

STATE OF SOUTH CAROLINA)
) ORDINANCE NO. 24-08
COUNTY OF MCCORMICK)

AN ORDINANCE AUTHORIZING (1) PURSUANT TO TITLE 12, CHAPTER 44 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, THE EXECUTION AND DELIVERY OF A FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT, BY AND BETWEEN MCCORMICK COUNTY, SOUTH CAROLINA AND DEERFIELD SOLAR, LLC, A COMPANY KNOWN TO THE COUNTY AS PROJECT BUCK, AS SPONSOR, AND ONE OR MORE SPONSOR AFFILIATES TO PROVIDE FOR A FEE-IN-LIEU OF AD VALOREM TAXES INCENTIVE AND CERTAIN SPECIAL SOURCE REVENUE CREDITS FOR THE BENEFIT OF A PROJECT IN THE COUNTY; (2) THE ENLARGEMENT OF THE BOUNDARIES OF AN INDUSTRIAL PARK PREVIOUSLY CREATED BY ABBEVILLE COUNTY TO INCLUDE CERTAIN PROPERTY LOCATED IN MCCORMICK COUNTY, SOUTH CAROLINA NOW OR TO BE HEREAFTER OWNED AND/OR OPERATED BY PROJECT BUCK, OR ONE OR MORE COMPANIES RELATED THERETO; AND (3) OTHER RELATED MATTERS.

WHEREAS, McCormick County (the “County”), acting by and through its County Council, is authorized and empowered (i) under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (the “Act”) to enter into agreements with qualifying companies to encourage investment in projects constituting economic development property through which the economic development of the State of South Carolina (the “State”) 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 to covenant with such industry to accept certain fee payments in lieu of *ad valorem* taxes (“FILOT”) with respect to such investment; and (ii) to make and execute contracts pursuant to Section 4-9-30 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, pursuant to Title 4, Section 1, of the Code of Laws of South Carolina, 1976, as amended (“MCIP Act”), the County is authorized (i) to develop multi-county industrial or business parks in partnership with counties having contiguous borders with the County, (ii) to include within the boundaries of such parks the property of eligible companies; and (iii) further to grant credits against FILOT payments to qualifying companies to offset qualifying infrastructure related expenditures (“Special Source Revenue Credits”) pursuant to Section 4-1-175, 4-29-68, and 12-44-70 of the Code of Laws of South Carolina 1976 as amended (“Infrastructure Credit Act”); and

WHEREAS, under the authority provided in the MCIP Act, the County has created a multi-county park with Abbeville County, South Carolina (the “Park”) through that certain “Master

Agreement Governing the Abbeville-McCormick Industrial/Business Park” (the “Park Agreement”) dated June 10, 2024, as amended; and

WHEREAS, Deerfield Solar, LLC, a company formerly known to the County as Project Buck, a South Carolina limited liability company, along with one or more existing, or to-be-formed or acquired subsidiaries, or affiliated or related entities, as Sponsor (collectively, “Company”) and any Sponsor Affiliates (as defined under the Act and the Fee Agreement) that the Sponsor may designate and have the County approve in accordance with the Act, contingent upon satisfaction of certain commitments made by and on behalf of the County, as set forth herein and to be further set forth in future agreements, and, to the extent allowed by law, plans to establish a utility scale solar facility in the County through the acquisition, lease, construction and purchase of certain land, including the Project Property (defined below), buildings, furnishings, fixtures, apparatuses, and equipment (the “Project”), which will result in approximately \$187,000,000 in new investment in real and personal property in the County (“Investment”); and

WHEREAS, by its Resolution adopted on January 14, 2025, the County identified the Project, as required by the Act; and

WHEREAS, the Project will comprise one or more parcels of real property or a portion thereof, within such tax map parcels bearing Tax Map Numbers 220-00-00-003 and 202-00-00-009 with improvements thereon, a description of which is set forth on the attached **Exhibit A** (“Project Property”); and

WHEREAS, the County desires to enlarge the boundaries of Park to include the Project Property and to ensure that the Project Property remains in the Park or any other multi-county park created under the MCIP Act for no less than the duration of the Fee Agreement; and

WHEREAS, pursuant to Section 3 of the Park Agreement, by resolution or ordinance of both counties, the boundaries of the Park may be enlarged to include additional property in either county, and the County desires to enlarge the boundaries of the Park to include the Project Property and to ensure that the Project Property remains in the Park, or any other multi-county industrial park created under the MCIP Act, for no less than the duration of the Fee Agreement (defined below); and

WHEREAS, in connection with the Project, the Company has requested the County to enter into incentive agreements, to the extent and subject to the conditions provided in those agreements, to establish the commitments of (i) the Company and any Sponsor Affiliate(s) to make the Investment; and (ii) the County to provide certain incentives; and

WHEREAS, the Company and the County have determined that each Phase Termination Date (as defined in the Fee Agreement) shall be the last day of a property tax year that is 39 years following the first property tax year in which an applicable piece of Economic Development Property (as defined in the Fee Agreement) is placed in service; and

