

ORDINANCE #11-10

AN ORDINANCE AUTHORIZING THE TRANSFER OF PROPERTY FROM A LEASE AGREEMENT DATED DECEMBER 1, 2000 BY AND BETWEEN DORCHESTER COUNTY AND ROBERT BOSCH, LLC WITH A FEE IN LIEU OF TAX AND INFRASTRUCTURE TAX CREDIT PURSUANT TO TITLE 4, CHAPTER 29 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AND A LEASE AGREEMENT WITH FEE IN LIEU OF TAX PURSUANT OT TILE 4, CHAPTER 29 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED TO A FEE AND INFRASTRUCTURE TAX CREDIT AGREEMENT PURSUANT TO TITLE 12, CHAPTER 44 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; THE ENTERING INTO OF CERTAIN COVENANTS AND AGREEMENTS AND THE EXECUTION AND DELIVERY OF CERTAIN INSTRUMENTS INCLUDING THE AFORESAID FEE AND INFRASTRUCTURE TAX CREDIT AGREEMENT AND THE SATISFACTION OF THE INDUSTRIAL REVENUE BOND, SERIES 2000, AND THE SATISFACTION OF THE INDUSTRIAL REVENUE BONDS, SERIES 1992, AND PRESCRIBING MATTERS RELATED THERETO

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 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (jointly hereinafter the "Act"), to acquire, or cause to be acquired, own, lease and dispose of properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to construct, lease, operate, maintain and improve such projects; to enter into or allow financing agreements with respect to such projects; to provide for payment of a fee in lieu of taxes pursuant to the Act; to provide for an infrastructure tax credit pursuant to the Act; and, to accept any grants for such projects through which the industrial development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing 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; and

WHEREAS, the County is authorized by the Act to convert an existing lease agreement and infrastructure tax credit agreement pursuant to Section 4-29-67 et. seq. of the Code of Laws of South Carolina, 1976, as amended to a fee and infrastructure tax credit agreement, as defined in the Act, with respect to such project and (i) to satisfy the Industrial Revenue Bond, Series 2000 (Series 2000); and (ii) to satisfy the Industrial Revenue Bonds, Series 1992 ("Series 1992"); and

WHEREAS, Robert Bosch LLC, formerly known as Robert Bosch Corporation ("Bosch"), a limited liability company organized and existing under the laws of the State of Delaware, has requested the County to participate in adopting an Ordinance, to provide for the conversion (i) of the indenture, dated as of December 1, 2000 and as Amended and Restated, dated December 1, 2006 by and between Bosch and the County (the "Series 2000 Indenture"),

the lease agreement and infrastructure tax credit agreement entered into by and between the County and Bosch dated as of December 1, 2000 and as Amended and Restated, dated December 1, 2006 (the "Series 2000 Lease Agreement") and (ii) the conversion of Lease Agreement dated as of December 29, 1992 ("Series 1992 Lease Agreement") by inclusion in the Fee Agreement pursuant to the Act for the purpose of authorizing and promoting the development of certain land, a building or buildings, and machinery, apparatus, and equipment in the County for the purpose of continuing the development of a facility for the purpose of the manufacturing and production of automotive parts and products as provided in the Series 2000 Lease Agreement and Series 1992 Lease Agreement in which the minimum level of investment including the purchase and construction of land and buildings is not less than Five Million Dollars (\$5,000,000) (the "Project"), all as more fully set forth in the Fee Agreement attached hereto and to satisfy the Bond and the Indenture; and

WHEREAS, the Project is represented by Bosch to constitute a Project, as defined in the Act; and

WHEREAS, the County Council, having previously determined that the Project will provide additional permanent employment for persons from the County and areas adjacent thereto with a resulting alleviation of unemployment, and a substantial increase in payrolls and other public benefits incident to the conducting of industrial operations, proposes to convert the Series 1992 Lease and the Series 2000 Lease Agreement to the Fee Agreement and to execute and deliver the Fee Agreement, to be granted under and pursuant to the provisions of the Act, and to be secured by and to contain such terms and provisions as are set forth in the Fee Agreement, by and between the County and Bosch, or its assigns; and

WHEREAS, the County has determined to satisfy the Series 1992 Bond and the Series 2000 Bond and the Series 1992 Indenture and the Series 2000 Indenture; and

WHEREAS, the County has determined that the Project would benefit the general public welfare of the County by providing enhanced service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and, that the purposes to be accomplished by the Project, i.e., economic development, creation of jobs; and addition to the tax base of the County, are proper governmental and public purposes; and, that the inducement of the location or expansion of the Project within the County and State is of paramount importance; and, that the benefits of the Project will be greater than the costs; and

WHEREAS, the Project will include certain infrastructure to be owned, leased or used by Bosch (the "Infrastructure"), and previously the County has previously placed the Project in the Dorchester County and Orangeburg County Multi-County Industrial/Business Park; and

WHEREAS, the County has determined to enter into and execute the aforesaid Fee Agreement and to that end has, by this Ordinance, authorized the execution of the Fee Agreement containing the fee in lieu of tax and infrastructure credit agreements contained in the Series 1992 Lease and the Series 2000 Lease; and

WHEREAS, the County Council, having determined as aforesaid that it will be of substantial public benefit to do so, proposes to make the Project available to Bosch s under and pursuant to the provisions of the Fee Agreement , by and between the County and Bosch, pursuant to which Bosch is obligated (i) to make payments directly to the account of the County in amounts sufficient to pay (a) the fee in lieu of tax due on all assets transferred to Bosch from the Series 1992 Lease at a six percent (6%) assessment and a fixed millage rate of 199.10 and (b) the fee in lieu of tax due on all assets transferred to Bosch from the Series 2000 Lease at a four percent (4%) assessment and a fixed millage rate of 268.4 the fee in lieu of tax less the infrastructure tax credit, (ii) to maintain the Project in good repair at Bosch's own expense and to carry all proper insurance with respect thereto, and (iii) to make payments in lieu of taxes required by the Act; and

WHEREAS, the County Council agrees that the minimum investment balance for the Fee Agreement shall be the consolidated minimum investment balance required for an enhanced investment pursuant to South Carolina Code Section 12-44-30(7) and the Company shall not be required to maintain separate minimum investment balances for the Series 1992 Lease and the Series 2000 Lease. To date the Company has invested \$300,000,000 and desires to continue to invest into the Fee Agreement.

