

PICKENS COUNTY

SOUTH CAROLINA

COUNCIL MEMBERS

CHRIS BOWERS, CHAIRMAN
ROY COSTNER, VICE CHAIRMAN
ALEX SAITTA, VICE CHAIR PRO-TEM
C. CLAIBORNE LINVILL
CHRIS LOLLIS
HENRY WILSON



COUNTY ADMINISTRATOR

KEN ROPER

CLERK TO COUNCIL

MEAGAN NATIONS

PICKENS COUNTY COUNCIL MEETING

Monday, June 3, 2024

6:30 PM

Auditorium, County Administration Facility
222 McDaniel Avenue, Pickens SC 29671

All meetings of Pickens County Council are held in accordance with the South Carolina Freedom of Information Act, Section 30-4-70, *et seq.* of the Code of Laws of South Carolina, 1976, as amended, as well as the Organizational Rules for Pickens County Council.

WELCOME AND CALL TO ORDER:

Chairman Chris Bowers

1. INVOCATION AND PLEDGE OF ALLEGIANCE:

Councilman Chris Lollis

2. PUBLIC FORUM.

County Council hosts a public forum at its first regularly scheduled meeting of each month. Individuals wishing to speak during Public Forum should contact the Clerk to Council in advance of the meeting. Comments are limited to 3 minutes per participant and 30 minutes in total.

3. APPROVAL OF MINUTES:

- May 6, 2024 – Council Meeting
- May 28, 2024 – Committee of the Whole Meeting

4. ADMINISTRATOR'S REPORT

Updates from the County Administrator on operations, personnel, or other day-to-day matters.

5. COMMITTEE REPORTS

a) Committee of the Whole – May 28, 2024

1) Log No. 233 – FY 24-25 Budget Work Session

a) Presentation from Evergreen Solutions regarding Compensation Study

- MOTION TO APPROVE THE CLASS YEAR PARITY IMPLEMENTATION, AND REVISIT THE COMPENSATION STUDY IN ONE YEAR

6. COUNCIL CORRESPONDENCE

Notification of future meeting dates and/or changes as well as community dates of interest.

7. MOTION PERIOD AND NEW BUSINESS

Matters can be added to the agenda by appropriate motion, second, and unanimous vote of council.

8. ORDINANCES FOR FIRST READING AND/OR RESOLUTIONS:

- a) CONSIDERATION OF AN INDUCEMENT RESOLUTION IDENTIFYING A PROJECT TO SATISFY THE REQUIREMENTS OF TITLE 12, CHAPTER 44 OF THE SOUTH CAROLINA CODE, SO AS TO ALLOW INVESTMENT EXPENDITURES INCURRED BY COMPANIES KNOWN TO THE COUNTY AS PROJECT HYDRO RE AND PROJECT HYDRO ME, THEIR SPONSOR AFFILIATES, AFFILIATES, AND RELATED ENTITIES TO QUALIFY AS EXPENDITURES ELIGIBLE FOR A FEE-IN-LIEU OF *AD VALOREM* TAXES ARRANGEMENT WITH PICKENS COUNTY, SOUTH CAROLINA; PROVIDING FOR ANY OTHER NECESSARY AGREEMENTS WITH THE COMPANY TO EFFECT THE INTENT OF THIS RESOLUTION; AND OTHER MATTERS RELATED THERETO.
- b) CONSIDERATION OF A RESOLUTION APPROVING AND CONSENTING TO THE AMENDMENT OF A FEE IN LIEU OF TAX AGREEMENT BETWEEN PACESETTER INC. AND PICKENS COUNTY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.
- c) CONSIDERATION OF A RESOLUTION RECOGNIZING JUNE 2024 AS THE JOY OF FATHERHOOD MONTH IN PICKENS COUNTY
- d) FIRST READING IN TITLE ONLY OF AN ORDINANCE NO. 642 TO DEVELOP A JOINTLY OWNED AND OPERATED INDUSTRIAL/BUSINESS PARK IN CONJUNCTION WITH OCONEE COUNTY, SUCH INDUSTRIAL/BUSINESS PARK TO BE GEOGRAPHICALLY LOCATED IN OCONEE COUNTY AND ESTABLISHED PURSUANT TO SECTION 4- 1-170 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; TO PROVIDE FOR A WRITTEN AGREEMENT WITH OCONEE COUNTY TO PROVIDE FOR THE EXPENSES OF THE PARK, THE PERCENTAGE OF REVENUE APPLICATION, AND THE DISTRIBUTION OF FEES IN LIEU OF *AD VALOREM* TAXATION; AND OTHER MATTERS RELATED THERETO (PROJECT TURN).

9. ORDINANCES FOR SECOND READING:

- a) SECOND READING OF AN ORDINANCE NO. 643 AUTHORIZING (1) THE EXECUTION AND DELIVERY OF ONE OR MORE FEE IN LIEU OF TAX AND INCENTIVE AGREEMENTS BY AND BETWEEN PICKENS COUNTY AND A COMPANY OR COMPANIES KNOWN TO THE COUNTY AT THIS TIME AS PROJECT HYDRO, ACTING FOR ITSELF OR ONE OR MORE PROJECT SPONSORS, PURSUANT TO WHICH THE COUNTY WILL COVENANT TO ACCEPT CERTAIN NEGOTIATED PAYMENTS IN LIEU OF *AD VALOREM* TAXES WITH RESPECT TO CERTAIN FACILITIES WITHIN THE COUNTY; (2) THE APPROVAL OF CERTAIN REIMBURSEMENTS OF THE COSTS OF SUCH PROJECT; (3) THE BENEFITS OF A MULTI-COUNTY INDUSTRIAL OR BUSINESS PARK TO BE MADE AVAILABLE TO THE COMPANY AND THE PROJECT; AND (4) OTHER MATTERS RELATING THERETO.

10. ORDINANCES FOR THIRD READING AND/OR PUBLIC HEARING:

- a) PUBLIC HEARING OF AN ORDINANCE NO. 640 TO PROVIDE FOR ADOPTION OF A BUDGET AMENDMENT CONTAINING ESTIMATES OF REVENUE AND EXPENDITURE CHANGES FOR PICKENS COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024.
- b) PUBLIC HEARING OF AN ORDINANCE NO. 641 TO PROVIDE FOR THE LEVY OF TAXES IN PICKENS COUNTY FOR ORDINARY COUNTY PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025, AND TO DIRECT EXPENDITURE THEREOF.

11. OTHER REQUEST AGENDA ITEMS:

12. CONSENT AGENDA:

Routine matters and resolutions, as well as subject referrals to Council committees, can be accomplished by one vote via the Council's Consent Agenda.

13. EXECUTIVE SESSION

S.C. Code of Laws, Section 30-4-70 (A) allows that specifically delineated and qualifying matters may be discussed outside the presence of the public.

Personnel – Section 30-4-70 (a)(2)

- Employee Performance Review

Boards and Commissions – Section 30-4-70 (a)(2)

- WORKLINK Board Appointment

14. ACTION ON EXECUTIVE SESSION ITEMS (as needed)

While the SC Freedom of Information Act allows for certain matters to be discussed outside the presence of the public, any votes on such matters can only take place once Council has returned to public session.

15. ADJOURN

No. 3:

APPROVAL OF MINUTES

Regular Pickens County Council Meeting

May 6, 2024

6:30 PM

County Council met in regular session, in the Auditorium of the County Administration Facility, with Chairman Chris Bowers presiding. Final agendas, bearing date, time, and location of meeting were mailed to members of council and local news media on May 3, 2024.

Council Members in Attendance:

Chris Bowers, Chairman
Roy Costner, Vice Chairman
Alex Saitta, Vice Chairman Pro-Tem
Chris Lollis
Henry Wilson
C. Claiborne Linvill

Staff in Attendance:

Ken Roper, County Administrator
Les Hendricks, Contract Attorney
Meagan Nations, Clerk to Council

WELCOME AND CALL TO ORDER:

Chairman Chris Bowers called the meeting of May 6, 2024, to order and welcome those in attendance. Chairman Chris Bowers led the Invocation and the Pledge of Allegiance.

Vice Chairman Roy Costner made a motion to move Item 11a next on the agenda. Motion was seconded by Councilman Henry Wilson and carried unanimously (6-0).

RECOGNITION OF LIBERTY HIGH SCHOOL SENIOR ISAAC ESUARY, SOUTH CAROLINA ASSOCIATION OF COUNTIES PRESIDENTIAL SCHOLARSHIP AWARD

Chairman Chris Bowers and County Council recognized Isaac Esuary, who is a senior at Liberty High School, for being awarded the South Carolina Association of Counties Presidential Scholarship Award.

PUBLIC FORUM:

Chairman Chris Bowers opened the Public Forum and requested the Clerk to call upon the citizens signed up to speak.

1. Mayor James Atkinson: Mayor Atkinson addressed Council regarding the Six Mile Recreation Department.
2. Jim Mitchell: Mr. Mitchell addressed Council regarding Raines Rd.
3. Randall Ray: Mr. Ray addressed Council regarding Raines Rd.
4. Jennifer Whitlock: Ms. Whitlock addressed Council regarding the Library.
5. Pastor Chris Swett: Mr. Swett addressed Council regarding the Library.

6. Arthur Maco: Mr. Maco addressed Council regarding the Library.
7. Micky Hitchcock: Mr. Hitchcock addressed Council regarding the Library.
8. Kathleen Campbell: Ms. Campbell addressed Council regarding the Library.
9. Alex Currin: Mr. Currin addressed Council regarding the Library.
10. Mark Kilburn: Mr. Kilburn addressed Council regarding the Library.

Vice Chairman Roy Costner made a motion to extend Public Forum to allow all speakers speak this evening. Motion was seconded by Councilman Henry Wilson and carried unanimously (6-0).

11. Charles Albertson: Mr. Albertson addressed Council regarding the Library.
12. Jacob Simmons: Mr. Simmons addressed Council regarding the Library.
13. Corey Phillips: Mr. Phillips addressed Council regarding the Library.
14. Chad Jones: Mr. Jones addressed Council regarding the Library.
15. Johnnelle Raines: Ms. Raines addressed Council regarding the Library.
16. Deborah Smith: Ms. Smith addressed Council regarding the Library.
17. Maggie Boissy: Ms. Boissy addressed Council regarding the Library.
18. Teresa Effant: Ms. Effant addressed Council regarding the Library.
19. Mason Sims: Mr. Sims addressed Council regarding the Library and recognized Isaac Esuary regarding the SCAC Award Scholarship.

Seeing no other public forum speakers, the Chairman closed the floor.

APPROVAL OF MINUTES:

Chairman Chris Bowers called for a motion to approve the following minutes as presented:

- April 1, 2024 Council Meeting
- April 8, 2024 Special-Called Meeting
- April 8, 2024 Budget Work Session
- April 15, 2024 Committee of the Whole Meeting
- April 15, 2024, Special-Called Meeting
- April 23, 2024 Budget Work Session
- Motion was made by Councilman Alex Saitta and seconded by Vice Chairman Roy Costner to approve the amended minutes. The motion carried unanimously (6-0).

ADMINISTRATOR’S REPORT:

Mr. Roper addressed Council on the following:

Minutes for May 6, 2024, Pickens County Council Meeting

- Update on New County Radio System
- Response Times in 2022 vs. 2023 regarding Unified Fire Districts
- Information on the Blood Connection Drive for EMS Week
- Information on Stamp Out Hunger Day on Saturday, May 11
- Raines Road

Council asked Mr. Roper questions that included, but was not limited to:

- Question regarding the Library Board Structure
- Question regarding Six Mile Recreation Request (*public forum speaker*)
- Question regarding Mental Health Month and county initiatives
- Question regarding Medic 1 Temporary Location
- Question regarding Recreation Funding

COMMITTEE REPORTS:

The Committee of the Whole met in the Main Conference Room, at the Pickens County Administration Facility, on Monday, April 15, 2024, immediately after the Special-Called meeting.

WELCOME AND CALL TO ORDER:

Chairman Chris Bowers called the Committee of the Whole meeting to order.

COMMITTEE OF THE WHOLE:

Bogg Mountain – Log No. 232

- Council and Staff had detailed discussion that included, but was not limited to:
 - Discussion on the Boggs Mountain Land
 - Discussion of Outdoor Recreation in Pickens County
 - Discussion on an Ad-Hoc Committee
- ❖ After much more discussion, Councilman Henry Wilson made a motion to create an ad-hoc committee and invite staff to participate to look at what the next steps would be. The motion was seconded by Vice-Chairman Roy Costner and carried unanimously (6-0).

Council Action on Log No. 232: Councilman Henry Wilson made a motion to create an ad-hoc committee and invite staff to participate to look at what the next steps would be. The motion was seconded by Vice-Chairman Roy Costner and carried unanimously (6-0).

Chairman Bowers stated no second is required as this comes as a recommendation from the Committee. He asked for all those in favor to signify by raising their hands. Motion carried (5-1), with Councilman Alex Saitta opposed.

UDSO – Log No. 141

- Chairman Chris Bowers stated he would like to discuss with Council the specific topics of the UDSO to discuss moving forward to better structure the meetings for future discussions and to stay on track. After much discussion between Council, they determined the order of discussion will be:
 - Townhomes
 - Apartments/Multi-Family
 - RV Parks
 - RV as Dwelling
 - Tiny Homes

- ❖ No Action Taken by the Committee.

ADJOURN:

Hearing no further Committee business, Chairman Chris Bowers called for a motion to adjourn. The motion was made by Councilman Henry Wilson, seconded by Councilman Chris Lollis, and carried unanimously (6-0). The meeting was adjourned at 7:56 p.m.

COUNCIL CORRESPONDENCE:

Chairman Chris Bowers announced the following:

- Non-Essential County Offices will be closed on Monday, May 27, 2024, in observance of the Memorial Day Holiday.
- The Committee of the Whole meeting will take place on Monday, May 20, 2024, at 6pm in the Main Conference Room of the Administration Building.
- The next Council meeting will be held on Monday, June 3, 2024, at 6:30 p.m. in Council Chambers of the Administration Building.

Chairman Bowers called for other council correspondence.

Seeing no other correspondence, Chairman Bowers announced moving to Motion Period and New Business.

MOTION PERIOD AND NEW BUSINESS:

Chairman Chris Bowers opened the floor for motion period and new business.

Seeing no discussion, Chairman Bowers closed the floor.

ORDINANCES FOR FIRST READING AND/OR RESOLUTIONS:

- CONSIDERATION OF A RESOLUTION RECOGNIZING SATURDAY, MAY 11, 2024, AS STAMP OUT HUNGER CAMPAIGN BY THE NATIONAL LETTER CARRIERS' ASSOCIATION.
 - Chairman Chris Bowers asked for a motion to approve this resolution. Motion was made by Vice Chairman Roy Costner, seconded by Councilwoman Claiborne Linvill, and approved unanimously (6-0).
- CONSIDERATION OF A RESOLUTION RECOGNIZING MAY 18 – MAY 24, 2024, AS NATIONAL SAFE BOATING WEEK IN PICKENS COUNTY.
 - Chairman Chris Bowers asked for a motion to approve this resolution. Motion was made by Councilwoman Claiborne Linvill and seconded by Councilman Chris Lollis. The motion was approved unanimously (6-0).

Councilman Henry Wilson made a motion to approve the remainder of the Resolutions. The motion was seconded by Councilman Chris Lollis and carried unanimously (6-0).

- CONSIDERATION OF A RESOLUTION TO RECOGNIZE MAY 2024 AS STROKE AWARENESS MONTH IN PICKENS COUNTY.
- CONSIDERATION OF A RESOLUTION RECOGNIZING MAY 19 – 25, 2024 AS EMERGENCY MEDICAL SERVICES WEEK IN PICKENS COUNTY.

- CONSIDERATION OF A RESOLUTION RECOGNIZING MAY 15, 2024, AS PEACE OFFICERS MEMORIAL DAY IN PICKENS COUNTY.
- CONSIDERATION OF RESOLUTION RECOGNIZING MAY 19 – 25, 2024 AS PUBLIC WORKS WEEK IN PICKENS COUNTY.
- CONSIDERATION OF RESOLUTION RECOGNIZING MAY 2024 AS MENTAL HEALTH MONTH IN PICKENS COUNTY.
- CONSIDERATION OF RESOLUTION RECOGNIZING MAY 6 – MAY 12, 2024, AS NURSES WEEK IN PICKENS COUNTY.
- CONSIDERATION OF RESOLUTION RECOGNIZING MAY 6 – MAY 10, 2024, AS TEACHER APPRECIATION WEEK IN PICKENS COUNTY.
- CONSIDERATION OF RESOLUTION RECOGNIZING MAY 5 – MAY 11, 2024, AS PUBLIC SERVICE RECOGNITION WEEK IN PICKENS COUNTY.

ORDINANCES FOR SECOND READING

- PUBLIC HEARING AND SECOND READING OF AN ORDINANCE REGARDING AMENDMENTS TO SECTION 302 OF THE UNIFIED DEVELOPMENT STANDARDS ORDINANCE RELATED TO RECREATIONAL VEHICLE (RV) PARKS AND CAMPGROUNDS, ALONG WITH MATTERS RELATED THERETO.
 - Chairman Bowers gaveled into Public Hearing and asked if anyone would like to address Council regarding this Ordinance. Seeing no public speakers, the Chairman declared Public Hearing closed.
 - Chairman Chris Bowers made a motion to defer second reading and commit this Ordinance to the Committee of the Whole Log. Motion was seconded by Vice Chairman Roy Costner and carried unanimously (6-0).
- SECOND READING OF AN ORDINANCE NO. 640 TO PROVIDE FOR ADOPTION OF A BUDGET AMENDMENT CONTAINING ESTIMATES OF REVENUE AND EXPENDITURE CHANGES FOR PICKENS COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1, 2023, AND ENDING JUNE 30, 2024.
 - Vice Chairman Roy Costner made a motion to constitute second reading of this ordinance. Motion was seconded by Councilman Chris Lollis and carried unanimously (6-0).
- SECOND READING OF AN ORDINANCE NO. 641 TO PROVIDE FOR THE LEVY OF TAXES IN PICKENS COUNTY FOR ORDINARY COUNTY PURPOSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025, AND TO DIRECT EXPENDITURE THEREOF.\
 - Councilman Henry Wilson made a motion to constitute second reading of this ordinance. Motion was seconded by Councilman Chris Lollis and carried unanimously (6-0).
- SECOND READING OF AN ORDINANCE NO. 642 TO DEVELOP A JOINTLY OWNED AND OPERATED INDUSTRIAL/BUSINESS PARK IN CONJUNCTION WITH OCONEE COUNTY, SUCH INDUSTRIAL/BUSINESS PARK TO BE GEOGRAPHICALLY LOCATED IN OCONEE COUNTY AND ESTABLISHED PURSUANT TO SECTION 4-1-170 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; TO PROVIDE FOR A WRITTEN AGREEMENT WITH OCONEE COUNTY TO PROVIDE FOR THE EXPENSES OF THE

PARK, THE PERCENTAGE OF REVENUE APPLICATION, AND THE DISTRIBUTION OF FEES IN LIEU OF AD VALOREM TAXATION; AND OTHER MATTERS RELATED THERETO (PROJECT RED).

- Councilman Alex Saitta made a motion to constitute second reading of this Ordinance. Motion was seconded by Vice Chairman Roy Costner and carried unanimously (6-0).

