrictions on Development.*** The Surplus Property shall be subject to the restrictions on development and other terms and conditions set forth in the draft Declaration of Covenants attached hereto at **EXHIBIT E**. The Declaration of Covenants shall be executed and recorded by the Department prior to the Closing Date. The Declaration of Covenants may be amended from the form attached hereto prior to recording upon the mutual consent of the Parties. The provisions of the Declaration of Covenants, as recorded, are hereby incorporated into this Agreement by reference as if set forth in full herein, and to the extent that the terms of the recorded Declaration of Covenants and the terms of this Agreement conflict, the terms of the recorded Declaration of Covenants shall control.

SECTION 4.4. ***Property Reserved for Public Recreation.*** The City shall preserve and protect property surrounding the two lakes located on Tract B for the enjoyment of the public, to include maintaining and improving, as needed, access to all lakes, the picnic shelter, and restrooms. The City may, in its sole discretion, charge the general public a fee to reserve these public facilities for private use, provided, however, DDSN may, with reasonable notice and at no charge, reserve these public areas for the use and enjoyment of Whitten Center residents.

SECTION 4.5. ***Future Sale of Surplus Property; Revenue Sharing.*** For a period of thirty years to begin as of the Closing Date, in the event that the City conveys any portion of the Surplus Property to an unaffiliated third-party, the City shall pay to DDSN the sum of one half of the greater of (i) the proceeds of the sale of such property, or (ii) the appraised value of such property,

as set forth in the appraisal attached hereto at **EXHIBIT F**. Upon the expiration of the initial thirty-year term, the City may convey any portion of the Surplus Property to an unaffiliated third-party while retaining all proceeds resulting from such conveyance.

SECTION 4.6. ***Cutting of Timber; Sharing of Timber Profits.*** The City shall manage the timber on all Surplus Property in a manner consistent with good practices within the timber industry. The City shall have the sole discretion to determine whether, if at all, to cut any such timber. The City shall divide equally with DDSN all proceeds resulting from the first cutting of all stands of timber on Surplus Property.

SECTION 4.7. ***Secondary Access Route to Whitten Center.*** (a) The City shall, at its sole expense, maintain an emergency ingress and egress route to Whitten Center using the existing Old Colony Road corridor and the existing spur road from Old Colony Road crossing Tracts B and C to the boundary of the Retained Property (the "***Emergency Driveway***"). Upon the Closing Date the City shall take such action as is necessary to accept the Emergency Driveway into the City's system of streets and roadways, to include the acceptance of a deed of dedication, and shall thereafter maintain the Emergency Driveway as a public right of way in the same manner in which other streets and roadways of the City are maintained, provided, however, the City shall at a minimum maintain the Emergency Driveway in its current condition, to include a minimum clear width of 18 feet, with minimum 4-foot shoulder on each side, and shall implement measures to insure vegetation such as grass, shrubs, and trees cease to further encroach on or over original pavement. The City shall remove fallen trees and limbs in a regular and timely manner. The City shall install a gate, at the entrance to the Retained Property on the Emergency Driveway, that is configured to restrict access to the public to the Retained Property but permit egress for the Retained Property in the event of an emergency. The City shall, at its sole cost and expense, maintain such gate in a good and workable conditions.

(b) The City shall have the right to relocate the Emergency Driveway or any portion thereof so long as emergency access to the Retained Property is not materially impaired. However, without the prior written consent of the DDSN, the connection point for the Emergency Driveway to the Retained Property shall not change as a result of any such relocation. Upon completion of any such relocation, the City shall record a survey reflecting the as-built location of the Emergency Driveway. All future new construction of the Emergency Driveway shall be accomplished in accordance with applicable SCDOT roadway construction standards in effect at the time the work is performed. If construction or maintenance disrupts the continuous use of the Emergency Driveway, a temporary/alternate emergency egress route must be provided.

(c) If development plans reasonably allow, the City may maintain the original emergency egress roadway through the existing tunnel under Interstate 26 as an alternate Whitten Center campus emergency egress road should the need ever arise.

SECTION 4.8. ***SCDJJ Property.*** In addition to the Retained Property, the Department shall retain the approximately 35-acre tract adjacent to Tract A-1, as shown on the plat of Tract A-1 attached hereto at **Exhibit A**.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

SECTION 5.1. ***Representations and Warranties of DDSN.*** DDSN hereby represents and warrants to the City as follows:

(a) Authorization, Execution and Delivery. This Agreement has been duly approved and authorized by DDSN, the Department, and all other regulatory or oversight agencies associated therewith. The conveyance of the Whitten System and the Surplus Property to the City has been validly approved and authorized and the provisions hereof are valid, binding and enforceable against DDSN. No further action, consent, or approval is required by DDSN, the Department, or by any governmental body to approve, consent to, or permit the performance by DDSN of its obligations.

(b) No Conflict, Breach, or Default. The execution and delivery of this Agreement and the performance by DDSN of its obligations hereunder will not conflict with or constitute a breach of or default under (i) any contract or agreement to which DDSN is a party or by which DDSN is bound or to which the assets of the Whitten System are subject, (ii) any law, regulation, administrative or judicial order, or any judgment or decree to which DDSN or the Whitten System is subject, or (iii) the charter or any regulations of DDSN.

(c) Title to Whitten System. The Department or DDSN, as applicable, has insurable legal title to all the assets (as set forth in Section 2.1 of this Agreement) of the Whitten System and the Surplus Property to be transferred hereunder, subject to no lien, claim or other encumbrance.

(d) Contracts. DDSN represents and warrants that it is not a party to any contracts related to the Whitten System except for the contracts listed on Exhibit D(5) hereof.

(e) Environmental Matters. DDSN is not aware of any actual or potential liabilities in connection with any of the Surplus Property or the Whitten System or any other property now or previously constituting a part of the Whitten System arising under or relating to Environmental Laws, and is not aware of any facts, events, conditions, situations, or sets of circumstances that could reasonably be expected to result in or be the basis for any such liability. DDSN believes the Whitten System to be in material compliance with all Environmental Laws. DDSN has not engaged in, and is not aware of, any studies or reports or activities or conditions pertaining to the environmental condition of the Surplus Property or the Whitten System other than as have been specifically disclosed in writing to the City. The City acknowledges, however, that it is accepting and purchasing the Whitten System in its "as-is" condition.

SECTION 5.2. ***Representations and Warranties of the City.*** The City hereby represents and warrants to DDSN as follows:

(a) Authorization, Execution, and Delivery. The City has taken action necessary by its governing body to authorize entering into this Agreement, to accept the Whitten System and the Surplus Property. The City has full right, power, and authority (i) to enter into this Agreement, (ii) to acquire and thereafter operate the Whitten System, and (iii) to accept conveyance of the Surplus

Property, and (iv) to perform all its obligations hereunder. The City has taken all action necessary to authorize the execution and delivery of this Agreement and all other documents, instruments, or agreements necessary to effectuate the intent hereof. No further action, consent, or approval is required by the City or by any governmental body to approve, consent to, or permit the performance by the City of its obligations hereunder or to acquire and operate the Whitten System as contemplated hereby.

