

AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE DEVELOPMENT AGREEMENT BY AND AMONG CHARLESTON COUNTY AND OTHER PUBLIC BODIES, AND DAIMLERCHRYSLER MANUFACTURING INTERNATIONAL LLC, AND AN AGREEMENT AS TO ASSIGNMENT AND ASSUMPTION OF FILOT AGREEMENT AND RELEASE BY AND AMONG CHARLESTON COUNTY, DAIMLERCHRYSLER MANUFACTURING INTERNATIONAL LLC, AND DALMATIAN CORPORATION WHEREBY, CHARLESTON COUNTY WILL PROVIDE PRELIMINARY APPROVAL TO CERTAIN ECONOMIC DEVELOPMENT INCENTIVES TO DAIMLERCHRYSLER MANUFACTURING INTERNATIONAL LLC; APPROVE THE ASSIGNMENT OF CERTAIN RIGHTS BY DALMATIAN CORPORATION TO DAIMLERCHRYSLER MANUFACTURING INTERNATIONAL LLC; AND OTHER MATTERS RELATING THERETO.

WHEREAS, Charleston County, South Carolina (the "County"), acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of the Code of Laws of South Carolina 1976, as amended (the "Code"), and particularly Title 12, Chapter 44 thereof (referred to as the "FILOT Act"): (i) to acquire, or cause to be acquired, enlarge, improve, expand, equip, furnish, own, lease and dispose of certain projects and to enter into agreements with any industry to construct, operate, maintain, and improve such projects through which the industrial and economic development of the State of South Carolina (the "State") will be promoted and trade developed by inducing new manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ manpower and other resources of the State; and (ii) to agree with such industry to accept certain payments in lieu of *ad valorem* taxes with respect to such a project (a "FILOT"); and

WHEREAS, County Council has adopted an Inducement Resolution (the "Inducement Resolution") for the benefit of DaimlerChrysler Manufacturing International LLC, a Delaware limited liability company, directly and/or through its affiliates, subsidiaries, or parent (the "Company"), for the Company intends to acquire and construct a SKD assembly plant and relocate its VPC to the site presently occupied by American LaFrance LLC ("ALF") at Palmetto Commerce Park in Charleston County (the "Initial Facility") to include among other activities assembling and inspecting and possibly painting and welding vehicles for commercial and personal uses ("Intended Uses"); the Company anticipates that, should its plans proceed as expected, the Initial Facility will result in total investment in real and personal property by the Company within the County of approximately \$35,000,000 (such investment together with any additional investment in property by the Company and any "sponsor affiliates" (as defined in the FILOT Act) during Phase I, the "Investment Property") and the employment of approximately 220 people full time or full time equivalent ("Phase I"), on or before December 31, 2007, but the Company shall have until five (5) years from the final execution date of the Inducement and Millage Rate Agreement approved by the

Inducement Resolution (the "Inducement and Millage Rate Agreement") to do so, which such subsequent period shall be the "Threshold Period"; and

WHEREAS, the Company further contemplates, subject to various market and economic contingencies, a second phase of the Project (as defined below) for full final assembly which would require an additional investment by the Company of up to \$80,000,000 and support the creation of an additional 410 jobs ("Phase II"), and a third phase of the Project (as defined below) for full industrialization which would require an additional investment by the Company of up to \$320,000,000 and support the creation of an additional 1,170 jobs ("Phase III") (collectively, Phases I, II, and III are referred to herein as the "Project") if the Company proceeds with Phase II or Phase III of the Project, the Company would undertake to cause an expansion of the Initial Facility planned to occur at a 70 acre site immediately adjoining the Initial Facility (the "Expansion Site") (together with the Initial Facility the "Facility"), and to facilitate such expansion, the Company is presently seeking an option to purchase the Expansion Site needed in Phase III on or before December 31, 2011 to be exercised by the Company or its assigns; and

WHEREAS, Phase I when completed will represent an investment, as defined in the FILOT Act by the Company of approximately \$35,000,000; and

WHEREAS, the County and Dalmatian Corporation, formerly ALF ("Dalmatian"), are parties to that certain Lease Purchase Agreement, by and between the County and Victoria 1998 Trust, dated as of June 2, 1999 and assigned to Western Star Trucks US Inc., by that certain Assignment and Assumption of Lease dated October 1, 1999 and further assigned to Dalmatian by that certain Agreement as to Assignment and Assumption of FILOT Agreement and Release, dated August 26, 2002 (as assigned the "Lease"), whereby Dalmatian leases certain manufacturing facilities from the County (the "ALF Project"), with respect to which Dalmatian is obligated to make FILOT payments to the County, and whereby, in consideration of the investment and employment created within the County by the ALF Project, the County agreed to accept negotiated FILOT payments with respect thereto; and to designate the ALF Project site as a multi-county business park; and

WHEREAS, Dalmatian has agreed to transfer and assign to the Company all of its right, title and interest in and to the ALF Project and under the Lease and the County desires to consent to such assignment; and

WHEREAS, the Company has agreed to assume the commitments made by Dalmatian in the Lease; and

WHEREAS, the County desires to consent to the terms and provisions of the Agreement as to Assignment and Assumption of FILOT Agreement and Release (the "Assignment Agreement"), the assignment of rights with respect to the ALF Project and under the Lease as set forth in the Assignment Agreement, and the sublease of certain portions of the ALF Project as described therein.