WHEREAS, the County Council and Bosch agree that the term of investment in the Series 1992 Lease has expired but that the term for investment into the 2000 Lease continues. Therefore, all investment into the Fee Agreement going forward will be deemed investment subject to a fee in lieu payment of the assessment and millage rate provided in the Series 2000 Lease; and

WHEREAS, the County Council has caused to be prepared and presented to this meeting the form of the Fee Agreement by and between the County and Bosch which includes the agreement for payment of a payment in lieu of tax and an infrastructure tax credit; and

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

NOW, THEREFORE, BE IT ORDAINED by Dorchester County, South Carolina, as follows:

Section 1. In order to promote industry, develop trade and utilize and employ the manpower, agricultural products and natural resources of the State by assisting Bosch to continue to develop and expand industrial facilities in the State, by construction and purchase, of land, a building or buildings and various machinery, apparati, equipment, office facilities and furnishings,

all as a part of the Project to be utilized as a facility for the manufacturing and production of automotive parts and products is hereby authorized, ratified and approved.

Section 2. Pursuant to the authority of the Act, and for the purpose of defraying the cost of acquiring the Project, including necessary expenses incidental thereto, there is hereby authorized, and shall be granted, a conversion of the Series 1992 Lease and the Series 2000 Lease to a Fee Agreement.

Section 3. The Fee Agreement shall be a limited obligation of the County and all obligations of the County pursuant to the Fee Agreement shall be payable solely out of the revenues deemed by the County from the Fee Agreement. The fee in lieu of tax and infrastructure tax credit shall never constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers. Such limitation shall be plainly stated on the face of the Fee Agreement.

Nothing in this Ordinance or the Fee Agreement shall be construed as an obligation or commitment by the County to expend any of its funds other than (i) the proceeds of the fee in lieu of tax, (ii) revenues derived from the Project, (iii) any proceeds accruing to the County on account of insurance on the Project under the Fee Agreement, (iv) any moneys accruing to the County on account of any taking or condemnation of title to all or part of the Project, and (v) any moneys arising out of the investment or reinvestment of said proceeds, revenues or moneys.

Section 4. The Fee Agreement shall be executed in the name of the County with the manual or facsimile signature of the Chairman of the County Council and shall be attested by the manual or facsimile signature of the Clerk to the County Council, and shall have the seal of the County impressed or imprinted thereon.

Section 5. It is hereby found, determined and declared by the County Council, as follows:

(a) Based solely upon representations of Bosch, the Project constitutes a "project" as said term is referred to and defined in the Act, and the County's actions herein, and the conversion to the Fee Agreement will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

(b) It is anticipated that the Project and the payments in lieu of taxes set forth herein will be beneficial to the County;

(c) The terms and provisions of the Fee Agreement are incorporated herein and made a part hereof, but in the event of a conflict between the Ordinance and the Fee Agreement authorized herein, the Fee Agreement shall control;

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

(e) Neither the Project, the infrastructure tax credit granted by the County to defray the infrastructure costs thereof, 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;

(f) The purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes;

(g) The inducement of the location or expansion of the Project within the County and State is of paramount importance; and

(h) The benefits of the Project will be greater than the costs.

Section 6. The form, terms and provisions of the Fee Agreement presented to this meeting and filed with the Clerk to the County Council be and they are hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Fee Agreement were set out in this ordinance in its entirety. The Chairman of the County Council and the Clerk to the County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver the Fee Agreement in the name and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to Bosch and the County. The Fee Agreement is to be in substantially the form now before this meeting and hereby approved, or with such minor 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 Fee Agreement now before this meeting. The Chairman of the County Council and the Clerk to the County Council are hereby each authorized and directed to do any and all things necessary to affect the performance of all obligations of the County under and pursuant to the Fee Agreement.

Section 7. Pursuant to the authority of the Act, the extension of the infrastructure tax credit granted in the Series 2000 Lease, as subsequently modified and extended is hereby authorized to be provided, and shall be provided in the Fee Agreement and an additional amount of infrastructure tax credit of \$275,000 payable from those fee in lieu of tax finally due and payable on January 15, 2012.

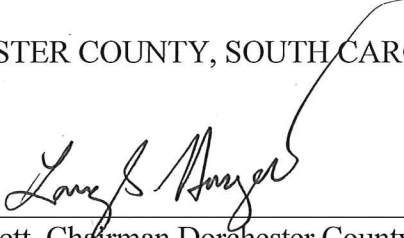
Section 8. The provisions of this ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 9. The County hereby agrees to waive, to the full extent allowed by law, the requirements of Section 12-44-55 of the Act with regard to the Fee Agreement for the Project, to the extent and so long as Bosch makes and continue to make all filings with the County required by the Act.

Section 10. 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.

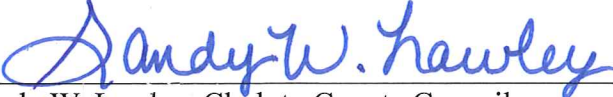
Passed and approved this 7th day of November, 2011

DORCHESTER COUNTY, SOUTH CAROLINA

By: 
Larry Hargett, Chairman Dorchester County Council
Dorchester County, South Carolina

(SEAL)

ATTEST:

By: 
Sandy W. Lawley, Clerk to County Council
Dorchester County, South Carolina

First Reading: May 16, 2011
Second Reading: June 6, 2011
Public Reading: June 20, 2011
Third Reading: November 7, 2011

FEE AGREEMENT

between

DORCHESTER COUNTY, SOUTH CAROLINA

and

ROBERT BOSCH LLC
a Delaware limited liability company

Dated as of November 1, 2011

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Dorchester County, South Carolina

FEE AGREEMENT

THIS FEE AGREEMENT (this "Fee Agreement") is made and entered into as of November 1, 2011, by and between DORCHESTER COUNTY, SOUTH CAROLINA (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), acting by and through the Dorchester County Council (the "County Council") as the governing body of the County; and ROBERT BOSCH LLC (the "Company"), a limited liability company duly organized and existing under the laws of the State of Delaware.

WITNESSETH:

Recitals.

The County is authorized by Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended by Act 283 of 2000 (the "Act") to enter into a fee agreement with manufacturing entities meeting the requirements of such Act, which identifies certain property of such manufacturers as economic development property, to induce such industries to locate in the State and to encourage industries now located in the State to expand their investments and thus make use of and employ manpower and other resources of the State.