WHEREAS, the Company has requested, pursuant to Section 12-44-30(21) of the Act, an extension of the Phase Termination Date by 10 years, such that the Phase Termination Date for each Phase of the Project (as defined in the Fee Agreement), shall be 39 years following the first property tax year in which an applicable piece of Economic Development Property is placed in service, and the County, finding such extension to be a substantial public benefit, approves such extension; and

WHEREAS, the County has determined: (i) to offer a FILOT arrangement and enter into a fee-in-lieu of *ad valorem* taxes agreement with the Company and, as applicable, any Sponsor Affiliate, the form of which is attached hereto as **Exhibit B** (“Fee Agreement”), with the principal terms as follows: a term of years for the Project Property, anticipated to be 40 years, a 6.0% assessment ratio, and a fixed millage rate equal to that millage rate in effect at the Project Property, for all taxing entities, on June 30, 2024, which the parties hereto believe to be 337.8 mills, for the entire term of the FILOT arrangement; (ii) to provide an annual credit over the 40-year term of the Fee Agreement against those FILOT Payments made by the Company and any of the Sponsor Affiliates to the County for the Project in an amount equal to the difference between the Net FILOT Payment (as defined in the Fee Agreement) and the amount of FILOT Payment that would otherwise be due under the Fee Agreement (each a “Special Source Revenue Credit”); (iii) to assist with modifying any County zoning or local ordinances, or both, as necessary, to ensure the Project can be constructed and operated as a utility scale solar facility at the Project Property and; (iv) any other incentives set forth in the Fee Agreement (collectively, the “Incentives”); and

NOW, THEREFORE, BE IT ORDAINED BY THE MCCORMICK COUNTY COUNCIL DULY ASSEMBLED THAT:

Section 1. Findings. The County hereby finds and affirms, based solely on information provided by the Company: (i) the Project will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; (ii) the Project gives rise to no pecuniary liability of the County or any incorporated municipality and 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; and (v) the Project will provide a substantial public benefit to the County.

Section 2. Authorization to Execute and Deliver Fee Agreement. The form, terms, and provisions of the Fee Agreement (which includes the provision of Special Source Revenue Credits) presented to this meeting and filed with the Clerk to County Council are hereby approved, and all of the terms, provisions, and conditions thereof are hereby incorporated herein by reference as if the Fee Agreement was set out in this Ordinance in its entirety. The Chairman of County Council and the Clerk to County Council 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 the Company. The Fee Agreement to be in substantially the form now before this meeting and hereby approved, or with such changes

therein as shall not be materially adverse to the County 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 Fee Agreement now before this meeting.

Section 3. *Approval of Phase Termination Date.* The extension of the Phase Termination Date (as defined in the Fee Agreement) by 10 years is hereby approved.

Section 4. *Inclusion and Maintenance of Project in Park.* The expansion of the Park boundaries is hereby authorized to include the Project Property, as described on the attached **Exhibit A.** The County Council shall ensure that the Project is incorporated into and will remain in the Park (or a successor multi-county industrial park) for no less than the term of the Fee Agreement.

Section 5. *No Recapitulation Required.* Pursuant to Section 12-44-55(B) of the Act, the County hereby agrees that no recapitulation information, as set forth in Section 12-44-55(A) of the Act is required to be provided by the Company in the Fee Agreement, or in any other documents or agreements in connection with the fee-in-lieu of tax arrangement between the Company and the County, so long as the Company remains in compliance with the Fee Agreement.

Section 6. *Further Acts.* The County Council authorizes the County Administrator, other County staff, and the County Attorney, along with any designees and agents who any of these officials deems necessary and proper, in the name of and on behalf of the County (each an “Authorized Individual”), to take whatever further actions, and enter into whatever further agreements, as any Authorized Individual deems to be reasonably necessary and prudent to effect the intent of this Ordinance and induce the Company to locate the Project in the County.

Section 7. *General Repealer.* All ordinances, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 8. *Severability.* Should any part, provision, or term of this Ordinance be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such finding or determination shall not affect the rest and remainder of the Ordinance or any part, provision or term thereof, all of which is hereby deemed separable.

This Ordinance takes effect and is in full force only after the County Council has approved this Ordinance following three readings and a public hearing.

[Signature page to follow]

MCCORMICK COUNTY, SOUTH CAROLINA

Bernard Hamby, Chairman
McCormick County Council

(SEAL)

ATTEST:

Crystal B. Barnes, Clerk to Council

First Reading:
Second Reading:
Third Reading:
Public Hearing:

EXHIBIT A

PROJECT PROPERTY DESCRIPTION

All or a portion of that parcel of real property, with improvements thereon, located in McCormick County, South Carolina, consisting of approximately 1,011 acres, identified by tax map numbers 220-00-00-003 and 202-00-00-009.

EXHIBIT B

FEE AGREEMENT

[Attached]