

STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR FAIRFIELD COUNTY
ORDINANCE NO. 602

AN ORDINANCE AUTHORIZING A NEW SIMPLIFIED FEE IN-LIEU OF PROPERTY TAX ARRANGEMENT PURSUANT TO A FEE AGREEMENT BETWEEN LANG-MEKRA NORTH AMERICA, LLC ("COMPANY") AND FAIRFIELD COUNTY, SOUTH CAROLINA ("COUNTY"); THE TRANSFER OF PROPERTY SUBJECT TO AN EXISTING SALE-LEASEBACK FEE-IN-LIEU OF PROPERTY TAX ARRANGEMENT BETWEEN THE COMPANY AND THE COUNTY TO THE NEW SIMPLIFIED FEE-IN-LIEU OF PROPERTY TAX ARRANGEMENT BETWEEN THE COMPANY AND THE COUNTY; THE CANCELLATION OF THE LEASE AGREEMENT, MEMORANDUM OF LEASE AGREEMENT, AND INDUCEMENT AGREEMENT, AS AMENDED, FOR THE EXISTING SALE-LEASEBACK FEE-IN-LIEU OF PROPERTY TAX ARRANGEMENT; THE ADDITION OF LANG-MEKRA NORTH AMERICA PROPERTIES, LLC AS A SPONSOR AFFILIATE TO THE NEW SIMPLIFIED FEE IN LIEU OF PROPERTY TAX ARRANGEMENT; AUTHORIZING AND PROVIDING THE PRIOR CONSENT AND APPROVAL OF THE COUNTY TO THE TRANSFER OF ECONOMIC DEVELOPMENT PROPERTY FROM THE COMPANY TO LANG-MEKRA NORTH AMERICA PROPERTIES, LLC; AND OTHER RELATED MATTERS.

WHEREAS, Fairfield 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 South Carolina Constitution (the "Constitution") and the provisions of the Code of Laws of South Carolina 1976, as amended, (the "Code") and specifically, Title 4, Chapter 29 of the Code (the "Original FILOT Act"); Title 4, Chapter 12 of the Code (the "Streamlined FILOT Act"); and Title 12, Chapter 44 of the Code (the "Simplified FILOT Act") (collectively, the "FILOT Act"), each as amended through the date hereof (collectively, the "Act"), and the case law of the courts of the State of South Carolina, to offer and provide certain privileges, benefits, and incentives to prospective and existing industries as inducements for economic development within the County; and

WHEREAS, the County is also authorized and empowered under and pursuant to the provisions of the Act to enter into certain agreements with any industry that constructs, operates, maintains, and improves certain properties (which constitute "projects" as defined in the Act) and to accept any grants for such projects; and

WHEREAS, through employment of the powers granted by the Act, the County is empowered to promote the economic and industrial development of the State of South Carolina (the "State") and develop its trade by inducing manufacturing and commercial enterprises to locate, remain, and expand in the State and thus use and employ the manpower, agricultural products, and natural resources of the State and benefit the general public welfare of the County by providing

services, employment, recreation, or other public benefits not otherwise adequately provided locally by providing for the exemption of such project from property taxes and for the payment of a fee in lieu of property taxes (a "fee agreement," as defined in the Act); and

WHEREAS, Lang Mekra North America, Inc., a corporation organized and existing under the laws of the State of South Carolina, as predecessor in interest to Lang Mekra North America, LLC, a limited liability company organized and existing under the laws of the State of South Carolina (the "Company"), and the County previously entered into a Lease Agreement dated as of December 1, 1997 (as amended by that certain Amendment of Inducement Agreement and Lease Agreement dated December 31, 2002, the "Prior Lease Agreement") and an Inducement Agreement and Millage Rate Agreement dated December 18, 1996 (as amended by that certain Amendment of Inducement Agreement and Lease Agreement dated December 31, 2002, the "Inducement Agreement") whereby the Company agreed to invest in real and personal property in the County for the purpose of acquiring and constructing a facility for the manufacture of commercial vehicle rear-view mirror systems (the "Project"), and in return, the County agreed to purchase such real and personal property from the Company and lease it back to the Company. Under the Lease Agreement, the Company agreed to make certain fee-in-lieu of tax payments on behalf of the Project in accordance with the provisions of the Streamlined FILOT Act; and