NOW, THEREFORE, BE IT ORDAINED by the County Council as follows:

Section 1. Evaluation of Phase I. County Council has evaluated Phase I on the following criteria based upon information provided by the Company and the advice and assistance of the South Carolina Department of Revenue and the Board of Economic Advisors:

- (a) the purposes to be accomplished by Phase I are proper governmental and public purposes;
- (b) the anticipated dollar amount and nature of the investment to be made;  
and
- (c) the anticipated costs and benefits to the County.

Section 2. Findings by County Council. Based upon their investigation of the Project and information provided by the Company, including the criteria described in Section 1 above, and based upon the advice and assistance of the South Carolina Department of Revenue and the Board of Economic Advisors, as required, County Council hereby find that:

- (a) Phase I constitutes a “project” as that term is defined in the FILOT Act;
- (b) Phase I will serve the purposes of the FILOT Act;
- (c) the investment by the Company in Phase I will be approximately \$35,000,000 to be invested within five (5) years from the end of the property tax year in which the investor and the County execute the Fee Agreement;
- (d) Phase I will be located entirely within Charleston County;
- (e) Phase I is anticipated to benefit the general public welfare of Charleston County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally;
- (f) Phase I gives rise to no pecuniary liability of the County or no charge against its general credit or taxing power;
- (g) the purposes to be accomplished by Phase I are proper governmental and public purposes;
- (h) the inducement of the location of the Project is of paramount importance;  
and
- (i) the benefits of Phase I to the public are greater than the cost to the public.

Section 3. Fee-in-Lieu of Taxes Arrangement and Other Incentives. Pursuant to the authority of the FILOT Act, the County Council proposes to designate Phase I as “economic development property” under the FILOT Act and authorize a fee-in-lieu of taxes arrangement with the Company all as more fully set forth in the Inducement and Millage Rate Agreement. The County also proposes to provide certain roadway improvements and certain assistance and guidance with respect to Phase I, all as more fully set forth in the Site Development Agreement (the “Site Development Agreement”).

Section 4. Execution of the Site Development Agreement.

The form, terms, and provisions of the Site Development Agreement presented to this meeting and filed with the Clerk of the County Council be and hereby are approved, and all of the terms, provisions, and conditions thereof are hereby incorporated herein by reference as if such Site Development Agreement were set out in this Ordinance in its entirety. The Chairman of the County Council and the Clerk of the County Council be and they are hereby authorized, empowered, and directed to execute, acknowledge, and deliver the Site Development Agreement in the name and on behalf of the County, and thereupon to cause the Site Development Agreement to be delivered to the Company. The Site Development Agreement is to be in substantially the form now before this meeting and hereby approved, or with any changes therein as shall not materially adversely affect the rights of the County hereunder and as shall be approved by the County Attorney and the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of all changes therein from the form of Site Development Agreement now before this meeting. Any execution of the Site Development Agreement by the officers named above prior to the enactment of the Ordinance is hereby confirmed and ratified by County Council.

Section 5. Execution of the Assignment Agreement.

The form, terms, and provisions of the Assignment Agreement presented to this meeting and filed with the Clerk of the County Council be and hereby are approved, and all of the terms, provisions, and conditions thereof are hereby incorporated herein by reference as if such Assignment Agreement were set out in this Ordinance in its entirety. The Chairman of the County Council and the Clerk of the County Council be and they are hereby authorized, empowered, and directed to execute, acknowledge, and deliver the Assignment Agreement in the name and on behalf of the County, and thereupon to cause the Assignment Agreement to be delivered to the Company. The Assignment Agreement is to be in substantially the form now before this meeting and hereby approved, or with any changes therein as shall not materially adversely affect the rights of the County hereunder and as shall be approved by the County Attorney and the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of all changes therein from the form of Assignment Agreement now before this meeting. Any execution of the Assignment Agreement by the officers named above prior to the enactment of the Ordinance is hereby confirmed and ratified by County Council.

Section 6. Miscellaneous.

(a) Subject to the requirements of the Home Rule Act and the FILOT Act, the Chairman and all other appropriate officials of the County are hereby authorized to execute, deliver, and receive any other agreements and documents as may be required by the County in order to carry out, give effect to, and consummate the transactions authorized by this Ordinance.

(b) This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina.

(c) This Ordinance shall become effective immediately upon third reading by the County Council.

(d) The provisions of this Ordinance are hereby declared to be severable and if any section, phrase, or provisions shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, that declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

(e) All orders, resolutions, and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed.

CHARLESTON COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Chairman, County Council of  
Charleston County, South Carolina

ATTEST:

\_\_\_\_\_  
Clerk to County Council  
Charleston County, South Carolina

First Reading: \_\_\_\_\_, 2006  
Second Reading: \_\_\_\_\_, 2006  
Public Hearing: \_\_\_\_\_, 2006  
Third Reading: \_\_\_\_\_, 2006