ORDINANCES FOR THIRD READING

- PUBLIC HEARING AND THIRD READING OF AN ORDINANCE NO. 639 ADOPTING A SIX-MONTH MORATORIUM ON THE ACCEPTANCE OF APPLICATIONS FOR SEC. 314 MULTI-FAMILY RESIDENTIAL DEVELOPMENTS (INCLUDING TOWNHOMES), APPLICATIONS FOR RV PARKS, AND APPLICATIONS FOR CAMPGROUNDS. PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE AND PROVIDING FOR AN EXTENSION OF NINETY DAYS OF THE MORATORIUM BY FURTHER RESOLUTION OF COUNCIL.
 - Chairman Bowers gaveled into Public Hearing and asked if anyone would like to address Council regarding this Ordinance. Seeing no public speakers, the Chairman declared Public Hearing closed.
 - Councilman Alex Saitta made a motion to constitute third reading of this Ordinance. Motion was seconded by Councilman Chris Lollis and carried (5-1), with Councilwoman Claiborne Linvill opposed.
- PUBLIC HEARING AND THIRD READING OF AN ORDINANCE NO. 638 TO DEVELOP A JOINTLY OWNED AND OPERATED INDUSTRIAL/BUSINESS PARK IN CONJUNCTION WITH OCONEE COUNTY, SUCH INDUSTRIAL/BUSINESS PARK TO BE GEOGRAPHICALLY LOCATED IN OCONEE COUNTY AND ESTABLISHED PURSUANT TO SECTION 4- 1-170 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; TO PROVIDE FOR A WRITTEN AGREEMENT WITH OCONEE COUNTY TO PROVIDE FOR THE EXPENSES OF THE PARK, THE PERCENTAGE OF REVENUE APPLICATION, AND THE DISTRIBUTION OF FEES IN LIEU OF AD VALOREM TAXATION; AND OTHER MATTERS RELATED THERETO (PROJECT SENECA MILLS).
 - Chairman Bowers gaveled into Public Hearing and asked if anyone would like to address Council regarding this Ordinance. Seeing no public speakers, the Chairman declared Public Hearing closed.
 - Vice Chairman Roy Costner made a motion to constitute third reading of this Ordinance. Motion was seconded by Councilwoman Claiborne Linvill and carried unanimously (6-0).
- THIRD READING OF AN ORDINANCE No. 636 TO DEVELOP A JOINTLY OWNED AND OPERATED INDUSTRIAL/BUSINESS PARK IN CONJUNCTION WITH GREENVILLE COUNTY PURSUANT TO SOUTH CAROLINA CODE OF LAWS 1976, SECTION 4-1-170 ET SEQ., AS AMENDED, SUCH INDUSTRIAL/BUSINESS PARK TO BE, AT THE TIME OF ITS INITIAL DEVELOPMENT, GEOGRAPHICALLY LOCATED IN PICKENS COUNTY AND TO INCLUDE CERTAIN PROPERTY COMPRISING THE PICKENS COUNTY COMMERCE PARK AND ADDITIONAL PROPERTY WITHIN PICKENS COUNTY LOCATED ON CARTEE ROAD; TO PROVIDE FOR A WRITTEN AGREEMENT WITH GREENVILLE

COUNTY PROVIDING FOR THE EXPENSES OF THE PARK, THE PERCENTAGE OF REVENUE APPLICATION, AND THE DISTRIBUTION OF FEES IN LIEU OF AD VALOREM TAX; AND MATTERS RELATED THERETO.

- Councilman Henry Wilson made a motion to constitute third reading of this Ordinance. Motion was seconded by Vice Chairman Roy Costner and carried (5-1), with Councilman Alex Saitta opposed.
- THIRD READING OF AN ORDINANCE No. 637 TO DEVELOP A JOINTLY OWNED AND OPERATED INDUSTRIAL/BUSINESS PARK IN CONJUNCTION WITH OCONEE COUNTY PURSUANT TO SOUTH CAROLINA CODE OF LAWS 1976, SECTION 4-1-170 ET SEQ., AS AMENDED, SUCH INDUSTRIAL/BUSINESS PARK TO BE, AT THE TIME OF ITS INITIAL DEVELOPMENT, GEOGRAPHICALLY LOCATED IN PICKENS COUNTY AND TO INCLUDE CERTAIN PROPERTY LOCATED ON CHASTAIN ROAD; TO PROVIDE FOR A WRITTEN AGREEMENT WITH OCONEE COUNTY PROVIDING FOR THE EXPENSES OF THE PARK, THE PERCENTAGE OF REVENUE APPLICATION, AND THE DISTRIBUTION OF FEES IN LIEU OF AD VALOREM TAX; AND MATTERS RELATED THERETO.
 - Councilman Henry Wilson made a motion to constitute third reading of this Ordinance. Motion was seconded by Vice Chairman Roy Costner. After some discussion, the motion carried (5-1), with Councilman Alex Saitta opposed.

OTHER REQUEST AGENDA ITEMS

- PRESENTATION OF CLEMSON PAW PARTNERS
 - Margaret Thompson, with Clemson Paw Partners, gave a brief presentation regarding Updates to Clemson Paw Partners.
- CONSIDERATION OF ROLLBACK WRECKER ENGINE REPLACEMENT
 - Mr. Roper went into discussion with Council on information for the 2010 rollback wrecker engine replacement. He stated the cost to replace the engine is \$30,000, but a new rollback wrecker would be over \$200,000, so it costs significantly less to just replace the engine.
 - After more discussion, Chairman Chris Bowers made a motion to approve the allocation from the fund balance for this engine replacement. The motion was seconded by Councilman Chris Lollis. The motion carried unanimously (6-0).

EXECUTIVE SESSION: S.C. Code of Laws, Section 30-4-70 (a):

Chairman Chris Bowers called for a motion to convene into Executive Session as defined by S.C. Code of Laws, Section 30-4-70 (a). Chairman Bowers further stated that each issue would be discussed as the Law provides.

Contractual – Section 30-4-70 (a)(2)

- Contractual Matter regarding Abott Existing Fee Agreement
- Contractual Matter regarding Project Hydro
- Contractual Matter regarding Project Pigeon

Boards and Commissions – Section 30-4-70 (a)(1)

- Review of Applications

- o Motion was made by Councilwoman Claiborne Linvill and seconded by Vice Chairman Roy Costner. The motion was carried unanimously (6-0), to convene in executive session for the stated purposes after a five-minute recess.

ACTION AS NEEDED VIA EXECUTIVE SESSION ITEMS:

Chairman Chris Bowers called the Public Session back to Order and advised the following:

Contractual – Section 30-4-70 (a)(2)

- Contractual Matter regarding Abott Existing Fee Agreement – **No Action Taken**
- Contractual Matter regarding Project Hydro – **Councilman Henry Wilson made a motion to constitute first reading in title only of Project Hydro. The Ordinance title is, "AN ORDINANCE AUTHORIZING (1) THE EXECUTION AND DELIVERY OF ONE OR MORE FEE IN LIEU OF TAX AND INCENTIVE AGREEMENTS BY AND BETWEEN PICKENS COUNTY AND A COMPANY OR COMPANIES KNOWN TO THE COUNTY AT THIS TIME AS PROJECT HYDRO, ACTING FOR ITSELF OR ONE OR MORE PROJECT SPONSORS, PURSUANT TO WHICH THE COUNTY WILL COVENANT TO ACCEPT CERTAIN NEGOTIATED PAYMENTS IN LIEU OF AD VALOREM TAXES WITH RESPECT TO CERTAIN FACILITIES WITHIN THE COUNTY; (2) THE APPROVAL OF CERTAIN REIMBURSEMENTS OF THE COSTS OF SUCH PROJECT; (3) THE BENEFITS OF A MULTI-COUNTY INDUSTRIAL OR BUSINESS PARK TO BE MADE AVAILABLE TO THE COMPANY AND THE PROJECT; AND (4) OTHER MATTERS RELATING THERETO."** Motion was seconded by Councilwoman Claiborne Linvill and carried unanimously (6-0).
-
- Contractual Matter regarding Project Pigeon – **No Action Taken**

Boards and Commissions – Section 30-4-70 (a)(1)

- Review of Applications - **Councilwoman Claiborne Linvill made a motion to appoint Mary Babb to the Behavioral Health Board. Motion was seconded by Chairman Chris Bowers and carried unanimously (6-0).**

ADJOURN:

Hearing no further Council business, Councilman Henry Wilson made a motion to adjourn. The motion was seconded by Vice Chairman Roy Costner and carried unanimously (6-0). Pickens County Council stood adjourned at 8:39 p.m.

Respectively Submitted:

Approved:

Meagan Nations, Clerk to Council

Chris Bowers, Chairman of County Council

No. 5:

COMMITTEE REPORTS

COMMITTEE OF COUNCIL AS A WHOLE REPORT

Council Members:

Chris Bowers, Chairman
Roy Costner, Vice Chairman
C. Claiborne Linvill
Chris Lollis
Alex Saitta
Henry Wilson

Staff in Attendance:

Ken Roper, County Administrator
Meagan Nations, Clerk to Council
Les Hendricks, Attorney

The Committee of the Whole met in the Main Conference Room, at the Pickens County Administration Facility, on Tuesday, May 28, 2024. Chairman Chris Bowers led the Invocation and Pledge of Allegiance.

WELCOME AND CALL TO ORDER:

Chairman Chris Bowers called the Committee of the Whole meeting to order.

COMMITTEE OF THE WHOLE:

FY 24-25 Budget Work Session – Log No. 233

- a) Presentation from Evergreen Solutions regarding Compensation Study
 - Allie Crumpler, with Evergreen Solutions, attended the Council meeting to present the Evergreen Solutions Classification and Compensation Study to Council. The presentation included:
 - Purpose of Compensation Study
 - Study Goals and Initiation
 - Assessment of Current Conditions
 - Information on Employee Outreach
 - Information on the Job Assessment Tool (JAT)
 - Market Salary Survey
 - Benefits Survey
 - Salary Plan Considerations
 - Proposed Pay Plan for General Employees, Fire/EMS and Police
 - Implementation Cost Explanations and Options
 - Recommendations
 - Next Steps
 - Council had detailed discussion that included:
 - Discussion on Police Pay Plan
 - Discussion on implementing a Performance Based Pay
 - Council would like to revisit this Compensation Study in the next year.
 - Total Implementation Cost for Class Year Parity: \$3,356,017.30

COMMITTEE OF COUNCIL AS A WHOLE REPORT

- ❖ Councilwoman Claiborne Linvill made a motion to approve the Class Year Parity Implementation and revisit the Compensation Study in one year. The motion was seconded by Chairman Chris Bowers and carried unanimously (6-0).

- b) Presentation/Discussion from Elected Officials
 - There were no Elected Officials present at the meeting.

 - ❖ No Action Taken by the Committee.

- c) Presentation/Discussion on the Library Budget
 - Stephanie Howard, the Library Director, and the Library Board of Directors were present to discuss the Library Budget with the Council. The Presentation included:
 - Review of Pickens County Library System Overview
 - Pickens County Library System Overview Library Staff
 - Improvements to Community Experience
 - Statistics and Trends
 - Library Board Action Items and Vision for the Future
 - Budget Request FY25

 - Council and Staff had detailed discussion that included, but was not limited to:
 - Discussion on Library Board Plan and Procedures in the future
 - Discussion on Library Millage
 - Discussion on books at the Library
 - Discussion on State Aid Funding for Library
 - Discussion on Library Renovations

 - After more discussion between Council, Councilwoman Claiborne Linvill moved to approve the Library Budget as presented. The motion was seconded by Councilman Henry Wilson. Discussion included:
 - Councilman Henry Wilson tabled the motion, stating he would like to table this vote until the Council and the Library Board know how much State Aid Funding the Library will be receiving. The motion was seconded by Councilman Chris Lollis.
 - Vice Chairman Roy Costner tabled the motion to include an estimate on the state aid amount. The motion was seconded by Chairman Chris Bowers.
 - After more discussion, Vice Chairman Roy Costner and Councilman Henry Wilson withdrew their motions.
 - Councilman Henry Wilson made an amended motion to approve the Library Budget as presented, which is \$4,216,886, which includes the estimated \$328,000 the Library will be receiving in State Aid Funding. The motion was seconded by Chairman Chris Bowers.
 - After much more discussion on the Library Budget, Councilman Henry Wilson moved to table his motion to revisit the Library Budget before the end-of-the-year budget discussion. The motion was seconded by Councilman Alex Saitta and carried unanimously (6-0).

COMMITTEE OF COUNCIL AS A WHOLE REPORT

ADJOURN:

Hearing no further Committee business, Chairman Chris Bowers called for a motion to adjourn. The motion was made by Councilman Henry Wilson, seconded by Councilwoman Claiborne Linvill, and carried unanimously (6-0). The meeting was adjourned at 9:28 p.m.

DRAFT

No. 8:

ORDINANCES FOR FIRST READING AND/OR RESOLUTIONS:

RESOLUTION NO. ____

AN INDUCEMENT RESOLUTION IDENTIFYING A PROJECT TO SATISFY THE REQUIREMENTS OF TITLE 12, CHAPTER 44 OF THE SOUTH CAROLINA CODE, SO AS TO ALLOW INVESTMENT EXPENDITURES INCURRED BY COMPANIES KNOWN TO THE COUNTY AS PROJECT HYDRO RE AND PROJECT HYDRO ME, THEIR SPONSOR AFFILIATES, AFFILIATES, AND RELATED ENTITIES TO QUALIFY AS EXPENDITURES ELIGIBLE FOR A FEE-IN-LIEU OF *AD VALOREM* TAXES ARRANGEMENT WITH PICKENS COUNTY, SOUTH CAROLINA; PROVIDING FOR ANY OTHER NECESSARY AGREEMENTS WITH THE COMPANY TO EFFECT THE INTENT OF THIS RESOLUTION; AND OTHER MATTERS RELATED THERETO.

WHEREAS, Pickens County, South Carolina (the “*County*”), acting by and through its County Council (the “*Council*”), is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the “*Fee Act*”), to enter into agreements with any industry whereby the industry would pay fees-in-lieu-of taxes with respect to qualified projects; through which powers the development of the State of South Carolina (the “*State*”) will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate or remain in the State and thus utilize and employ the manpower, products and resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally;

WHEREAS, the County is recruiting an investment in the County by companies known to the County at this time as Project Hydro RE and Project Hydro ME (together, the “*Company*”), through the development and equipping of a manufacturing facility within the County (the “*Project*”);

WHEREAS, the Council, in order to induce the Company to locate the Project in the County, has committed to the Company that the Council will take certain actions and provide certain incentives, including entering into fee-in-lieu of taxes (“*FILOT*”) agreements and, upon the agreement of an adjoining county, the establishment of the site of the project as a multi-county industrial/business, which incentives provide certain benefits to the Company, if the Company locates the Project in the County;

WHEREAS, it is anticipated that the Project will represent an investment of not less than \$67 million in the County (without regard to whether some or all of the investment is included in a FILOT arrangement);

WHEREAS, the County has determined and found after considering all relevant factors and criteria as prescribed by law (with assistance, to the extent needed, from the South Carolina Department of Revenue and/or Board of Economic Advisors) that the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; that the Project gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power

of either; 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; 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 County has determined on the basis of the information supplied to it by the Company that the Project would be a “project” as that term is defined in the Fee Act and that the Project would serve the purposes of the Fee Act.

NOW, THEREFORE, BE IT RESOLVED by the Pickens County Council, in meeting duly assembled, that, if the Company locates the Project in the County and creates the investment indicated above:

1. The Council, upon request by the Company, hereby agrees to enter into one or more agreements under the Fee Act that will provide the Company with the benefits allowed pursuant to a FILOT agreement for thirty years for each component of the Project placed in service during the standard “Investment Period” (as that term is defined in the Fee Act), with the calculation of the fee thereunder on the basis of a fixed assessment ratio of 6%, and a fixed millage rate of the applicable millage rate at the Project site as of June 30, 2024, which the parties hereto believe to be 262.1 mills.
2. The Council will further agree to (i) set off certain special source revenue credits against the negotiated payments-in-lieu-of-taxes due pursuant to such FILOT agreements; and (ii) provide a monetary grant to reimburse the Company for certain costs of the Project.
3. The County will use its best efforts to insure that the Project will be included, and will remain, within the boundaries of a multi-county industrial park created pursuant to the provisions of the Title 4, Chapter 1 of the Code of Laws of South Carolina 1976, as amended, and Article VIII, Section 13(D) of the South Carolina Constitution.
4. The Council agrees to provide the Company with the most favorable provisions allowable under the Fee Act for a project of this size with respect to the disposal and replacement of property.
5. To the extent permitted by the Fee Act, the Council agrees to waive the recapitulation requirements set forth in the Fee Act, to the extent that and so long as the Company provides the County with copies of all filings and reports which the Company is required to make under the Fee Act.
6. The Council agrees to enter into and execute the appropriate agreements and other documents to implement the provisions of this Resolution and such other provisions as the Company may request consistent with this Resolution and such applicable statutes.
7. The Project involves a South Carolina company or corporation that is considering the acquisition and expansion of facilities and employment in Pickens County.

APPROVED AND ADOPTED IN A MEETING this ____ day of _____ 2024.

PICKENS COUNTY, SOUTH CAROLINA

By: _____
Chris Bowers
Chairman, County Council

[SEAL]

Attest:

By: _____
Meagan Nations
Clerk to County Council

RESOLUTION NO. _____

A RESOLUTION APPROVING AND CONSENTING TO THE AMENDMENT OF A FEE IN LIEU OF TAX AGREEMENT BETWEEN PACESETTER INC. AND PICKENS COUNTY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

WHEREAS, Pickens County, South Carolina (the “*County*”), acting by and through its County Council (the “*Council*”), pursuant to the provisions of the Code of Laws of South Carolina 1976, as amended (the “*Code*”), particularly Title 12, Chapter 44 of the Code (the “*FILOT Act*”) and the Ordinance duly enacted by the Council on May 2, 2016 (the “*FILOT Ordinance*”), entered into a Fee in Lieu of Tax and Incentive Agreement, dated May 2, 2016 (the “*FILOT Agreement*”), with Pacesetter Inc. (the “*Company*”) pursuant to which the Company agreed to make, and the County agreed to accept, negotiated fee in lieu of tax payments with respect to certain eligible property (“*FILOT Property*”) constituting a new manufacturing facility in the County (the “*Project*”); and

WHEREAS, the Company has notified the County that it does not expect to fulfill certain requirements of the FILOT Agreement regarding the creation or retention of a minimum number of jobs; however, as of the date hereof the Company has invested approximately \$35,000,000 in the Project, substantially exceeding the investment requirements of the FILOT Agreement of \$12,000,000; and

WHEREAS, The County and Company have agreed to waive the jobs creation, retention, and retainage component of the Contractual Minimum Requirements of the FILOT Agreement (as such term is defined therein) and to incorporate certain amendments into the FILOT Agreement, accordingly, but to maintain the investment component of the Contractual Minimum Requirements, including the maintenance requirements thereof, all as set forth in that certain Waiver and Amendment Agreement attached to this resolution (this “*Resolution*”) at **Exhibit A** (the “*Agreement*”).

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

Section 1. The County hereby approves and consents to waiving the requirements of the FILOT Agreement regarding the creation, retention, or retainage of jobs, specifically including without limitation such references in the definition of Contractual Minimum Requirement and in Section 5.4 thereof, and to amend the FILOT Agreement to remove all such references and requirements.

Section 2. The form, provisions, terms, and conditions of the Agreement, as attached at **Exhibit A** to this resolution, is hereby approved, and all of the provisions, terms, and conditions thereof are hereby incorporated herein by reference as if the Agreement was set out in this resolution in their entirety. The Chairman of the County Council is hereby authorized, empowered, and directed to execute the Agreement in the name and on behalf of the County; the Clerk to the County Council is hereby authorized, empowered and directed to attest the same; and the Chairman of the County Council is further authorized, empowered, and directed to

deliver the Agreement to the Company. The Agreement is 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 official or officials of the County executing the same, upon the advice of counsel, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Agreement attached hereto.

Section 3. All orders, resolutions and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution shall take effect and be in full force from and after its passage by the County Council.

[Remainder of Page Left Blank]

DRAFT

Done in meeting duly assembled on this ____ day of June 2024.

**PICKENS COUNTY, SOUTH
CAROLINA**

(SEAL)

ATTEST:

Chris Bowers, Chairman
Pickens County Council

Meagan Nations, Clerk to County Council
Pickens County, South Carolina

DRAFT

EXHIBIT A

FORM OF AGREEMENT

DRAFT

WAIVER AND AMENDMENT AGREEMENT

This Waiver and Amendment Agreement (this “*Agreement*”) is made effective as of this ____ day of June 2024 (the “*Effective Date*”) by and among Pacesetter Inc., a corporation organized and existing under the laws of the State of Delaware (the “*Company*”), and Pickens County, South Carolina, a body politic and a political subdivision of the State of South Carolina (the “*County*”).

RECITALS

A. The County and the Company entered into a Fee in Lieu of Tax Agreement, dated May 2, 2016 (the “*FILOT Agreement*”) with respect to that tract of land as described in the FILOT Agreement (the “*Facility Site*”) and the improvements to be constructed thereon. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the FILOT Agreement.

