

STATE OF SOUTH CAROLINA

COUNTY OF YORK

York County,

Plaintiff,

vs.

Appaloosa Management, LP, DT Sports Holding, LLC, Tepper Sports Holding, Inc., and the City of Rock Hill

Defendants.

IN THE COURT OF COMMON PLEAS

SIXTEENTH JUDICIAL CIRCUIT

Civil Action No.: _____

SUMMONS

(Jury Trial Demanded)

TO THE DEFENDANTS ABOVE-NAMED:

YOU ARE HEREBY SUMMONED AND REQUIRED to answer the Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your Answer thereto on the subscriber at the address listed below, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in the Complaint. Any answer that you serve on the parties to this action must be filed with the Clerk of this Court within a reasonable period of time after service.

GALLIVAN, WHITE & BOYD, P.A.

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COMPLAINT
(Jury Trial Demanded)

Now comes York County complaining of Defendants above named and would respectfully show as follows:

SUMMARY OF CLAIMS

York County has been damaged by a breakdown between the City of Rock Hill on one hand and Appaloosa Management, LP, Tepper Sports Holding, Inc., and DT Sports Holding, LLC on the other (collectively, the “Tepper Defendants”). The Tepper Defendants directed the misappropriation of \$21 million of statutorily restricted, public funds from their stated purpose, the expansion of a roadway in York County, and improperly utilized these funds on their failed vanity project, the Carolina Panthers’ headquarters and practice facility. Rather than cover the ballooning project budget themselves, the Tepper Defendants took money from York County and its taxpayers. Ultimately, the City of Rock Hill failed to issue the required bonds, the development project collapsed, and the City and the Tepper Defendants were left blaming each other for the failure. Both the City and the Tepper Defendants have harmed York County and its taxpayers, and the County should be made whole.

PARTIES

1. Plaintiff York County is a body politic and corporate and is a political subdivision of the State of South Carolina acting by and through its County Council which is the governing body of the County.

2. Defendant Appaloosa Management, LP (“Appaloosa Management”) is a limited partnership organized and existing under the laws of the State of Delaware and, upon information and belief, has a principal place of business in the State of New Jersey and conducts business in South Carolina.

3. Defendant Tepper Sports Holding, Inc. (“Tepper Sports”) is a corporation organized and existing under the laws of the State of Delaware and, upon information and belief, has a principal place of business in the State of North Carolina and conducts business in South Carolina.

4. Defendant DT Sports Holding, LLC (“DT Sports”) is a limited liability company organized and existing under the laws of the State of Delaware and, upon information and belief, has a principal place of business in the State of North Carolina and conducts business in South Carolina.

5. Defendant City of Rock Hill is an incorporated municipality and political subdivision of the State of South Carolina located in the County of York, South Carolina.

JURISDICTION AND VENUE

6. The Court has subject matter jurisdiction over the claims asserted in this action and personal jurisdiction over the defendants because they are located in York County or do (or control) business in York County, South Carolina.

7. Venue is proper in this Court pursuant to S.C. Code Ann. § 15-7-10 and -30 because the majority of Defendants' activities at issue in this Complaint takes place in York County, South Carolina.

8. Additionally, the FILOT Agreement and the Interlocal Agreements (as those terms are defined below) at issue in this Complaint include choice of law provisions which provide that the agreements are deemed made under the laws of the State of South Carolina and "for all purposes shall be deemed governed by and construed in accordance with the laws of the State of South Carolina."

FACTUAL ALLEGATIONS

9. David Tepper ("Tepper") founded Appaloosa Management in 1993. Appaloosa Management has well over \$10 billion assets under management. Through Appaloosa Management, Tepper has become one of the richest people in the world amassing an estimated net worth of approximately \$16 billion.