In addition, pursuant to Section 12-44-170(B) of the Act, with a county's consent, an entity with property subject to an existing fee in lieu of property taxes arrangement under Title 4, Chapters 12 or 29 of the Code of Laws of South Carolina, 1976, as amended, may transfer such property from the prior arrangement to the fee agreement provided by the Act. Such property shall then automatically be considered economic development property as defined in the Act.

Pursuant to the Act, the County finds that (a) the Project (as defined herein) benefits the general public welfare of the County by providing services, employment, recreation, or other public benefit not otherwise adequately provided locally; (b) the Project gives rise to no pecuniary liability of the County or incorporated municipality and to no charge against its general credit or taxing power; (c) the purposes to be accomplished by the Project are proper governmental and public purposes; and (d) the benefits of the Project to the public are greater than the costs to the public.

Pursuant to a First Lease Agreement and the Second Lease Agreement (each hereinafter defined), the Company has acquired by construction, purchase, lease or otherwise a facility for the purpose of the manufacturing and production of automotive parts and products (the "Facility") which is located in the County and which constitute the Project as hereinafter defined. Thereafter, on November 7, 2011, the County Council adopted an Ordinance and authorized the County to enter into a Fee Agreement (which shall combine and replace the First Lease Agreement and the Second Lease Agreement) with the Company which identifies the property comprising the Project as "economic development property" under the Act subject to the terms and conditions hereof.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties hereto agree as follows, with the understanding that no obligation of the County described herein shall create a pecuniary liability or charge upon its general credit or taxing powers, but shall be payable solely out of the sources of payment described herein and shall not under any circumstances be deemed to constitute a general obligation of the County:

ARTICLE I

DEFINITIONS

The terms defined in this Article shall for all purposes of this Fee Agreement have the meaning herein specified, unless the context clearly requires otherwise.

"Act" shall mean Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended, and all future acts supplemental thereto or amendatory thereof.

"Authorized Company Representative" shall mean any person designated from time to time to act on behalf of the Company, as the case may be, as evidenced by a written certificate or certificates furnished to the County containing the specimen signature of each such person, signed, in the case of the Company, by its President, one of its vice presidents, its general counsel, its treasurer or any assistant treasurer, its secretary or any assistant secretary. Such certificates may designate an alternate or alternates, and may designate different Authorized Company Representatives to act for the Company, as the case may be, with respect to different sections of this Fee Agreement.

"Chairman" shall mean the Chairman of the County Council of Dorchester County, South Carolina.

"Clerk to County Council" shall mean the Clerk to the County Council of Dorchester County, South Carolina.

"Closing" or "Closing Date" shall mean the date of the execution and delivery hereof.

"Code" shall mean the Code of Laws of South Carolina, 1976, as amended.

"Company" shall mean Robert Bosch LLC, a Delaware limited liability company duly qualified to transact business in the State of South Carolina.

"County" shall mean Dorchester County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina, its successors and assigns, acting by and through the Dorchester County Council as the governing body of the County.

"County Council" shall mean the Dorchester County Council, the governing body of the County.

"Department" means the South Carolina Department of Revenue, or any successor agency.

"Diminution of Value" in respect of any Phase of the Project shall mean any reduction in the value based on original fair market value as determined in Step 1 of Section 4.1(a) of this Fee Agreement, of the items which constitute a part of the Phase which may be caused by (i) the Company's removal of equipment pursuant to Section 4.6 of this Fee Agreement, (ii) a casualty to the Phase of the Project, or any part thereof, described in Section 4.7 of this Fee Agreement or (iii) a condemnation to the Phase of the Project, or any part thereof, described in Section 4.8 of this Fee Agreement.

"Economic Development Property" shall mean all items of real and tangible personal property comprising the Project which are eligible for inclusion as economic development property under the Act, become subject to the Fee Agreement, and which are identified by the Company in connection with its annual filing of a SCDOR PT-100, PT-300 or comparable form with the South

Carolina Department of Revenue and Taxation (as such filing may be amended from time to time) for each year within the Investment Period. Title to all Economic Development Property shall at all times remain vested in the Company.

"Equipment" shall mean all of the machinery, equipment, furniture and fixtures, together with any and all additions, accessions, replacements and substitutions thereto or therefor to the extent such machinery, equipment and fixtures become a part of the Project under this Fee Agreement.

"Event of Default" shall mean any Event of Default specified in Section 4.13 of this Fee Agreement.

"Facility" shall mean the Company's manufacturing facilities constructed and expanded in Dorchester County, South Carolina which will be used primarily for manufacture and production of automotive parts and products on the land described in Exhibit "A" attached hereto.

"Fee Agreement" shall mean this Fee Agreement.

"Fee Term" or "Term" shall mean the period from the execution of the First Lease Agreement and the Second Lease Agreement until the last Phase Termination Date (as hereinafter defined), unless sooner terminated or extended pursuant to the terms of this Fee Agreement.

"Filot Revenues" shall mean the payments in lieu of taxes which the Company is obligated to pay to the County pursuant to Section 4.1 hereof.

"First Fee Property" shall mean all qualified economic development property, including substitutions and Replacement Property, which became subject to the First Lease Agreement, including all extensions thereof, and which qualified economic development property is now

subject to this Fee Agreement.

“Future Investment Property” shall mean all Real Property Equipment and Improvements acquired, constructed and/or contributed by the Company during the remaining Investment Period herein.

"Improvements" shall mean improvements, together with any and all additions, accessions, replacements and substitutions thereto or therefor, but only to the extent such additions, accessions, replacements, and substitutions are deemed to become part of the Project under the terms of this Fee Agreement or extended pursuant to the terms of this Fee Agreement.

“Infrastructure Credits” shall mean those credits against the fee in lieu of tax payments to be made by the Company to the County as authorized by Section 4-1-175 of the Code and Section 4.2 hereof.

"Investment Period" shall mean the Investment Period in each of the First Lease Agreement (which period has expired) and the Second Lease Agreement ending on December 31, 2015, as agreed upon in the Extension Agreement by and between the Company and the County dated as of February 1, 2011.

“Multi-County Park Agreement” shall mean the Agreement for Development of a Joint County Industrial/Business Park between the County and Orangeburg County, South Carolina dated December 4, 1995, as amended from time to time.

"Phase" or "Phases" in respect of the Project shall mean the Equipment, Improvements and Real Property, if any, placed in service during each year of the Investment Period.