WHEREAS, the Company now desires to transfer all of the property subject to the Prior Lease Agreement, a sale-leaseback type of fee-in-lieu of tax arrangement with the County pursuant to the Streamlined FILOT Act, to the Company subject to a "Simplified Fee" type of fee-in-lieu of tax arrangement with the County pursuant to the Simplified FILOT Act, as authorized by Section 12-44-170(B) of the Simplified FILOT Act, to enable the Company to undertake certain financing, the result of which will be for the Company to transfer all or a portion of the Project, and the related economic development property, to Lang-Mekra North America Properties, LLC, a South Carolina limited liability company and an affiliate of the Company (the "LLC"); and

WHEREAS, the County and the Company desire to accomplish the transfer of all of the property subject to the prior fee-in-lieu of tax arrangement and to establish a "Simplified Fee" type of fee-in-lieu of tax arrangement with the County pursuant to the Simplified FILOT Act by: (1) entering into a fee-in-lieu of tax agreement (the "Fee Agreement"); (2) conveying legal title in the Project (both real and personal property), and including all related economic development property, from the County to the Company; (3) terminating the Prior Lease Agreement, the Memorandum of Lease Agreement by and between the County and the Company dated on or about December 23rd, 1997 (the "Memorandum"), and the Inducement Agreement; (4) adding the LLC as a sponsor affiliate under the Fee Agreement; and (5) having the County authorize and provide its consent to and approval of the transfer of the Project, and the related economic development property, from the Company to the LLC and the addition of the LLC as a "sponsor affiliate" under the Fee Agreement; and

WHEREAS, the Fee Agreement continues the same fee payments required as the Prior Lease Agreement; the Fee Agreement continues the same fee in lieu of tax payments only for the time required for the payments under the Prior Lease Agreement; and the minimum investment requirements of the Prior Lease Agreement have been met; and

WHEREAS, the Company intends to complete the acquisition by construction and purchase of the Project as originally contemplated by the Company and the County in the Prior Lease Agreement, which such Project will now be owned and operated by the Company and/or the LLC pursuant to the Fee Agreement; and

WHEREAS, the parties have determined that the Company is a "sponsor", that the LLC is a "sponsor affiliate", and that the Project constitutes and includes "economic development property" within the meaning of the Simplified FILOT Act; and

WHEREAS, the continued acquisition and construction of the Project will serve the intended purposes and in all respects conform to the provisions and requirements of the Simplified FILOT Act; and

WHEREAS, it appears that the drafts of (1) the Fee Agreement; (2) the form of deed; (3) the form of bill of sale; (4) the Cancellation of Inducement Agreement and Lease Agreement; and (5) the Termination of Memorandum of Lease Agreement now before this meeting are in appropriate form and are appropriate instruments to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by Fairfield County, South Carolina, in meeting duly assembled, that:

Section 1. As contemplated by the Act, it is hereby found, determined and declared by the County Council, as follows:

(a) The Project constitutes a "project" as said term is referred to and defined in Section 12-44-30(16) of the Code, and subserves the purposes and in all respects conforms to the provisions and requirements of the Simplified FILOT Act;

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally;

(c) Neither the Project, nor any documents or agreements entered into by the County in connection therewith, will constitute or give rise to any pecuniary liability of the County or a charge against its general credit or taxing power;

(d) The purposes to be accomplished by the Project are proper governmental and public purposes;

(e) The benefits of the Project to the public are greater than the costs to the public;

(f) The Project will be owned by the Company, and the Fee Agreement will require the Company to make the payments-in-lieu of taxes in accordance with the provisions of the Simplified FILOT Act; and

(g) The fee-in-lieu of tax payments referred to in item (f) above shall be calculated as specified in Section 5.01 of the Fee Agreement.

Section 2. Contingent on the Company and the LLC executing an Indemnity Covenant and paying the County's expenses associated with the transactions described in this Ordinance, the County hereby agrees to transfer all of the property subject to the Prior Lease Agreement to the Company subject to the Fee Agreement in accordance with and pursuant to the Simplified FILOT Act, as authorized by Section 12-44-170(B) of the Simplified FILOT Act. Further, the County approves and consents to the transfer of all or a portion of the Project, including the related economic development property, from the Company to the LLC and the addition of the LLC as a "sponsor affiliate" under the Fee Agreement.

Section 3. In order to accomplish the transfer of all of the property subject to the Prior Lease Agreement to a "Simplified Fee" type of fee-in-lieu of tax arrangement under the Simplified FILOT Act as described in Section 2 above and to establish a "Simplified Fee" type of fee-in-lieu of tax arrangement between the Company and the County pursuant to the Simplified FILOT Act, the County hereby approves the form, terms, and provisions of each of the following items presented to this meeting and filed with the Clerk to the County Council, and all of the terms, provisions, and conditions thereof are hereby incorporated herein by reference as if such documents were set out in this Ordinance in their entirety:

1. Fee Agreement between the County and the Company;
2. Deed of real property from the County to the Company;
3. Bill of Sale of personal property from the County to the Company;
4. Cancellation of the Inducement Agreement and Prior Lease Agreement; and
5. Termination of Memorandum of Lease Agreement.