10. At all times relevant to this Complaint, Michael Palmer was Appaloosa Management's Chief Financial Officer.

11. In 2018, Tepper purchased the Carolina Panthers football franchise for approximately \$2.3 billion.

12. In June 2019, Tepper announced he was going to locate and build the franchise's headquarters and practice facility near Rock Hill, South Carolina (the "Project"). The Project was to be a "mixed-use, pedestrian friendly community anchored by a practice facility, headquarters offices and sports/entertainment venue with emphasis on retail/entertainment/media production, sports medicine, hospitality, employment, research and development, commercial, indoor and outdoor recreation and open space uses facility and related improvements."

13. The Tepper Defendants projected that the Project would involve an investment of at least \$500 million and would create (or cause to be created) at least 150 new, full-time jobs within York County.

14. The Project was intended, and expected, to reap over \$100,000,000 for the County in tax revenues and economic benefits directly from the Project site itself and surrounding economic development spurred by the Project.

15. The Tepper Defendants formed GT Real Estate Holdings, LLC (“GTRE”) on June 5, 2019, as a contracting party for the Tepper Defendants.

16. GTRE is a limited liability company organized and existing under the laws of the State of Delaware and with a principal place of business located in the County of York, State of South Carolina.

17. On or about March 27, 2020, the Tepper Defendants purchased approximately 240 acres located in York County as the site for the proposed headquarters and practice facility (the “Project Site”). The Project Site is titled in GTRE’s name and is the same as that acquired by General Warranty Deed and filed with the Register of Deeds Office for York County on April 1, 2020 at Book 18171 and pages 168-178.

18. GTRE’s only member and sole owner is Defendant DT Sports. In turn, Defendant DT Sports is wholly owned by Tepper Sports.

19. The Tepper Defendants collectively conduct business as “Tepper Sports & Entertainment.” The Tepper Defendants operate Tepper Sports & Entertainment by and through their principals, employees, representatives and agents, individually and collectively acting as the agent for, as well as for the benefit of, David Tepper.

20. At all times, the Tepper Defendants controlled all aspects of the relationships with York County. Specifically,

- a. Appaloosa Management by and through the conduct of David Tepper, its founder, Michael Palmer, its Chief Financial Officer and other employees; and
- b. DT Sports and Tepper Sports by and through its employees, agents, and subsidiaries and employees and agents of those subsidiaries which it controls;¹ and

21. Upon information and belief, Tepper Defendants directly controlled those funds with direct access to and control of GTRE's bank account. The Tepper Defendants determined where these monies were spent and to whom they were paid.

THE INCENTIVE AGREEMENTS

22. The announcement to locate the Project in York County was not made until the Tepper Defendants extracted hundreds of millions from the State, York County, and the City of Rock Hill in the form of tax breaks, infrastructure funding, and cash.

23. On April 20, 2020, York County and GTRE entered into a Fee in Lieu of Tax and Incentive Agreement (the "FILOT Agreement").

24. The FILOT Agreement governs the County's assessment of property taxes and sets the assessment ratio and millage rates applicable to the Project. Ultimately, the FILOT Agreement establishes a fee GTRE would pay to York County in lieu of traditionally calculated property taxes.

¹ These persons include but are not limited to Mark Hart, Kristi Coleman and Kristi Heppner. It is unclear at this time which specific Tepper-affiliated entity employed which persons. However, upon information and belief, all persons were agents of and directed and controlled by the Tepper Defendants and, in that manner, directed and controlled GTRE conduct and specifically, its money.

25. The FILOT Agreement was executed on behalf of GTRE by David Tepper, as “Chairman.”

26. The FILOT Agreement’s notice provisions for GTRE only lists Tepper Sports and Entertainment associated individuals, who are officers of one or more of the Tepper Defendants, as the individuals to receive notice. Specifically, the FILOT Agreement required notice be sent to (1) Mark Hart, Tepper Sports and Entertainment’s Vice President and (2) Steve Argeris, Tepper Sports and Entertainment’s Vice President and General Counsel.

27. Contemporaneous with the execution of the FILOT Agreement, York County and the City of Rock Hill entered into an Interlocal Agreement. GTRE accepted, executed and agreed to the Interlocal Agreement “as Third-Party Beneficiary.”

