

STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR FAIRFIELD COUNTY
ORDINANCE NO. 514

AN ORDINANCE AUTHORIZING: (1) THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT BY AND BETWEEN FAIRFIELD COUNTY, SOUTH CAROLINA ("FAIRFIELD COUNTY") AND GUARDIAN FIBERGLASS, INC. (THE "COMPANY"), PURSUANT TO WHICH FAIRFIELD COUNTY SHALL COVENANT IN SUCH FEE AGREEMENT TO ACCEPT CERTAIN FEES IN LIEU OF *AD VALOREM* TAXES; (2) SPECIAL SOURCE CREDITS TO REIMBURSE THE COMPANY FOR A PORTION OF THE COSTS OF CERTAIN INFRASTRUCTURE OR REAL PROPERTY COSTS INCURRED IN CONNECTION WITH A MANUFACTURING OR COMMERCIAL ENTERPRISE SERVING THE ECONOMIC DEVELOPMENT OF FAIRFIELD COUNTY; (3) THE BENEFITS OF A MULTI-COUNTY PARK TO BE MADE AVAILABLE TO COMPANY; (4) CERTAIN ARRANGEMENTS REGARDING THE PROVISION OF INFRASTRUCTURE FOR THE PROJECT; AND (5) OTHER MATTERS RELATING THERETO.

WHEREAS, Fairfield 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 12, Chapter 44 (the "Simplified FILOT Act"); and Title 4, Chapter 1 of the Code (the "Multi-County Park Act" or, as to Section 4-1-175 thereof, the "Special Source Act") (collectively, the "Act"): (i) to enter into agreements with certain investors to construct, operate, maintain, and improve industrial and commercial facilities through which the economic development of the State of South Carolina (the "State") will be promoted by inducing industrial 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 fee in lieu of *ad valorem* tax ("FILOT") payments with respect to such properties; (iii) to permit investors to claim special source credits against their FILOT payments ("Special Source Credits") to reimburse such investors for expenditures in connection with infrastructure serving the County and improved or unimproved real estate used in the operation of manufacturing or commercial enterprise in order to enhance the economic development of the County ("Special Source Improvements"); and (iv) 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 facilitate the grant of Special Source Credits; and

WHEREAS, Guardian Fiberglass, Inc., a corporation organized and existing under the laws of the State of Delaware, (the "Company") is considering making a significant

investment in the County through the acquisition, renovation, improvement and equipping of certain manufacturing facilities within the County to be used primarily to manufacture fiberglass products (the "Project"), and the Company anticipates that, should its plans proceed as expected, it will invest at least Forty-five Million Dollars (\$45,000,000) and create approximately 150 new full-time jobs within the County and surrounding areas.

WHEREAS, the County has determined, *inter alia*, on the basis of the information supplied to it by the Company that the Project would subserve the purposes of the Act, and in consideration of the jobs and the investment created by the Company, the County wishes to induce the Company to undertake the Project by offering the inducements set forth in the Inducement Agreement (the "Inducement Agreement") between the County and Project Steam Engine heretofore approved by the Council by Resolution adopted November 28, 2005 (the "Inducement Resolution"); and

WHEREAS, the County and the Company have agreed to the specific terms and conditions of such arrangements set forth in that certain Fee in Lieu of Tax and Incentive Agreement between the County and the Company (the "FILOT Agreement"), which FILOT Agreement is to be dated as of February 1, 2006, or such other date as the parties may agree; and

WHEREAS, it appears that the FILOT Agreement now before this meeting is in substantially final and appropriate form and, following completion of any final revisions acceptable to the County, is an appropriate instrument to be executed and delivered by the County for the purposes intended;

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

Section 1. As contemplated by Section 12-44-40(H) of the Code, the findings and determinations set forth in the Inducement Resolution are hereby ratified and confirmed.