"Phase Termination Date" shall mean: (a) with respect to that portion of the Project

previously subject to the First Amended Lease Agreement the December 31st twenty years after each such Phase of the Project became subject to the terms of this Fee Agreement. Anything contained herein to the contrary notwithstanding, the last Phase Termination Date for that portion of the Project previously subject to the First Lease Agreement shall be no later than the later of December 31, 2018; (b) with respect to that portion of the Project previously subject to the Second Amended Lease Agreement, the December 31st thirty years after each such Phase became subject to the Second Lease Agreement or becomes subject to this Fee Agreement. Anything herein to the contrary notwithstanding, the last Phase Termination Date for the portion of the Project previously subject to the Second Lease Agreement or which becomes subject during the Term of the Fee Agreement shall be no later than December 31, 2045.

"Project" shall mean the (i) the Project as contained in the First Lease Agreement, (ii) the Project as contained in the Second Lease Agreement, and (iii) such Equipment, Improvements, and Real Property, together with the acquisition, construction, installation, design and engineering thereof, in phases, which shall constitute expansions or improvements of the Facility within the Investment Period of this Fee Agreement.

"Real Property" shall mean land and buildings, together with all and singular the rights, members, hereditaments and appurtenances belonging or in any way incident or appertaining thereto to the extent such become a part of the Project under the terms of this Fee Agreement; all Improvements now or hereafter situated thereon; and all fixtures now or hereafter attached thereto, but only to the extent such Improvements and fixtures are deemed to become part of the Project under the terms of this Fee Agreement.

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"Removed Components" shall mean the following types of components or Phases of the Project or portions thereof, all of which the Company shall be entitled to remove from the Project with the result that the same shall no longer be subject to the terms of the Fee Agreement: (a) components or Phases of the Project or portions thereof which either the Company, in its sole discretion, determines to be inadequate, obsolete, worn-out, uneconomic, damaged, unsuitable, undesirable or unnecessary; or (b) components or Phases of the Project or portions thereof which either the Company in its sole discretion, elects to remove pursuant to Section 4.7(c) or Section 4.8(b)(iii) of this Fee Agreement.

"Replacement Property" shall mean any property which is placed in service as a replacement for any item of Equipment or any Improvement which is scrapped or sold by the Company and treated as a Removed Component under Section 4.6 hereof regardless of whether such property serves the same function as the property it is replacing and regardless of whether more than one piece of property replaces any item of Equipment or any Improvement.

"Second Fee Property" shall mean all qualified economic development property, including substitutions and Replacement Property, which became subject to the Second Lease Agreement, including all extensions thereof, and which qualified economic development property is now subject to this Fee Agreement.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall be deemed to include any and all amendments, supplements, addenda, and modifications to such agreement or document.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations of the County. The County hereby represents and warrants to the Company as follows:

(a) The County is a body politic and corporate and a political subdivision of the State which acts through the County Council as its governing body and by the provisions of the Act is authorized and empowered to enter into the transactions contemplated by this Fee Agreement and to carry out its obligations hereunder. The County has duly authorized the execution and delivery of this Fee Agreement and any and all other agreements described herein or therein.

(b) The Project constitutes a "project" within the meaning of the Act.

(c) By due corporate action, the County has agreed that, subject to compliance with applicable laws, each item of real and tangible personal property comprising the Project shall be considered Economic Development Property under the Act.

Section 2.2 Representations of the Company. The Company represents and warrants to the County as follows:

(a) The Company represents and warrants that the Company is duly organized and in good standing under the laws of the State of Delaware, is qualified to do business in the State, has power to enter into this Fee Agreement, and by proper company action has duly authorized the execution and delivery of this Fee Agreement.

(b) The Company represents that the execution and delivery of this Fee Agreement by

the Company and its compliance with the provisions hereof will not result in a default, not waived or cured, under any company restriction or any agreement or instrument to which the Company is now a party or by which it is bound.

(c) The Company represents and warrants that the Company intends to operate the Project as a "project" within the meaning of the Act as in effect on the date hereof. The Company intends to operate the Project for the purpose of the manufacture and production of automotive parts and products and conducting other legal activities and functions with respect thereto, and for such other purposes permitted under the Act as the Company may deem appropriate.

(d) The Company represents and warrants that the availability of the payment in lieu of taxes with regard to the Economic Development Property authorized by the Act has induced the Company to locate the Facility in the County.

(e) The Company represents that the Company is qualifying investment in the Project exceeds \$300,000,000 as of the date hereof and that thus the cost of the Project exceeds the minimum investment required by the Act.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT

Section 3.1 The Project. The Company has acquired, constructed and/or installed or made plans for the acquisition, lease, construction and/or installation of certain land, buildings, improvements, fixtures, machinery and equipment which comprise the Project.

Pursuant to the Act, the Company and the County hereby agree that the property comprising the Project shall be Economic Development Property as defined under the Act. Anything contained

in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project provided it makes the payments required hereunder, and provided that the Company may lose the benefit of the Infrastructure Tax Credits or this Fee Agreement if it does not complete the Project, as required hereunder.

Section 3.2 Diligent Completion. The Company agrees to use its reasonable efforts to cause the acquisition, construction and installation of the Project to be completed as soon as practicable, but in any event on or prior to December 31, 2015, or as extended pursuant to the terms of this Fee Agreement. Anything contained in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project in the event that it pays all amounts due by it under the terms of this Fee Agreement.

Section 3.3. Filings

(a) On or before May 1 of each year up to and including the May 1 immediately following the preceding December 31 of the year in which the completion of the Project has occurred, the Company shall provide the Dorchester County Auditor with a list of all Project property as was placed in service during the year ended as of the prior December 31.

(b) The Company shall deliver to the Dorchester County Auditor copies of all annual filings made with the Department with respect to the Project during the term of this Agreement, not later than thirty (30) days following delivery thereof to the Department.

(c) The Company shall cause a copy of this Agreement to be filed with the Dorchester County Auditor and the Department within thirty (30) days after the date of execution and delivery hereof.

(d) Throughout the term of this Agreement, the Company, its successors or assigns as permitted hereunder, shall each maintain their respective individual ownership of the Equipment and the Real Property.