(b) No Conflict, Breach, or Default. The execution and delivery of this Agreement and the performance by the City of its obligations hereunder will not conflict with or constitute a breach of or default under (i) any contract or agreement to which the City is a party or by which the City is bound or to which the assets of the City System are subject, (ii) any law, regulation, administrative or judicial order, or any judgment or decree to which the City or the City System is subject, or (iii) any ordinances of the City.

SECTION 5.3. ***Default***. In the event either Party discovers that any representation is untrue in any material respect or any warranty is breached in any material respect, the cost of correcting any problem resulting therefrom or of paying or responding to any resulting claims, including reasonable attorney's fees, shall be borne by the Party whose representation is untrue or whose warranty is breached. In the event either Party fails to timely perform its obligations hereunder, the other Party may initiate action to compel compliance in any court of competent jurisdiction. The costs of such action shall be recoverable from the defaulting Party.

ARTICLE VI
MISCELLANEOUS

SECTION 6.1. ***Inspection***. The City shall be entitled to an inspection period (the "***Inspection Period***") commencing on the Effective Date and concluding 90 days thereafter. During the Inspection Period, the City may perform development studies, financial analyses, feasibility studies, inspections, utility studies, storm drainage analyses, soil tests, surveys, appraisals, environmental studies, title searches, and such other tests, evaluations and examinations of the Whitten System or the Surplus Property, along with any dam or impoundments located thereon, as the City may desire (collectively, "***Inspections***"). The City and its agents, with the approval of DDSN, shall be entitled to enter upon Whitten Center or the Surplus Property to conduct any Inspections during the Inspection Period. Within 10 days of receipt, the City shall provide the results of any Inspections to DDSN. In the event the results of the Inspections are not satisfactory to the City, in its sole discretion, the City may on or before the last day of the Inspection Period terminate this Agreement by written notice to DDSN. In such event, this Agreement shall be deemed terminated, and the City and DDSN shall have no further obligation to complete the transactions contemplated hereby. In the event City does not terminate this Agreement within said time period, this Agreement shall remain in full force and effect.

SECTION 6.2. ***Limitation of Liability.*** Neither party shall be liable to the other for any special, consequential, incidental, punitive, or indirect damages arising from or relating to any breach of this Agreement, regardless of any notice of the possibility of such damages. Notwithstanding the foregoing, nothing in this paragraph is intended to limit or restrict the

indemnification rights or obligations of any party or damages available for breaches of the obligations set forth in herein.

SECTION 6.3. ***Survival of Provisions.*** The obligations set forth herein, to the extent that they are intended to govern the actions, rights, and liabilities of the Parties after conveyance of the Whitten System and the Surplus Property shall survive the closing, and their terms shall be fully enforceable thereafter unless replaced by a subsequent agreement by and between the City and DDSN.

SECTION 6.4. ***Counterparts.*** This Agreement may be executed in counterparts, which when assembled shall constitute but one original Agreement.

SECTION 6.5. ***Severability.*** The provisions hereof are severable and in the event any one or more of such provisions is void or unenforceable, the remainder of this Agreement shall constitute the agreement between the Parties as to the subject matter hereof.

SECTION 6.6. ***Effect of Dissolution of a Party.*** In the event either the City or DDSN for any reason shall be dissolved, consolidated or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations, and agreements contained in this Agreement by or on behalf of or for the benefit of such Party shall bind or inure to the benefit of the successor or successors thereof.

SECTION 6.7. ***Manner of Giving Notice.*** All notices, demands, and requests to be given to or made hereunder by the City or DDSN shall be given or made as indicated below or in writing and shall be deemed to be properly given or made if sent by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

As to the City:

City of Clinton
Attn: City Manager
P.O. Box 748
Clinton, SC 29325

As to DDSN:

Department of Disabilities and Special Needs
Attn: State Director
3440 Harden Street Extension
Columbia, SC 29203

Any such notice, demand, or request may also be transmitted to the appropriate above-mentioned Party by email or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above. Any of such addresses may be changed at any time upon written notice of such

change sent by United States certified mail, return receipt requested, postage prepaid, to the other Parties by the Party effecting the change.

SECTION 6.8. ***Parties Alone Have Rights under Agreement.*** Except as herein otherwise expressly provided, nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, or corporation, other than the Parties any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof. This Agreement and each provision herein are intended to be and are for the sole and exclusive benefit of the Parties.

SECTION 6.9. ***Headings.*** Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.

SECTION 6.10. ***Further Authority.*** The officers of the Parties, their attorneys, engineers, and other agents or employees are hereby authorized to do all acts and things required of them by this Agreement for the full, punctual, and complete performance of all of the terms, covenants, and agreements contained herein.

SECTION 6.11. ***No Recourse.*** All covenants, stipulations, promises, agreements, and obligations of the Parties contained this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Parties and not those of any officer or employee of the Parties in his or her individual capacity, and no recourse shall be had for the payment of any monies due under this Agreement or for any claim based hereon, either jointly or severally, against any officer or employee of the Parties or any person executing this Agreement.

SECTION 6.12. ***Non-Appropriation.*** No provision of this Agreement shall be construed as a covenant, promise, agreement, or obligation by any Party hereto to appropriate funds in a future year.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City of Clinton has caused this Agreement to be signed in its name by the duly authorized officer provided below as of the date first hereinabove written.

CITY OF CLINTON, SOUTH CAROLINA

[SEAL]

ATTEST:

_____
City Manager

_____
Clerk to City Council

IN WITNESS WHEREOF, the Department of Disabilities and Special Needs has caused this Agreement to be signed in its name by the duly authorized officer provided below as of the date first hereinabove written.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

_____

ITS: _____

IN WITNESS WHEREOF, the Department of Administration has acknowledged the approval of this Agreement by the signature of the duly authorized officer provided below as of the date first hereinabove written.

SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION

_____

ITS: _____

LIST OF EXHIBITS

EXHIBIT A	Legal descriptions and plats of all Surplus Property.
EXHIBIT B	Plat of Retained Property.
EXHIBIT C	Draft of Right of Way and Easement Agreement.
EXHIBIT D(1)	Bill of Sale for fixed assets, equipment and other tangible personal property used in the operation of the Whitten System to be conveyed to the City.
EXHIBIT D(2)	Legal descriptions of all real property related to the use and operation of the Whitten System to be conveyed to the City.
EXHIBIT D(3)	List of real property access rights or fixtures (including leases, licenses, or easements) to be conveyed to the City.
EXHIBIT D(4)	List of Permits conveyed, transferred, or assigned to the City.
EXHIBIT D(5)	List of all contractual or payment obligations to be accepted by the City.
EXHIBIT E	Draft of Declaration of Covenants, Restrictions, and Easements.
EXHIBIT F	Appraisal of Surplus Property.