Section 2. Subject to the investment and other requirements set forth in the Act, the County hereby agrees to enter into the FILOT Agreement with the Company, whereby the Company will agree to pay a Negotiated FILOT (as defined in the FILOT Agreement) with respect to the Project in accordance with the terms of such FILOT Agreement. The FILOT Agreement will provide, *inter alia*, the following:

(a) The Company shall pay a FILOT calculated as provided in this Section 2(b) (the "Negotiated FILOT") for all property placed in service by the Company as part of the Project during the Investment Period (as defined in the FILOT Agreement). The annual Negotiated FILOT payments shall commence with respect to the property tax year in which the first assets comprising a part of the Project are placed in service and shall continue for a period of up to 20 years thereafter; provided that, if the Project is placed in service during more than one year, each year's investment during the Investment Period shall be subject to the Negotiated FILOT for a period of 20 years, up to an aggregate of 25 years or, if the Investment Period is extended, pursuant to the terms of the FILOT Agreement, up to an aggregate of 30 years for the overall FILOT Agreement.

(b) The Negotiated FILOT shall be determined using: (1) an assessment ratio of 6.0%, (2) a millage rate of 283.2 mills, which is the millage rate applicable as of June 30, 2004, and which rate shall be fixed for the entire term of the FILOT Agreement, and (3) the fair market value of the Project, determined in accordance with the Act.

Section 3. As reimbursement for the Company's investment in Special Source Improvements, the County agrees that the Company shall be entitled to claim Special Source Credits against each of the first ten (10) FILOT payments in an amount of twenty-five percent (25%) of such each annual FILOT payment with respect to the Project. In no event shall the aggregate amount of the Special Source Credits exceed the amount heretofore or hereafter expended by the Company with respect to Special Source Improvements relating to the Project. If the Company fails to invest or is not to be invested an amount equal to the Minimum Contractual Requirement (as defined in the FILOT Agreement), the County may, at its option, terminate or adjust the Special Source Credits as provided in the FILOT Agreement.

Section 4. The County will diligently take all reasonable acts 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 provide, for all jobs created by the Company in the County during the Investment Period, any additional jobs tax credits afforded by the laws of the State for projects located in multi-county industrial or business parks and which facilitate the Special Source Credits described herein.

Section 5. The County will use its best efforts to secure funds from the Rural Infrastructure Fund or other sources for purposes of upgrading that portion of the short rail line operated by the South Carolina Railroad Museum, Inc. (the "Museum") which serves the Project, including that portion of such rail line from and including the switch connecting such line to the line operated by Norfolk Southern Railway ("Norfolk Southern") to and including the switch which connects such line to the spur exclusively serving the Project site, (the "Museum Line") to levels required to serve the Company's projected load of 20 to 30 cars per month, all as set forth in the FILOT Agreement. The County agrees to enter into a Railroad Use and Maintenance Agreement (the "RUMA") with the Company, the Museum and/or Norfolk Southern or another commercial rail carrier, pursuant to which the County will agree to pay for certain of the costs of maintaining such Museum Line.

Section 6. The County will also use its best efforts to secure grant funds from utilities in accordance with terms established between the Company and such utilities and agrees to undertake such reasonable and appropriate administrative efforts as may be required to obtain and implement the terms of such utility grants.

Section 7. The form, provisions, terms, and conditions of the FILOT Agreement presented to this meeting in substantially final and appropriate form and filed with the Clerk to Council be and they are hereby approved, subject to the completion of any final revisions acceptable to the County, and all of those final revised provisions, terms, and conditions thereof are hereby incorporated herein by reference as if the FILOT Agreement were set out in this Ordinance in its entirety.

Section 8. The form, terms and provisions of the Inducement Agreement heretofore entered into by the County and the Company are hereby ratified and approved, and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Inducement Agreement were set out in this Ordinance in its entirety.