B. Under the terms of the FILOT Agreement, the County and the Company agreed to consolidate certain job creation and retention requirements under Prior Fee Agreements (as defined in the Fee Agreement) into a single jobs creation and retention requirement with respect to all of the Company’s operations within the County. Pursuant to Section 4.3 of the FILOT Agreement, the County and the Company agreed that compliance with the Contractual Minimum Requirement under the FILOT Agreement with respect to the creation and retention of jobs prior to the end of the Investment Period satisfied any “Required New Jobs” requirements and “Job Retainage” requirements under the Prior Fee Agreements.

C. The Investment Period will end on December 31, 2024, and the Company has notified the County that it does not expect to have satisfied the Contractual Minimum Requirement under the FILOT Agreement with respect to the creation and retention of jobs by such date; however, during the investment period the Company has invested nearly three times the Contractual Minimum Requirement under the FILOT Agreement with respect to minimum investment.

D. The County and Company have agreed to waive the jobs creation, retention, and retainage component of the Contractual Minimum Requirements and incorporate certain amendments into the FILOT Agreement, accordingly, but to maintain the investment component of the Contractual Minimum Requirements.

NOW, THEREFORE, for and in consideration of the foregoing recitals, which are incorporated herein, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the Company and the County hereby agree as follows:

1. Recitals. The recitals are incorporated herein as if fully stated within the body of this Agreement.

2. Amendment. The County and the Company hereby agree to waive the jobs creation, retention, and retainage component of the Contractual Minimum Requirements and amend the FILOT Agreement to remove all references and requirements therein to the creation, retention, or retainage of jobs, specifically including without limitation such references in the definition of Contractual Minimum Requirement and in Section 5.4 thereof, which the Parties intend to also apply to any requirements for the creation, retention, or retainage of jobs contained in any Prior Fee Agreement. For the sake of clarity, the

remaining provisions of the FILOT Agreement shall remain in full force and effect, including, without limitation, all provisions of the FILOT Agreement requiring compliance with the Contractual Minimum Requirement regarding minimum investment requirements and the requirement to maintain such minimum investment pursuant to Section 5.4(b) thereof.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina, without reference to the conflicts of laws or choice of law provisions thereof.

4. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

5. Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed to be an original, but all of which, when taken together, shall constitute but one and the same instrument.

6. Further Assurances. The parties to this Agreement shall take such further actions and enter into such further conveyances and documents as may reasonably be required in order to effect the provisions and intent of this Agreement.

7. Electronic Signatures. Each party hereto agrees that this Agreement may be electronically signed, and that any electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

[Remainder of Page Left Blank]

Each of the Company and the County have caused this Agreement to be executed respectively by a duly authorized representative as of the date first written above.

PACESETTER INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

PICKENS COUNTY, SOUTH CAROLINA

By: _____
Name: _____
Title: Chairman

Attest:

By: _____
Name: _____
Title: Clerk to County Council

DRAFT

Date: May 6, 2024

Dear County Administrator,

Happy Father's Day...Every Day!

I am writing to introduce you to the **South Carolina Center for Fathers and Families**, a nonprofit organization dedicated to supporting struggling fathers in our state. Our mission is to empower fathers to build stronger relationships with their children, foster responsible parenting, and contribute positively to their families and communities.

Allow me to share some key information about our organization:

1. **Our Mission and Vision:**

- The South Carolina Center for Fathers and Families was established more than two decades ago with the vision of communities where every child has the opportunity to grow up in a loving and supportive family environment.
- Our mission is to provide resources, education, and support to fathers, helping them overcome challenges and become actively engaged parents.

2. **Programs and Services:**

- We offer a range of programs designed to address the unique needs of fathers:
 - **Parenting Workshops:** Practical workshops on effective parenting skills, communication, and conflict resolution.
 - **Job Readiness Training:** Assisting fathers in gaining employment or advancing their careers.
 - **Legal Assistance:** Guidance on child custody, visitation rights, and legal responsibilities.
 - **Mentoring and Support Groups:** Connecting fathers with mentors and peer support networks.
 - **Father-Child Bonding Activities:** Fun and educational events that strengthen father-child relationships.

3. **Impact and Success Stories:**

- Over the past two decades, we have helped tens of thousands of fathers reconnect with their children.
- Our success stories include fathers who have overcome addiction, improved their parenting skills, and secured stable employment.

4. **Collaboration Opportunities:**

- We believe that county leaders play a crucial role in shaping local policies and services.
- We invite you to explore collaboration opportunities with us:
 - **Workshops and Training:** We can organize workshops for county staff or community members.
 - **Referral System:** We can work together to refer struggling fathers to our programs.
 - **Awareness Campaigns:** Let's raise awareness about the importance of involved fathers.

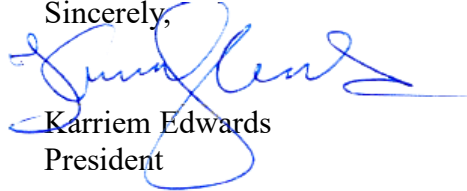
5. Contact Information:

- If you would like to learn more about our organization or discuss potential partnerships, please feel free to reach out to me directly at 803.227.8800 x208 or kedwards@scfathersandfamilies.com.

We appreciate your commitment to the well-being of families in your county. Together, we can make a positive impact on the lives of fathers and their children.

Thank you for your time, and we look forward to the possibility of working together.

Sincerely,



Karriem Edwards
President

P.S.: Please find enclosed a proposed County Proclamation that we are requesting from all 46 SC county councils. It's called "The Joy of Fatherhood Month" proclamation for June 2024. Thank you for considering this important statement to encourage citizens of your county to support the work of responsible fatherhood.

FATHERHOOD PROCLAMATION

WHEREAS, fathers are the cornerstone of strong families, providing love, guidance, and support to their children; and

WHEREAS, the positive impact of fathers on their children's development cannot be overstated, as they instill values, encourage growth, and foster resilience; and

WHEREAS, the South Carolina Center for Fathers and Families, established in 2002, has been a beacon of support, equipping tens of thousands of fathers across our state with the resources and knowledge needed to embrace responsible fatherhood; and

WHEREAS, the long public-private partnership between the Center and state, local, and private agencies, has led to the Center's expansion and innovation of programs to serve more dads better; and

WHEREAS, the Center has developed and expanded the reach of its network of five regional fatherhood organizations, including A Father's Place, Man 2 Man, Midlands Fatherhood Coalition, A Father's Way, and Upstate Fatherhood Coalition; and

WHEREAS, when fathers actively lead and engage with their children, these young lives flourish socially, emotionally, and academically; and

WHEREAS, the Center continues to serve as a model for fatherhood initiatives nationwide; and

WHEREAS, the month of June provides an opportunity for all citizens of South Carolina to celebrate and honor the joys of fatherhood, recognizing the tireless efforts of fathers in shaping the future of our communities; and

NOW, THEREFORE, we, the xxxx County Council of great State of South Carolina, do hereby proclaim the month of June 2024 as

The Joy of Fatherhood Month

throughout our county and encourage all our residents to express gratitude for the fathers in their lives, celebrate their contributions, and to promote the active involvement of fathers in children's lives to enhance the lives of our young people, build better citizens, and strengthen South Carolina families and communities.

ORDINANCE NO. []

AN ORDINANCE TO DEVELOP A JOINTLY OWNED AND OPERATED INDUSTRIAL/BUSINESS PARK IN CONJUNCTION WITH OCONEE COUNTY, SUCH INDUSTRIAL/BUSINESS PARK TO BE GEOGRAPHICALLY LOCATED IN OCONEE COUNTY AND ESTABLISHED PURSUANT TO SECTION 4- 1-170 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; TO PROVIDE FOR A WRITTEN AGREEMENT WITH OCONEE COUNTY TO PROVIDE FOR THE EXPENSES OF THE PARK, THE PERCENTAGE OF REVENUE APPLICATION, AND THE DISTRIBUTION OF FEES IN LIEU OF AD VALOREM TAXATION; AND OTHER MATTERS RELATED THERETO (PROJECT TURN).

BE IT ORDAINED BY THE COUNTY COUNCIL OF PICKENS COUNTY, SOUTH CAROLINA:

SECTION I: Pickens County is hereby authorized jointly to develop an industrial and business park with Oconee County (“Park”). The Park shall be located initially on lands located in Oconee County only as authorized by Section 4-1-170 of the South Carolina Code of Laws 1976, as amended.

SECTION II: Pickens County will enter into a written agreement to develop the Park jointly with Oconee County in the form attached hereto as Schedule I and incorporated herein by reference (“Park Agreement”). The County Administrator is hereby authorized to execute the Park Agreement on behalf of Pickens County, with such changes thereto as the County Administrator shall deem, upon advice of counsel, necessary and which do not materially change the import of the matters contained in the form of agreement set forth in Schedule I.

SECTION III: This Ordinance shall supersede and amend in its entirety any other ordinances or resolutions of Pickens County Council pertaining to the Park.

SECTION IV: Should any section of this Ordinance be, for any reason, held void or invalid, it shall not affect the validity of any other section hereof which is not itself void or invalid.

SECTION V: This Ordinance shall be effective after third and final reading thereof.

Enacted in meeting duly assembled this _____ day of _____, 2024.

PICKENS COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
Chris Bowers, Chairman of County Council
Pickens County Council

ATTEST:

By: _____
Meagan Nations, Clerk to County Council
Pickens County Council

First Reading: [], 2024
Second Reading: [], 2024
Public Hearing: [], 2024
Third Reading: [], 2024

STATE OF SOUTH CAROLINA

COUNTY OF PICKENS

I, the undersigned Clerk to County Council of Pickens County, South Carolina, do hereby certify that attached hereto is a true, accurate, and complete copy of an ordinance which was given reading, and received majority approval, by the County Council at meetings of [], 2024, [], 2024, and [], 2024, at which meetings a quorum of members of County Council were present and voted, and an original of which ordinance is filed in the permanent records of the County Council.

By: _____
Meagan Nations, Clerk to County Council
Pickens County Council

[], 2024

SCHEDULE I
AGREEMENT FOR DEVELOPMENT OF
JOINT COUNTY INDUSTRIAL AND BUSINESS PARK
(PROJECT TURN)

STATE OF SOUTH CAROLINA)
COUNTY OF OCONEE)
COUNTY OF PICKENS) **AGREEMENT FOR DEVELOPMENT OF A
JOINT COUNTY INDUSTRIAL AND
BUSINESS PARK (PROJECT TURN)**

This multi-county park agreement applies to the following property in Oconee County associated with a company known at this time as Project Turn; an approximately [] acre parcel located at [____], South Carolina, all as more fully described in Exhibit A (Oconee) to this Agreement.

This multi-county park agreement applies to the following properties in Pickens County: none.

More specific information on the properties may be found in the body of this agreement an in the exhibits.

THIS AGREEMENT for the development of a joint county industrial and business park to be located initially only within Oconee County is made and entered into as of August 5, 2024, by and between Oconee County, South Carolina (“Oconee County”) and Pickens County, South Carolina (“Pickens County”).

RECITALS

WHEREAS, Oconee County and Pickens County are contiguous counties which, pursuant to Ordinance No. 2024-16, enacted by Oconee County Council on [], 2024, and Ordinance No. [], enacted by Pickens County Council on [____], 2024, have each determined that, to promote economic development and thus encourage investment and provide additional employment opportunities within both counties, there should be developed, initially, in Oconee County, only, a joint county industrial and business park (“Park”), to be located upon property more particularly described in Exhibit A; and

WHEREAS, because of the development of the Park, property comprising the Park and all property having a situs therein is exempt from ad valorem taxation to the extent provided in Article VIII, Section 13(D) of the South Carolina Constitution, but the owners or lessees of such property shall pay annual fees in an amount equivalent to the property taxes or other in-lieu-of payments that would have been due and payable except for such exemption.

NOW, THEREFORE, in consideration of the mutual agreement, representations, and benefits contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Binding Agreement. This Agreement serves as a written instrument setting forth the entire agreement between the parties and shall be binding on Oconee County and Pickens County, and their successors and assigns.

2. Authorization. Article VIII, Section 13(D) of the South Carolina Constitution provides that counties may jointly develop an industrial or business park with other counties within the geographical boundaries of one or more of the member counties, provided that certain conditions specified therein are met and further provided that the General Assembly of the State of South Carolina provides by law a manner in which the value of property in such park will be considered for purposes of bonded indebtedness of political subdivisions and school districts and for purposes of computing the index of taxpaying ability pursuant to any provision of law which measures the relative fiscal capacity of a school district to support its schools based on the assessed valuation of taxable property in the district as compared to the assessed valuation of taxable property in all school districts in South Carolina. The Code of Laws of South Carolina, 1976, as amended (“Code”) and particularly, Section 4-1-170 thereof, satisfies the conditions imposed by

Article VIII, Section 13(D) of the South Carolina Constitution and provides the statutory vehicle whereby a joint county industrial or business park may be created.

3. Location of the Park.

(A) As of the original execution and delivery of this Agreement, the Park consists of property that is located in Oconee County and which is now or is anticipated to be owned and/or operated by a company known as “Project Turn” (“Company”), as more particularly described in Exhibit A. From time to time, the Park may consist of non-contiguous properties within each county. The boundaries of the Park may be enlarged or diminished from time to time as authorized by ordinances of the county councils of both Oconee County and Pickens County. If any property proposed for inclusion in the Park is located, at the time such inclusion is proposed, within the boundaries of a municipality, then the municipality must give its consent prior to the inclusion of the property in the Park.

(B) In the event of any enlargement or diminution of the boundaries of the Park, this Agreement shall be deemed amended and there shall be attached a revised Exhibit A related to property located in Oconee County, or a revised Exhibit B related to property located in Pickens County, which shall contain a legal or other description of the parcel(s) to be included within the Park within Oconee County or Pickens County, as the case may be, as enlarged or diminished, together with a copy of the ordinances of Oconee County Council and Pickens County Council pursuant to which such enlargement or diminution was authorized.

(C) Prior to the adoption by Oconee County Council and by Pickens County Council of ordinances authorizing the diminution of the boundaries of the Park, separate public hearings shall first be held by Oconee County Council and Pickens County Council. Notice of such public hearings shall be published in newspapers of general circulation in Oconee County and Pickens County, respectively, at least once and not less than 15 days prior to such hearing. Notice of such public hearings shall also be served in the manner of service of process at least 15 days prior to such public hearing upon the owner and, if applicable, the lessee of any property which would be excluded from the Park by virtue of the diminution.

(D) Notwithstanding anything in this paragraph 3 to the contrary, in the event that a tract or site of land located in the Park is purchased and developed by a person or business enterprise whose employees, because of the nature of their employment, do not qualify for the corporate income tax credit provided in Section 12-6-3360 of the Code (“Non-Qualifying Site”), the Host County (defined below) may unilaterally remove by ordinance, the Non-Qualifying Site from the Park, so long as, and to the extent that such removal does not adversely impact any financing or other incentive then in effect.

4. Fee in Lieu of Taxes. To the extent provided in Article VIII, Section 13(D) of the South Carolina Constitution, all property located in the Park is exempt from all ad valorem taxation. The owners or lessees of any property situated in the Park shall pay in accordance with this Agreement an amount (referred to as fees in lieu of ad valorem taxes) equivalent to the ad valorem taxes or other in-lieu-of payments that would have been due and payable but for the location of such property within the Park.

5. Allocation of Expenses. Oconee County and Pickens County shall each be responsible for and bear expenses incurred in connection with the property located in that county’s portion of the Park, including, but not limited to, those incurred in the administration, development, operation, maintenance, and promotion of the Park, in the following proportions:

If the property is located in the Oconee County portion of the Park:

A.	Oconee County	100%
B.	Pickens County	0%

If the property is located in the Pickens County portion of the Park:

- | | | |
|----|----------------|------|
| A. | Oconee County | 0% |
| B. | Pickens County | 100% |

Notwithstanding anything herein to the contrary, to the extent that privately owned property is located in the Park, the owner of such property shall bear, exclusively, any expense associated with such property.

6. Allocation of Revenues. Oconee County and Pickens County shall receive an allocation of all net revenues (after payment of all Park expenses and other deductions from Park revenue necessitated by each agreement between the Host County and a project related to the project located in the Park) generated by the Park through payment of fees in lieu of *ad valorem* taxes in the following proportions:

If the property is located in the Oconee County portion of the Park:

- | | | |
|----|----------------|-----|
| A. | Oconee County | 99% |
| B. | Pickens County | 1% |

If the property is located in the Pickens County portion of the Park:

- | | | |
|----|----------------|-----|
| A. | Oconee County | 1% |
| B. | Pickens County | 99% |

With respect to such fees generated from properties located in the Oconee County portion of the Park, that portion of such fees allocated to Pickens County shall thereafter be paid by the Treasurer of Oconee County to the Treasurer of Pickens County within 15 business days following the end of the calendar quarter of receipt for distribution, and such distribution shall be made in accordance with this Agreement. With respect to such fees generated from properties located in the Pickens County portion of the Park, that portion of such fees allocated to Oconee County shall thereafter be paid by the Treasurer of Pickens County to the Treasurer of Oconee County within 15 business days following the end of the calendar quarter of receipt for distribution, and such distribution shall be made in accordance with this Agreement.

7. Revenue Allocation within Each County.

(A) Revenues generated by the Park through the payment of fees in lieu of ad valorem taxes shall be distributed to Oconee County and to Pickens County, according to the proportions established by Section 6 of this Agreement. Revenues allocable to Oconee County by way of fees in lieu of ad valorem taxes generated from properties located in Oconee County shall be distributed within Oconee County in accordance with the applicable governing ordinance of Oconee County in effect from time to time. Revenues received by Pickens County by way of fees in lieu of taxes from property in Oconee County in the Park shall be retained by Pickens County.

(B) Revenues allocable to Oconee County by way of fees in lieu of ad valorem taxes generated from properties located in the Pickens County portion of the Park shall be distributed solely to Oconee County. Revenues allocable to Pickens County by way of fees in lieu of ad valorem taxes generated from properties located in the Pickens County portion of the Park shall be distributed within Pickens County in accordance with the applicable governing ordinance of Pickens County in effect from time to time.

8. Fees in Lieu of Ad Valorem Taxes Pursuant to Title 4 or Title 12 of the Code. It is hereby agreed that the entry by Oconee County into any one or more fee in lieu of ad valorem tax agreements pursuant to Title 4 or Title 12 of the Code or any successor or comparable statutes (“Negotiated Fee in Lieu of Tax Agreements”), with respect to property located within the Oconee County portion of the Park and the terms of such agreements shall be at the sole discretion of Oconee County. It is further agreed that entry by Pickens County into any one or more Negotiated Fee in Lieu of Tax Agreements with respect to property

located within the Pickens County portion of the Park and the terms of such agreements shall be at the sole discretion of Pickens County.

9. Assessed Valuation. For the purpose of calculating the bonded indebtedness limitation and for the purpose of computing the index of taxpaying ability pursuant to Section 59- 20-20(3) of the Code, allocation of the assessed value of property within the Park to Oconee County and Pickens County and to each of the taxing entities within the participating counties shall be in accordance with the allocation of revenue received and retained by each of the counties and by each of the taxing entities within the participating counties, pursuant to Section 6 and Section 7 of this Agreement.

10. Applicable Ordinances and Regulations. Any applicable ordinances and regulations of Oconee County including those concerning zoning, health, and safety, and building code requirements shall apply to the Park properties located in the Oconee County portion of the Park unless any such property is within the boundaries of a municipality in which case, the municipality's applicable ordinances and regulations shall apply. Any applicable ordinances and regulations of Pickens County including those concerning zoning, health, and safety, and building code requirements shall apply to the Park properties located in the Pickens County portion of the Park unless any such property is within the boundaries of a municipality in which case, the municipality's applicable ordinances and regulations shall apply.

11. Law Enforcement Jurisdiction. Jurisdiction to make arrests and exercise all authority and power within the boundaries of the Park properties located in Oconee County is vested with the Sheriff's Office of Oconee County, for matters within the Sheriff's Office's jurisdiction. Jurisdiction to make arrests and exercise all authority and power within the boundaries of the Park properties located in Pickens County is vested with the Sheriff's Office of Pickens County, for matters within the Sheriff's Office's jurisdiction. If any of the Park properties located in either Oconee County or Pickens County are within the boundaries of a municipality, then jurisdiction to make arrests and exercise law enforcement jurisdiction is also vested with the law enforcement officials of the municipality for matters within their jurisdiction. Fire, sewer, water, and emergency medical and other similar services will be provided by the service district or other political unit within whose jurisdiction the Park premises are located.