28. The FILOT Agreement contemplates the undertakings and obligations in the Interlocal Agreement and the Interlocal Agreement contemplates the undertakings and obligations in the FILOT Agreement. In fact, the FILOT Agreement attaches and incorporates the Interlocal Agreement and, likewise, the FILOT Agreement is attached to the Interlocal Agreement.

29. The City and the County agreed in the Interlocal Agreement that, in exchange for the County providing the Penny Tax Funds and other consideration, the County was entitled to a portion of net tax revenue arising from the FILOT Agreement and the City would pledge the net tax revenue shared by the County and the City for repayment of Bonds issued by the City to fund the Project.

30. The Interlocal Agreement requires the City to issue bonds to provide proceeds for, among other things, the Mt. Gallant Project (as discussed below).

31. Subsequently, on or about December 30, 2020, GTRE and the City of Rock Hill entered into a Land Development Agreement (the “LDA”).

32. In conjunction with the execution of the LDA, GTRE and the City of Rock Hill also entered into a Finance and Construction Administration Agreement (the “FCAA”). The LDA attaches the FCAA and the LDA contemplates the undertakings and obligations under the FCAA.

33. Under the FCAA, the City of Rock Hill committed to “use reasonable best efforts to issue Bonds ... in an amount sufficient to fund the Project Fund with the Maximum Project Fund Amount” of \$225 million.

MT. GALLANT ROAD PROJECT

34. In or around November, 2003, York County residents renewed its approval by referendum of a Pennies for Progress 1% sales tax initiative (“Pennies 2”).

35. Pennies 2 (and its predecessor Pennies 1 and the two subsequent iterations Pennies 3 and Pennies 4) were created pursuant to South Carolina statute, S.C. Code Ann. § 4-10-300, *et seq.* (the “Penny Tax Statute”).

36. One of the projects designated in the Pennies 2 ordinance was an expansion of Mt. Gallant Road between Dave Lyle Boulevard and Anderson Road from two lanes to three lanes (the “Mt. Gallant Original Scope”). York County designated \$21,000,000 of Penny Tax Revenues for the Mt. Gallant Original Scope (the “Penny Tax Funds”).

37. As plans for the Project developed, the Tepper Defendants identified the need to further expand Mt. Gallant Road to five lanes, instead of three lanes (the “Mt. Gallant Expanded Scope”).

38. The Tepper Defendants, the City of Rock Hill, and York County agreed that if York County provided Defendants with the Penny Tax Funds it had designated for the Mt. Gallant Original Scope, the Tepper Defendants would manage and construct the Mt. Gallant Expanded Scope and, through GTRE as the single purpose financing vehicle, be responsible for all additional costs.

39. In negotiating the Mt. Gallant Project terms and in determining the mechanics and timing of the payment of the York County's Penny Tax Funds, the County dealt exclusively with representatives of the Tepper Defendants, operating by and through their Tepper Defendant email addresses and in their capacities as employees, representatives, and agents of the Tepper Defendants.

40. In fact, on or about January 11, 2021, Kristi Coleman, Vice President and Chief Financial Officer for Tepper Sports, emailed the County a completed and executed ACH Enrollment Form to facilitate receipt of the County's Penny Tax Funds. The form referred to GTRE as the "Disregarded Entity" and the true "Regarded Entity" was Tepper Sports Holding, Inc.

41. The agreement regarding the Mt. Gallant Project and the restricted purpose and use of the Penny Tax Funds was reached between York County and the Tepper Defendants.

42. That agreement was memorialized in the multiple contracts with GTRE.

43. Specifically, the Interlocal Agreement provides that GTRE shall "manage" the construction of the Mt. Gallant Expanded Scope, and that GTRE shall acquire additional land, rights of way, and easements "on behalf of the County."

44. Additionally, the LDA details the obligations of the City and GTRE in funding, developing and constructing the York County's Mt. Gallant Original Scope and Mt. Gallant Expanded Scope. Specifically, the LDA provides,

Subject to the County contributing the funds required by the Interlocal Agreement which the Developer will request from the County within thirty (30) days of the date that this Agreement is executed by the City and Developer, and the acquisition of the property interests necessary to complete the Expanded Scope, the Developer shall commence construction on the Expanded Scope no later than October 31, 2022.