ARTICLE IV

PAYMENTS IN LIEU OF TAXES

Section 4.1 Negotiated Payments. Pursuant to Section 12-44-50 of the Act, the Company is required to make payments in lieu of ad valorem taxes to the County with respect to the Project. Inasmuch as the Company has invested a sufficient sum in the Project to qualify for a fee in lieu of tax arrangement under Section 12-44-50(A)(1) and (A)(3) of the Act, the County and the Company have negotiated the amount of the payments in lieu of taxes in accordance therewith. In accordance therewith, the Company shall make payments in lieu of ad valorem taxes on all real and personal property which comprises the Project and is placed in service, as follows: the Company shall make payments in lieu of ad valorem taxes with respect to each Phase of the Project placed in service during the Investment Period, said payments to be made annually and to be due and payable and subject to penalty assessments and interest on the same dates and in the same manner as prescribed by the County for ad valorem taxes. The amount of such equal annual payments in lieu of taxes shall be (A) For the First Fee Property;

Step 1: The fair market value of each Phase of the Project (as previously determined) placed in service in any given year for such year and for the following 19 years using original income tax basis for State income tax purposes for any real property (provided, if real property is constructed for the fee or is purchased in an arm's length

transaction, fair market value is deemed to equal the original income tax basis, otherwise, the Department will determine fair market value by appraisal) and original income tax basis for State income tax purposes less depreciation for each year allowable to the Company for any personal property as determined in accordance with Title 12 of the Code, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement, except that no extraordinary obsolescence shall be allowable but taking into account all applicable property tax exemptions which would be allowed to the Company under State law, if the property were taxable, except those exemptions specifically disallowed under Section 12-44-50(A)(2) of the Act, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement.

- Step 2: Apply an assessment ratio of six (6.0%) percent to the fair market value as determined for each year in Step 1 to establish the taxable value of each Phase of the Project in the year it is placed in service and in each of the nineteen years thereafter or such longer period of years that the annual fee payment is permitted to be made by the Company under the Act, as amended.
- Step 3: Using a millage rate of 199.10 (which millage rate remain a fixed millage rate in the manner provided in Section 12-44-50(A)(1)(b)(i) of the Act for the term of this Fee Agreement), determine the amount of the payments in lieu of taxes which would be due in each of the twenty years listed on the payment dates prescribed by the County for such payments or such longer period of years that the annual fee payment is permitted to be made by the Company under the Act, as amended.
- Step 4: Using a discount rate of 6.9175% (the interest rate effective for United States Treasury bonds of similar maturity as published during the month this Agreement was initially executed), determine the net present value of the aggregate amount of the payments calculated under Step 3.
- Step 5: Using a discount rate of 6.9175% (the interest rate effective for United States Treasury bonds of similar maturity as published during the month this Agreement initially executed), determine the amount of an annual, equal payment which, aggregated over twenty years,

would yield a net present value equal to the result of Step 4.

B. For the Second Fee Property or the Future Investment Property:

- Step 1: Determine the fair market value of each Phase of the Project placed in service in any given year for such year and for the following 29 years using original income tax basis for State income tax purposes for any real property (provided, if real property is constructed for the fee or is purchased in an arm's length transaction, fair market value is deemed to equal the original income tax basis, otherwise, the Department will determine fair market value by appraisal) and original income tax basis for State income tax purposes less depreciation for each year allowable to the Company for any personal property as determined in accordance with Title 12 of the Code, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement, except that no extraordinary obsolescence shall be allowable but taking into account all applicable property tax exemptions which would be allowed to the Company under State law, if the property were taxable, except those exemptions specifically disallowed under Section 12-44-50(A)(2) of the Act, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement.
- Step 2: Apply an assessment ratio of four (4.0%) percent to the fair market value as determined for each year in Step 1 to establish the taxable value of each Phase of the Project in the year it is placed in service and in each of the twenty nine years thereafter or such longer period of years that the annual fee payment is permitted to be made by the Company under the Act, as amended.
- Step 3: Using a millage rate of 268.4 mills (which millage rate shall be a fixed millage rate in the manner provided in Section 12-44-50(A)(1)(b)(i) of the Act for the term of this Fee Agreement), determine the amount of the payments in lieu of taxes which would be due in each of the thirty years listed on the payment dates prescribed by the County for such payments or such longer period of years that the annual fee payment is permitted to be made by the Company under the Act, as amended.
- Step 4: Using a discount rate of 6.61% (the interest rate effective for United

States Treasury bonds of similar maturity as published during the month this Agreement was initially executed), determine the net present value of the aggregate amount of the payments calculated under Step 3.

Step 5: Using a discount rate of 6.61% (the interest rate effective for United States Treasury bonds of similar maturity as published during the month this Agreement initially executed), determine the amount of an annual, equal payment which, aggregated over thirty years, would yield a net present value equal to the result of Step 4.

In the event that it is determined by a final order of a court of competent jurisdiction or by agreement of the parties that the minimum payment in lieu of taxes applicable to this transaction is to be calculated differently than described above, the payment shall be reset at the minimum permitted level so determined.

In the event that the Act and/or the above-described payments in lieu of taxes are declared invalid or unenforceable, in whole or in part, for any reason, the parties express their intentions that such payments be reformed so as to most closely effectuate the legal, valid, and enforceable intent thereof and so as to afford the Company with the benefits to be derived herefrom, it being the intention of the County to offer the Company a strong inducement to locate the Project in the County. If due to such invalidity or unenforceability, the Project is deemed to be subject to ad valorem taxation for any reason other than as provided in Section 4.2 hereof, the payment in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount which would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the Project did not constitute Economic Development Property under the Act, but with appropriate reductions equivalent to all tax

exemptions which would be afforded to the Company if the Project was and had not been Economic Development Property under the Act. In such event, any amount determined to be due and owing to the County from the Company, with respect to a year or years for which payments in lieu of ad valorem taxes have been previously remitted by the Company to the County hereunder, shall be reduced by the total amount of payments in lieu of ad valorem taxes made by the Company with respect to the Project pursuant to the terms hereof.

Section 4.2 Failure to Make Minimum Investment. (a) The County and the Company acknowledge that the Company has heretofore invested in excess of \$300,000,000 in the in the Second Fee Property and has exceeded the minimum investment required for the enhanced investment pursuant to the Act. Notwithstanding any other requirement under Section 12-44-30(13) of the Act, the Company agrees to maintain the minimum investment in the Project required by Section 12-44-30(7)(a) of the Act. Should such minimum investment for an enhanced investment not be maintained by the Company, then each annual Filot payment starting with the payment for the year in which the minimum enhanced investment was not maintained, shall be computed as in Section 4.1(B) except an assessment rate of six (6%) percent shall be used as required by the Act. The payments in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount as would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the items of property comprising the Project were not Economic Development Property, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company in such a case.