EXHIBIT A

LEGAL DESCRIPTIONS AND PLATS OF SURPLUS PROPERTY

Tract A

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately aggregate 190.60 acres of land and designated as Tract A on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2018, and recorded in the Laurens County Register of Deeds Office on _____, 2018, in Plat Book _____, page _____.

Tract A-1

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately ___ net acres (60.24 gross acres) of land and designated as Tract A-1 on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2018, and recorded in the Laurens County Register of Deeds Office on _____, 2018, in Plat Book _____, page _____.

Tract B

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately 375.42 acres of land and designated as Tract B on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2018, and recorded in the Laurens County Register of Deeds Office on _____, 2018, in Plat Book _____, page _____.

Tract C

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately 177.30 acres of land and designated as Tract C on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2018, and recorded in the Laurens County Register of Deeds Office on _____, 2018, in Plat Book _____, page _____.

EXHIBIT B

PLAT OF RETAINED PROPERTY

EXHIBIT C

DRAFT OF RIGHT OF WAY AND EASEMENT AGREEMENT

EXHIBIT D(1)

BILL OF SALE FOR FIXED ASSETS, EQUIPMENT AND OTHER TANGIBLE PERSONAL PROPERTY USED IN OPERATION OF THE WHITTEN SYSTEM

STATE OF SOUTH CAROLINA
COUNTY OF LAURENS

BILL OF SALE
FOR WATERWORKS SYSTEM, SEWER SYSTEM, AND STORMWATER SYSTEM AND FIXED ASSETS

FOR AND IN CONSIDERATION of the sum of One Dollar and 00/100 ($1.00) paid to the **South Carolina Department of Disabilities and Special Needs** (an agency of the State of South Carolina ("Seller"), the receipt and sufficiency of which is hereby acknowledged, at and before signing and sealing of these presents, and the additional consideration hereinafter set forth, Seller does hereby sell, transfer and convey to the **City of Clinton, South Carolina** (a body corporate and politic of the State of South Carolina), its successors and assigns forever, any rights, title and interest as it may have in assets and equipment associated with the Seller's water distribution system, sewage collection system, and stormwater system, including but not limited to all water lines, sewer lines, stormwater lines, pipes, valves, manholes, pumps, pump stations, and other property, plant, and fixed equipment used in the provision of water service, sewer service, and stormwater service, situated upon real property owned by the Seller described as follows:

That certain tract of land lying and being in Laurens County, South Carolina, containing approximately 711.79 acres on that Survey for _____ by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, of Adtech Surveying, Inc., dated _____, and recorded in the Laurens County Register of Deeds Office on _____, 2018, in Plat Book _____, pages _____.

It is agreed that this Bill of Sale and the related AGREEMENT FOR THE CONVEYANCE OF UTILITY ASSETS AND SURPLUS PROPERTY (including all Exhibits, amendments, supplements and corrections thereto signed by both parties) and the associated documents referenced therein, comprise all the agreements between the parties and no representations or statements, verbal or written, have been made, modifying, adding to, or changing the terms of these agreements.

IN WITNESS WHEREOF, the Parties hereunto have set their Hands and Seals on this ____ day of _____, 2020.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

_____

_____

South Carolina Department of Disabilities and Special Needs

By: _____

_____

Its: _____

Accepted by the City of Clinton: _____Date:_____

EXHIBIT D(2)

LEGAL DESCRIPTIONS OF REAL PROPERTY

None

EXHIBIT D(3)

LIST OF REAL PROPERTY ACCESS RIGHTS OR FIXTURES

See plat of Retained Property.

EXHIBIT D(4)

LIST OF PERMITS CONVEYED, TRANSFERRED OR ASSIGNED TO CITY

EXHIBIT D(5)

LIST OF ALL CONTRACTUAL OR PAYMENT OBLIGATIONS

EXHIBIT E

DRAFT OF DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS

EXHIBIT F

APPRAISAL OF SURPLUS PROPERTY

[SPACE ABOVE THIS LINE IS FOR RECORDING INFORMATION]

Note to Register of Deeds:
Please index this Declaration under the following names:

South Carolina Department of Disabilities and Special Needs
State Training School for the Feeble Minded
South Carolina Department of Mental Retardation
State Training School
Whitten Village
Board of Trustees of Whitten Village
State of South Carolina

STATE OF SOUTH CAROLINA COUNTY OF LAURENS	UTILITY EASEMENT AGREEMENT

THIS UTILITY EASEMENT AGREEMENT ("**Agreement**") is entered into effective the ____ day of _____, 2020, by and between the STATE OF SOUTH CAROLINA, BY AND THROUGH THE DEPARTMENT OF ADMINISTRATION (the "**Department**"), for the benefit of the SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS ("**DDSN**"), and the CITY OF CLINTON, South Carolina, a body corporate and politic and a municipality of the State of South Carolina (the "**City**").

RECITALS

WHEREAS, DDSN is the statutory successor in interest to the South Carolina Department of Mental Retardation, Whitten Village, the Board of Trustees of Whitten Village, the State Training School, Whitten Village, and the State Training School for the Feeble Minded pursuant to various acts and resolutions of the General Assembly of the State of South Carolina (the "**General Assembly**");

WHEREAS, pursuant to Act No. 97, Part 1B, §118.2 of the General Assembly for the Year 2017, title to certain real property of state agencies, including the DDSN, shall be considered to be titled in the name of the Department;

WHEREAS, at its meeting on _____, 2020, the Department approved the execution and delivery of this Agreement;

WHEREAS, pursuant to an Agreement for Conveyance of Utility Assets and Surplus Property dated on or prior to the date of this Agreement, the City has agreed to assume responsibility for the operation of the waterworks system, sanitary sewer system, and stormwater system with respect to the Retained Property;

WHEREAS, on or about the date of this Agreement, the Department conveyed to the City all lines, equipment, and rights necessary to operate the waterworks system, sanitary sewer system, and stormwater system with respect to the Retained Property;

WHEREAS, the parties desire to create easements necessary for the City to operate the waterworks system, sanitary sewer system, and stormwater system with respect to the Retained Property; and

WHEREAS, on the date hereof, the Department conveyed to the City the Water Tank (as defined below) and certain lines and equipment that may be useful for the City to serve off-site properties and to support the City's general water distribution system, and the parties desire to create easements to enable the City to operate, maintain, repair, replace and expand the same.

NOW THEREFORE, for and in consideration of ten dollars and other good and valuable consideration, the receipt and adequacy of which are acknowledged, and intending to be bound, the Department and the City, for themselves and their successors in title and assigns, do hereby agree, declare, establish, grant, convey and impose upon the Retained Property as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions. All capitalized terms used herein shall have the meanings ascribed to such terms in this Agreement. In addition, the following terms shall have the following ascribed meanings. The term "**party**" or "**parties**" or "**owner**" or "**owners**" shall mean the respective owners of any portion of the Retained Property and their successors in title.