45. The LDA explicitly limits the use of the Penny Tax Funds for the Mt. Gallant Project. The LDA states "the Developer shall use the County-contributed funds under the Interlocal Agreement to help pay for the Expanded Scope."

46. The City's end of the bargain was to issue bonds in the amount of \$225 million to finance certain park projects which specifically includes the Mt. Gallant Expanded Scope.

47. The City's obligation to issue the bonds arises out of each of the Interlocal Agreement, the LDA and the FCAA individually and collectively.

48. The sole purpose of providing the Penny Tax Funds to the Tepper Defendants (by and through GTRE) was for the Mt. Gallant Project. The Penny Tax Funds were not, and cannot honestly be construed to be, allocated for the development of the Project generally.

49. The Tepper Defendants further confirmed this understanding in correspondence. For instance, on January 5, 2021, Irwin Rajj, attorney for all or a subset of the Tepper Defendants, provided the County with wiring instructions in an email with the subject line "Mt. Gallant Funds" and stated, "Attached are the wiring instructions for the Mt. Gallant funding."

50. In fact, the Penny Tax Statute requires, among other things, that the revenues raised thereunder “must be used only for the purposes stated in the imposition ordinance.” S.C. Code Ann. § 4-10-360.

51. Both the FILOT Agreement and the LDA acknowledge the Penny Tax Statute – and its implications - and identify the source of the Penny Tax Funds as York County’s Pennies for Progress program and the intended capital project contemplated for these particular funds was the Mt. Gallant Original Scope.

52. Based on these representations and pursuant to this agreement and understanding, York County wired the Penny Tax Funds on January 13, 2021, and entrusted the Tepper Defendants with their prescribed use.

53. From that point, the Tepper Defendants directed and controlled the Penny Tax Funds.

54. Rather than dedicating the Penny Tax Funds to the Mt. Gallant Expanded Scope, the Tepper Defendants comingled the Penny Tax Funds with other operating funds and misappropriated the Penny Tax Funds to other aspects of the Project.

55. The Tepper Defendants spent the Penny Tax Funds for purposes other than the completion of the Mt. Gallant Project. Upon information and belief, none of the Penny Tax Funds went to its intended purpose.

56. To date, no progress has been made toward the completion of the Mt. Gallant Expanded Scope.

TERMINATION OF THE PROJECT

57. Originally, the City of Rock Hill was obligated to issue the bonds by October 2020. That date was subsequently amended to February 26, 2021.

58. However, the City did not issue the bonds by February 26, 2021.

59. Following the City's missed deadline, the Tepper Defendants approached York County and the City of Rock Hill to discuss the City's ability or inability to issue the required bonds. A meeting was held with the Tepper Defendants, the City of Rock Hill, and York County in attendance.

60. At that meeting and in subsequent meetings, it was agreed by all parties including the City of Rock Hill that it was advisable and necessary to obtain York County's assistance in obtaining the bond financing required of the City of Rock Hill by the various agreements.

61. All parties agreed that the Tepper Defendants would request the financial intervention from the County.

62. However, despite the City's previous agreement for the Tepper Defendants to pursue such an arrangement, the City of Rock Hill publicly refused to accept the financial assistance they acknowledged was needed and desirable.

63. The City did not accept the County's assistance and failed to issue the bonds.

64. On or about March 7, 2022, the Tepper Defendants announced that they were pausing construction on the Project. At that time, the Tepper Defendants alleged that the City of Rock Hill had been unable to come up with the promised \$225 million in bond proceeds.

65. In contrast, the City of Rock Hill accused GTRE and the Tepper Defendants of breaching their agreements themselves and failing to cooperate with the City and its bond underwriters to facilitate the bond issuances.