12. Emergency Services. All emergency services in the Park shall be provided by those emergency service providers who provide the respective emergency services in that portion of the Host County.

13. South Carolina Law Controlling. This Agreement has been entered into in the State of South Carolina and shall be governed by and construed in accordance with South Carolina law, including for example, the availability and application of credits as permitted by Section 12-6-3360 of the Code.

14. Severability. In the event and to the extent (and only to the extent) that any provision or any part of a provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable the remainder of that provision or any other provision or part of a provision of this Agreement.

15. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, and all of which, taken together, shall constitute but one and the same document.

16. Term; Termination. This Agreement shall extend for a term of 10 years from the effective date of this Agreement, or such later date as shall be specified in any amendment. Notwithstanding the foregoing provisions of this Agreement or any other provision in this Agreement to the contrary, this Agreement shall not expire and may not be terminated to the extent that Oconee County or Pickens County has outstanding contractual covenants, commitments, or agreements to any owner or lessee of Park property, including, but not limited to, [Project Turn] ("Company"), to provide, or to facilitate the provision of, special source revenue credits, including, but not limited to, those set forth in that certain Fee in Lieu of Tax and Special

Source Credit Agreement, by and between Oconee County, South Carolina and the Company, dated as of June 18, 2024, as may be amended, modified, or supplemented from time to time (but the benefits of which, as of the date of this Agreement, are anticipated to expire on or before [_____, 20__], or other incentives requiring inclusion of property of such owner or lessee within the boundaries of a joint county industrial or business park created pursuant to Article VIII, Section 13(D) of the South Carolina Constitution and Title 4, Chapter 1 of the Code, unless the Host County shall first (i) obtain the written consent of such owner or lessee and, to the extent required (ii) include the property of such owner or lessee as part of another joint county industrial or business park created pursuant to Article III, Section 13(D) of the South Carolina Constitution and Title 4, Chapter 1 of the Code, which inclusion is effective immediately upon termination of this Agreement.

[ONE SIGNATURE PAGE AND TWO EXHIBITS FOLLOW]

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the day and the year first above written.

PICKENS COUNTY, SOUTH CAROLINA

By: _____

Chair of County Council

Pickens County, South Carolina

[SEAL]

Attest:

By: _____

Clerk to County Council

Pickens County, South Carolina

OCONEE COUNTY, SOUTH CAROLINA

By: _____

Chair of County Council

Oconee County, South Carolina

[SEAL]

Attest:

By: _____

Clerk to County Council

Oconee County, South Carolina

EXHIBIT A

OCONEE COUNTY PROPERTY

[DESCRIPTION TO BE INSERTED PRIOR TO ADOPTION]

[REMAINDER OF PAGE INTENTIONALLY BLANK]

EXHIBIT B

PICKENS COUNTY PROPERTY

NONE

[REMAINDER OF PAGE INTENTIONALLY BLANK]

No. 9:

ORDINANCES FOR SECOND READING

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING (1) THE EXECUTION AND DELIVERY OF ONE OR MORE FEE IN LIEU OF TAX AND INCENTIVE AGREEMENTS BY AND BETWEEN PICKENS COUNTY AND A COMPANY OR COMPANIES KNOWN TO THE COUNTY AT THIS TIME AS PROJECT HYDRO, ACTING FOR ITSELF OR ONE OR MORE PROJECT SPONSORS, PURSUANT TO WHICH THE COUNTY WILL COVENANT TO ACCEPT CERTAIN NEGOTIATED PAYMENTS IN LIEU OF *AD VALOREM* TAXES WITH RESPECT TO CERTAIN FACILITIES WITHIN THE COUNTY; (2) THE APPROVAL OF CERTAIN REIMBURSEMENTS OF THE COSTS OF SUCH PROJECT; (3) THE BENEFITS OF A MULTI-COUNTY INDUSTRIAL OR BUSINESS PARK TO BE MADE AVAILABLE TO THE COMPANY AND THE PROJECT; AND (4) OTHER MATTERS RELATING THERETO.

WHEREAS, the County Council of Pickens County (the “*County Council*”), the governing body of Pickens County, South Carolina (the “*County*”), is authorized and empowered under and pursuant to the provisions of the Code of Laws of South Carolina 1976, as amended (the “*Code*”), particularly Title 12, Chapter 44 of the Code (the “*Fee Act*”) and Section 4-1-170 of the Code (the “*Multi-County Park Act*”) and by Article VIII, Section 13(D) of the South Carolina Constitution: (i) to enter into agreements with certain investors to construct, operate, maintain, and improve certain projects through which the economic 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; (ii) to covenant with such investors to accept certain fee in lieu of *ad valorem* tax (“*FILOT*”) payments, including, but not limited to, negotiated FILOT payments made pursuant to the Fee Act, with respect to a project; (iii) to create, in conjunction with one or more other counties, a multi-county industrial or business park in order to afford certain enhanced income tax credits to such investors; and (iv) to provide certain credits against negotiated FILOT payments due annually with respect to the property within such multi-county industrial or business park to offset the costs of certain improvements to such property (“*Special Source Credits*”); and

WHEREAS, PROJECT HYDRO RE, on its own or together with one or more Sponsor Affiliates (as defined in the Fee Act), subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others (collectively, the “*Real Estate Company*”) proposes to acquire, lease, construct, purchase, or install certain real property, real property improvements and machinery, equipment, and other personal property in order to establish a manufacturing facility within the County (the “*Real Estate Project*”), and anticipates that, should its plans proceed as expected, it will invest, or cause to be invested, at least \$27,000,000 in the Real Estate Project; and

WHEREAS, PROJECT HYDRO ME, on its own or together with one or more Sponsor Affiliates (as defined in the Fee Act), subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others (collectively, the “*M&E Company*”) and together with the Real Estate Company, the “*Company*”) proposes to acquire, lease, construct, purchase, or install certain real property improvements, machinery, equipment, and other personal property within the Real Estate Project in order to establish such manufacturing facility within the County (the “*M&E Project*”) and together with the Real Estate Project, the “*Project*”), and anticipates that, should its

plans proceed as expected, it will invest, or cause to be invested, at least \$40,000,000 in the M&E Project and create 115 new full-time jobs related to the Project; and

WHEREAS, based on information provided to the County by the Company, the County Council has determined that the Project would subserve the purposes of the Fee Act and has made certain findings pertaining thereto in accordance with the Fee Act; and

WHEREAS, in accordance with such findings and determinations and in order to induce the Company to locate the Project in the County, the County Council adopted a Resolution on _____, 2024, whereby the County agreed to provide the Company with the benefits of a negotiated FILOT and certain Special Source Credits with respect to the Project and to maintain the Project within a multi-county industrial or business park; and

WHEREAS, in order to further induce the M&E Company to make, or cause to be made, new or additional investment in the M&E Project and create new jobs within the County, the County has further agreed to make a monetary grant to the M&E Company in the amount of \$500,000 in order to reimburse the M&E Company for construction expenditures related to the development of the Project upon the issuance of a Partial Certificate of Occupancy with respect to the Project; and

WHEREAS, the County and the Company have agreed to the specific terms and conditions of such arrangements in a (i) Fee-in-Lieu-of-Tax and Incentive Agreement with respect to the Real Estate Project (the “*Real Estate Fee Agreement*”) by and between the County and the Real Estate Company, in which the M&E Company will join as a Project Sponsor; (ii) a Fee-in-Lieu-of-Tax and Incentive Agreement with respect to the M&E Project (the “*M&E Fee Agreement*,” and together with the Real Estate Fee Agreement, the “*Fee Agreements*”) by and between the County and the M&E Company; and (iii) an Agreement for the Reimbursement of Project Costs (the “*Reimbursement Agreement*” and collectively with the Fee Agreements, the “*Agreements*”) by and between the County and the M&E Company, the form of which Agreements are attached hereto as **Exhibit A**, **Exhibit B**, and **Exhibit C**, respectively; and

WHEREAS, pursuant to the authority of the Multi-County Park Act and Article VIII, Section 13(D) of the South Carolina Constitution, the County agrees to use its best efforts to ensure that the Project is located in a multi-county industrial and business park (the “*Park*”), which the County expects to establish pursuant to an Agreement for Development of Joint County Industrial Park by and between the County and Greenville County, South Carolina, as such agreement may be amended, supplemented, or replaced from time to time by the County (the “*Park Agreement*”), or a successor multi-county industrial and business park created in accordance with the Multi-County Park Act; and

WHEREAS, it appears that the Agreements 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 the County Council, as follows:

Section 1 Statutory Findings. As contemplated by Section 12-44-40(I) of the Fee Act, based on information provided to the County by the Company with respect to the Project, the County makes the following findings and determinations:

- (a) The Project will constitute a “project” within the meaning of the Fee Act; and
- (b) The Project, and the County’s actions herein, will subserve the purposes of the Fee Act; and
- (c) The Project is anticipated to benefit the general public welfare of the State and the County by providing services, employment, recreation, or other public benefits not otherwise provided locally; and
- (d) The Project gives rise to no pecuniary liability or charge against the general credit or taxing power of the County or any incorporated municipality; and
- (e) The purposes to be accomplished by the Project are proper governmental and public purposes; and
- (f) The benefits of the Project are greater than the costs.

Section 2 Approval of Real Estate Fee Agreement.

(a) The County hereby agrees to enter into the Real Estate Fee Agreement with the Real Estate Company. The Real Estate Fee Agreement shall be in the form of a Fee Agreement pursuant to the Fee Act, whereby the Real Estate Company will agree to satisfy, or cause to be satisfied, certain investment requirements with respect to the Real Estate Project within certain prescribed time periods and the County will agree to accept certain negotiated FILOT payments with respect to the Project (“*Negotiated Payments-in-Lieu-of-Taxes*”), as set forth in Section 2(b) hereof and in accordance with the terms of the Real Estate Fee Agreement.

(b) (i) The Negotiated Payments-in-Lieu-of-Taxes shall be determined using: (1) an assessment ratio of 6%, (2) the lowest millage rate allowed with respect to the Project pursuant to Section 12-44-50(A)(1)(d) of the Fee Act, as set forth in greater detail in the Real Estate Fee Agreement, which millage rate shall be fixed pursuant to Section 12-44-50(A)(1)(b)(i) of the Fee Act for the full term of the Negotiated Payments-in-Lieu-of-Taxes; (3) the fair market value of the Real Estate Project, as determined in accordance with Section 12-44-50(A)(1)(c) of the Fee Act; (4) the set off applicable Special Source Credits against the Negotiated Payments-in-Lieu-of-Taxes due in the applicable year; and (5) and such other terms and conditions as will be specified in the Real Estate Fee Agreement.

(ii) The Negotiated Payments-in-Lieu-of-Taxes shall be calculated as provided in this Section 2(b) for all Economic Development Property (as defined in the Real Estate Fee Agreement) placed in service during the Investment Period (as defined in the Real Estate Fee Agreement). For each annual increment of investment in Economic Development Property, the annual Negotiated Payments-in-Lieu-of-Taxes shall be payable for a payment period of 30 years. Accordingly, if such Economic Development Property is placed in service during more than one year, each year’s investment during the Investment Period shall be subject to the Negotiated Payments-in-Lieu-of-Taxes for a payment period of 30 years.

Section 3 Approval of M&E Fee Agreement.

(a) The County hereby agrees to enter into the M&E Fee Agreement with the M&E Company. The M&E Fee Agreement shall be in the form of a Fee Agreement pursuant to the Fee Act, whereby the M&E Company will agree to satisfy, or cause to be satisfied, certain investment requirements with respect to the M&E Project within certain prescribed time periods and the County will agree to accept certain Negotiated Payments-in-Lieu-of-Taxes, as set forth in Section 3(b) hereof and in accordance with the terms of the M&E Fee Agreement.

(b) (i) The Negotiated Payments-in-Lieu-of-Taxes shall be determined using: (1) an assessment ratio of 6%, (2) the lowest millage rate allowed with respect to the Project pursuant to Section 12-44-50(A)(1)(d) of the Fee Act, as set forth in greater detail in the M&E Fee Agreement, which millage rate shall be fixed pursuant to Section 12-44-50(A)(1)(b)(i) of the Fee Act for the full term of the Negotiated Payments-in-Lieu-of-Taxes; (3) the fair market value of the M&E Project, as determined in accordance with Section 12-44-50(A)(1)(c) of the Fee Act; (4) the set of off applicable Special Source Credits against the Negotiated Payments-in-Lieu-of-Taxes due in the applicable year; and (5) and such other terms and conditions as will be specified in the M&E Fee Agreement.

(ii) The Negotiated Payments-in-Lieu-of-Taxes shall be calculated as provided in this Section 3(b) for all Economic Development Property (as defined in the M&E Fee Agreement) placed in service during the Investment Period (as defined in the M&E Fee Agreement). For each annual increment of investment in Economic Development Property, the annual Negotiated Payments-in-Lieu-of-Taxes shall be payable for a payment period of 30 years. Accordingly, if such Economic Development Property is placed in service during more than one year, each year's investment during the Investment Period shall be subject to the Negotiated Payments-in-Lieu-of-Taxes for a payment period of 30 years.

Section 4 Approval of Reimbursement Agreement and Reimbursement. The County hereby agrees to enter into the Reimbursement Agreement, whereby the County will make a monetary grant to the M&E Company in the amount of \$500,000 in order to reimburse the M&E Company for construction expenditures related to the development of the Project; provided that the M&E Company will agree to satisfy, or cause to be satisfied, certain investment and job creation requirements with respect to the Project within certain prescribed time periods. In the event that the M&E Company fails to satisfy such investment and job creation requirements, the M&E Company shall reimburse the County for a portion of the value of the reimbursement pursuant to the terms thereof. Accordingly, the County Council hereby authorizes the payment of such monetary grant to the M&E Company in the amount of \$500,000 in accordance with the terms of the Reimbursement Agreement.

Section 5 Multi-County Park. The County will use its best efforts to insure that the Project will be included, and will remain, within the boundaries of the Park (or a successor park) pursuant to the provisions of the Multi-County Park Act and Article VIII, Section 13(D) of the State Constitution and the Park Agreement (or successor park agreement) on terms which provide the Company and the Project with additional jobs creation tax credits afforded by the laws of the State for projects located within multi-county industrial or business parks.

Section 6 Form of Agreements. The form, provisions, terms, and conditions of the Agreements, as attached as exhibits hereto, are hereby approved, and all of the provisions, terms, and conditions thereof are hereby incorporated herein by reference as if the Agreements were set out in this Ordinance in their entirety. The Chairman of the County Council is hereby authorized, empowered, and directed to execute the Agreements in the name and on behalf of the County; the Clerk to the County Council is hereby authorized, empowered and directed to attest the same; and the Chairman of the County Council is further authorized, empowered, and directed to deliver the Agreements to the Company. The Agreements 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 official or officials of the County executing the same, upon the advice of counsel, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Agreements now before this meeting.

Section 7 Further Action. The Chairman of the County Council, the County Administrator, and the Clerk to the County Council, for and on behalf of the County, are hereby each authorized, empowered, and directed to do any and all things necessary or proper to effect the performance of all obligations of the County under and pursuant to Agreements. The Chairman of the County Council and the County Administrator, or either one of them acting alone, are hereby authorized to execute and deliver on behalf of the County all certificates and documents as they deem necessary, upon advice of counsel, to accomplish the foregoing.

Section 8 Distribution of Multi-County Park Revenue. The provisions of Ordinance No. 452 of the County regarding the allocation of fee-in-lieu of ad valorem taxes to the Pickens County Taxing Entities shall be applicable to the Negotiated Payments-in-Lieu-of-Taxes received or retained by Pickens County pursuant to the Fee Agreements. The Pickens County Treasurer shall distribute all Negotiated Payments-in-Lieu-of-Taxes received and retained by Pickens County in accordance with Ordinance No. 452.

Section 9 Severability. The provisions of this Ordinance are hereby declared to be severable 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 10 Repealer. All orders, 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 from and after its passage and approval.

[Remainder of Page Left Blank]

Enacted and approved, in meeting duly assembled, this ___th day of _____ 2024.

PICKENS COUNTY, SOUTH CAROLINA

By: _____
Chris Bowers
Chairman, County Council

[SEAL]

Attest:

By: _____
Meagan Nations, Clerk to County Council
Pickens County, South Carolina

First Reading: May 6, 2024
Second Reading:
Public Hearing:
Third Reading:

EXHIBIT A

Form of Real Estate Fee Agreement

EXHIBIT B

Form of M&E Fee Agreement

EXHIBIT C

Form of Reimbursement Agreement

FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT

By and between

PICKENS COUNTY, SOUTH CAROLINA

and

PROJECT HYDRO ME

Dated _____, 2024

INDEX

Page

ARTICLE I
RECAPITULATION AND DEFINITIONS

SECTION 1.1.	Statutorily Required Recapitulation.....	2
SECTION 1.2.	Rules of Construction; Use of Defined Terms	3
SECTION 1.3.	Definitions	3
SECTION 1.4.	Internal References.....	6

ARTICLE II
LIMITATION OF LIABILITY;
EXEMPTION FROM *AD VALOREM* TAXES

SECTION 2.1.	Limitation of Liability.....	7
SECTION 2.2.	Exemption from <i>Ad Valorem</i> Taxes.....	7

ARTICLE III
REPRESENTATIONS, WARRANTIES
AND COVENANTS

SECTION 3.1.	Representations and Warranties of the County.....	7
SECTION 3.2.	Covenants by the County.....	8
SECTION 3.3.	Representations and Warranties of the Company.....	8

ARTICLE IV
COMMENCEMENT AND COMPLETION
OF THE PROJECT

SECTION 4.1.	The Project.....	9
SECTION 4.2.	Diligent Completion.....	10
SECTION 4.3.	Modifications to Project.....	10
SECTION 4.4.	Payment of Administration Expenses	10
SECTION 4.5.	Reports, Filings.....	11
SECTION 4.6.	Addition of Sponsor Affiliates.....	11

ARTICLE V
NEGOTIATED PAYMENTS-IN-LIEU-OF-TAXES;
DISPOSITION OF NEGOTIATED PAYMENTS-IN-LIEU-OF-TAXES;
OTHER INCENTIVES

SECTION 5.1.	Negotiated Payments-in-Lieu-of-Taxes	11
SECTION 5.2.	Disposal of Property; Replacement Property	12

SECTION 5.3.	Fee Term	13
SECTION 5.4	Special Source Credits.....	13
SECTION 5.5.	Failure to Achieve or Maintain Investment Requirements.....	14
SECTION 5.6.	Multi-County Park Designation; Site Subject to Covenants	15
SECTION 5.7.	Leased Equipment.....	15

ARTICLE VI
PROPERTY TAX EXEMPTION AND ABATEMENT

SECTION 6.1.	Protection of Tax-Exempt Status of the Project	16
--------------	--	----

ARTICLE VII
EFFECTIVE DATE

SECTION 7.1.	Effective Date	16
--------------	----------------------	----

ARTICLE VIII
SPECIAL COVENANTS

SECTION 8.1.	Indemnification Covenants.....	16
SECTION 8.2.	Assignment and Leasing.....	17
SECTION 8.3.	Commensurate Benefits	17
SECTION 8.4.	Confidentiality	18

ARTICLE IX
EVENT OF DEFAULT AND REMEDIES

SECTION 9.1.	Events of Default Defined.....	18
SECTION 9.2.	Remedies on Default	19
SECTION 9.3	No Additional Waiver Implied by One Waiver.....	20

ARTICLE X
OPTION TO TERMINATE

SECTION 10.1.	Option to Terminate	20
---------------	---------------------------	----

ARTICLE XI
MISCELLANEOUS

SECTION 11.1.	Notices.....	20
SECTION 11.2.	Binding Effect.....	21
SECTION 11.3.	Invalidity and Severability.....	21
SECTION 11.4.	Payments Due on Saturday, Sunday and Holidays.....	21
SECTION 11.5.	Fiscal Year; Property Tax Year	21
SECTION 11.6.	Amendments, Changes and Modifications.....	21
SECTION 11.7.	Execution of Counterparts.....	22

SECTION 11.8. Entire Understanding.....	22
SECTION 11.9. Law Governing Construction of Agreement	22
SECTION 11.10.Headings	22
SECTION 11.11 Further Assurance	22
SECTION 11.12 Use of Local Goods, Services, and Suppliers.....	22

EXHIBIT A: SITE DESCRIPTION

EXHIBIT B: JOINDER AGREEMENT

SCHEDULE 1: SCHEDULE OF SPECIAL SOURCE CREDITS

FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT

This **FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT** (“*Fee Agreement*”) is made and entered into as of _____, 2024, by and between **PICKENS COUNTY, SOUTH CAROLINA** (the “*County*”), a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through its County Council (the “*County Council*”) as governing body of the County, and a company known to the County at this time as **PROJECT HYDRO ME**, a [limited liability company] organized and existing under the laws of [_____] and authorized to do business in South Carolina, along with its affiliated or related entities, and assigns, as Sponsor (collectively, “*Company*”) and any other entity that may join as a Sponsor Affiliate as the term is defined in this Fee Agreement (hereinafter, the County, the Company, and any Sponsor Affiliate are referred to individually as a “*Party*” and, collectively, as “*Parties*”).