"**Access Easement Area**" means roads and driveways existing from time to time within the Retained Property as designated by the Department to provide access to the Water Tank Easement Area to and from Highway 76.

"**City**" is defined in the opening paragraph to this Agreement.

"**DDSN**" is defined in the opening paragraph to this Agreement.

"**Department**" is defined in the opening paragraph to this Agreement.

"**General Assembly**" is defined in the recitals to this Agreement.

"**Plat**" means, collectively, those plats of survey for the City described on Exhibit A to this Agreement.

"**Retained Property**" means that approximately 711.79 acre tract of land described on Exhibit A to this Agreement.

"**Sewer System**" means lines and apparatus necessary or desirable to provide sanitary sewer service to the Retained Property.

"**Sewer System Easement Area**" means the area on the Plat designated as "Sewer System Easement Area."

"**Stormwater System**" means lines and apparatus necessary or desirable to provide stormwater service to the Retained Property.

"**Stormwater System Easement Area**" means all areas on the Retained Property located within ten feet (10') on each side of the centerline of all pipes now or hereafter located on the Retained Property that transport stormwater from the Retained Property.

"**Utility System**" means the Sewer System, the Stormwater System, and the Water System, combined.

"**Water System**" means lines and apparatus necessary or desirable to provide water service to the Retained Property and other off-site properties. The Water System includes, in addition to the lines and apparatus necessary to serve the Retained Property, the Water Tank and distribution lines that may now or in the future serve other properties in addition to the Retained Property.

"**Water System Easement Area**" means the area on the Plat designated as "Water System Easement Area."

"**Water Tank**" means that elevated water tank, tower, and all apparatus located thereon or used in connection therewith and located within the Water Tank Easement Area.

"**Water Tank Easement Area**" means the area on the Plat designated as "Water Tank Easement Area."

Section 1.02. Other Terms. Other capitalized terms used herein but not otherwise defined in this Article shall have the meanings assigned to such terms in the sections to which such terms relate.

Section 1.03. Principles of Construction. All pronouns and defined terms appearing herein shall be deemed to include both the singular and plural, and to refer to all genders, unless the context clearly requires otherwise. The words "hereby", "herein", "hereof", "hereunder" and

words of similar import shall refer to this Agreement in its entirety and not to any particular provision or subdivision hereof. All references to designated "Articles" or "Sections" are to the Articles and Sections of this Agreement as originally executed. All headings are provided for convenience only and are not intended to limit, expand or otherwise modify any provision hereof.

ARTICLE II
EASEMENTS FOR UTILITY DISTRIBUTION SYSTEMS

Section 2.01. Easement for Water System. The Department does hereby grant and convey to the City the right, privilege and easement to go in, upon, across, under, and through the Water System Easement Area, together with the right to construct, operate, expand, and maintain the Water System continuously upon and under the Water System Easement Area; together with the right at all times to enter upon the Water System Easement Area for the purpose of inspecting the Water System and making repairs, renewals, alterations, expansions, and extensions thereon, thereunder, thereto or therefrom; together with the right to cut away and keep clear of the Water System Easement Area all trees and other obstructions that may now or hereafter in any way interfere or be likely to interfere with the proper operation of the Water System. The rights herein granted include all the necessary rights for the City to install and maintain the Water System to existing and future structures on the Retained Property under the terms hereof. If, due to future expansion or errors in mapping the Water System Easement Area, water lines that serve the Retained Property lie outside of the Water System Easement Area; then the Water System Easement Area shall automatically be expanded to include the areas lying ten feet (10') on each side of the center line of such water service line up to the water meter connecting the building indoor plumbing to the water distribution system.

Section 2.02. Easement for Sewer System. The Department does hereby grant and convey to the City the right, privilege and easement to go in, upon, across, under, and through the Sewer System Easement Area, together with the right to construct, operate, expand, and maintain the Sewer System continuously upon and under the Sewer System Easement Area; together with the right at all times to enter upon the Sewer System Easement Area for the purpose of inspecting the Sewer System, making repairs, renewals, alterations, expansions, and extensions thereon, thereunder, thereto or therefrom; together with the right to cut away and keep clear of said the Sewer System Easement Area, all trees and other obstructions that may now or hereafter in any way interfere or be likely to interfere with the proper operation of the Sewer System. The rights herein granted include all the necessary rights for the City to install and maintain the Sewer System to existing and future structures on the Retained Property under the terms hereof. If, due to future expansion or errors in mapping the Sewer System Easement Area, sewer lines that serve the Retained Property lie outside of the Sewer System Easement Area; then the Sewer System Easement Area shall automatically be expanded to include the areas lying ten feet (10') on each side of the center line of such sewer service line up to the cleanout connecting the building indoor plumbing to the sewer distribution system.

Section 2.03. Easement for Stormwater System. The Department does hereby grant and convey to the City the right, privilege and easement to go in, upon, across, under, and through the Stormwater System Easement Area, together with the right to construct, operate, expand, and maintain the Stormwater System continuously upon and under the Stormwater System Easement Area; together with the right at all times to enter upon the Stormwater System Easement Area for

the purpose of inspecting the Stormwater System, making repairs, renewals, alterations, expansions, and extensions thereon, thereunder, thereto or therefrom; together with the right to cut away and keep clear of the Stormwater System Easement Area, all trees and other obstructions that may now or hereafter in any way interfere or be likely to interfere with the proper operation of the Stormwater System. The rights herein granted include all the necessary rights for the City to install and maintain the Stormwater System to existing and future structures on the Retained Property under the terms hereof. If, due to future expansion or errors in mapping the Stormwater System Easement Area, stormwater lines that serve the Retained Property lie outside of the Stormwater System Easement Area; then the Stormwater System Easement Area shall automatically be expanded to include the areas lying ten feet (10') on each side of the center line of such stormwater service line.

Section 2.04. General Access Easement. The Department hereby establishes, imposes, grants, bargains, sells and conveys to the City, non-exclusive and perpetual easements over the Retained Property for ingress, egress, and access as may be necessary for the installation, maintenance, and repair of the Utility Systems.

Section 2.05. Notice of Commencement of Work. The City acknowledges that some residents of the Whitten Center, which is the facility owned and operated by DDSN on the Retained Property, have special intellectual and other disabilities. When the City desires to perform work on the Utility System, the City shall endeavor to give reasonable notice under the circumstances to the DDSN and coordinate such work with the DDSN in order that appropriate safety barriers may be put in place. No such notice shall be required for emergency work. Notwithstanding the foregoing, the City shall have no liability to the Department, the DDDSN, or their employees, residents, patients, or invitees for failure to give notice of the commencement of such work.