(b) The County and the Company acknowledge that the Company has heretofore invested

in excess of \$45,000,000 in the in the First Fee Property and has exceeded the minimum investment required pursuant to the Act. Notwithstanding any other requirement under the Act, the Company agrees to maintain the minimum investment in the Project required by Section 12-44-30(14) of the Act

Section 4.3 Payments in Lieu of Taxes on Replacement Property. If the Company elects to replace any Removed Components and to substitute such Removed Components with Replacement Property as a part of the Project, then, pursuant and subject to Section 12-44-60 of the Act. The Company shall make payments in lieu of ad valorem taxes with regard to such Replacement Property (pursuant to Section 4.1(A) or Section 4.1(B) according to which portion of the Project is deemed by the Company to be replaced) as follows:

- (i) to the extent that the income tax basis of the Replacement Property (the "Replacement Value") is less than or equal to the original income tax basis of the Removed Components (the "Original Value") the amount of the payments in lieu of taxes to be made by the Company with respect to such Replacement Property shall be calculated in accordance with Section 4.1 (A) or (B) hereof; provided, however, in making such calculations, the original cost to be used in Step 1 of Section 4.1 (A) or (B) shall be equal to the lesser of (x) the Replacement Value and (y) the Original Value, and the number of annual payments to be made with respect to the Replacement Property shall be equal to twenty (20) for the First Fee Property and thirty (30) for the Second Fee Property or the Future Investment Property (or, if greater, the maximum number of years for which the annual fee payments are

available to the Company for each portion of the Project under the Act, as amended) minus the number of annual payments which have been made with respect to the Removed Components; and provided, further, however, that in the event a varying number of annual payments have been made with respect to such Removed Components as a result of such Removed Components being included within more than one Phase of the Project, then the number of annual payments which shall be deemed to have been made shall be the greater of such number of annual payments; and

- (ii) to the extent that the Replacement Value exceeds the Original Value of the Removed Components (the "Excess Value"), the payments in lieu of taxes to be made by the Company with respect to the Excess Value shall be equal to the payment that would be due if the property were not Economic Development Property.

Section 4.4 Reductions in Payments of Taxes Upon Removal, Condemnation or Casualty. In the event of a Diminution in Value of any Phase of the Project, the payment in lieu of taxes with regard to that Phase of the Project, subject to the provisions of the Act, shall be reduced in the same proportion as the amount of such Diminution in Value bears to the original fair market value of that Phase of the Project as determined pursuant to Step 1 of Section 4.1 (A) or (B) hereof; provided, however, that if at any time subsequent to December 31, 2015, or as extended pursuant to the terms of this Agreement, the total value of the Project based on the original income tax basis of the Equipment, Real Property and Improvements contained therein, without deduction for depreciation, is less than the sums necessary to qualify under the Act, beginning with the first

payment thereafter due hereunder and continuing until the end of the Fee Term, the Company shall make payments equal to the payments as defined in Section 4.2 or as if the property were not Economic Development Property.

Section 4.5 Place and Allocation of Payments in Lieu of Taxes. The Company shall make the above-described payments in lieu of taxes directly to the County in accordance with applicable law.

Section 4.6 Removal of Equipment. Provided that no Event of Default shall have occurred and be continuing under this Fee Agreement, the Company shall be entitled to give written notice to the County, by providing a copy of the annual filing of the SCDOR PT-300 Property Return, to remove the following types of components or Phases of the Project from the Project with the result that said components or Phases (the "Removed Components") shall no longer be considered a part of the Project and shall no longer be subject to the terms of this Fee Agreement:

- (a) components or Phases which become subject to statutory payments in lieu of ad valorem taxes;
- (b) components or Phases of the Project or portions thereof which the Company, in its sole discretion, determines to be inadequate, obsolete, uneconomic, worn-out, damaged, unsuitable, undesirable or unnecessary; or
- (c) components or Phases of the Project or portions thereof which the Company, in its sole discretion, elects to remove pursuant to Section 4.7(c) or Section 4.8(b)(iii) hereof.

Section 4.7 Damage or Destruction of Project.

(a) Election to Terminate. In the event the Project is damaged by fire, explosion, or any other casualty, the Company shall be entitled to terminate this Agreement.

(b) Election to Rebuild. In the event the Project is damaged by fire, explosion, or any other casualty, and if the Company does not elect to terminate this Agreement, the Company may commence to restore the Project with such reductions or enlargements in the scope of the Project, changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company. Subject to the provisions of the Act, all such restorations and replacements shall be considered substitutions of the destroyed portions of the Project and shall be considered part of the Project for all purposes hereof, including, but not limited to any amounts due by the Company to the County under Section 4.1 hereof.

(c) Election to Remove. In the event the Company elects not to terminate this Agreement pursuant to subsection (a) and elects not to rebuild pursuant to subsection (b), the damaged portions of the Project shall be treated as Removed Components.

Section 4.8 Condemnation.

(a) Complete Taking. If at any time during the Fee Term title to or temporary use of the entire Project should become vested in a public or quasi-public authority by virtue of the exercise of a taking by condemnation, inverse condemnation or the right of eminent domain, or by voluntary transfer under threat of such taking, or in the event that title to a portion of the Project shall be taken rendering continued occupancy of the Project commercially infeasible in the judgment of the Company, the Company shall have the option to terminate this Fee Agreement as of the time of vesting of title by sending written notice to the County within a reasonable period of time following such vesting.

(b) Partial Taking. In the event of a partial taking of the Project or a transfer in lieu thereof, the Company may elect: (i) to terminate this Fee Agreement; (ii) to repair and restore the Project, with such reductions or enlargements in the scope of the Project, changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company; or (iii) to treat the portions of the Project so taken as Removed Components.

Section 4.9 Maintenance of Existence. The Company agrees that it will maintain its existence and its good standing under all applicable provisions of State law, provided, however, the Company may merge with, or be acquired by, another company so long as the surviving company has an equal or greater net asset value.

Section 4.10 Indemnification Covenants; Fees and Expenses of County. (a) The Company agrees, to indemnify and save the County, its members, employees, officers, and agents (the "Indemnified Parties") harmless against and from all claims by or on behalf of any person, firm or corporation arising from the County's entry into this Agreement or the operation of the Project by the Company. The Company shall indemnify and save the Indemnified Parties harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon, and upon notice from the County, the Company shall , defend them in any such action, prosecution or proceeding.

(b) The Company further agrees to pay all reasonable and necessary expenses incurred by the County with respect to the preparation and delivery, and administration, of this Agreement, including but not limited to attorney's fees and expenses.

Section 4.11 Confidentiality/Limitation on Access to Project; Records and Reports.