RECITALS:

WHEREAS, to induce companies to locate in the State of South Carolina (the “*State*”) and to encourage companies now located in the State to expand their investments and thus make use of and employ workers and other resources of the State, the County is authorized by the Code of Laws of South Carolina 1976, as amended (the “*Code*”) and particularly Title 12, Chapter 44 of the Code (the “*Fee Act*”), to enter into a fee agreement with companies meeting the requirements of the Fee Act which identifies certain property of the Company as Economic Development Property (as defined herein) and provides for the payment of negotiated payments-in-lieu-of-taxes with respect to such property, and the County is further authorized by Title 4, Chapter 1 of the Code (the “*Multi-County Park Act*”) and Article VIII, Section 13 of the Constitution of the State (the “*Multi-County Park Provision*”) to designate properties as part of a multi-county industrial or business park (a “*Multi-County Park*”), all of which enhances the economic development of the County;

WHEREAS, pursuant to the Fee Act, the County finds that (a) it is anticipated that the Project (as defined herein) will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise adequately provided locally; (b) neither the Project nor any documents or agreements entered into by the County in connection therewith will give rise to any pecuniary liability of the County or incorporated municipality or to any 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;

WHEREAS, in order to induce the Company to make, or cause to be made, new or additional investment through the development or expansion of its facilities located in the County (as further defined herein, the “*Project*”), the County agreed to enter into a fee agreement under the Fee Act with the Company whereby the County would, under certain circumstances, accept certain negotiated payments-in-lieu-of-taxes with respect to the Project and to the inclusion and maintenance of the Project in a Multi-County Park;

WHEREAS, pursuant to a Resolution adopted _____, 2024, the County Council identified the Project, as required under the Fee Act, and pursuant to an ordinance enacted on _____, 2024 (the “*Ordinance*”), the County Council, authorized the County (i) to enter

into this Fee Agreement with the Company, which, among other things, (i) establishes a negotiated payment-in-lieu-of-taxes arrangement and identifies the property comprising the Project as Economic Development Property, subject to the terms and conditions hereof and the provisions of the Fee Act, all as set forth in greater detail herein; and (ii) provides for certain additional special source revenue credits against the negotiated payment-in-lieu-of-taxes due hereunder.

WHEREAS, in consideration for the location of the Project within the County, the County has further agreed to by separate agreement to reimburse the Company for certain costs in connection with the Project.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained and other value, the Parties hereto agree as follows:

ARTICLE I

RECAPITULATION AND DEFINITIONS

SECTION 1.1. Statutorily Required Recapitulation. Pursuant to Section 12-44-55(B) of the Fee Act, the Parties agree to waive a portion of the recapitulation requirements of Section 12-44-55 of the Fee Act. If the Company should be required to retroactively comply with all of the recapitulation requirements of Section 12-44-55 of the Fee Act, then the County agrees to waive any and all penalties and fees of the County for the Company's noncompliance. The recapitulations required by Section 12-44-55(A) of the Fee Act are as follows:

1. Legal name of each Party to the Agreement: Pickens County, South Carolina and [Project Hydro ME]
2. County and street address of the project and property subject to the Agreement:

County: Pickens County

Address: _____
3. Length and term of the Agreement: Not to exceed 30 years
4. The assessment ratio applicable for each year of the Agreement: 6%
5. The millage rate applicable for each year of the Agreement: [262.1]
6. Minimum investment agreed upon: \$40,000,000
7. Schedule showing the amount of the fee and its calculation for each year of the agreement:
This provision has been waived.

8. Schedule showing the amount to be distributed annually to each of the affected taxing entities: This provision has been waived.
9. Statements answering the following questions:
 - a. Is the project located in a multi-county park? Yes
 - b. Is disposal of property subject to the fee allowed? Yes
 - c. Will special source revenue bonds be issued or credits for infrastructure investment be allowed in connection with this project? Yes
 - d. Will payment amounts be modified using a net present value calculation? No
 - e. Do replacement property provisions apply? Yes
10. Any other feature or aspect of the agreement which may affect the calculations of items (7) and (8): This provision is waived.
11. Description of the effect upon the schedules required by items (7) and (8) of any feature covered by items (9) and (10) not reflected in the schedules for items (7) and (8): This provision is waived.
12. Which Party or parties to the Agreement are responsible for updating any information contained in the summary document? This provision is waived.

SECTION 1.2. Rules of Construction; Use of Defined Terms. Unless the context clearly indicates otherwise, in this Fee Agreement words and terms defined in Section 1.3 hereof are used with the meanings ascribed thereto. The definition of any document or agreement shall include any amendments, supplements, addenda, and modifications to that document, unless the context clearly indicates otherwise.

SECTION 1.3. Definitions.

“**Act**” means, collectively, Title 12 Chapter 44 of the Code (the “*Fee Act*”) and Title 4, Chapter 1 of the Code (the “*Multi-County Park Act*”).

“**Administration Expenses**” mean the reasonable and necessary expenses incurred by the County in the fulfillment of its obligations under this Agreement and in the implementation of its terms and provisions, including attorneys’ fees at the hourly rates which are standard for legal services to the County but excluding any expenses incurred by the County in defending suits brought by any Company under Section 9.2 hereof; provided, however, that no such expense shall be considered an Administration Expense unless the County shall have furnished to the Company an itemized statement of all expenses incurred; and provided, further, that nothing herein shall be construed as prohibiting the County from engaging the counsel of its choice for matters deemed necessary and prudent by the County.

“Affiliate” means any corporation, limited liability company, partnership or other Person or entity which owns all or part of the Company or in which the Company has and maintains a minimum 51% equity interest, and any subsidiary, affiliate or other Person, individual, or entity, who bears a relationship to the Company as described in Section 267(b) of the Internal Revenue Code.

“Applicable Governmental Body” means each governmental entity within the State having jurisdiction over or the right to approve or disapprove any or all of the Documents.

“Chair” means the Chair of County Council (or the person or persons authorized to perform the duties thereof in the absence of the Chair).

“Clerk” means the Clerk of County Council (or the person or persons authorized to perform the duties thereof in the absence of the Clerk).

“Code” means Code of Laws of South Carolina 1976, as in effect on the date hereof and as the same may be amended from time to time.

“Commencement Date” means the last day of the property tax year during which Project property, consisting of Economic Development Property, is first placed in service, except that this date must not be later than the last day of the property tax year which is three years from the year in which the Parties have entered into this Agreement. The parties presently anticipate that the Commencement Date may be, but shall not be required to be, December 31, 2025.

“Company” means a company known to the County at this time as PROJECT HYDRO ME, a [limited liability company organized] and existing under the laws of [_____], and its Affiliates, successors, and assigns.

“Contractual Minimum Requirement” means an investment by the Company and, as applicable, any Sponsor Affiliate(s) in the Project of at least \$40,000,000 (without regard to depreciation, reassessment, or other diminution in value) the creation of 115 new jobs in connection with the Company’s operations in the County within the Investment Period.

“County” means Pickens County, South Carolina, and its successors and assigns.

“County Administrator” means the County Administrator for the County (or the person or persons authorized to perform the duties thereof in the absence of the County Administrator).

“County Council” means the County Council of the County.

“Documents” mean this Fee Agreement, the Ordinance, the Multi-County Park Agreement, and any ordinances enacted by the County Council to establish the Multi-County Park and to add the Site and the Project to the Multi-County Park.

“DOR” means the South Carolina Department of Revenue and any successor thereto.

“Economic Development Property” means all property qualifying as economic development property (as defined by the Fee Act), including, without limitation, each item of real

and tangible personal property comprising the Project which is placed in service during the Investment Period and which meets the requirements of Sections 12-44-30(6) and 12-44-40(C) of the Fee Act, together with all Replacement Property.

“Equipment” means all of the machinery, equipment, furniture and fixtures, together with any and all additions, accessions, replacements and substitutions thereto or therefor for the purposes of the Project.

“Event of Default” means any Event of Default specified in Section 9.1 of this Fee Agreement.

“Fee Agreement” means this Fee in Lieu of Tax and Incentive Agreement, dated as of the date first written above, by and between the County and the Company.

“Fee Term” means the duration of the Negotiated Payments-in-Lieu-of-Taxes arrangement with respect to each Stage of the Project as specified in Section 5.3 hereof.

“Improvements” mean real property improvements to the Site, together with any and all additions, accessions, replacements, and substitutions thereto or therefor.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“Investment Period” means the period beginning with the first day that Economic Development Property for the Project is purchased or acquired and ending on the last day of the fifth property tax-year following the Commencement Date, subject to any further extension of such period as provided in Section 3.2(b) hereof. By way of example, in the event that Economic Development Property comprising a portion of the Project is placed in service in calendar year 2025, the Commencement Date shall be December 31, 2025, and the Investment Period shall end on December 31, 2030.

“Multi-County Park” means the multi-county industrial or business park established pursuant to the Multi-County Park Agreement, and any multi-county industrial or business park which includes the Site and the Project and which is designated by the County as such pursuant to the any agreement that supersedes or replaces the initial Multi-County Park Agreement.

“Multi-County Park Agreement” means the Agreement for Development of Joint County Industrial Park dated _____, 2024, by and between the County and Greenville County, South Carolina, as subsequently amended to include the Project and as further amended, supplemented, or replaced from time to time.

“Negotiated Payments-in-Lieu-of-Taxes” means the payments to be made pursuant to Section 5.1 of this Fee Agreement with respect to that portion of the Project consisting of Economic Development Property.

“Ordinance” means the ordinance enacted by the County on _____, 2024, authorizing this Fee Agreement.

“**Person**” means and includes any individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, or government or agency or political subdivision thereof.

“**Project**” means: (i) real property comprising the Site; (ii) buildings and other Improvements at the Site qualifying as Economic Development Property, including water, sewage treatment and disposal facilities, air pollution control facilities; (iii) all Equipment; and (iv) any Replacement Property, all as measured in accordance with the provisions of Section 4.1 hereof.

“**Replacement Property**” means any property placed in service as a replacement for any Equipment or any Improvement 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.

“**Site**” means the real property in the County at which the Project is to be located, and which the Company utilizes pursuant to any fee or leasehold interest or other access arrangement, the initial portion of which Site is further described in **Exhibit A** hereto.

“**Special Source Credit**” shall mean the credit against the Negotiated Payments-in-Lieu-of-Taxes to be made by the Company or any Sponsor Affiliate to the County as authorized by Sections 4-1-175 and 4-29-68 of the Code.

“**Sponsor Affiliate**” means an affiliate that joins with or is an affiliate of the Company and enters into a joinder agreement pursuant to Section 4.6 hereof, whose investment with respect to the Project shall be considered part of the Investment and qualify for Negotiated Fee-in-Lieu Payments and other benefits pursuant to Section 5.1 hereof and Sections 12-44-30 and 12-44-130 of the Fee Act.

“**Stage**” in respect of the Project, means each annual increment of Project property, if any, placed in service during each year of the Investment Period.

“**State**” means the State of South Carolina.

“**Statutory Minimum Requirement**” means investment in the Project of at least \$2,500,000 (without regarding to depreciation, reassessment, or other diminution in value) within the Investment Period, in accordance with Section 12-44-30(14) of the Fee Act.

SECTION 1.4. Internal References. 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. References herein to Title, Chapters or Sections, except the references to Sections of this Fee Agreement or where the intent clearly requires otherwise, refer to Sections of the Code. The words “hereof”, “herein”, “hereunder”, and other words of similar impact refer to this Fee Agreement as a whole.

ARTICLE II

LIMITATION OF LIABILITY; EXEMPTION FROM *AD VALOREM* TAXES

SECTION 2.1. *Limitation of Liability.* Any obligation which the County may incur for the payment of money as a result of the transactions described in the Documents shall never constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never create a pecuniary liability of the County or a charge upon its general credit or against its taxing powers but shall be payable solely out of the funds received by it under the Documents.

SECTION 2.2. *Exemption from Ad Valorem Taxes.* The County and the Company acknowledge that pursuant to the Act, upon execution of this Fee Agreement, no part of the Project will be subject to *ad valorem* property taxation in the State, and that this factor, among others, is the basis upon which the Company has entered into this Fee Agreement.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 3.1. *Representations and Warranties of the County.* The County makes the following representations and warranties to the Company and covenants with the Company as follows:

(a) The County is a body politic and corporate and a political subdivision of the State and is authorized and empowered by the Act to execute the Documents to which it is a party and to fulfill its obligations described in the Documents. By proper action, the County Council has duly authorized the execution and delivery of the Documents to which the County is a party and has taken all such action as is necessary to permit the County to enter into and fully perform the transactions required of it under the Documents.

(b) Neither the execution and delivery of the Documents, nor the consummation and performance of the transactions described in the Documents, violate, conflict with or will result in a breach of any of the material terms, conditions or provisions of any agreement, restriction, law, rule, order or regulation to which the County is now a party or by which it is bound.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency, public board or body, pending or threatened, against or affecting the County, wherein an unfavorable decision, ruling or finding may or would materially adversely affect the validity or enforceability of the Documents, the County's obligations under this Fee Agreement, or the consummation of the transactions described in the Documents.

(d) Neither the existence of the County nor the rights of any members of County Council to their offices is being contested and none of the proceedings taken to authorize the execution,

delivery and performance of such of the Documents as require execution, delivery and performance by the County has been repealed, revoked, amended or rescinded.

(e) All consents, authorizations and approvals required on the part of the County, State and all other Applicable Governmental Bodies in connection with the execution, delivery and performance by the County of such of the Documents as require execution, delivery and performance by the County have been obtained and remain in full force and effect as of the date hereof or will be obtained.

(f) The Project constitutes a “project” within the meaning of the Act.

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

(h) The Documents to which the County is a party are (or, when executed, will be) legal, valid, and binding obligations of the County enforceable against the County under present law in accordance with their respective terms, except as such terms may be limited by laws affecting creditors’ rights generally.

SECTION 3.2. *Covenants by the County.* The County covenants with the Company as follows:

(a) The County agrees to expedite any and all permits, authorizations, or other approvals that may be required of the County in connection with the development of the Project to greatest extent reasonably practicable and within the control of the County.

(b) The County agrees to do all things deemed reasonably necessary as requested by the Company in writing in connection with the Project including but not limited to the execution, delivery and performance of its obligations in the Documents and in accordance with the Act, all for the purposes of promoting industrial development, developing trade, and utilizing and employing the manpower and natural resources of the County and the State.

(c) To the extent permitted by law, the Company may request of the County, and the County may approve in its sole discretion, an extension of the Investment Period in accordance with and up to the limits permitted under Section 12-44-30(13) of the Fee Act. The grant of any such extension by the County may be approved by a resolution of County Council. Upon the granting of any such extension the County agrees to, at the Company’s expense, cooperate with the Company in assisting the Company to file with the DOR a copy of such extension within 30 days of the date of execution thereof by the County.

SECTION 3.3. *Representations and Warranties of the Company.* The Company makes the following representations and warranties to the County:

(a) The Company is a [limited liability company organized] and existing under the laws of [_____] and authorized to transact business in the State. The Company has full power to execute the Documents to which it is a party and to fulfill its obligations described in

such Documents and, by proper action, has authorized the execution and delivery of the Documents to which it is a party.

(b) Neither the execution and delivery of the Documents to which the Company is a party, nor the consummation and performance of the transactions described in such Documents violate, conflict with, or will, to its knowledge, result in a material breach of any of the material terms, conditions or provisions of any agreement, restriction, law, rule, order, or regulation to which the Company is now a party or by which it is bound.

(c) There is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any judicial or administrative court or agency, public board or, body, pending or threatened, against or affecting the Company wherein an unfavorable decision, ruling, or finding would adversely and materially affect the consummation of the transactions described in the Documents to which the Company is a party.

(d) All consents, authorizations and approvals required on the part of the Company in connection with the execution, delivery, and performance by the Company of Documents to which the Company is a party and the transactions contemplated thereby and the acquisition, construction, and installation of the Project have been obtained and remain in full force and effect or will be obtained.

(e) The Documents to which the Company is a party are (or, when executed, will be) legal, valid, and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such terms may be limited by laws affecting creditors' rights generally.

ARTICLE IV

COMMENCEMENT AND COMPLETION OF THE PROJECT

SECTION 4.1. *The Project.* The Company and, as applicable, any Sponsor Affiliate(s), has acquired, constructed and/or installed or made plans for the acquisition, lease, construction and/or installation of certain real property, real property improvements and machinery, Equipment, and other personal property which comprise the Project and is anticipated to create 115 full-time jobs in connection with the Company's operations in the County. The Parties agree that the Economic Development Property comprising the Project shall consist of the Site and such Improvements and Equipment as may be identified by the Company, its Affiliates, any Sponsor Affiliate, or other third parties that have entered into any financing, lease, license or other access arrangement with the Company or any of its Affiliates or Sponsor Affiliates with respect to the Project in connection with annual filings with the DOR of a SCDOR PT-300, or comparable property tax or fee-in-lieu-of-tax forms, including any schedules thereto (as such filings may be amended or supplemented from time to time), for each year within the Investment Period and, with respect to Replacement Property, for each year thereafter during the term of this Fee Agreement.

Pursuant to the Fee Act, the Company and the County hereby agree that to the extent that the property comprising the Project is Economic Development Property, it will remain Economic

Development Property during the applicable Fee Term so long as such property meets the requirements of the Fee Act.

Notwithstanding any other provision of this Fee Agreement, the Company may place property into service, without any limit as to the amount thereof, at any time under this Fee Agreement, but such property may only qualify as Economic Development Property if it is placed in service during the Investment Period, including any additional extension period, or is Replacement Property.

All investment in the Project by the Company, by its Affiliates, by any Sponsor Affiliate, and by any third-party to the extent that the Company or any of its Affiliates utilizes the property funded by such third-party pursuant to any financing, lease, license, or other access arrangement shall, to the extent permitted by law, count toward any investment requirement or threshold specified in this Fee Agreement including, without limitation, the Contractual Minimum Requirement and the Statutory Minimum Requirement. Any Sponsor Affiliate shall hereby be entitled, to the extent permitted by the Fee Act, to all rights and benefits set forth in this Fee Agreement including, without limitation, the Negotiated Payments-in-Lieu-of-Taxes arrangement specified in Section 5.1 hereof and shall be bound by all of the terms and provisions of this Fee Agreement related thereto, except as provided otherwise in any separate written agreement, all with respect to each such entity's portion of the Project. The Company shall notify DOR in writing of all such entities to benefit from the Negotiated Payments-in-Lieu-of-Taxes arrangement in accordance with Section 12-44-130(B) of the Fee Act. Any other entity to whom the Company intends to extend the benefits of the Negotiated Payments-in-Lieu-of-Taxes arrangement may, at the request of the Company, be approved by a resolution passed by the County Council, in its sole discretion.

SECTION 4.2. *Diligent Completion.* The Company agrees to use its commercially reasonable efforts to cause the acquisition, construction, and installation of the Project to be completed and to create 115 full-time jobs in connection with the Company's operations in the County within the Investment Period; however, notwithstanding anything contained in this Fee Agreement to the contrary, the Company shall not be obligated to complete, or cause the completion of, the acquisition, construction, and installation of the Project and may terminate this Fee Agreement with respect to all or a portion of the Project as set forth in Article X herein.

SECTION 4.3. *Modifications to Project.* The Company may make, or cause to be made, from time to time, any additions, modifications or improvements to the Project that it may deem desirable for its business purposes.