66. Prior to these pronouncements, in early 2022, the Tepper Defendants, including Appaloosa Management and its CFO Michael Palmer, again approached York County in an attempt to structure an alternative financial arrangement and continue the Project.

67. In fact, the Tepper Defendants – including representatives of Defendant Appaloosa Management – provided the County a draft resolution for its consideration promoting just such a deal.

68. Going above and beyond its commitment to the Project, York County Council passed its own resolution on March 21, 2022, authorizing County personnel to pursue an arrangement to save the Project.

69. This time, perhaps sensing its time was up and the imminent collapse of the Project, the City of Rock Hill agreed to York County’s assistance.

70. However, no such arrangement was reached.

71. On April 19, 2022, the Tepper Defendants announced that they had terminated GTRE’s agreements with the City of Rock Hill.

72. On June 1, 2022, GTRE filed for Chapter 11 Bankruptcy.

FOR A FIRST CAUSE OF ACTION
(Civil Conspiracy)
As to the Tepper Defendants

73. Plaintiff incorporates by reference all allegations set forth in the preceding paragraphs as if fully set forth herein verbatim.

74. Defendants Appaloosa Management, Tepper Sports, and DT Sports by and through their respective agents (the “Conspiracy Defendants”) combined and conspired for the purposes of injuring Plaintiff York County.

75. Specifically, the Conspiracy Defendants conspired to:

- a. Obtain the Penny Tax Funds from York County under the pretense of constructing and expanding Mt. Gallant Road; and

- b. Control and direct the Penny Tax Funds to purposes other than their exclusive and statutorily limited purpose – the Mt. Gallant Project.

76. In furtherance of their conspiracy, the Conspiracy Defendants did in fact obtain the Penny Tax Funds and, then, in accordance with the conspiracy, spent the Penny Tax Funds for purposes other than the Mt. Gallant Project.

77. The Conspiracy Defendants harmed Plaintiff York County in, but not limited to, the following respects:

- a. Misappropriation of the Penny Tax Funds;
- b. Failing to complete the Mt. Gallant Project;
- c. Delaying the Mt. Gallant Project indefinitely and exposing York County to rising construction, labor, and material costs;
- d. Losing interest income on the Penny Tax Funds;
- e. Lost tax revenue and economic benefits; and
- f. Attorneys' fees.

78. The Conspiracy Defendants conduct was willful, wanton and reckless such that Punitive Damages should be awarded.

FOR A SECOND CAUSE OF ACTION
(Negligence and Negligence Per Se)
As to the Tepper Defendants

79. Plaintiff incorporates by reference all allegations set forth in the preceding paragraphs as if fully set forth herein verbatim.

80. The Tepper Defendants owed a duty of care to Plaintiff to safeguard and utilize the Penny Tax Funds under their control and direction solely for the funds' intended and required purpose.

81. This duty is established by the clear and unambiguous language of the Penny Tax Statute which states that Penny Tax Revenues “must be used only for the purposes stated in the imposition ordinance.” S.C. Code Ann. § 4-10-360.

82. This duty is further acknowledged by the clear and unambiguous language of the pertinent contracts, negotiated and agreed to by principals and agents of the Tepper Defendants, which make clear that the Penny Tax Funds are to be used exclusively for the Mt. Gallant Project.

83. The intention of the Penny Tax Statute is to permit Counties to raise money for capital improvements and avoid misappropriation of public funds for other purposes – just as Defendants have done in this instance.

84. Governmental entities and their taxpayers and constituents are the intended beneficiaries of the Penny Tax Statute and, in particular, the restrictions on the use of the funds as espoused in S.C. Code Ann. § 4-10-360.

85. The Tepper Defendants breached their duty to Plaintiff by controlling and directing the misappropriation of the Penny Tax Funds to purposes other than the Mt. Gallant Project. Specifically, they used the funds to cover expenses associated with the Project generally.