(a) The County acknowledges and understands that the Company utilizes confidential and proprietary "state of the art" manufacturing equipment and techniques and that any disclosure of any information relating to such equipment or techniques, including but not limited to disclosures of financial or other information concerning the Company's operations would result in substantial harm to the Company and could thereby have a significant detrimental impact on the Company's employees and also upon the County. Therefore, the County agrees that, except as required by law, or pursuant to the County's police powers or as reasonably deemed necessary by the County in the required performance of its statutorily mandated duties, neither the County nor any employee, agent or contractor of the County: (i) shall request or be entitled to receive any such confidential or proprietary information; (ii) shall request or be entitled to inspect the Project, the Facility or any property associated therewith; provided, however, that if an Event of Default shall have occurred and be continuing hereunder, the County shall be entitled to inspect the Project provided they comply with the remaining provisions of this Section; or (iii) shall disclose or otherwise divulge any such confidential or proprietary information to any other person, firm, governmental body or agency, or any other entity. Prior to disclosing any confidential or proprietary information or allowing inspections of the Project, the Facility or any property associated therewith, the Company may require the execution of reasonable, individual, confidentiality and non-disclosure agreements by any officers, employees or agents of the County or any supporting or cooperating governmental agencies who would gather, receive or review such information or conduct or review the results of any inspections. Notwithstanding the above, the Company agrees:

- (i) to maintain complete books and records accounting for the acquisition, financing, construction and operation of the Project. Such books and records shall permit ready identification of the components of the Project;
- (ii) confirm the dates on which each portions of the Project are placed in service; and
- (iii) include copies of all filings made by the Company with the Dorchester County Auditor or the Department with respect to property placed in service as part of the Project.

Section 4.12 Assignment and Subletting. Subject to the prior written consent of the County (unless such consent is expressly not required under Section 12-44-120 of the Act) this Fee Agreement may be assigned in whole or in part and the Project may be subleased as a whole or in part by the Company.

Section 4.13 Events of Default. The following shall be "Events of Default" under this Fee Agreement, and the term "Events of Default" shall mean, whenever used with reference to this Fee Agreement, any one or more of the following occurrences:

(a) Failure by the Company to make, upon levy, the payments in lieu of taxes described in Section 4.1 hereof; provided, however, that the Company shall be entitled to all redemption rights granted by applicable statutes; or

(b) Failure by the Company to pay any other amounts to the County due hereunder or to perform any of the other material terms, conditions, obligations or covenants of the Company hereunder, which failure shall continue for a period of ninety (90) days after written notice from

the County to the Company specifying such failure and requesting that it be remedied, unless the County shall agree in writing to an extension of such time prior to its expiration; or

(c) If the Company shall file a voluntary petition seeking an order for relief in bankruptcy, or shall be adjudicated insolvent, or shall file any petition or answer or commence a case seeking any reorganization, composition, readjustment, liquidation or similar order for relief or relief for itself under any present or future statute, law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of either of the Company or of the Project, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

Section 4.14 Remedies on Default. Whenever any Event of Default shall have occurred and shall be continuing, the County may take any one or more of the following remedial actions:

- (a) Terminate the Fee Agreement; or
- (b) Take whatever action at law or in equity may appear necessary or desirable to collect the other amounts due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Fee Agreement.

In addition to all other remedies herein provided, the nonpayment of payments in lieu of taxes herein shall constitute a lien for tax purposes as provided in Section 12-44-90 of the Act. In this regard, and notwithstanding anything in this Agreement to the contrary, the County may exercise the remedies provided by general law (including Title 12, Chapter 49, of the South Carolina Code) relating to the enforced collection of *ad valorem* taxes to collect any payments in lieu of taxes due hereunder.

Section 4.15 Remedies Not Exclusive. No remedy conferred upon or reserved to the County under this Fee Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other lawful remedy now or hereafter existing. No delay or omission to exercise any right or power accruing upon any continuing default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the County to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be herein expressly required and such notice required at law or equity which the Company is not competent to waive.

Section 4.16 Reimbursement of Legal Fees and Expenses. If the Company shall default under any of the provisions of this Fee Agreement and the County shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder or for the enforcement or performance or observance of any obligation or agreement on the part of the Company contained herein, the Company will, within thirty (30) days of demand therefor reimburse the reasonable fees of such attorneys and such other reasonable expenses so incurred by the County.

Section 4.17 No Waiver. No failure or delay on the part of the County in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No waiver of any provision hereof shall be effective unless the same shall be in writing and signed by the County.

Section 4.18 Infrastructure Credit. The County agrees that the Company shall be entitled the following Infrastructure Credits: (a) in an annual amount of Forty (40%) percent of the annual FILOT Revenues from the Second Fee Property and the Future Investment Property each year for each of the first fifteen (15) years commencing January 1, 2000. The Infrastructure Credits shall be applied as a set off against the FILOT Revenues owed for the then current year. The Treasurer of the County shall display and subtract the Infrastructure Credits from the fee in lieu of tax payment statement sent to the Company for the duration of the Infrastructure Credits. (b) in an additional amount of \$275,000 payable from those fee in lieu of tax finally due and payable on January 15, 2012.

ARTICLE V

MISCELLANEOUS

Section 5.1 Notices. Any notice, election, demand, request or other communication to be provided under this Fee Agreement shall be effective when delivered to the party named below or when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms hereof require receipt rather than sending of any notice, in which case such provision shall control:

AS TO THE COUNTY:

Dorchester County
Post Office Box 416
St. George, South Carolina 29477
Attn: County Administrator

WITH A COPY TO:

John Frampton
County Attorney
112 West Fourth N. Street
Summerville, South Carolina 29483

AS TO THE COMPANY:

Robert Bosch LLC
8101 Dorchester Road
Charleston, South Carolina 29418
Attn: Plant Manager

WITH A COPY TO:

Robert Bosch LLC
38000 Hills Tech Drive
Farmington Hills, MI 48331
Attn: General Counsel

J. Wesley Crum, III
233 North Main Street, Suite 200F
Greenville, South Carolina 29601

Section 5.2 Binding Effect. This Fee Agreement and each document contemplated hereby or related hereto shall be binding upon and inure to the benefit of the Company and the County and their respective successors and assigns. In the event of the dissolution of the County or the consolidation of any part of the County with any other political subdivision or the transfer of any rights of the County to any other such political subdivision, all of the covenants, stipulations, promises and agreements of this Fee Agreement shall bind and inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County has been transferred.