SECTION 4.4. *Payment of Administration Expenses.* The Company shall reimburse, or cause to be reimbursed, the County, from time to time, for the County's Administration Expenses incurred in the fulfillment of its obligations hereunder, or in the implementation of this Agreement's terms and provisions, with respect to the Company, promptly upon written request therefor, but in no event later than 60 days after receiving written notice from the County specifying the nature of such expense and requesting the payment of the same. The County acknowledges that it imposes no charges in the nature of impact fees or recurring fees in connection with the Project or the incentives authorized hereby, and aside from the attorneys' fees set forth below, the County anticipates no out of pocket expenses in connection with this Agreement and

the transactions contemplated hereunder. The parties understand that legal counsel to the County has estimated its fees and other expenses for the drafting of the Inducement Resolution and this Agreement and all resolutions, ordinances and other documentation related thereto at \$5,000, and, absent unforeseen circumstances, such fees shall not exceed \$7,500. The Company shall pay such amount to the County within 30 days of the execution of this Fee Agreement.

SECTION 4.5. Reports, Filings. In accordance with Section 12-44-90 of the Fee Act, the Company shall cause a copy of this Fee Agreement, as well as a copy of the completed Form PT-443 of DOR, to be filed with the County Auditor, the County Assessor, the County Treasurer and DOR within 30 days after the date of execution and delivery hereof and shall also cause a copy of this Fee Agreement to be filed with the County Auditor and the County Assessor of Greenville County, South Carolina. In addition, the Company shall provide the County Auditor, the County Assessor, and the County Treasurer with a copy of all annual filings made by the Company to DOR pursuant to this Fee Agreement and the Fee Act.

SECTION 4.6. Addition of Sponsor Affiliates. Upon request of and at the expense of the Company, the Company may approve any future Sponsor Affiliate that qualifies under the Act for the benefits offered under this Fee Agreement and which agrees to be bound by the provisions hereof to be further evidenced by such future Sponsor Affiliate entering into a Joinder Agreement in the form attached to this Fee Agreement as **Exhibit B**.

ARTICLE V

NEGOTIATED PAYMENTS-IN-LIEU-OF-TAXES; DISPOSITION OF NEGOTIATED PAYMENTS-IN-LIEU-OF-TAXES; OTHER INCENTIVES

SECTION 5.1. Negotiated Payments-in-Lieu-of-Taxes. The Parties acknowledge that under Article X, Section 3 of the Constitution of the State, the Project is exempt from *ad valorem* property taxes. However, the Company shall be required to make, or cause to be made, Negotiated Payments-in-Lieu-of-Taxes with respect to the Project as provided in this Section 5.1, subject to further reduction due to the Special Source Credits provided for in Section 5.4. In accordance with the Fee Act, and unless this Fee Agreement is sooner terminated, the Company shall make, or cause to be made, annual Negotiated Payments-in-Lieu-of-Taxes with respect to the Project, said payments being due and payable and subject to penalty assessments in the manner prescribed by the Fee Act. Such amounts shall be calculated and payable as follows:

(a) Subject to the provisions of Section 5.5, the County has agreed to accept, and the Company has agreed to make, or cause to be made, annual Negotiated Payments-in-Lieu-of- Taxes with respect to the Economic Development Property comprising the Project in an amount equal to the property taxes that would be due with respect to such property, if it were subject to *ad valorem* property taxes, but using (i) an assessment ratio of 6%; (ii) a millage rate which is fixed at 262.1 mills; and (iii) the fair market value of such property which shall be determined in accordance with Section 12-44-50(A)(1)(c) of the Fee Act as follows:

(i) for real property if such real property is constructed for a fee or is purchased in an arm's length transaction, by utilizing the original income tax basis for

South Carolina income tax purposes without regard to depreciation, reassessment, or other diminution in value, which value shall remain fixed for the Fee Term; and

(ii) for personal property, using the original income tax basis for South Carolina income tax purposes less depreciation, reassessment, or other diminution in value, allowable for property tax purposes, except that the Company is not entitled to extraordinary obsolescence.

(b) The Negotiated Payments-in-Lieu-of-Taxes shall be made on the basis that the Economic Development Property comprising the Project, if it were subject to *ad valorem* property taxes, would be allowed all applicable exemptions from those taxes, except the five-year exemption from County taxes allowed for certain manufacturing, distribution, corporate headquarters and research and development facilities pursuant to Section 3(g) of Article X of the Constitution of the State and Sections 12-37-220(B)(32), (34), and (52) of the Code.

(c) The Company shall make, or cause to be made, Negotiated Payments-in-Lieu-of-Taxes for each year during the term hereof beginning with the property tax year following the year Project property consisting of Economic Development Property is first placed in service. The Negotiated Payments-in-Lieu-of-Taxes shall be made to the County Treasurer on the due dates which would otherwise be applicable for *ad valorem* property taxes for the Project, with the first payment being due on the first date following the delivery of this Fee Agreement when, but for this Fee Agreement, such taxes would have been paid with respect to the Project.

(d) Any Economic Development Property placed in service as part of the Project during the Investment Period shall be included in the calculation of payments pursuant to paragraphs (a), (b) and (c), above, for a period not exceeding the Fee Term as provided for in Section 5.3. Pursuant to and subject to the Fee Act: (i) Replacement Property shall be included (using its income tax basis) in the calculation of payments pursuant to paragraphs (a), (b) and (c), above, but only up to the original income tax basis of property which is being disposed of in the same property tax year; (ii) Replacement Property shall be deemed to replace the oldest property subject to the fee which is disposed of in the same property tax year that the Replacement Property is placed in service; (iii) more than one piece of Replacement Property can replace a single piece of property; (iv) Replacement Property does not have to serve the same function as the Project property it is replacing; (v) to the extent that the income tax basis of the Replacement Property exceeds the original income tax basis of the Project property which it is replacing, the portion of such property allocable to the excess amount shall be subject to annual payments calculated as if the exemption for Economic Development Property were not allowed; and (vi) Replacement Property is entitled to Negotiated Payments-in-Lieu-of-Taxes pursuant to this Section 5.1 for the remaining portion of the Fee Term hereof applicable to the property which it is replacing.

SECTION 5.2. *Disposal of Property; Replacement Property.*

(a) In any instance where the Company in its sole discretion determines that any item or items of property included in the Project have become, in whole or in part, inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such item (or such portion thereof as the Company shall determine) or items and sell, trade in, exchange or otherwise dispose of it or them (as a whole or in part) without any responsibility or accountability to the

County therefor. The loss or removal from the Project of any property, or any portion thereof, as a result of fire or other casualty or by virtue of the exercise or threat of the power of condemnation or eminent domain shall be deemed to be a disposal of such property, or portion thereof, pursuant to this Section 5.2. Subject to the provisions of Section 5.5 hereof with regard to the maintenance of certain investment levels, and this Section 5.2 with respect to Replacement Property, the Negotiated Payments-in-Lieu-of-Taxes required by Section 5.1 hereof shall be reduced by the amount thereof applicable to any property included in the Project, or part thereof, disposed of, or deemed disposed of, pursuant to this Section 5.2.

(b) The Company may, in its sole discretion, replace, renew or acquire and/or install other property in substitution for, any or all property or portions thereof disposed of, or deemed disposed of, pursuant to Section 5.2(a) hereof. Any such property may, but need not, serve the same function, or be of the same utility or value, as the property being replaced.

SECTION 5.3. *Fee Term.* The applicable term of this Fee Agreement shall be measured for each Stage beginning from the last day of the property tax year in which such Stage of the Project is placed in service through the last day of the property tax year which is the 29th year following such year; provided, that the maximum term of this Fee Agreement shall not be more than 30 years from the end of the last year of the Investment Period. This Fee Agreement shall terminate, as to the Negotiated Payments-in-Lieu-of-Taxes arrangement, with respect to the Project or any Stage or part thereof, upon the earlier to occur of (a) payment of the final installment of Negotiated Payments-in-Lieu-of-Taxes pursuant to Section 5.1, or (b) exercise by the Company of its option to terminate pursuant to Section 10.1.

SECTION 5.4. *Special Source Credit.* The County agrees that the Company shall be entitled to Special Source Credits, as further described in this Section 5.4 and in the **Schedule 1** to this Fee Agreement, which shall be applied as a set-off against the net Negotiated Payments-in-Lieu-of-Taxes for the Project in the Multi-County Park (after payment of the any portion of the Negotiated Payments-in-Lieu-of-Taxes due to Greenville County pursuant to the Multi-County Park Agreement) owed, pursuant to Section 5.1 hereof. The Special Source Credit shall commence in the first tax year in which a Stage of the Project has been placed in service, which is referred to on **Schedule 1** hereto as “Year 1,” and continuing in each subsequent year for a total of six years, with the amount of the Special Source Credit in each such year being the amount shown on **Schedule 1**, subject to adjustment pursuant to clause (i) below, such that the aggregate amount of all Special Source Credits over such period shall be \$1,700,000; provided, however:

- (i) In no year shall the Special Source Credit exceed the net Negotiated Payments-in-Lieu-of-Taxes (after payment of the any portion of the Negotiated Payments-in-Lieu-of-Taxes due to Greenville County pursuant to the Multi-County Park Agreement) owed to the County in such year pursuant to Section 5.1 hereof, and in such event, the Special Source Credit applied in such year shall be reduced to an amount equal to the net Negotiated Payments-in-Lieu-of-Taxes for such year, and the remainder of the Special Source Credit that is not applied in such year shall be added to the amount of the Special Source Credit for the subsequent year; and
- (ii) Special Source Credit may be taken by the Company only to the extent that the Company has invested in qualifying improvements as defined in Section 12-44-70 of

the Act and Section 4-29-68(A)(2) of the Code (“*Qualifying Improvements*”), and at no time shall the aggregate of Special Source Credits given to the Company exceed the certified amount of Qualified Improvements. The Company shall be responsible for certifying to the County the amount of Qualified Improvements incurred in each year.

In reliance upon the certificate provided pursuant to clause (ii) above, the County Treasurer shall subtract the applicable amount of the Special Source Credit from the Negotiated Payments-in-Lieu-of-Taxes statement sent to the Company for the duration of the term of the Special Source Credit.

SECTION 5.5. *Failure to Achieve or Maintain Investment Requirements.*

(a) In the event that the Contractual Minimum Requirement is not satisfied by the end of the Investment Period, then the County may, in its sole discretion, elect to terminate this Fee Agreement and, in such event, the Negotiated Payments-in-Lieu-of-Taxes shall revert retroactively to *ad valorem* property taxation or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act equal to the amount of *ad valorem* property taxes which would otherwise have been due, as the case may be. In the event that the County terminates this Fee Agreement pursuant to the provisions of this Section 5.5, within one hundred eighty days of the end of the Investment Period, the Company shall make, or cause to be made, payments to the County in an amount equal to the difference between (i) the Negotiated Payments-in-Lieu-of-Taxes theretofore made, including any Special Source Credits taken as a credit thereto, and (ii) the amount of *ad valorem* property taxes which would otherwise have been due, subject to Section 5.5(c) hereof. Notwithstanding the foregoing provision, if the Statutory Minimum Requirement is not satisfied by the end of the Investment Period, this Fee Agreement shall be terminated and the Negotiated Payments-in-Lieu-of-Taxes shall revert retroactively to *ad valorem* property taxation or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act equal to the amount of *ad valorem* property taxes which would otherwise have been due, as the case may be, and, within one hundred eighty days of the end of the Investment Period, the Company shall make, or cause to be made, payments to the County in an amount equal to the difference between (i) the Negotiated Payments-in-Lieu-of-Taxes theretofore made, including any Special Source Credits taken as a credit thereto, and (ii) the amount of *ad valorem* property taxes which would otherwise have been due, subject to Section 5.5(c) hereof.

(b) If during the remainder of the Fee Term following end of the Investment Period the value of Economic Development Property subject to this Fee Agreement, without regard to depreciation, reassessment, or other diminution in value of such Economic Development Property, falls below \$36,000,000, or such lower level as may hereafter be agreed to by the County, then the County may, in its sole discretion, elect to terminate this Fee Agreement and, in such event, the Project shall prospectively be subject to *ad valorem* property taxation or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act equal to the amount of *ad valorem* property taxes which would otherwise have been due, as the case may be, subject to Section 5.5(c) hereof. Notwithstanding the foregoing provision, if, during the remainder of the Fee Term following end of the Investment Period the value of Economic Development Property subject to this Fee Agreement, without regard to depreciation, reassessment, or other diminution in value of such Economic Development Property, falls below the Statutory Minimum Requirement, the Fee Agreement shall be terminated and the Project shall prospectively be subject to *ad valorem*

property taxation or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act equal to the amount of *ad valorem* property taxes which would otherwise have been due, as the case may be, subject to Section 5.5(c) hereof. For the purposes of determining the Company's compliance with the jobs requirement in this Section 5.5(b), the County shall consider the highest total number of jobs created or retained at the Project during any applicable year of the Fee Term for which such compliance is being measured.

(c) In the event that the Company is required to make, or to cause to be made, any differential payment to the County or is no longer eligible for Negotiated Payments-in-Lieu-of-Taxes, pursuant to paragraphs (a), or (b) of this Section, in calculating any such differential payment or prospective *ad valorem* property tax or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act due from the Company, the Company shall be entitled: (1) to enjoy the five-year exemption from *ad valorem* property taxes (or fees in lieu of property taxes) provided by Article X, Section 3 of the Constitution of the State, and any other property tax exemption that would have been available to the Company; (2) to enjoy all allowable depreciation; and (3) to receive all other tax credits which would be due if the Company were obligated to pay *ad valorem* property taxes hereunder or under the Fee Act.

(d) Notwithstanding anything herein to the contrary, including without limitation the provisions of Section 9.2 hereof, the remedies stated in this Section 5.5 hereof shall be the County's sole remedies for failure to meet or maintain any required investment, or, if applicable, job creation or retention, level hereunder or under the Fee Act.

SECTION 5.6. *Multi-County Park Designation; Site Subject to Covenants.* The County represents that the Site is presently included or will be included in a Multi-County Park. The County agrees to include, if not already included, and to maintain, the Project and the Site in a Multi-County Park, Provision and the Multi-County Park Act, on terms which provide any additional job tax credits afforded by the laws of the State for projects located within multi-county industrial or business parks for all full-time jobs created at the Site and the Project during the Fee Term, and to undertake and execute those procedures, instruments, ordinances, resolutions and documents as may be reasonably required to accomplish same.

SECTION 5.7. *Leased Equipment.* To the extent that applicable law allows or is revised or construed to allow the benefits of the Fee Act, in the form of Negotiated Fee-in-Lieu of Tax Payments as described in Section 5.1 hereof, to be applicable to personal property to be installed at the Project and leased to but not purchased by the Company or, as applicable, any Sponsor Affiliate, from at least one third-party, under any form of lease, then that personal property, at the Company's or Sponsor Affiliate's sole election, will become subject to Negotiated Fee-in-Lieu of Tax Payments to the same extent as the Equipment under this Fee Agreement, upon proper application of the law and applicable procedures by the Company or, as applicable, any Sponsor Affiliate and so long as the value of such leased assets are reported by the Company or, as applicable, any Sponsor Affiliate on their respective SCDOR PT-300.

ARTICLE VI

PROPERTY TAX EXEMPTION AND ABATEMENT

SECTION 6.1. *Protection of Tax-Exempt Status of the Project.* In order to ensure that the Project is not and will not become subject to *ad valorem* property taxes under the laws of the State or any political subdivision thereof, the County and the Company covenant that:

(a) all rights and privileges granted to any Party under this Fee Agreement or any other Documents shall be exercised so that if any conflict between this Section 6.1 and any other provision in any document shall arise, then in that case, this Section 6.1 shall control;

(b) the County and the Company have not knowingly committed or permitted and will not knowingly commit or permit (as to any act over which either has control) any act which would cause the Project to be subject to *ad valorem* property taxes by the County or other political subdivision of the State in which any part of the Project is located; and

(c) the Company will maintain the identity of the Project as a “project” in accordance with the Act.

ARTICLE VII

EFFECTIVE DATE

SECTION 7.1. *Effective Date.* This Fee Agreement shall become effective as of the date first written above.

ARTICLE VIII

SPECIAL COVENANTS

SECTION 8.1. *Indemnification Covenants.*

(a) The Company shall and agrees to hold the County and its County Council members, officers, agents and employees (collectively, the “*Indemnified Parties*”) harmless from pecuniary liability in connection with those reasons set forth in clauses (i) or (ii) of Section 8.1(b) hereof.

(b) Notwithstanding the fact that it is the intention of the Parties that neither the County nor any of its members, officers, agents and employees shall incur any pecuniary liability to any third-party (i) by reason of the terms of this Fee Agreement or the undertakings of the County required hereunder, or (ii) by reason of the performance of any act in connection with the entering into and performance of the transactions described in the Documents, if any of the Indemnified Parties should incur any such pecuniary liability, then, in that event the Company shall indemnify and hold harmless the Indemnified Parties against all pecuniary claims by or on behalf of any Person, arising (i) by reason of the terms of this Fee Agreement or the undertakings of the County required hereunder, or (ii) by reason of the performance of any act in connection with the entering into and performance of the transactions described in the Documents, and all reasonable costs and expenses, including reasonable attorney’s fees, incurred in connection with defending against any such claim, and upon notice from the County, the Company at its own expense shall defend the Indemnified Party in any such action or proceeding. An Indemnified Party may not avail itself of

the indemnification provided in this Section unless it provides the Company with prompt notice, reasonable under the circumstances, of the existence or threat of any claim or liability, including, without limitation, copies of any citations, orders, fines, charges, remediation requests, or other claims or threats of claims, in order to afford the Company notice, reasonable under the circumstances, within which to defend or otherwise respond to a claim.

The Company is entitled to manage and control the defense of or response to any claim, charge, lawsuit, regulatory proceeding or other action, for itself and the Indemnified Party; provided the Company is not entitled to settle any matter at the separate expense or liability of any Indemnified Party without the consent of that Indemnified Party. To the extent any Indemnified Party desires to use separate counsel for any reason, other than a conflict of interest, that Indemnified Party is responsible for its independent legal fees.

(c) Notwithstanding the foregoing, the Company shall not be obligated to indemnify the County or any of its individual members, officers, agents or employees for expenses, claims, losses or damages arising from the intentional or willful misconduct or negligence of the County or any of its individual members, officers, agents or employees.

SECTION 8.2. *Assignment and Leasing.* Subject to and pursuant to the Fee Act, including Section 12-44-120 thereof, with the County's consent, which shall not be unreasonably withheld, any or all of the Company's interest in the Project and/or this Fee Agreement may be transferred or assigned by the Company or any assignee to any other entity; provided, however, that such consent is not required in connection with financing-related transfers or any other transfers not requiring the consent of the County under the Fee Act. The County hereby expressly consents to any transfer or assignment by the Company of any or all of its interest in the Project and/or this Fee Agreement to any Affiliates of the Company and to any transfer or assignment of any or all of such interest among other such Affiliates. Except as otherwise required by the Fee Act or this Fee Agreement, a transaction or an event of sale, assignment, leasing, transfer of an interest herein, disposal, or replacement of all or part of the Project shall not be a termination of this Fee Agreement in whole or in part or a basis for changing the fee payments due under Section 12-44-50 of the Fee Act. Notwithstanding any provision of this Section 8.2 to the contrary, if and to the extent that the future consent of the County is required in connection with a transfer, assignment or other action referenced in this Section, the County hereby expressly agrees that, to the extent permitted by the Fee Act, such approval may be provided by a letter or other writing executed by the Chair or the County Administrator, and each of those two officials are hereby expressly authorized to provide such consent on behalf of the County. If, notwithstanding the foregoing sentence, the Company elects to obtain additional action by County Council indicating such consent, a resolution passed by County Council shall be sufficient to indicate such additional County Council consent.

