

**SUMTER COUNTY  
RESOLUTION**

A RESOLUTION AUTHORIZING: (1) THE EXECUTION AND DELIVERY OF AN INDUCEMENT AND MILLAGE RATE AGREEMENT BETWEEN SUMTER COUNTY, SOUTH CAROLINA (“SUMTER COUNTY”) AND A COMPANY CURRENTLY IDENTIFIED AS “PROJECT FLASHBACK” (“THE COMPANY”), WHEREBY, UNDER CERTAIN CONDITIONS, SUMTER COUNTY WILL LEASE APPROXIMATELY 60 ACRES OF INDUSTRIAL PROPERTY TO THE COMPANY AT ONE DOLLAR PER YEAR, WITH AN OPTION TO PURCHASE; (2) SUMTER COUNTY TO COVENANT IN SUCH LEASE TO ACCEPT CERTAIN FEES IN LIEU OF AD VALOREM TAXES WITH RESPECT TO SUCH PROPERTY; (3) THE BENEFITS OF A MULTI-COUNTY PARK TO BE MADE AVAILABLE TO THE COMPANY; AND (4) OTHER MATTERS RELATING THERETO.

WHEREAS, Sumter County, South Carolina (the “County”), acting by and through its County Council (the “Council”), is authorized and empowered under and pursuant to the provisions of the Code of Laws of South Carolina, 1976, as amended through the date hereof (the “Code”), particularly Title 4, Chapter 29, Section 67 (the “Original FILOT Act”); Title 4, Chapter 12 (the “Streamlined FILOT Act”); Title 12, Chapter 44 (the “Simplified FILOT Act”); and Title 4, Chapter 1 of the Code (the “Multi-County Park Act”) (collectively, the “Act”): (i) to acquire, or cause to be acquired, certain industrial and commercial properties and to enter into agreements, including lease purchase agreements, with certain investors to construct, operate, maintain, and improve such projects through which the economic development of the State of South Carolina (the “State”) will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products, and natural resources of the State; (ii) to covenant with such investors to accept certain payments in lieu of *ad valorem* taxes with respect to the project (a “FILOT”); and (iii) to create, in conjunction with one or more other counties, a multi-county industrial park in order to afford certain enhanced income tax credits to such investors; and

WHEREAS, the Company proposes to locate certain facilities in the County to be used primarily for manufacturing equipment (the “Project”) and the County has determined on the basis of the information supplied to it by the Company that the Project would subserve the purposes of the Act; and

WHEREAS, the Company has agreed to invest not less than \$20 million in the Project and to create not less than 300 new, full-time jobs at the Project paying an

average of at least \$15.00 per hour plus health and retirement benefits, all prior to the end of tax year 2007 (the "Investment Period"); and

WHEREAS, in consideration of the creation of jobs in the County, the increase to the tax base, and other consideration resulting from the Company establishing the Project within the County, the County wishes to induce the Company to undertake the Project by offering the inducements set forth herein and in the Inducement and Millage Rate Agreement presented to this meeting (the "Inducement Agreement"); and

WHEREAS, it appears that the Inducement Agreement now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended; and

NOW, THEREFORE, BE IT RESOLVED, by the Council as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Company is an industry which is primarily engaged in the business of manufacturing, and the Project will be located in the County; and

(b) The Project will subserve the purposes of the Act; and

(c) The Project will benefit the general public welfare of the State, and the County in particular, by resulting in an investment of not less than \$20 million in the Project and creating new employment for at least 300 people from the County and adjacent areas as specified in the Inducement Agreement, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally; and

(d) The Project will give rise to no pecuniary liability of the County and will give rise to no charge against the general credit or taxing power of the County; and

(e) The lease purchase agreement or such other fee agreement as may be entered into between the County and the Company with respect to the Project as provided in the Inducement Agreement will provide *inter alia* that the Company shall: (1) maintain the Project in good repair, (2) carry all proper insurance (which may include self-insurance) with respect thereto at all times, (3) complete the Project at its sole cost and expense, (4) make payments in lieu of taxes in accordance with the provisions of the Act, and (5) indemnify the County as provided in the Inducement Agreement; and

(f) The purposes to be accomplished by the Project are proper governmental and public purposes; the inducement of the location or expansion of the Project within the State is of paramount importance; and the benefits of the Project are greater than the cost.

Section 2. The County hereby agrees to enter into a fee agreement with the Company, whereby the Company will pay a FILOT with respect to the Project calculated

as set forth in the Inducement Agreement, and using a 6% assessment ratio and fixed millage rate equal to the millage rate in effect on the date the Company breaks ground on the Project. The fee agreement shall be in the form of a lease purchase agreement pursuant to the Streamlined FILOT Act (unless the Project meets the requirements of the Original FILOT Act and the Company elects to use the Original FILOT Act), whereby the County will accept title to the Project for lease to the Company, or, at the election of the Company, such fee agreement shall be in the form of a simple agreement pursuant to the Simplified FILOT Act.

Section 3. The County will use its best efforts to insure, that the Project will be included, and will remain, within the boundaries of a multi-county industrial or business park pursuant to the provisions of the Multi-County Park Act on terms which will entitle the Company to claim certain income tax credits, as hereinafter described for jobs created at the Project during the Investment Period described in the Inducement Agreement; provided, however, that the County shall not be required to enter into any such multicounty park arrangement which requires that the County share more than one percent (1%) of the revenues from such park.

Section 4. The provisions, terms, and conditions of the Inducement Agreement presented to this meeting and filed with the Clerk to Council are hereby approved, and all of the provisions, terms, and conditions thereof are hereby incorporated herein by reference as if the Inducement Agreement were set out in this Resolution in its entirety. The Chairman of the Council is hereby authorized, empowered, and directed to execute the Inducement Agreement in the name and on behalf of the County; the Clerk to Council is hereby authorized, empowered and directed to attest the same; and the Chairman of the Council is hereby further authorized, empowered, and directed to deliver the Inducement Agreement to the Company. The Inducement Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall not materially adversely affect the rights of the County thereunder and as shall be approved by the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Inducement Agreement now before this meeting.

Section 5. The Chairman of the Council, Members of the Council, the County Administrator, and the Clerk to Council, for and on behalf of the County, are hereby each authorized, empowered, and directed to do any and all things necessary or proper to effect the execution and delivery of the Inducement Agreement and the performance of all obligations of the County under and pursuant to the Inducement Agreement.

Section 6. Prior to the execution and delivery of the lease purchase agreement or fee agreement to be entered into between the County and the Company, as provided in the Inducement Agreement, the Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions. In connection therewith, the County will effect the FILOT arrangement pursuant, at the option of the Company, to a lease purchase agreement or fee agreement and such other documentation as may be entered into between the County and the Company, the terms and provisions of which shall be prescribed by subsequent ordinance of the Council.

Section 7. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be in full force upon adoption by the Council.

[End of Resolution]

Done in meeting duly assembled August 26, 2003.

SUMTER, SOUTH CAROLINA

By:

Frank E. Williams, Jr., Chairman, County Council  
Council of Sumter County, South Carolina

[SEAL]

Attest:

By:

Mary W. Blanding, Clerk to Council  
Council of Sumter County, South Carolina