Section 5.3 Counterparts. This Fee Agreement may be executed in any number of counterparts, and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

Section 5.4 Governing Law. This Fee Agreement and all documents executed in connection herewith shall be construed in accordance with and governed by the laws of the State.

Section 5.5 Headings. The headings of the articles and sections of this Fee Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Fee Agreement.

Section 5.6 Amendments. The provisions of this Fee Agreement may only be modified or amended in writing by any agreement or agreements entered into between the parties.

Section 5.7 Further Assurance. From time to time the County agrees to execute and deliver to the Company such additional instruments as the Company may reasonably request to effectuate the purposes of this Fee Agreement.

Section 5.8 Severability. If any provision of this Fee Agreement is declared illegal, invalid or unenforceable for any reason, the remaining provisions hereof shall be unimpaired and such illegal, invalid or unenforceable provision shall be reformed so as to most closely effectuate the legal, valid and enforceable intent thereof and so as to afford the Company with the maximum benefits to be derived herefrom, it being the intention of the County to offer the Company the strongest inducement possible to locate the Project in the County.

Section 5.9 Limited Obligation. ANY OBLIGATION OF THE COUNTY CREATED

BY OR ARISING OUT OF THIS FEE AGREEMENT SHALL BE A LIMITED OBLIGATION OF THE COUNTY, PAYABLE BY THE COUNTY SOLELY FROM THE PROCEEDS DERIVED UNDER THIS FEE AGREEMENT AND SHALL NOT UNDER ANY CIRCUMSTANCES BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

Section 5.10 Force Majeure. Except with respect to the timely payment of all fee in lieu of tax payments to the County hereunder, the Company shall not be responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, fire, floods, inability to obtain materials, conditions arising from government orders or regulations, war or national emergency, acts of God, and any other similar cause, beyond the Company's reasonable control.

Section 5.11 Fee Agreement Conversion. Pursuant to Section 12-44-170(B) of the Act, by the adoption of the Fee Ordinance and the execution and delivery of this Fee Agreement, the County shall have consented to proceed with the conversion of the Lease Agreement between the Company and the County to this Fee Agreement. It is the intention of the County Council and the Company that the replacement of the First Lease Agreement and the Second Lease Agreement with this Fee Agreement shall not diminish the value of the existing fee in lieu of tax arrangement between the Company and the County. In addition, if the Act is ever declared unconstitutional or otherwise found invalid by a court of competent jurisdiction, it is the intention of the County Council that pursuant to the terms of the Act as well as the terms of Title 4, Chapter 12 of the Code

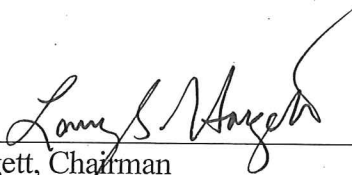
of Laws of South Carolina, 1976, as amended, the Company shall be afforded the maximum opportunity to convert this Fee Agreement into a lease agreement pursuant to Title 4, Chapter 12 of the Code of Laws of South Carolina, 1976, as amended, in order to preserve the benefits of the Company's fee in lieu of tax arrangement with the County.

Section 5.12 Surviving Provisions. Notwithstanding anything in this Agreement to the contrary, the provisions of Section 4.1 and 4.2 (insofar as the same pertain to any retroactive payments by the Company to the County) and 4.10 shall survive any termination of this Agreement.

(Remainder of page intentionally left blank)


IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and behalf by the Chairman of County Council, the County Administrator and to be attested by the Clerk to County Council; and the Company has caused this Fee Agreement to be executed by their duly authorized officer, all as of the day and year first above written.

DORCHESTER COUNTY, SOUTH CAROLINA



By: 
Larry Hargett, Chairman
Dorchester County Council

(SEAL)

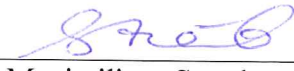
ATTEST:


By: 
Sandy W. Lawley, Clerk to County Council
Dorchester County, South Carolina

WITNESSES:

ROBERT BOSCH LLC

By: 
Maximiliane Straub
Its: CFO&EVP Finance, Controlling and Administration

By: 
Mark R. Gilmour
Its: Treasurer

ATTEST:

By: 
Erik Dyhrkopp
Its: Secretary

EXHIBIT "A"
LEGAL DESCRIPTION

All those tracts, pieces and parcels of land, together with any improvements thereon, containing a total of 116.928 acres shown on the attached plat prepared by Engineering, Surveying & Planning, Inc. dated September 20, 1996 and recorded in the Register of Deeds Office for Dorchester County, South Carolina in Plat Book J-78. The 116.928 acres are shown as two parcels containing 67.87 acres of land TMS No. 181-00-00-009 and containing 49.06 acres TMS No. 181-00-00-008.

All those tracts, pieces and parcels of land, together with any improvements thereon, designated as Tract "A", containing 2.634 acres of land as shown on plat prepared for Carolina Pacific, Inc., by Trico Engineers and Surveying, dated March 14, 1989, and recorded in the Office of the Dorchester County Clerk/RMC in Plat Book G at page 309.
TMS # 181-00-00-065

Also, all that lot, parcel and piece of land together with improvements lying thereon known and designated as "Tract H-1" as shown on a plat entitled "Plat of a 2.045 acre Tract of Land Owned by Carolina Pacific, Inc., shown as Tract "H" on a plat by T.W. Bailey Dated 12/1/84 subdivided into Tract "H-1"; containing 0.796 Acres, and Tract "H-2"; containing 1.249 acres, dated November 3, 1986 and last revised January 28, 1987 by Thomas W. Bailey and recorded in the Office of the Clerk of Court for Dorchester County in Plat Cabinet F, slide 169.

TMS # 181-00-00-082

The said Tract H-1 as shown on said plat contains 0.796 acres, more or less, and measures and contains as follows: beginning at an iron pin located at the intersection of property designated as owned by "Robert Bosch Corporation; and property designated as being owned by "American Mutual" and Tract H-1 as designated on the aforesaid plat, said point being known and designated as the Point of Beginning; thence running in a straight line north 30 degrees, 31 minutes, 56 seconds east for a distance of 528.50 feet to an iron pin; thence running south 63 degrees, 57 minutes, 46 seconds east for a distance of 66.26 feet to an iron pin; thence running south 30 degrees, 31 minutes, 51 seconds west for a distance of 522.59 feet to an iron pin; thence running north 69 degrees, 26 minutes, 2 seconds west for a distance of 67.01 feet to an iron pin, said iron pin being known and designated as herein as the Point of Beginning.