ARTICLE III
WATER TANK

Section 3.01. Easement for Operation of Water Tank. The Department does hereby grant and convey to the City the right, privilege and easement to go in, upon, across, under, and through the Water Tank Easement Area, together with the right to construct, operate, expand, and maintain the Water Tank and the Water System continuously upon and under the Water Tank Easement Area; together with the right at all times to enter upon the Water Tank Easement Area for the purpose of inspecting the Water Tank and the Water System and making repairs, renewals, alterations, expansions, and extensions thereon, thereunder, thereto or therefrom; together with the right to cut away and keep clear of the Water Tank Easement Area all trees and other obstructions that may now or hereafter in any way interfere or be likely to interfere with the proper operation of the Water System. The City may, in its sole discretion and at its sole cost, install fencing within the Water Tank Easement Area around the Water Tank. At all times that the DDSN's radio equipment is located on the Water Tank, the City shall provide the DDSN with a key to the gate for any such fenced area.

Section 3.02. Easement for Access to Water Tank. The Department hereby establishes, imposes, grants, bargains, sells and conveys to the City, non-exclusive and perpetual easements over the Access Easement Area for ingress, egress, and access to the Water Tank Easement Area. The Department and/or DDSN may relocate the Access Easement Area within the Retained

Property from time to time so long as the Access Easement Area provides adequate access between the Water Tank Easement Area and Highway 76.

Section 3.03. Operation of Radio Equipment on Water Tank. The City hereby grants to the DDSN a license in perpetuity to maintain on the Water Tank the DDSN's existing 2-way radio antenna and related equipment. Upon notification to the City, the DDSN may replace such equipment with equipment of similar size and weight, provided the placement of such equipment on the Water Tank will not be detrimental to its operation and maintenance. The City shall, at its expense, temporarily relocate such equipment in the event necessary for the City to perform maintenance on the Water Tank. DDSN shall pay any costs related to the maintenance of the existing 2-way antenna and related equipment or the replacement thereof. The City may, in its sole discretion and upon reasonable notice to the DDSN, determine to dismantle the Water Tank. In such event, the City shall, at the City's sole cost and expense and within a reasonable time, relocate such equipment, including antennae, building and equipment, and emergency generator, all complete with necessary utilities to a location agreeable to both parties to ensure equal or improved operational services as determined by an independent, licensed communications company. The Department hereby establishes, imposes, grants, bargains, sells and conveys to the City, non-exclusive and perpetual easements over the Access Easement Area for ingress and egress of construction equipment and workers and the hauling away of the Water Tank and its components after any such demolition.

Section 3.04. Expiration and Termination of Water Tank Easements. If the City dismantles the Water Tank as permitted under this Article III, all easements and agreements in this Article III shall automatically expire and terminate upon the City's completion of its work to dismantle and remove the Water Tank. Such termination of easements, however, shall not operate to terminate other easements necessary for the operation of the Water System, Sewer System, and Stormwater System as established in Article II of this Agreement or in any other documents.

ARTICLE IV
MISCELLANEOUS

Section 4.01. Successors and Assigns; Rights and Easements to Run with the Land. The City shall have the right to assign to any successor agency or entity operating the Utility System or any part thereof all or a portion of the City's rights under this Agreement. The benefits and burdens of the easements, covenants, restrictions, and agreements created in this Agreement shall run with the land and shall be binding upon and inure to the benefit of the owners of the Retained Property and their respective heirs, executors, successors-in-title, tenants, and assigns, and all those holding under any of them. The easements, rights, and obligations contained in this Agreement shall be unaffected by any change in the ownership of any property covered by this Agreement or by any change of use, demolition, reconstruction, expansion or other circumstances, except as specified herein. Each of the rights created hereunder may be enforceable in a court of equity by the owner of any property covered by this Agreement.

Section 4.02. Non-Interference. The easements created hereunder shall be used and enjoyed by the holder thereof and their respective permittees in such a manner so as not to interfere with, obstruct or delay the operations of the activities conducted at any time on the other portions

of the Retained Property; provided, however, express provisions of such easements shall not be deemed to be diminished by this section.

Section 4.03. Breach. In the event of a breach or threatened breach of this Agreement, the parties shall be entitled to institute proceedings for full and adequate relief from the consequences of said breach or threatened breach (including, without limitation, the right to obtain injunctive relief). In the event such proceedings are instituted, the non-prevailing litigant shall pay the reasonable attorney's fees of the prevailing litigant. It is expressly agreed that no breach of this Agreement shall result in a cancellation, rescission, or termination of this Agreement.

Section 4.04. Severability. In the event any provision or portion of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, such holding will not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

Section 4.05. Relationship of the Parties. Nothing contained herein shall be construed or interpreted as creating a partnership, joint enterprise or joint venture between or among the parties. It is understood that the relationship between the parties is an arm's length one that shall at all times be and remain separate with respect to their interests in each parcel. No party shall have the right to act for or on behalf of another party, as agent or otherwise, unless expressly authorized to do so by separate written instrument signed by the party to be charged or bound.

Section 4.06. Third Party Beneficiaries / No Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Retained Property or any portion thereof to the general public, or for any public use or purpose whatsoever. Except as herein specifically provided, no right, privileges or immunities of any party hereto shall inure to the benefit of any third-party, nor shall any third-party be deemed to be a beneficiary of any of the provisions contained herein.

Section 4.07. Amendment. The provisions of this Agreement may be modified or amended, in whole or in part, or terminated only by the written consent of all of the record owners of the portions of the Retained Property directly affected by such amended provision and evidenced by a document that has been fully executed and acknowledged by all such affected record owners and recorded in the official records of Laurens County, South Carolina.

Section 4.08. Term of Agreement. Unless otherwise expressly provided herein, the easements and agreements contained herein which bind and benefit the parties shall be deemed to be perpetual and shall be construed to run with the land.

Section 4.09. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all such counterparts shall constitute one and the same instrument.

[EXECUTION ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Department has executed this Agreement effective the day and year first above written.

Department:

_____
Witness

STATE OF SOUTH CAROLINA, BY AND THROUGH THE DEPARTMENT OF ADMINISTRATION

_____
Witness

By: _____

Print Name: _____

Title: _____

(SEAL)

State of _____)
) Acknowledgment
County of _____)

I, _____, a notary public for the State and County aforesaid, do hereby certify that _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Department.

Witness my hand and official seal this the ___ day of _____, 2020.

_____
Notary Public (Notarial Seal)
My Commission Expires:

City:

_____
Witness

CITY OF CLINTON, South Carolina, a body corporate and politic and a municipality of the State of South Carolina

_____
Witness

By: _____

Print Name: _____

Title: _____

Attest: _____

Print Name: _____

Title: _____

(SEAL)

State of _____)
) Acknowledgment
County of _____)

I, _____, a notary public for the State and County aforesaid, do hereby certify that _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the City.

Witness my hand and official seal this the ___ day of _____, 2020.