Section 9. The form, terms and provisions of the RUMA heretofore entered into by the County, the Company, the Museum and/or Norfolk Southern or another commercial rail carrier, are hereby ratified and approved, and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the RUMA were set out in this Ordinance in its entirety.

Section 10. The FILOT Agreement and the RUMA are 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, after receiving advice from legal counsel, their execution thereof to constitute conclusive evidence of their final approval of any and all changes or revisions therein from the forms of the FILOT Agreement and the RUMA now before this meeting.

Section 11. The Chairman of the Council, for and on behalf of the County, is hereby authorized, empowered, and directed to do any and all things necessary or proper to effect the execution and delivery of the Inducement Agreement, the FILOT Agreement and the RUMA, the performance of all obligations of the County under and pursuant to the Inducement Agreement, the FILOT Agreement and the RUMA, and to carry out the transactions contemplated thereby and by this Ordinance.

Section 12. 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.

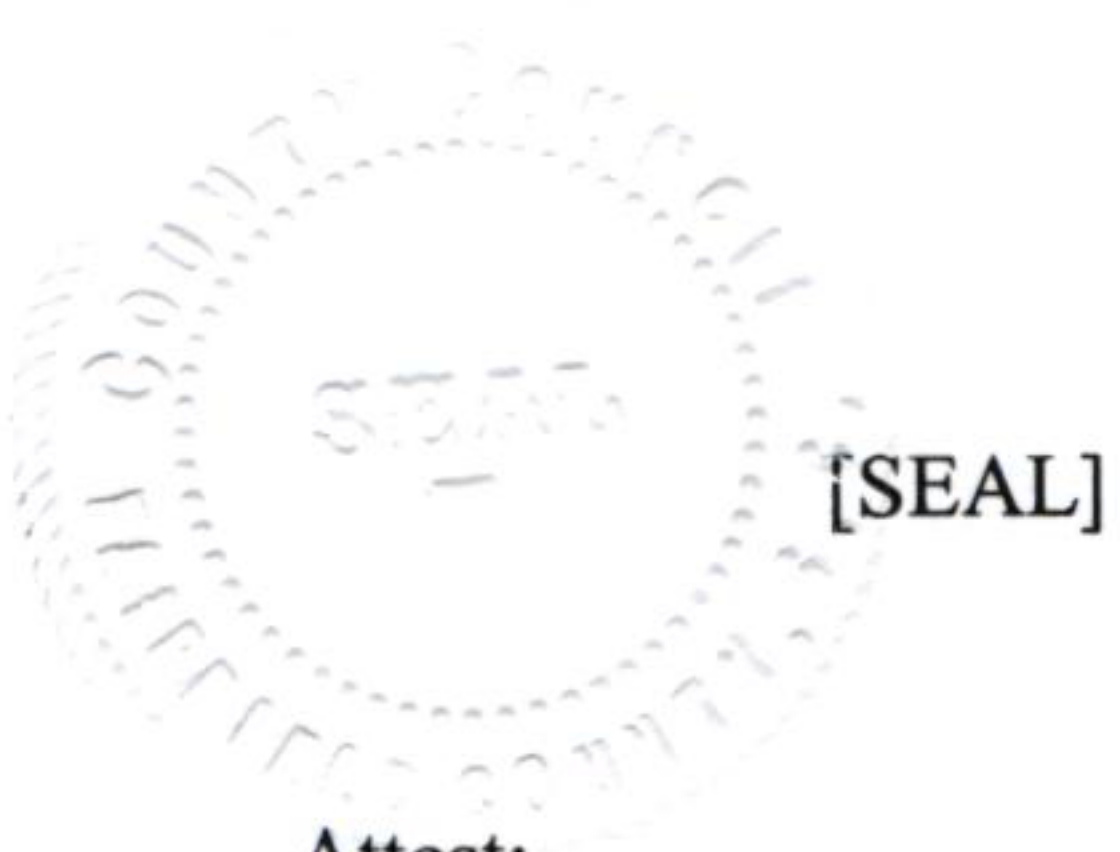
Section 13. All orders, resolutions, ordinances, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

[End of Ordinance; execution page to follow.]