86. The Tepper Defendants’ breach of duty, negligence, and violation of the Penny Tax Statute harmed Plaintiff York County in, but not limited to, the following respects:

- a. Misappropriating the Penny Tax Funds;
- b. Delaying the Mt. Gallant Project indefinitely and exposing York County to rising construction, labor and material costs;
- c. The loss of interest income on the Penny Tax Funds;
- d. Lost tax revenue and economic benefits; and

e. Attorneys' fees.

87. The Tepper Defendants' conduct was willful, wanton and reckless such that Punitive Damages should be awarded.

FOR A THIRD CAUSE OF ACTION
(Interference with Contractual Relations)
As to the Tepper Defendants

88. Plaintiff incorporates by reference all allegations set forth in the preceding paragraphs as if fully set forth herein verbatim.

89. Plaintiff entered into two valid and enforceable contracts, the Interlocal Agreement and the FILOT Agreement. Additionally, Plaintiff was a third-party beneficiary of the LDA (the Interlocal Agreement, the FILOT Agreement and the LDA are collectively referred to herein as the "York County Contracts").

90. The Tepper Defendants had knowledge of the York County Contracts and their terms.

91. The York County Contracts required that GTRE utilize the Penny Tax Funds for the sole and exclusive purpose of the Mt. Gallant Expanded Scope.

92. GTRE breached the York County Contracts by (1) spending the Penny Tax Funds elsewhere on the development of the Project; (2) failing to construct the Mt. Gallant Expanded Scope; and (3) failing to comply with the inherent obligation of good faith and fair dealing.

93. The Tepper Defendants intentionally procured this breach by controlling and directing the Penny Tax Funds for purposes other than the Mt. Gallant Expanded Scope.

94. The Tepper Defendants procured the breach by improper means including but not limited to:

a. By means of a civil conspiracy;

- b. By willfully or negligently directing the misappropriation of the Penny Tax Funds;
 - c. By violating the Penny Tax Statute; and
 - d. By committing misrepresentations or fraud.
95. There is no justification for the Tepper Defendants' actions.
96. The Tepper Defendants' procurement of GTRE's breach of contract harmed Plaintiff York County in, but not limited to, the following respects:
- a. Misappropriating the Penny Tax Funds;
 - b. Delaying the Mt. Gallant Project indefinitely and exposing York County to rising construction costs;
 - c. The loss of interest income on the Penny Tax Funds;
 - d. Lost tax revenue and economic benefits; and
 - e. Attorneys' fees.
97. The Tepper Defendants' conduct was willful, wanton and reckless such that Punitive Damages should be awarded.

FOR A FOURTH CAUSE OF ACTION
(Negligent Misrepresentation)
As to the Tepper Defendants

98. Plaintiff incorporates by reference all allegations set forth in the preceding paragraphs as if fully set forth herein verbatim.
99. Plaintiff entered into two valid and enforceable contracts, the Interlocal Agreement and the FILOT Agreement. Additionally, Plaintiff was a third-party beneficiary of the LDA in reliance on the Tepper Defendants' representation that Plaintiff's \$21,000,000 in Penny Tax Funds would be used for the Mt. Gallant Project.

100. Each of the Tepper Defendants owed Plaintiff a duty of care and a duty of good faith and fair dealing to see that truthful information concerning their intended use of the Penny Tax Funds was communicated to Plaintiff.

101. At the time the York County Contracts were entered into in exchange for Plaintiff providing the Penny Tax Funds, the Tepper Defendants did not intend for the Penny Tax Funds to be used for the Mt. Gallant Project, despite the FILOT Agreement, Interlocal Agreement and the LDA each stating the intended capital project contemplated for the Penny Tax Funds entrusted to the Tepper Defendants was the Mt. Gallant Project.

102. In fact, at all pertinent times, the Tepper Defendants intended to utilize the Penny Tax Funds for the general purpose of the Project other than the Mt. Gallant Project.

103. Plaintiff reposed its trust and confidence in the Tepper Defendants to control, direct and utilize the Penny Tax Funds for the Mt. Gallant Project as represented.

104. The Tepper Defendants failed to disclose to Plaintiff their intention to use, or to direct the use of, York County's Penny Tax Funds for purposes other than the Mt. Gallant Project at the time of entering into the business relationship and agreements.