The Chairman of the County Council, the Administrator of the County, and the Clerk to County Council shall be and they hereby are authorized, empowered, and directed to execute, acknowledge, and deliver the above-referenced documents in the name and on behalf of the County, and thereupon to cause such documents to be delivered to the Company. The above-referenced documents 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 upon the advice of the County Attorney, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of such documents now before this meeting. Section 4. The Chairman of the County Council, the Administrator of the County and the Clerk to the County Council, for and on behalf of the County, are hereby each authorized and directed to do any and all things necessary or proper to effect the execution and delivery of the documents identified above in Section 3, and the performance of all obligations of the County under and pursuant to such documents.

Section 4. The Chairman of the County Council, the Administrator of the County, and the Clerk to the County Council and any other proper officer of the County, shall be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments

and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Ordinance.

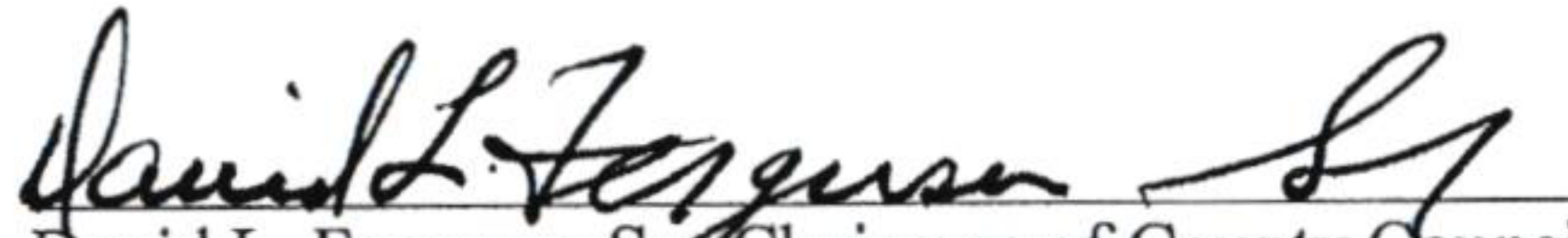
Section 5. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

Section 6. Any ordinance, resolution, or other order of County Council, the terms of which are in conflict with this Ordinance, is, only to the extent of that conflict, repealed.

Section 7. This Ordinance is effective after third reading and a public hearing.

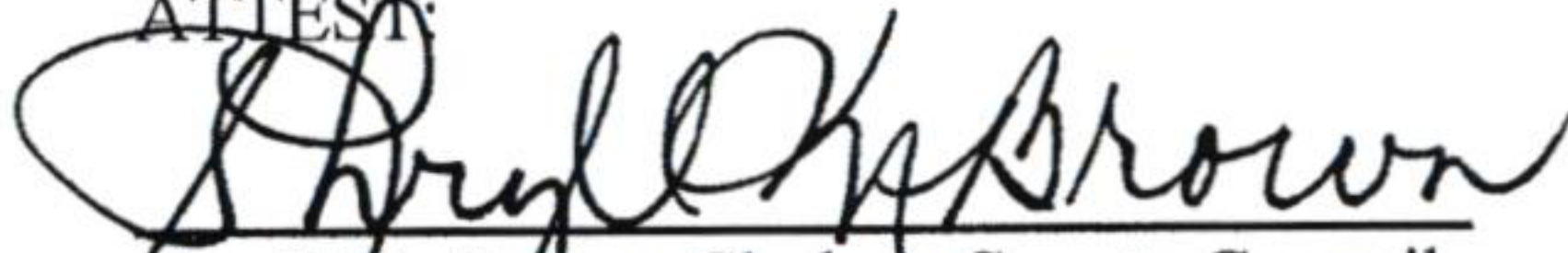
Ordained this 27th day of February, 2012 by Fairfield County Council, in a meeting duly assembled.

FAIRFIELD COUNTY, SOUTH CAROLINA


David L. Ferguson Sr., Chairman of County Council
Fairfield County, South Carolina

(SEAL)

ATTEST:


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

READINGS:

First Reading: January 9, 2012
Second Reading: February 13, 2012
Public Hearing: February 13, 2012
Third Reading: February 27, 2012