_____
Notary Public (Notarial Seal)
My Commission Expires:

DDSN executes this Agreement to acknowledge the foregoing.

DDSN:

_____
Witness

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

_____
Witness

By: _____

Print Name: _____

Title: _____

(SEAL)

State of _____)
) Acknowledgment
County of _____)

I, _____, a notary public for the State and County aforesaid, do hereby certify that _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the DDSN.

Witness my hand and official seal this the ___ day of _____, 2020.

_____
Notary Public (Notarial Seal)
My Commission Expires:

Exhibit A

(Retained Property)

Retained Property

That certain tract of land lying and being in Laurens County, South Carolina, containing approximately **711.79** acres on that Survey for _____ by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, of Adtech Surveying, Inc., dated _____, and recorded in the Laurens County Register of Deeds Office on _____, 2020, in Plat Book _____, pages _____.

[SPACE ABOVE THIS LINE IS FOR RECORDING INFORMATION]

Note to Register of Deeds:
Please index this Declaration under the following names:

South Carolina Department of Disabilities and Special Needs
State Training School for the Feeble Minded
South Carolina Department of Mental Retardation
State Training School
Whitten Village
Board of Trustees of Whitten Village
State of South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF LAURENS

DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS

THIS DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS ("**Declaration**") is made and imposed into effective the ____ day of _____, 2020, by the STATE OF SOUTH CAROLINA, BY AND THROUGH THE DEPARTMENT OF ADMINISTRATION (the "**Department**"), for the benefit of the SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS ("**DDSN**").

RECITALS

WHEREAS, DDSN is the statutory successor in interest to the South Carolina Department of Mental Retardation, Whitten Village, the Board of Trustees of Whitten Village, the State Training School, Whitten Village, and the State Training School for the Feeble Minded pursuant to various acts and resolutions of the General Assembly of the State of South Carolina (the "**General Assembly**");

WHEREAS, pursuant to Act No. 97, Part 1B, §118.2 of the General Assembly for the Year 2017, title to certain real property of state agencies, including the DDSN, shall be considered to be titled in the name of the Department;

*01152398-6

WHEREAS, at its meeting on _____, 2020, the Department approved the execution and delivery of this Agreement;

WHEREAS, pursuant to an Agreement for Conveyance of Utility Assets and Surplus Property dated on or prior to the date of this Declaration, the Department intends to convey the Surplus Property, as defined below, to the City of Clinton, South Carolina, a body corporate and politic and a municipality of the State of South Carolina (the "**City**").

WHEREAS, the DDSN intends to retain and operate the Retained Property, as defined below.

WHEREAS, the Department and DDSN desire to impose certain covenants, restrictions, and easements upon the Property as described in this Declaration.

NOW THEREFORE, for and in consideration of sales or leases that may be made by the Department of any part of the Property, as defined below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be bound, the Department, for itself, its successors in title and assigns, does hereby declare, establish, grant, convey and impose upon the Property as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions. All capitalized terms used herein shall have the meanings ascribed to such terms in this Declaration. In addition, the following terms shall have the following ascribed meanings. The term "**party**" or "**parties**" or "**owner**" or "**owners**" shall mean the respective owners of any portion of the Property and their successors in title. The term "**lot**" or "**lots**" or "**parcel**" or "**parcels**" shall mean each developable and separately subdivided tract of land subject to this Declaration.

"**City**" is defined in the recitals to this Declaration.

"**DDSN**" is defined in the opening paragraph to this Declaration.

"**Department**" is defined in the opening paragraph to this Declaration.

"**Master Plan**" means that plan for development of Tract A attached as Exhibit C hereto.

"**Plat**" means, collectively, those plats of survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, described on Exhibit A to this Declaration.

"**Property**" means the Surplus Property together with the Retained Property.

"**Retained Property**" means that approximately 711.79 acre tract of land described on Exhibit B to this Declaration.

"**Surplus Property**" means, collectively, Tract A, Tract A-1, Tract B, Tract C, and Tract D.

"**Tract A**" means that approximately 190.60 acre tract of land labeled as "Tract A" on Exhibit A hereto.

"**Tract A-1**" means that approximately 60.24 acre tract of land labeled as "Tract A-1" on Exhibit A hereto.

"**Tract B**" means that approximately 375.42 acre tract of land labeled as "Tract B" on Exhibit A hereto.

"**Tract C**" means that approximately 177.30 acre tract of land labeled as "Tract C" on Exhibit A hereto.

"**Tract D**" means that approximately 6.58 net acre tract of land labeled as "Tract D" on Exhibit A hereto.

"**Whitten Center**" means the facility for persons with disabilities and special needs operated by the DDSN on the Retained Property.

"**Zoning Ordinance**" means the City of Clinton Zoning Ordinance as in effect on the date of this Declaration and as may be amended from time to time. If any zoning district described in this Declaration ceases to exist, the reference to such zoning district in this Declaration shall refer to the most similar zoning district in the revised City of Clinton Zoning Ordinance, as certified by the then incumbent City of Clinton official designated to administer the Zoning Ordinance.

Section 1.02. Other Terms. Other capitalized terms used herein but not otherwise defined in this Article shall have the meanings assigned to such terms in the sections to which such terms relate.

Section 1.03. Principles of Construction. All pronouns and defined terms appearing herein shall be deemed to include both the singular and plural, and to refer to all genders, unless the context clearly requires otherwise. The words "hereby", "herein", "hereof", "hereunder" and words of similar import shall refer to this Declaration in its entirety and not to any particular provision or subdivision hereof. All references to designated "Articles" or "Sections" are to the Articles and Sections of this Declaration as originally executed. All headings are provided for convenience only and are not intended to limit, expand or otherwise modify any provision hereof.

ARTICLE II
[RESERVED]

ARTICLE III
RESTRICTIONS

Section 3.01. Restrictions on Development of Tract A and Tract A-1. The following restrictions are hereby imposed with respect to the development and use of Tract A and Tract A-1:

(a) Use Restrictions. Without the prior written consent of the owner of the Retained Property, no portion of Tract A or Tract A-1 shall be developed for any use other than public park and recreation, greenspace, and light manufacturing and distribution facilities. For purposes of this Section, "light manufacturing and distribution facilities" shall mean uses allowed under the City of Clinton Industrial District (I-1) as set forth in Section 4.10.3 of the Zoning Ordinance and all other less intensive uses under the Zoning Ordinance.

(b) Master Plan. Tract A and Tract A-1 shall be developed only in substantial accordance with the Master Plan. The owner of the Retained Property shall act reasonably in considering requests for amendment of the Master Plan. The owner of the Retained Property may withhold its consent to approval of requests for amendment of the Master Plan only if it reasonably determines that development pursuant to the amended Master Plan is reasonably likely to have a material adverse impact on the operation of the Retained Property.