105. The Tepper Defendants, by and through their respective employees, representatives, principals and agents, misrepresented their intentions with respect to the expenditure of the Penny Tax Funds and/or failed to disclose their intentions for the expenditure of such funds to Plaintiff.

106. Plaintiff justifiably and reasonably relied on the Tepper Defendants' representations and/or lack of disclosures in entering into the York County Contracts and providing funds.

107. As a direct and proximate result of the Tepper Defendants' misrepresentations and/or failure to disclose their intentions in breach of their duties, the Tepper Defendants have harmed Plaintiff York County in, but not limited to, the following respects:

- a. Misappropriating the Penny Tax Funds;
- b. Delaying the Mt. Gallant Project indefinitely and exposing York County to rising construction, labor, and material costs;
- c. The loss of interest income on the Penny Tax Funds;
- d. Lost tax revenue and economic benefits; and
- e. Attorneys' fees.

108. Defendants' conduct was willful, wanton and reckless such that Punitive Damages should be awarded.

FOR A FIFTH CAUSE OF ACTION
(Breach of Contract)
As to the City of Rock Hill

109. Plaintiff incorporates by reference all allegations set forth in the preceding paragraphs as if fully set forth herein verbatim.

110. Plaintiff and the City of Rock Hill are parties to the Interlocal Agreement which is binding and enforceable contract.

111. Additionally, the LDA and FCAA intentionally confer benefits upon York County, making it a third-party beneficiary of those agreements, in exchange for York County's provision of the Penny Tax Funds for their statutory purpose and agreement to the Interlocal Agreement.

112. The LDA and FCAA were intended to create viable property tax revenues to benefit the County. Additionally, the LDA and FCAA acknowledge and were intended to benefit and promote the economic welfare of York County and its citizens.

113. Additionally, the LDA and FCAA are intended to and do so provide for the construction and completion of York County's pennies for progress Mt. Gallant Project.

114. The Interlocal Agreement, the LDA and the FCAA require the City of Rock Hill to issue bonds in the amount of \$225 million to fund the Project, complete the Mt. Gallant Expanded Scope, and to otherwise realize the benefits of the Project for the County and its citizens.

115. The City of Rock Hill has failed to live up to its end of the bargain.

116. York County, on the other hand, has complied with its obligations under the Interlocal Agreement and is otherwise entitled to the City of Rock Hill's performance under the Interlocal Agreement, the LDA and the FCAA.

117. The City of Rock Hill breached these agreements by failing to issue those bonds.

118. In fact, while privately acknowledging the necessity of York County assistance in issuing the bonds, the City of Rock Hill publicly refused assistance from York County in issuing those bonds at a critical juncture in the development of the Project.

119. The City of Rock Hill's conduct also breached its inherent obligation of good faith and fair dealing embedded by law in the agreements.

120. As a direct and proximate result of the City of Rock Hill's breaches of its agreements, Plaintiff York County has been damaged in, but not limited to, the following respects:

- a. Delaying the Mt. Gallant Project indefinitely and exposing York County to rising construction, labor, and material costs;
- b. The loss of interest income on the Penny Tax Funds;
- c. Lost tax revenue and economic benefits; and
- d. Attorneys' fees.

RELIEF REQUESTED

WHEREFORE, Plaintiff prays for judgment against the Defendants as follows:

- a. For full restitution and repayment of \$21 million;
- b. For pre- and post-judgment interest on the \$21 million;
- c. For sums representing the increased construction costs associated with the Mt. Gallant Project or specific performance of the construction and completion of the Mt. Gallant Expanded Scope;
- d. For lost tax revenue and economic benefits;
- e. For actual and consequential damages in amounts to be determined by the trier of fact;
- f. For punitive and exemplary damages in amounts to be determined by the trier of fact;
- g. For an award of attorney's fees and costs; and
- h. For such other and further relief as the Court deems appropriate.

GALLIVAN, WHITE & BOYD, P.A.

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