Enacted and approved this 13th day of February, 2006.

FAIRFIELD COUNTY, SOUTH CAROLINA

By: David L. Ferguson
David L. Ferguson, Chairman, County Council
Fairfield County, South Carolina



Attest:

By: Shryll M. Brown
Shryll M. Brown, Clerk to County Council
Fairfield County, South Carolina

First Reading:	January 9, 2006
Second Reading:	January 23, 2006
Public Hearing:	January 23, 2006
Third Reading:	February 13, 2006

RAILROAD USE AND MAINTENANCE AGREEMENT

AMONG

FAIRFIELD COUNTY

AND

THE SOUTH CAROLINA RAILROAD MUSEUM, INC.

AND

GUARDIAN FIBERGLASS, INC.

February 6, 2006

RAILROAD USE AND MAINTENANCE AGREEMENT

This Railroad Use and Maintenance Agreement ("**RUMA**") is entered into as of this 6th day of February 2006, by and among Fairfield County, South Carolina, a body politic and political subdivision of the State of South Carolina ("**County**"), The South Carolina Railroad Museum, Inc., an eleemosynary corporate entity organized and existing pursuant to the laws of the State of South Carolina ("**SCRM**") and Guardian Fiberglass, Inc., a corporate entity organized and existing pursuant to the laws of the State of Delaware and authorized to conduct and conducting business in the State of South Carolina ("**Guardian**") (collectively "**Parties**").

WITNESSETH

WHEREAS, Guardian seeks to establish a manufacturing facility at the site of the former Mack Truck manufacturing facility located at 1 Bulldog Boulevard, Winnsboro, South Carolina in Fairfield County ("**Property**"); and

WHEREAS, County seeks to induce Guardian to occupy and commence its operations at the Property by making certain improvements to infrastructure at and around the Property and providing for the maintenance and upkeep of these improvements; and

WHEREAS, SCRM owns and operates a rail line of approximately 11.5 miles, commencing at the Norfolk Southern Main Line switch ("**Rail Line**"); and

WHEREAS, in order to facilitate its manufacturing operations, Guardian desires that Norfolk Southern provide delivery services (initially for approximately 20 rail cars per month) carrying necessary raw materials for its operations to the Property ("**Rail Service**"); and

WHEREAS, Guardian and County have requested that SCRM provide Norfolk Southern access to a certain portion of the Rail Line so Norfolk Southern may provide Rail Service to Guardian, all of which is an inducement to Guardian to occupy and commence its operations at the Property; and

WHEREAS, the Parties intend SCRM and Norfolk Southern to enter, prior to or contemporaneously with this RUMA, into a separate "Lead Track Agreement" so as to provide for the relationship between those Parties with respect to the operation, maintenance and liabilities of the portion of the Rail Line applicable to Rail Service; and

WHEREAS, the Parties intend Norfolk Southern and Guardian to enter, prior to or contemporaneously with the commencement of Rail Service, into a separate "Siding Agreement" so as to provide for the relationship between those Parties with respect to the operation, maintenance and liabilities of the portion of the Rail Line applicable to Rail Service (collectively, this RUMA, the Lead Track Agreement and the Siding Agreement are "**Track Agreements**"); and

WHEREAS, the Parties intend this RUMA to be in full force and effect so long as Guardian, or its successors or assigns, occupy and operate the Property and perform the terms and conditions of this RUMA and the obligations to County as set forth in the various economic incentive documents existing and to be executed between Guardian and County; and

WHEREAS, except as herein provided, the Parties do not intend this RUMA to alter or amend any presently existing relationship, contractual or otherwise, between or among any or all of the Parties; and

WHEREAS, the Parties seek to provide each other with such commitments in accordance with the terms herein set forth.