Section 3.02. Restrictions on Development of Tract B and Tract C. The following restrictions are hereby imposed with respect to the development and use of Tract B and Tract C:

(a) Use Restrictions. Without the prior written consent of the owner of the Retained Property, no portion of Tract B or Tract C shall be developed for any use other than public park and recreation, greenspace, agricultural, residential, and light commercial uses. For purposes of this Section, "light commercial uses" shall mean uses allowed under the City of Clinton General Commercial District (C3) as set forth in Section 4.7.3 of the Zoning Ordinance and all other less intensive uses under the Zoning Ordinance.

(b) Property Reserved for Public Recreation. The two lakes located on Tract B shall be preserved and protected for the enjoyment of the public, to include maintaining and improving, as needed, access to the lakes, the picnic shelter, and existing restrooms. The owner of Tract B may relocate and reconfigure the picnic shelter, restrooms, and access drives to the lakes. The owner of Tract B may, in its sole discretion, charge the general public a fee to use these public facilities and impose rules and regulations for the use thereof. Notwithstanding the foregoing, for so long as the DDSN owns or operates any portion of the Retained Property, the DDSN may, with reasonable notice and at no charge, reserve these public areas for the use and enjoyment of Whitten Center residents. The owner of Tract B shall have the right to dedicate the lakes, picnic shelter, and restrooms to public, if the public authorities will agree to accept such dedication.

Section 3.03. Use Restrictions for Tract D. Without the prior written consent of the owner of the Retained Property, no portion of Tract D shall be developed for any use other than public park and recreation, greenspace, and small commercial development. For purposes of this Section, "small commercial development" shall mean uses allowed under the City of Clinton Central

Commercial District (C-2) as set forth in Section 4.6.3 of the Zoning Ordinance and less intensive uses under the Zoning Ordinance.

Section 3.04. Nuisances. No portion of the Surplus Property shall be used in any manner that would constitute a threat to the health, safety, and welfare of the public or other property owners in the vicinity of the Surplus Property or would otherwise constitute a nuisance under City of Clinton Ordinances in effect from time to time.

Section 3.05. Expiration of Restrictions. The restrictions and other provisions of this Article III shall expire and be of no further force and effect the earlier of (a) thirty (30) years from the date of this Declaration, or (b) such time as the DDSN or the Department ceases to own or operate any portion of the Retained Property.

ARTICLE IV
REVENUE SHARING

Section 4.01. Sale of Surplus Property within Thirty Years. For a period of thirty (30) years from the date of this Declaration, in the event of a conveyance of fee simple title to any portion of the Surplus Property to any person or entity other than the City or its departments or affiliates, the City shall pay to the DDSN the sum of one-half (50%) of the greater of (a) the proceeds of the sale of such Surplus Property, net of all costs and expenses incurred by the City for the acquisition, development, improvement, and sale of the Surplus Property, including, without limitations, hard and soft costs for spec buildings, roads, sewer, stormwater, and other improvements; professional fees; marketing costs; interest; commissions and closing costs, or (b) the appraised value of such property as follows: $3,796.00 per acre with respect to Tract A and Tract A-1; $2,497.00 per acre with respect to Tract B and Tract C; and $18,237.00 per acre with respect to Tract D. The provisions of this Section of this Agreement shall expire and be of no further force and effect after thirty (30) years from the date of this Declaration. This section shall be construed in a manner to comply with the exemption in Section 27-1-70(A)(4)(a)(i) of the South Carolina Code Annotated.

Section 4.02. Cutting of Timber. The owner of the respective Surplus Property shall manage any timber on such Surplus Property in a manner consistent with good practices within the timber industry. The owner of the respective portions of the Surplus Property shall have the sole discretion to determine whether, if at all, to cut any such timber. The owner of such portions of the Subject Property shall divide equally with the owner of the Retained Property all net proceeds resulting from the first cutting of stands of timber on the Surplus Property. The provisions of this Section of this Agreement shall expire and be of no further force and effect after thirty (30) years from the date of this Declaration.

ARTICLE V
MISCELLANEOUS

Section 5.01. Successors and Assigns; Rights and Easements to Run with the Land. Any party in possession of all or any part of the Property (whether as owner, tenant, mortgagee, or otherwise) shall have the right to extend to its tenants, customers, guests and invitees the benefit of the rights and easements established hereby, but no such tenant, customer, guest or invitee shall

by virtue thereof be deemed to have acquired any interest whatsoever in the Property or any part thereof. The benefits and burdens of the easements, covenants, restrictions, and agreements created in this Declaration shall run with the land and shall be binding upon and inure to the benefit of the owners of the Property and their respective heirs, executors, successors-in-title, tenants, and assigns, and all those holding under any of them. The easements, rights, and obligations contained in this Declaration shall be unaffected by any change in the ownership of any property covered by this Declaration or by any change of use, demolition, reconstruction, expansion or other circumstances, except as specified herein. Each of the rights created hereunder may be enforceable in a court of equity by the owner of any property covered by this Declaration.

Section 5.02. Non-Interference. The easements created hereunder shall be used and enjoyed by the holders thereof and their respective permittees in such a manner so as not to interfere with, obstruct or delay the operations of the activities conducted at any time on the other portions of the Property; provided, however, express provisions of such easements shall not be deemed to be diminished by this section.

Section 5.03. Requests for Consent or Approval. No party shall unreasonably withhold, condition, or delay its consent to or approval of any matter requiring consent or approval under this Declaration. Any failure of a party to respond to another party's written request for consent to or approval of a matter requiring consent or approval under this Declaration within thirty (30) days of the date the request is given shall be deemed to constitute consent and approval, provided that the request (i) is made in accordance with the notice provisions of this Declaration, and (ii) states prominently in capital letters on the face thereof: WE HEREBY NOTIFY YOU THAT PURSUANT TO THE DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS, IF WE DO NOT RECEIVE A RESPONSE FROM YOU TO THIS REQUEST WITHIN THIRTY (30) DAYS AFTER THE DATE THIS REQUEST WAS GIVEN, THE REQUEST REFERRED TO HEREIN SHALL BE DEEMED APPROVED. If any parcel of the Property is subdivided and owned by multiple parties, the party owning the largest portion of such subdivided parcel shall have the right to grant consent or approval with respect to the entire parcel that had the original right to grant consent or approval under this Declaration.

Section 5.04. Breach. In the event of a breach or threatened breach of this Declaration, the parties shall be entitled to institute proceedings for full and adequate relief from the consequences of said breach or threatened breach (including, without limitation, the right to obtain injunctive relief). In the event such proceedings are instituted, the non-prevailing litigant shall pay the reasonable attorney's fees of the prevailing litigant. It is expressly agreed that no breach of this Declaration shall result in a cancellation, rescission, or termination of this Declaration.