SECTION 8.3. *Commensurate Benefits.* The Parties acknowledge the intent of this Fee Agreement, in part, is to afford the Company the benefits specified in Article V hereof in consideration of the Company's decision to locate the Project within the County, and this Fee Agreement has been entered into in reliance upon the enactment of the Fee Act and the County's compliance with the requirements thereof. In the event that a court of competent jurisdiction holds that the Fee Act is unconstitutional or this Fee Agreement, the Multi-County Agreement or agreements similar in nature to this Fee Agreement or the Multi-County Park Agreement are

invalid or unenforceable in any material respect, or should the Company determine there is a reasonable doubt as to the validity or enforceability of this Fee Agreement in any material respect, then at the request of the Company, the County agrees to extend to the Company the intended benefits of this Fee Agreement and agrees, if requested, to enter into a lease purchase agreement or similar arrangement with the Company pursuant to Section 12-44-160 of the Fee Act, under Title 4, Chapter 29 or Title 4, Chapter 12 of the Code, as applicable, and to take such other steps as may be appropriate to extend to the Company the intended benefits of this Fee Agreement, including, without limitation, the provision of the Special Source Credits, which is commensurate to the benefits which would otherwise accrue to the Company under the Fee Agreement.

SECTION 8.4. Confidentiality. The County acknowledges and understands that the Company may have and maintain at the Project certain confidential and proprietary information. The County agrees that 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, or (ii) shall request or be entitled to inspect the Project or any property associated therewith. To the extent that the Company has heretofore provided confidential and proprietary information regarding the Project in the County which has been provided under written designation of the Company as “Confidential,” the County shall not knowingly and intentionally disclose or otherwise divulge any such confidential or proprietary information to any other person, firm, governmental body or agency, or any other entity unless specifically required to do so by State law. In the event that the County is required to disclose any confidential or proprietary information obtained from the Company to any third-party, the County agrees to provide the Company with maximum possible advance notice of such requirement before making such disclosure, and to cooperate with any attempts by the Company to obtain judicial or other relief from such disclosure requirement, at the expense of the Company.

ARTICLE IX

EVENT OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined. The occurrence of any one or more of the following events shall be an “Event of Default” under this Fee Agreement:

(a) If the Company shall fail to make, or cause to be made, any Negotiated Payments-in-Lieu-of-Taxes or any other amount required under this Fee Agreement and such failure shall continue for thirty days after receiving written notice of default from the County; or

(b) If the Company shall fail to observe or perform any material covenant, condition or agreement required herein to be observed or performed by the Company (other than as referred to in Section 9.1(a) hereof), and such failure shall continue for a period of thirty days after written notice of default has been given to the Company by the County; provided if by reason of “force majeure” as hereinafter defined, the Company is unable in whole or in part to carry out any such covenant, condition or agreement or if it takes longer than thirty days to cure such default and the Company is diligently attempting to cure such default, there shall be no Event of Default during such inability. The term “force majeure” as used herein shall mean circumstances not reasonably within the control of the Parties, such as without limitation, acts of God, strikes, lockouts or other industrial disturbances; war; acts of public enemies; mobilization or military conscription on a

large scale; order of any kind of the government of the United States or any State, or any civil or military authority other than the County Council or other County authority; insurrections; riots; landslides; earthquakes; fires; lightning; storms; droughts; floods; requisitions, confiscation, or commandeering of property; fuel restrictions; general shortages of transport, goods, or energy; or

(c) If any material representation or warranty on the part of the Company or the County made in the Documents furnished in connection with the Documents or the transactions described in the Documents shall have been false or misleading in any material respect.

(d) Anything herein to the contrary notwithstanding, failure to meet any investment requirements set forth herein shall not be deemed to be an Event of Default under this Fee Agreement, the sole remedy for which is set forth in Section 5.5 hereof.

SECTION 9.2. Remedies on Default. Whenever any Event of Default shall have happened and be subsisting, the County, after having given written notice to the Company, or, as applicable, any Sponsor Affiliate (a copy of which shall be provided to the Company by the County), of such default and after the expiration of a thirty (30) day cure period may (i) terminate this Fee Agreement; or (ii) take whatever action at law or in equity may appear legally required or necessary or desirable to collect the payments and other amounts then due or to enforce performance and observance of any obligation, agreement or covenant of the Company, under the Documents. Although the Parties acknowledge that the Project is exempt from *ad valorem* property taxes, the County and any other taxing entity affected thereby may, without limiting the generality of the foregoing, exercise the remedies provided by general law (Title 12, Chapter 49 of the Code and Title 12, Chapter 51 of the Code) and any act relating to the enforced collection of taxes. The County's right to receive Negotiated Payments-in-Lieu-of-Taxes shall have a first priority lien status pursuant to Section 12-44-90 of the Fee Act and Title 12, Chapters 4 and 54 of the Code. Upon the default of the County in the performance of any of its obligations hereunder, the Company may take whatever action at law or in equity as may appear necessary or desirable to enforce its rights under this Fee Agreement, including, without limitation, a suit for mandamus or specific performance.

Each right, power, and remedy of the County or the Company provided for in this Fee Agreement shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Fee Agreement or now or hereafter existing at law or in equity, in any jurisdiction where such rights, powers, and remedies are sought to be enforced; and the exercise by the County or the Company of any one or more of the rights, powers, or remedies provided for in this Fee Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the County or the Company of any or all such other rights, powers, or remedies.

SECTION 9.3. No Additional Waiver Implied by One Waiver. In the event any warranty, covenant or agreement contained in this Fee Agreement should be breached by the Company or the County and thereafter waived by the other Party to this Fee Agreement, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach.

ARTICLE X

OPTION TO TERMINATE

SECTION 10.1. *Option to Terminate.* From time to time (including without limitation any time during which there may be subsisting an Event of Default) and at any time upon at least thirty days-notice, the Company may terminate this Fee Agreement with respect to the entire Project or any portion thereof. Upon termination of all or part of this Fee Agreement, the Company will become liable for *ad valorem* property taxes, or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act, as the case may be, on the Project or such portion thereof as is so terminated from inclusion in the Project, as well as for any amounts already due and owing under this Fee Agreement, which latter amounts, if any, shall be paid to the County with the next installment of Negotiated Payments-in-Lieu-of-Taxes pursuant to Section 5.1, or, if the termination is of the entire Project, then within one hundred eighty (180) days of termination.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. *Notices.* All notices, approvals, consents, requests and other communications hereunder shall be in writing and may be delivered personally, or may be sent by facsimile or certified mail, return receipt requested, to the following addresses, unless the Parties are subsequently notified of any change of address in accordance with this Section 11.1:

If to the Company:

With copy to (such copy shall not constitute notice):

If to the County:

Pickens County Council
Attention: County Administrator
Pickens County Administration Facility
222 McDaniel Avenue, B-1
Pickens, SC 29671
Telephone: (864) 898-5856

With copy to:

Alliance Pickens
Attention: Executive Director
P.O. Box 149
1390 Smith Grove Road
Liberty, SC 29657
Telephone: 864.898.1500

Any notice shall be deemed to have been received as follows: (1) by personal delivery, upon receipt, or (2) by certified mail, 3 business days after delivery to the U.S. Postal authorities by the Party serving notice.

SECTION 11.2. *Binding Effect.* This Fee Agreement shall inure to the benefit of and shall be binding upon the County and the Company and their respective successors and assigns, subject to Section 8.2 hereof.

SECTION 11.3. *Invalidity and Severability.* In the event that the Fee Act or the Negotiated Payments-in-Lieu-of-Taxes arrangement described in Section 5.1 hereof is determined to be invalid or unenforceable in its entirety, the Parties hereby agree that except as the final judicial decision may otherwise require, the Company shall be entitled to retain any benefits received under or pursuant to this Fee Agreement; otherwise, in the event any provision of this Fee Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, that decision shall not invalidate or render unenforceable any other provision of this Fee Agreement, unless that decision destroys the basis for the transaction, in which event the Parties shall in good faith attempt to preserve, to the maximum extent possible, the benefits provided and to be provided to the Company hereunder by either restructuring or reconstituting this Fee Agreement under any then applicable law, including but not limited to Chapter 29 of Title 4 and Chapter 12 of Title 4 of the Code.

SECTION 11.4. *Payments Due on Saturday, Sunday and Holidays.* Whenever any payment to be made hereunder shall be stated to be due on a Saturday, a Sunday or a holiday, such payment shall be made on the next business day.

SECTION 11.5. *Fiscal Year; Property Tax Year.* If the Company's fiscal year changes in the future so as to cause a change in the Company's property tax year, the timing of the requirements set forth in this Fee Agreement shall be revised accordingly, except that Negotiated Payments-in-Lieu-of-Taxes shall always be required to be made at the same time and subject to the same conditions, penalties, and enforcement, as with *ad valorem* property taxes.

SECTION 11.6. *Amendments, Changes and Modifications.* Except as otherwise provided in this Fee Agreement, this Fee Agreement may not be amended, changed, modified, altered or terminated without the written consent of the County and the Company. To the maximum extent allowed by law, any such County consent including, without limitation, any County consent specifically referred to in this Fee Agreement, may, at the sole discretion of the County, be provided by a resolution of County Council.

SECTION 11.7. *Execution of Counterparts.* This Fee Agreement may be executed in several counterparts, only one of which shall be an original; provided, however, that any action may be brought upon any counterpart of this Fee Agreement or any counterpart of any document that is attached to this Fee Agreement as an exhibit.

SECTION 11.8. *Entire Understanding.* This Fee Agreement expresses the entire understanding and all agreements among the Parties hereto, and no Party hereto has made or shall be bound by any agreement or any representation to the other Parties which is not expressly set forth in this Fee Agreement or in certificates delivered in connection with the execution and delivery thereof.

SECTION 11.9. *Law Governing Construction of Agreement.* The laws of the State shall govern the construction of this Fee Agreement.

SECTION 11.10. *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 11.11. *Further Assurance.* From time to time the County agrees to execute and deliver to the Company such additional instruments and undertaking further proceedings as the Company may reasonably request to effectuate the purposes of this Fee Agreement.

SECTION 11.12. *Use of Local Goods, Services, and Suppliers.* The Company agrees, in construction of the Project, to make commercially reasonable efforts to make use of goods, services, and suppliers that are derived from contractors, vendors, and service providers that are based in or have a significant presence in the County.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, PICKENS COUNTY, SOUTH CAROLINA, and the COMPANY, each pursuant to due authority, has duly executed this Fee Agreement, all as of the date first above written.

**PICKENS COUNTY, SOUTH
CAROLINA**

Chris Bowers
Chairman, County Council

ATTEST:

Meagan Nations
Clerk to County Council

IN WITNESS WHEREOF, PICKENS COUNTY, SOUTH CAROLINA, and the COMPANY, each pursuant to due authority, has duly executed this Fee Agreement, all as of the date first above written.

PROJECT HYDRO ME

By: _____
Its: _____

EXHIBIT A
SITE DESCRIPTION

[To be provided]

EXHIBIT B

JOINDER AGREEMENT

Reference is hereby made to (i) that certain Fee in Lieu of Tax and Incentive Agreement dated as of ____, 20__ (the "Fee Agreement"), between Pickens County, South Carolina (the "County") and [COMPANY NAME], (the "Company").

1. Joinder to Fee Agreement.

The undersigned hereby (a) joins as a Party to, and agrees to be bound by and subject to all of the terms and conditions of, the Fee Agreement; (b) acknowledges and agrees that (i) in accordance with the Fee Agreement, the undersigned has been designated as a Sponsor Affiliate by the Company for purposes of the Project and such designation has been consented to by the County in accordance with the Fee Act (as defined in the Fee Agreement); (ii) the undersigned qualifies or will qualify as a Sponsor Affiliate under the Fee Agreement and Section 12-44-30(19) and Section 12-44-130 of the Fee Act; and (iii) the undersigned shall have all of the rights and obligations of a Sponsor Affiliate as set forth in the Fee Agreement.

2. Capitalized Terms.

All capitalized terms used but not defined in this Joinder Agreement shall have the meanings set forth in the Fee Agreement.

3. Governing Law.

This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina, without regard to principles of choice of law.

4. Notice.

Notices under Section 11.1 of the Fee Agreement shall be sent to:

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement to be effective as of the date set forth below.

DATE: _____

[SPONSOR AFFILIATE]

By: _____
Its: _____

SCHEDULE 1

Schedule of Special Source Credits

Year	Special Source Credit*
Year 1	\$150,000
Year 2	\$350,000
Year 3	\$350,000
Year 4	\$350,000
Year 5	\$350,000
Year 6	\$150,000
* The amount of the Special Source Credit in any year is subject to adjustment pursuant to Section 5.4 of the Fee Agreement.	

FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT

By and between

PICKENS COUNTY, SOUTH CAROLINA

and

PROJECT HYDRO RE

Dated _____, 2024

INDEX

Page

ARTICLE I RECAPITULATION AND DEFINITIONS

SECTION 1.1.	Statutorily Required Recapitulation.....	2
SECTION 1.2.	Rules of Construction; Use of Defined Terms	3
SECTION 1.3.	Definitions	3
SECTION 1.4.	Internal References.....	6

ARTICLE II LIMITATION OF LIABILITY; EXEMPTION FROM *AD VALOREM* TAXES

SECTION 2.1.	Limitation of Liability.....	6
SECTION 2.2.	Exemption from <i>Ad Valorem</i> Taxes.....	6

ARTICLE III REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 3.1.	Representations and Warranties of the County.....	7
SECTION 3.2.	Covenants by the County.....	8
SECTION 3.3.	Representations and Warranties of the Company.....	8

ARTICLE IV COMMENCEMENT AND COMPLETION OF THE PROJECT

SECTION 4.1.	The Project.....	9
SECTION 4.2.	Diligent Completion.....	10
SECTION 4.3.	Modifications to Project.....	10
SECTION 4.4.	Payment of Administration Expenses	10
SECTION 4.5.	Reports, Filings.....	10
SECTION 4.6.	Addition of Sponsor Affiliates.....	10

ARTICLE V NEGOTIATED PAYMENTS-IN-LIEU-OF-TAXES; DISPOSITION OF NEGOTIATED PAYMENTS-IN-LIEU-OF-TAXES; OTHER INCENTIVES

SECTION 5.1.	Negotiated Payments-in-Lieu-of-Taxes	11
SECTION 5.2.	Disposal of Property; Replacement Property	12

SECTION 5.3. Fee Term 13
SECTION 5.4. Special Source Credit 13
SECTION 5.5. Failure to Achieve or Maintain Investment Requirements 14
SECTION 5.6. Multi-County Park Designation; Site Subject to Covenants 15
SECTION 5.7. Leased Equipment 15

ARTICLE VI
PROPERTY TAX EXEMPTION AND ABATEMENT

SECTION 6.1. Protection of Tax-Exempt Status of the Project 15

ARTICLE VII
EFFECTIVE DATE

SECTION 7.1. Effective Date 16

ARTICLE VIII
SPECIAL COVENANTS

SECTION 8.1. Indemnification Covenants 16
SECTION 8.2. Assignment and Leasing 17
SECTION 8.3. Commensurate Benefits 17
SECTION 8.4. Confidentiality 18

ARTICLE IX
EVENT OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined 18
SECTION 9.2. Remedies on Default 19
SECTION 9.3. No Additional Waiver Implied by One Waiver 19

ARTICLE X
OPTION TO TERMINATE

SECTION 10.1. Option to Terminate 19

ARTICLE XI
MISCELLANEOUS

SECTION 11.1. Notices 20
SECTION 11.2. Binding Effect 21
SECTION 11.3. Invalidity and Severability 21
SECTION 11.4. Payments Due on Saturday, Sunday and Holidays 21
SECTION 11.5. Fiscal Year; Property Tax Year 21
SECTION 11.6. Amendments, Changes and Modifications 21
SECTION 11.7. Execution of Counterparts 21

SECTION 11.8. Entire Understanding..... 21
SECTION 11.9. Law Governing Construction of Agreement 21
SECTION 11.10.Headings 21
SECTION 11.11 Further Assurance 22
SECTION 11.12 Use of Local Goods, Services, and Suppliers..... 22

EXHIBIT A: SITE DESCRIPTION

EXHIBIT B: JOINDER AGREEMENT

SCHEDULE 1: SCHEDULE OF SPECIAL SOURCE CREDITS

FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT

This **FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT** (“*Fee Agreement*”) is made and entered into as of _____, 2024, by and between **PICKENS COUNTY, SOUTH CAROLINA** (the “*County*”), a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through its County Council (the “*County Council*”) as governing body of the County, and a company known to the County at this time as **PROJECT HYDRO RE**, a [limited liability company organized and existing under the laws of the State of South Carolina], along with its affiliated or related entities, and assigns, as Sponsor (collectively, “*Company*”) and any other entity that may join as a Sponsor Affiliate as the term is defined in this Fee Agreement (hereinafter, the County, the Company, and any Sponsor Affiliate are referred to individually as a “*Party*” and, collectively, as “*Parties*”).

RECITALS:

WHEREAS, to induce companies to locate in the State of South Carolina (the “*State*”) and to encourage companies now located in the State to expand their investments and thus make use of and employ workers and other resources of the State, the County is authorized by the Code of Laws of South Carolina 1976, as amended (the “*Code*”) and particularly Title 12, Chapter 44 of the Code (the “*Fee Act*”), to enter into a fee agreement with companies meeting the requirements of the Fee Act which identifies certain property of the Company as Economic Development Property (as defined herein) and provides for the payment of negotiated payments-in-lieu-of-taxes with respect to such property, and the County is further authorized by Title 4, Chapter 1 of the Code (the “*Multi-County Park Act*”) and Article VIII, Section 13 of the Constitution of the State (the “*Multi-County Park Provision*”) to designate properties as part of a multi-county industrial or business park (a “*Multi-County Park*”), all of which enhances the economic development of the County;

WHEREAS, pursuant to the Fee Act, the County finds that (a) it is anticipated that the Project (as defined herein) will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise adequately provided locally; (b) neither the Project nor any documents or agreements entered into by the County in connection therewith will give rise to any pecuniary liability of the County or incorporated municipality or to any 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;

WHEREAS, in order to induce the Company to make, or cause to be made, new or additional investment through the development or expansion of its facilities located in the County (as further defined herein, the “*Project*”), the County agreed to enter into a fee agreement under the Fee Act with the Company whereby the County would, under certain circumstances, accept certain negotiated payments-in-lieu-of-taxes with respect to the Project and to the inclusion and maintenance of the Project in a Multi-County Park;

WHEREAS, pursuant to a Resolution adopted _____, 2024, the County Council identified the Project, as required under the Fee Act, and pursuant to an ordinance enacted on _____, 2024 (the “*Ordinance*”), the County Council, authorized the County (i) to enter

into this Fee Agreement with the Company, which, among other things, (i) establishes a negotiated payment-in-lieu-of-taxes arrangement and identifies the property comprising the Project as Economic Development Property, subject to the terms and conditions hereof and the provisions of the Fee Act, all as set forth in greater detail herein; and (ii) provides for certain additional special source revenue credits against the negotiated payment-in-lieu-of-taxes due hereunder.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained and other value, the Parties hereto agree as follows:

ARTICLE I

RECAPITULATION AND DEFINITIONS

SECTION 1.1. Statutorily Required Recapitulation. Pursuant to Section 12-44-55(B) of the Fee Act, the Parties agree to waive a portion of the recapitulation requirements of Section 12-44-55 of the Fee Act. If the Company should be required to retroactively comply with all of the recapitulation requirements of Section 12-44-55 of the Fee Act, then the County agrees to waive any and all penalties and fees of the County for the Company’s noncompliance. The recapitulations required by Section 12-44-55(A) of the Fee Act are as follows:

1. Legal name of each Party to the Agreement: Pickens County, South Carolina and [Project Hydro RE]
2. County and street address of the project and property subject to the Agreement:
 County: Pickens County

 Address: _____

3. Length and term of the Agreement: Not to exceed 30 years
4. The assessment ratio applicable for each year of the Agreement: 6%
5. The millage rate applicable for each year of the Agreement: [262.1]
6. Minimum investment agreed upon: \$27,000,000
7. Schedule showing the amount of the fee and its calculation for each year of the agreement:
This provision has been waived.
8. Schedule showing the amount to be distributed annually to each of the affected taxing entities: This provision has been waived.
9. Statements answering the following questions:
 - a. Is the project located in a multi-county park? Yes

- b. Is disposal of property subject to the fee allowed? Yes
 - c. Will special source revenue bonds be issued or credits for infrastructure investment be allowed in connection with this project? Yes
 - d. Will payment amounts be modified using a net present value calculation? No
 - e. Do replacement property provisions apply? Yes
10. Any other feature or aspect of the agreement which may affect the calculations of items (7) and (8): This provision is waived.
11. Description of the effect upon the schedules required by items (7) and (8) of any feature covered by items (9) and (10) not reflected in the schedules for items (7) and (8): This provision is waived.
12. Which Party or parties to the Agreement are responsible for updating any information contained in the summary document? This provision is waived.

