

AN ORDINANCE

**AUTHORIZING THE EXECUTION AND DELIVERY OF A
FEE IN LIEU OF AD VALOREM TAXATION AGREEMENT EFFECTING A CONVERSION OF
THAT CERTAIN LEASE PURCHASE AGREEMENT DATED AS OF DECEMBER 31, 1999,
AMENDED AS OF DECEMBER 8, 2003, BETWEEN STRAND-TECH MARTIN, INC. (THE
“SPONSOR”) AND DORCHESTER COUNTY, SOUTH CAROLINA (THE “COUNTY”), AND ALSO
EVIDENCING THE CONSENT OF THE COUNTY OF THE TRANSFER OF THE CONTROL OF
THE SPONSOR AND A FINANCING ARRANGEMENT OF THE SPONSOR**

WHEREAS, Dorchester 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 Title 4, Chapter 12, Code of Laws of South Carolina, 1976, as amended (the “Act”), (i) to enter into agreements with qualifying industry to encourage investment in projects constituting economic development property through which the industrial development of the State of South Carolina will be promoted by inducing new and existing 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 covenant with such industry to accept certain payments in lieu of *ad valorem* taxation (“FILOT”) with respect to such investments; and

WHEREAS, Strand-Tech Martin, Inc. (“Strand-Tech” or the “Sponsor”) acquired and installed personal and real property on its site in the County for its manufacturing and processing operations (the “Project”), and as an inducement to locate the Project within the County, Strand-Tech was offered certain FILOT benefits from the County as authorized under the Act, pursuant to a Lease Purchase Agreement dated as of December 31, 1999, between Strand-Tech and the County, recorded in Book 2433, Page 337, as subsequently amended by First Amendment to Lease Purchase Agreement between Strand-Tech and the County dated as of December 8, 2003, recorded in Book 3945, Page 56, Dorchester County Register of Deeds Office (collectively the “Lease”); and

WHEREAS, under Section 6.03(h) of the Lease, Strand-Tech is given the option to “elect to rely upon the provisions of the FILOT Simplification Act instead of the Streamlined FILOT Act.” Thereafter, pursuant to Section 6.03(h) of the Lease, “the County shall reconvey title to the Leased Property to the Lessee [Strand-Tech] and enter into a fee agreement with the Lessee [Strand-Tech] reflecting the provisions of the FILOT Simplification Act as applicable to the transactions contemplated by the parties under [the] Lease, in substitution of [the] Lease, and containing representations and covenants comparable to those contained in the Lease . . .”; and

WHEREAS, the Sponsor has notified the County of the transfer of its control to Keystone Consolidated Industries, Inc. (“Keystone”) on or about August 3, 2016, and a financing arrangement that the Sponsor and Keystone entered into on or about that same date with Wells Fargo Capital Finance, LLC, as administrative agent (the “Financing Arrangement”); and

WHEREAS, in order to satisfy the requirements of Sections 6.03(h) and 9.01 of the Lease, the Sponsor has caused a certain Fee in Lieu of Ad Valorem Taxation Agreement Effecting a Conversion of That Certain Lease Purchase Agreement Dated as of December 31, 1999, Amended as of December 8, 2003, Between Strand-Tech Martin, Inc., and Dorchester County, South Carolina (the “Fee Conversion Agreement”), to be prepared and presented to the County; and

WHEREAS, the County (i) has determined that the Sponsor has made and maintained the minimum investment requirement of \$10,000,000, (ii) is not aware of the existence of an Event of Default, as defined under the Lease, (iii) agrees to the conversion from the Streamlined FILOT Act to the FILOT Simplification Act pursuant to the Fee Conversion Agreement, and (iv) consents to the aforesaid transfer of the control of the Sponsor and the Financing Arrangement;

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

Section 1. The County hereby authorizes and approves the conversion from the Streamlined FILOT Act to the FILOT Simplification Act pursuant to the Fee Conversion Agreement, and consents to the aforesaid transfer of the control of the Sponsor and the Financing Arrangement.

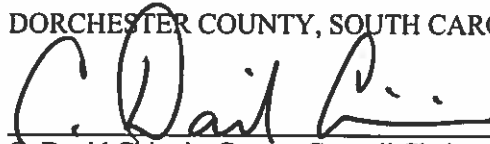
Section 2. The Chairman of County Council is hereby authorized and directed to execute the Fee Conversion Agreement attached hereto in the name of and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to attest the same; and the County Administrator or the Clerk of the County Council, as applicable, is hereby authorized and directed to deliver said executed Fee Conversion Agreement to Strand-Tech.

Section 3. The County hereby finds the (i) the Project will benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; (ii) the Project gives rise to no pecuniary liability of the County or incorporated municipality or to no charge against its general credit or taxing power; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project to the public are greater than the costs to the public.

Section 4. All ordinances, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

This Ordinance shall take effect and be in full force only after the County Council has approved it after three readings and a public hearing has been duly and timely held.

DORCHESTER COUNTY, SOUTH CAROLINA



C. David Chinnis, County Council Chairman
Dorchester County, South Carolina

ATTEST:



Sally K. Hebert, Clerk of County Council
Dorchester County, South Carolina

READINGS:

First Reading: 09/06/2016
Second Reading: 09/19/2016
Third Reading: 10/03/2016
Public Hearing: 10/03/2016