Section 5.05. Notices. Any notice required or permitted to be given under this Declaration shall be in writing and shall be deemed to have been given upon deposit in the United States Mail as Certified Mail, Return Receipt Requested, postage prepaid, and addressed to the owner being notified at the address given below (or such other address which any owner may designate for itself as provided below):

If to the owner of the Surplus Property:	City of Clinton Attn: City Manager 211 North Broad Street, Suite A Clinton, SC 29325
If to the owner of the Retained Property:	South Carolina Department of Disabilities and Special Needs Attn: State Director 3440 Harden Street Extension Columbia, SC 29203

Section 5.06. In the event that any person or entity (the "**Acquiring Owner**") shall acquire a fee, leasehold or security interest in any property subject to this Declaration, or any portion thereof, the Acquiring Owner shall execute and file in the land records of Laurens County, South Carolina, a statement, referencing the recording information of this Declaration in the caption, setting forth the name of the Acquiring Owner, the address of the Acquiring Owner to which all notices for the purposes of this Declaration may be sent, the nature of the interest held by the Acquiring Owner, and the date that such interest was acquired (the "**Notice Statement**"). Contemporaneously with such filing, the Acquiring Owner shall also send by certified mail, return receipt requested, a copy of such Notice Statement to all other persons or entities then holding fee interests in any property subject to this Declaration, or any portion thereof, as reflected by the Notice Statements then of record in the land records of Laurens County, South Carolina (the "**Existing Interest Holders**"). Until such time as an Acquiring Owner files and mails such Notice Statement in accordance with the terms of this Section, it shall not be entitled to receive any notice required or permitted to be given under this Declaration, and the Existing Interest Holders shall have no obligation to give any such notice to the Acquiring Owner. Any change of address shall require the filing and mailing of a new Notice Statement. It is understood and agreed that the provisions of this section regarding the recordation of an initial Notice Statement are satisfied with respect to the DDSN and the City of Clinton.

Section 5.07. Severability. In the event any provision or portion of this Declaration is held by any court of competent jurisdiction to be invalid or unenforceable, such holding will not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

Section 5.08. Relationship of the Parties. Nothing contained herein shall be construed or interpreted as creating a partnership, joint enterprise or joint venture between or among the parties. It is understood that the relationship between the parties is an arm's length one that shall at all times be and remain separate with respect to their interests in each parcel. No party shall have the right to act for or on behalf of another party, as agent or otherwise, unless expressly authorized to do so by separate written instrument signed by the party to be charged or bound.

Section 5.09. Third Party Beneficiaries / No Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Property or any portion thereof to the general public, or for any public use or purpose whatsoever. Except as herein specifically provided, no right, privileges or immunities of any party hereto shall inure to the benefit of any

third-party, nor shall any third-party be deemed to be a beneficiary of any of the provisions contained herein.

Section 5.10. Amendment. The provisions of this Declaration may be modified or amended, in whole or in part, or terminated only by the written consent of all of the record owners of the portions of the Property directly affected by such amended provision and evidenced by a document that has been fully executed and acknowledged by all such affected record owners and recorded in the official records of Laurens County, South Carolina.

Section 5.11. Term of Declaration. Unless otherwise expressly provided herein, the easements and agreements contained herein which bind and benefit the parties shall be deemed to be perpetual and shall be construed to run with the land.

Section 5.12. Counterparts. This Declaration may be executed in one or more counterparts, each of which shall be deemed an original and all such counterparts shall constitute one and the same instrument.

[EXECUTION ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Department has executed this Declaration effective the day and year first above written.

Department:

_____
Witness

STATE OF SOUTH CAROLINA, BY AND THROUGH THE DEPARTMENT OF ADMINISTRATION

_____
Witness

By: _____

Print Name: _____

Title: _____

(SEAL)

State of _____)
) Acknowledgment
County of _____)

I, _____, a notary public for the State and County aforesaid, do hereby certify that _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Department.

Witness my hand and official seal this the ___ day of _____, 2020.

_____
Notary Public
My Commission Expires:

(Notarial Seal)

*01152398-6

DDSN executes this Agreement to acknowledge the foregoing.

DDSN:

_____
Witness

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

_____
Witness

By: _____

Print Name: _____

Title: _____

(SEAL)

State of _____)
) Acknowledgment
County of _____)

I, _____, a notary public for the State and County aforesaid, do hereby certify that _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the DDSN.

Witness my hand and official seal this the ___ day of _____, 2020.

_____
Notary Public (Notarial Seal)
My Commission Expires:

*01152398-6

Exhibit A

(Surplus Property)

Tract A

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately aggregate 190.60 acres of land and designated as **Tract A** on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2020, and recorded in the Laurens County Register of Deeds Office on _____, 2020, in Plat Book _____, page _____.

Tract A-1

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately 93.64 net acres (95.24 gross acres) of land and designated as **Tract A-1** on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2020, and recorded in the Laurens County Register of Deeds Office on _____, 2020, in Plat Book _____, page _____.

Tract B

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately 375.42 acres of land and designated as **Tract B** on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2020, and recorded in the Laurens County Register of Deeds Office on _____, 2020, in Plat Book _____, page _____.

Tract C

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately 177.30 acres of land and designated as **Tract C** on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2020, and recorded in the Laurens County Register of Deeds Office on _____, 2020, in Plat Book _____, page _____.

Tract D

That certain tract of land lying and being in the City of Clinton, Laurens County, South Carolina, containing approximately 6.58 net acres (7.74 gross acres) of land and designated as **Tract D** on that Survey for The City of Clinton by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, dated December 27, 2017, last revised _____, 2020, and recorded in the Laurens County Register of Deeds Office on _____, 2020, in Plat Book _____, page _____.

Exhibit B

(Retained Property)

Retained Property

That certain tract of land lying and being in Laurens County, South Carolina, containing approximately **711.79** acres on that Survey for _____ by Foard H. Tarbert, Jr., SC Registered Professional Land Surveyor No. 11072, of Adtech Surveying, Inc., dated _____, and recorded in the Laurens County Register of Deeds Office on _____, 2020, in Plat Book _____, pages _____.

Exhibit C

(Master Plan for Tracts A and A-1)

1. The development of Tracts A and A-1, or each future subdivided parcel within Tracts A and A-1, shall comply with the minimum lot size, maximum building height, setbacks, minimum distance between building, and maximum impervious service as set forth in Section 4.10.2 of the Zoning Ordinance.

2. The development of Tracts A and A-1, or each future subdivided parcel within Tracts A and A-1, shall comply with the use restrictions set forth in Section 4.10.3 of the Zoning Ordinance.

3. The development of Tracts A and A-1, or each future subdivided parcel within Tracts A and A-1, shall comply with the parking requirements in Section 4.10.4 of the Zoning Ordinance.

4. The development of Tracts A and A-1, or each future subdivided parcel within Tracts A and A-1, shall comply with the landscaping requirements in Section 4.10.5 of the Zoning Ordinance.

5. The development of Tracts A and A-1, or each future subdivided parcel within Tracts A and A-1, shall comply with the signage requirements in Section 4.10.7 of the Zoning Ordinance.