AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO 2008 FEE AGREEMENT BETWEEN CHARLESTON COUNTY, SOUTH CAROLINA AND DELFIN GROUP USA LLC AND ITS SUCCESSORS AND ASSIGNS; AND MATTERS RELATED THERETO.

WHEREAS, Charleston County, South Carolina (the “County”) entered into a fee-in-lieu of taxes arrangement pursuant to Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (the “Act”), with Delfin Group USA LLC (the “Company”), in connection with which (i) the County and the Company entered into an Inducement Resolution, and (ii) a December 30, 2008 Fee Agreement (the “2008 Fee Agreement”) concerning the project (the “Project”); and

WHEREAS, under the terms of the 2008 Fee Agreement, the County promised to invest at least $55 million during the Investment Period at the Project in addition to its existing investment at the Project site; and

WHEREAS, under the terms of the 2008 Fee Agreement, the Company promised to invest at least $55 million during the Investment Period at the Project in addition to its existing investment at the Project site; and

WHEREAS, under the terms of the 2008 Fee Agreement, the County granted the Company an annual special source revenue credit against the Company’s annual fee-in-lieu (“FILOT”) payment in an amount equal to Fifty Thousand ($50,000) Dollars per year during the first five (5) years of the Fee Term, as defined in the Fee Agreement, for a total credit of Two Hundred Fifty Thousand ($250,000) Dollars; and

WHEREAS, under the terms of the 2008 Fee Agreement, the County agreed to include previously taxed property under the FILOT; and

WHEREAS, the Company anticipates creating at least 160 jobs at the Project during the Investment Period, but does not anticipate investing $55 million; rather, the Company anticipates an investment of at least $25 million during the Investment Period; and

WHEREAS, under the Act, certain of the Company’s previously taxed property will now not be eligible for FILOT treatment and the County has determined that since such property will be subject to regular ad valorem taxes, that the County’s combined property tax and FILOT revenue stream from the Project will exceed the previously projected revenue stream if the entire Project at the increased investment had been afforded FILOT treatment; and

WHEREAS, the Company is currently a Georgia limited liability company authorized to do business in South Carolina; and

WHEREAS, the Company anticipates merging into a newly formed South Carolina corporation (“NewCo”), such corporation to have the same ownership as the
WHEREAS, pursuant to § 12-44-120 of the Act and Section 8.3 of the 2008 Fee Agreement, upon notice by the Company to the County, the County agrees to execute a letter consenting to the assignment of the Fee Agreement by the Company to NewCo; and

WHEREAS, in consideration of the County's anticipated increase in combined property tax and FILOT revenue stream from the Project which will exceed the previously projected FILOT revenue stream, pursuant to § 12-44-40(J) of the Act, the County has agreed to amend the 2008 Fee Agreement to allow the Company to continue to receive FILOT treatment as to all new investment at the Project, to provide an annual special source revenue credit of Fifty Thousand ($50,000) Dollars for five (5) years and to consent to the assignment of the 2008 Fee Agreement and amendments thereto to NewCo; and

WHEREAS, the County has caused to be prepared and presented to this meeting the form of the First Amendment to 2008 Fee Agreement between the County and the Company, which the County proposes to execute and deliver; and

WHEREAS, it appears that the document above referred to, which is now before this meeting, is in appropriate form and is an appropriate instrument to be executed and delivered or approved by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by Charleston County Council in meeting duly assembled as follows:

Section 1. The County finds that the form, terms and provisions of the First Amendment to 2008 Fee Agreement which is before this meeting and filed with the Clerk to County Council is hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the First Amendment to 2008 Fee Agreement was set out in this Ordinance in its entirety. The Chair of the County Council and the Clerk to County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver the First Amendment to 2008 Fee Agreement to the Company. The First Amendment to 2008 Fee Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein 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 First Amendment to 2008 Fee Agreement now before this meeting.

Section 2. The Chair of County Council and the Clerk to County Council, for and on behalf of the County, are hereby each authorized and directed to do any and all things necessary to effect the execution and delivery of the First Amendment to 2008 Fee Agreement and the performance of all obligations of the County under and pursuant to the First Amendment to 2008 Fee Agreement.
Section 3. The consummation of all transactions contemplated by the First Amendment to 2008 Fee Agreement is hereby approved.

Section 4. The County hereby approves the assignment of the 2008 Fee Agreement and the First Amendment to 2008 Fee Agreement to NewCo. The Chair of County Council and the Clerk to County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver a letter to the Company and NewCo approving the assignment of the 2008 Fee Agreement and the First Amendment to 2008 Fee Agreement to NewCo, their execution thereof to constitute conclusive evidence of the County's approval.

Section 5. This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 6. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 7. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.