SECTION 1.2. *Rules of Construction; Use of Defined Terms.* Unless the context clearly indicates otherwise, in this Fee Agreement words and terms defined in Section 1.3 hereof are used with the meanings ascribed thereto. The definition of any document or agreement shall include any amendments, supplements, addenda, and modifications to that document, unless the context clearly indicates otherwise.

SECTION 1.3. *Definitions.*

“**Act**” means, collectively, Title 12, Chapter 44 of the Code (the “*Fee Act*”) and Title 4, Chapter 1 of the Code (the “*Multi-County Park Act*”).

“**Administration Expenses**” mean the reasonable and necessary expenses incurred by the County in the fulfillment of its obligations under this Fee Agreement and in the implementation of its terms and provisions, including attorneys’ fees at the hourly rates which are standard for legal services to the County but excluding any expenses incurred by the County in defending suits brought by any Company under Section 9.2 hereof; provided, however, that no such expense shall be considered an Administration Expense unless the County shall have furnished to the Company an itemized statement of all expenses incurred; and provided, further, that nothing herein shall be construed as prohibiting the County from engaging the counsel of its choice for matters deemed necessary and prudent by the County.

“**Affiliate**” means any corporation, limited liability company, partnership or other Person or entity which owns all or part of the Company or in which the Company has and maintains a minimum 51% equity interest, and any subsidiary, affiliate or other Person, individual, or entity, who bears a relationship to the Company as described in Section 267(b) of the Internal Revenue Code.

“**Applicable Governmental Body**” means each governmental entity within the State having jurisdiction over or the right to approve or disapprove any or all of the Documents.

“**Chair**” means the Chair of County Council (or the person or persons authorized to perform the duties thereof in the absence of the Chair).

“**Clerk**” means the Clerk of County Council (or the person or persons authorized to perform the duties thereof in the absence of the Clerk).

“**Code**” means Code of Laws of South Carolina 1976, as in effect on the date hereof and as the same may be amended from time to time.

“**Commencement Date**” means the last day of the property tax year during which Project property, consisting of Economic Development Property, is first placed in service, except that this date must not be later than the last day of the property tax year which is three years from the year in which the Parties have entered into this Agreement. The parties presently anticipate that the Commencement Date may be, but shall not be required to be, December 31, 2025.

“**Company**” means a company known to the County at this time as PROJECT HYDRO RE, a [limited liability company organized and existing under the laws of the State of South Carolina], and its Affiliates, successors, and assigns.

“**Contractual Minimum Requirement**” means an investment by the Company and, as applicable, any Sponsor Affiliate(s) in the Project of at least \$27,000,000 (without regard to depreciation, reassessment, or other diminution in value) within the Investment Period.

“**County**” means Pickens County, South Carolina, and its successors and assigns.

“**County Administrator**” means the County Administrator for the County (or the person or persons authorized to perform the duties thereof in the absence of the County Administrator).

“**County Council**” means the County Council of the County.

“**Documents**” mean this Fee Agreement, the Ordinance, the Multi-County Park Agreement, and any ordinances enacted by the County Council to establish the Multi-County Park and to add the Site and the Project to the Multi-County Park.

“**DOR**” means the South Carolina Department of Revenue and any successor thereto.

“**Economic Development Property**” means all property qualifying as economic development property (as defined by the Fee Act), including, without limitation, each item of real property comprising the Project which is placed in service during the Investment Period and which meets the requirements of Sections 12-44-30(6) and 12-44-40(C) of the Fee Act, together with all Replacement Property.

“**Event of Default**” means any Event of Default specified in Section 9.1 of this Fee Agreement.

“**Fee Agreement**” means this Fee In Lieu of Tax and Incentive Agreement, dated as of the date first written above, by and between the County and the Company.

“Fee Term” means the duration of the Negotiated Payments-in-Lieu-of-Taxes arrangement with respect to each Stage of the Project as specified in Section 5.3 hereof.

“Improvements” mean real property improvements to the Site, together with any and all additions, accessions, replacements, and substitutions thereto or therefor.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“Investment Period” means the period beginning with the first day that Economic Development Property for the Project is purchased or acquired and ending on the last day of the fifth property tax-year following the Commencement Date, subject to any further extension of such period as provided in Section 3.2(b) hereof. By way of example, in the event that Economic Development Property comprising a portion of the Project is placed in service in calendar year 2025, the Commencement Date shall be December 31, 2025, and the Investment Period shall end on December 31, 2030.

“Multi-County Park” means the multi-county industrial or business park established pursuant to the Multi-County Park Agreement, and any multi-county industrial or business park which includes the Site and the Project and which is designated by the County as such pursuant to the any agreement that supersedes or replaces the initial Multi-County Park Agreement.

“Multi-County Park Agreement” means the Agreement for Development of Joint County Industrial Park dated _____, 2024, by and between the County and Greenville County, South Carolina, as subsequently amended to include the Project and as further amended, supplemented, or replaced from time to time.

“Negotiated Payments-in-Lieu-of-Taxes” means the payments to be made pursuant to Section 5.1 of this Fee Agreement with respect to that portion of the Project consisting of Economic Development Property.

“Ordinance” means the ordinance enacted by the County on _____, 2024, authorizing this Fee Agreement.

“Person” means and includes any individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, or government or agency or political subdivision thereof.

“Project” means: (i) real property comprising the Site; (ii) buildings and other Improvements at the Site qualifying as Economic Development Property, including water, sewage treatment and disposal facilities, air pollution control facilities; and (iii) any Replacement Property, all as measured in accordance with the provisions of Section 4.1 hereof.

“Replacement Property” means any property placed in service as a replacement for any Improvement 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 Improvement.

“**Site**” means the real property in the County at which the Project is to be located, and which the Company utilizes pursuant to any fee or leasehold interest or other access arrangement, the initial portion of which Site is further described in **Exhibit A** hereto.

“**Special Source Credit**” shall mean the credit against the Negotiated Payments-in-Lieu-of-Taxes to be made by the Company or any Sponsor Affiliate to the County as authorized by Sections 4-1-175 and 4-29-68 of the Code.

“**Sponsor Affiliate**” means an affiliate that joins with or is an affiliate of the Company and enters into a joinder agreement pursuant to Section 4.6 hereof, whose investment with respect to the Project shall be considered part of the Investment and qualify for Negotiated Fee-in-Lieu Payments and other benefits pursuant to Section 5.1 hereof and Sections 12-44-30 and 12-44-130 of the Fee Act.

“**Stage**” in respect of the Project, means each annual increment of Project property, if any, placed in service during each year of the Investment Period.

“**State**” means the State of South Carolina.

“**Statutory Minimum Requirement**” means investment in the Project of at least \$2,500,000 (without regarding to depreciation, reassessment, or other diminution in value) within the Investment Period, in accordance with Section 12-44-30(14) of the Fee Act.

SECTION 1.4. *Internal References.* 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. References herein to Title, Chapters or Sections, except the references to Sections of this Fee Agreement or where the intent clearly requires otherwise, refer to Sections of the Code. The words “hereof”, “herein”, “hereunder”, and other words of similar impact refer to this Fee Agreement as a whole.

ARTICLE II

LIMITATION OF LIABILITY; EXEMPTION FROM *AD VALOREM* TAXES

SECTION 2.1. *Limitation of Liability.* Any obligation which the County may incur for the payment of money as a result of the transactions described in the Documents shall never constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never create a pecuniary liability of the County or a charge upon its general credit or against its taxing powers but shall be payable solely out of the funds received by it under the Documents.

SECTION 2.2. *Exemption from Ad Valorem Taxes.* The County and the Company acknowledge that pursuant to the Act, upon execution of this Fee Agreement, no part of the Project will be subject to *ad valorem* property taxation in the State, and that this factor, among others, is the basis upon which the Company has entered into this Fee Agreement.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 3.1. *Representations and Warranties of the County.* The County makes the following representations and warranties to the Company and covenants with the Company as follows:

(a) The County is a body politic and corporate and a political subdivision of the State and is authorized and empowered by the Act to execute the Documents to which it is a party and to fulfill its obligations described in the Documents. By proper action, the County Council has duly authorized the execution and delivery of the Documents to which the County is a party and has taken all such action as is necessary to permit the County to enter into and fully perform the transactions required of it under the Documents.

(b) Neither the execution and delivery of the Documents, nor the consummation and performance of the transactions described in the Documents, violate, conflict with or will result in a breach of any of the material terms, conditions or provisions of any agreement, restriction, law, rule, order or regulation to which the County is now a party or by which it is bound.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency, public board or body, pending or threatened, against or affecting the County, wherein an unfavorable decision, ruling or finding may or would materially adversely affect the validity or enforceability of the Documents, the County's obligations under this Fee Agreement, or the consummation of the transactions described in the Documents.

(d) Neither the existence of the County nor the rights of any members of County Council to their offices is being contested and none of the proceedings taken to authorize the execution, delivery and performance of such of the Documents as require execution, delivery and performance by the County has been repealed, revoked, amended or rescinded.

(e) All consents, authorizations and approvals required on the part of the County, State and all other Applicable Governmental Bodies in connection with the execution, delivery and performance by the County of such of the Documents as require execution, delivery and performance by the County have been obtained and remain in full force and effect as of the date hereof or will be obtained.

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

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

(h) The Documents to which the County is a party are (or, when executed, will be) legal, valid, and binding obligations of the County enforceable against the County under present law in accordance with their respective terms, except as such terms may be limited by laws affecting creditors' rights generally.

SECTION 3.2. *Covenants by the County.* The County covenants with the Company as follows:

(a) The County agrees to expedite any and all permits, authorizations, or other approvals that may be required of the County in connection with the development of the Project to greatest extent reasonably practicable and within the control of the County.

(b) The County agrees to do all things deemed reasonably necessary as requested by the Company in writing in connection with the Project including but not limited to the execution, delivery and performance of its obligations in the Documents and in accordance with the Act, all for the purposes of promoting industrial development, developing trade, and utilizing and employing the manpower and natural resources of the County and the State.

(c) To the extent permitted by law, the Company may request of the County, and the County may approve in its sole discretion, an extension of the Investment Period in accordance with and up to the limits permitted under Section 12-44-30(13) of the Fee Act. The grant of any such extension by the County may be approved by a resolution of County Council. Upon the granting of any such extension the County agrees to, at the Company's expense, cooperate with the Company in assisting the Company to file with the DOR a copy of such extension within 30 days of the date of execution thereof by the County.

SECTION 3.3. *Representations and Warranties of the Company.* The Company makes the following representations and warranties to the County:

(a) The Company is a [limited liability company organized and existing under the laws of the State] and authorized to transact business in the State. The Company has full power to execute the Documents to which it is a party and to fulfill its obligations described in such Documents and, by proper action, has authorized the execution and delivery of the Documents to which it is a party.

(b) Neither the execution and delivery of the Documents to which the Company is a party, nor the consummation and performance of the transactions described in such Documents violate, conflict with, or will, to its knowledge, result in a material breach of any of the material terms, conditions or provisions of any agreement, restriction, law, rule, order, or regulation to which the Company is now a party or by which it is bound.

(c) There is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any judicial or administrative court or agency, public board or, body, pending or threatened, against or affecting the Company wherein an unfavorable decision, ruling, or finding would adversely and materially affect the consummation of the transactions described in the Documents to which the Company is a party.

(d) All consents, authorizations and approvals required on the part of the Company in connection with the execution, delivery, and performance by the Company of Documents to which the Company is a party and the transactions contemplated thereby and the acquisition, construction, and installation of the Project have been obtained and remain in full force and effect or will be obtained.

(e) The Documents to which the Company is a party are (or, when executed, will be) legal, valid, and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such terms may be limited by laws affecting creditors' rights generally.

ARTICLE IV

COMMENCEMENT AND COMPLETION OF THE PROJECT

SECTION 4.1. *The Project.* The Company and, as applicable, any Sponsor Affiliate(s), has acquired, constructed and/or installed or made plans for the acquisition, lease, construction and/or installation of certain real property and real property improvements which comprise the Project. The Parties agree that the Economic Development Property comprising the Project shall consist of the Site and such Improvements as may be identified by the Company, its Affiliates, any Sponsor Affiliate, or other third parties that have entered into any financing, lease, license or other access arrangement with the Company or any of its Affiliates or Sponsor Affiliates with respect to the Project in connection with annual filings with the DOR of a SCDOR PT-300, or comparable property tax or fee-in-lieu-of-tax forms, including any schedules thereto (as such filings may be amended or supplemented from time to time), for each year within the Investment Period and, with respect to Replacement Property, for each year thereafter during the term of this Fee Agreement.

Pursuant to the Fee Act, the Company and the County hereby agree that to the extent that the property comprising the Project is Economic Development Property, it will remain Economic Development Property during the applicable Fee Term so long as such property meets the requirements of the Fee Act.

Notwithstanding any other provision of this Fee Agreement, the Company may place property into service, without any limit as the amount thereof, at any time under this Fee Agreement, but such property may only qualify as Economic Development Property if it is placed in service during the Investment Period, including any additional extension period, or is Replacement Property.

All investment in the Project by the Company, by its Affiliates, by any Sponsor Affiliate, and by any third-party to the extent that the Company or any of its Affiliates utilizes the property funded by such third-party pursuant to any financing, lease, license, or other access arrangement shall, to the extent permitted by law, count toward any investment requirement or threshold specified in this Fee Agreement including, without limitation, the Contractual Minimum Requirement and the Statutory Minimum Requirement. Any Sponsor Affiliate shall hereby be entitled, to the extent permitted by the Fee Act, to all rights and benefits set forth in this Fee Agreement including, without limitation, the Negotiated Payments-in-Lieu-of-Taxes arrangement specified in Section 5.1 hereof and shall be bound by all of the terms and provisions of this Fee Agreement related thereto, except as provided otherwise in any separate written agreement, all with respect to each such entity's portion of the Project. The Company shall notify DOR in writing of all such entities to benefit from the Negotiated Payments-in-Lieu-of-Taxes arrangement in accordance with Section 12-44-130(B) of the Fee Act. Any other entity to whom the Company intends to extend the benefits of the Negotiated Payments-in-Lieu-of-Taxes arrangement may, at

the request of the Company, be approved by a resolution passed by the County Council, in its sole discretion.

SECTION 4.2. *Diligent Completion.* The Company agrees to use its commercially reasonable efforts to cause the acquisition, construction, and installation of the Project to be completed; however, notwithstanding anything contained in this Fee Agreement to the contrary, the Company shall not be obligated to complete, or cause the completion of, the acquisition, construction, and installation of the Project and may terminate this Fee Agreement with respect to all or a portion of the Project as set forth in Article X herein.

SECTION 4.3. *Modifications to Project.* The Company may make, or cause to be made, from time to time, any additions, modifications or improvements to the Project that it may deem desirable for its business purposes.

SECTION 4.4. *Payment of Administration Expenses.* The Company shall reimburse, or cause to be reimbursed, the County, from time to time, for the County's Administration Expenses incurred in the fulfillment of its obligations hereunder, or in the implementation of this Agreement's terms and provisions, with respect to the Company, promptly upon written request therefor, but in no event later than 60 days after receiving written notice from the County specifying the nature of such expense and requesting the payment of the same. The County acknowledges that it imposes no charges in the nature of impact fees or recurring fees in connection with the Project or the incentives authorized hereby, and aside from the attorneys' fees set forth below, the County anticipates no out of pocket expenses in connection with this Agreement and the transactions contemplated hereunder. The parties understand that legal counsel to the County has estimated its fees and other expenses for the drafting of the Inducement Resolution and this Agreement and all resolutions, ordinances and other documentation related thereto at \$5,000, and, absent unforeseen circumstances, such fees shall not exceed \$7,500. The Company shall pay such amount to the County within 30 days of the execution of this Fee Agreement.

SECTION 4.5. *Reports, Filings.* In accordance with Section 12-44-90 of the Fee Act, the Company shall cause a copy of this Fee Agreement, as well as a copy of the completed Form PT-443 of DOR (collectively, the "***Initial Filings***"), to be filed with the County Auditor, the County Assessor, the County Treasurer and DOR within 30 days after the date of execution and delivery hereof and shall also cause a copy of this Fee Agreement to be filed with the County Auditor and the County Assessor of Greenville County, South Carolina. In addition, the Company shall provide the County Auditor, the County Assessor, and the County Treasurer with a copy of all annual filings made by the Company to DOR pursuant to this Fee Agreement and the Fee Act (the same together with the Initial Filings, collectively, the "***Primary Filings***"). Notwithstanding anything herein to the contrary, all Primary Filings required to be made by the Company hereunder shall not be filed without the prior review and written consent of the Additional Company (defined below), in its sole discretion.

SECTION 4.6. *Addition of Sponsor Affiliates.* Upon request of and at the expense of the Company, the Company may approve any future Sponsor Affiliate that qualifies under the Act for the benefits offered under this Fee Agreement and which agrees to be bound by the provisions hereof to be further evidenced by such future Sponsor Affiliate entering into a Joinder Agreement in the form attached to this Fee Agreement as **Exhibit B**. The County specifically approves the

addition of a company known to the County at this time as **PROJECT HYDRO ME** (the “*Additional Company*”), or an Affiliate of the Additional Company, as a Sponsor Affiliate to this Fee Agreement upon the Additional Company entering into a Joinder Agreement as provided by this Section 4.6. For purposes of this paragraph, the term “Affiliate of the Additional Company” means any corporation, limited liability company, partnership or other Person or entity which owns all or part of the Additional Company or in which the Additional Company has and maintains a minimum 51% equity interest, and any subsidiary, affiliate or other Person, individual, or entity, who bears a relationship to the Additional Company as described in Section 267(b) of the Internal Revenue Code.

ARTICLE V

NEGOTIATED PAYMENTS-IN-LIEU-OF-TAXES; DISPOSITION OF NEGOTIATED PAYMENTS-IN-LIEU-OF-TAXES; OTHER INCENTIVES

SECTION 5.1. *Negotiated Payments-in-Lieu-of-Taxes.* The Parties acknowledge that under Article X, Section 3 of the Constitution of the State, the Project is exempt from *ad valorem* property taxes. However, the Company shall be required to make, or cause to be made, Negotiated Payments-in-Lieu-of-Taxes with respect to the Project as provided in this Section 5.1, subject to further reduction due to the Special Source Credits provided for in Section 5.4. In accordance with the Fee Act, and unless this Fee Agreement is sooner terminated, the Company shall make, or cause to be made, annual Negotiated Payments-in-Lieu-of-Taxes with respect to the Project, said payments being due and payable and subject to penalty assessments in the manner prescribed by the Fee Act. Such amounts shall be calculated and payable as follows:

(a) Subject to the provisions of Section 5.5, the County has agreed to accept, and the Company has agreed to make, or cause to be made, annual Negotiated Payments-in-Lieu-of- Taxes with respect to the Economic Development Property comprising the Project in an amount equal to the property taxes that would be due with respect to such property, if it were subject to *ad valorem* property taxes, but using (i) an assessment ratio of 6%; (ii) a millage rate which is fixed at 262.1 mills; and (iii) the fair market value of such property which shall be determined in accordance with Section 12-44-50(A)(1)(c) of the Fee Act as follows:

(i) for real property if such real property is constructed for a fee or is purchased in an arm’s length transaction, by utilizing the original income tax basis for South Carolina income tax purposes without regard to depreciation, reassessment, or other diminution in value, which value shall remain fixed for the Fee Term; and

(ii) for personal property, using the original income tax basis for South Carolina income tax purposes less depreciation, reassessment, or other diminution in value, allowable for property tax purposes, except that the Company is not entitled to extraordinary obsolescence.

(b) The Negotiated Payments-in-Lieu-of-Taxes shall be made on the basis that the Economic Development Property comprising the Project, if it were subject to *ad valorem* property taxes, would be allowed all applicable exemptions from those taxes, except the five-year

exemption from County taxes allowed for certain manufacturing, distribution, corporate headquarters and research and development facilities pursuant to Section 3(g) of Article X of the Constitution of the State and Sections 12-37-220(B)(32), (34), and (52) of the Code.

(c) The Company shall make, or cause to be made, Negotiated Payments-in-Lieu-of-Taxes for each year during the term hereof beginning with the property tax year following the year Project property consisting of Economic Development Property is first placed in service. The Negotiated Payments-in-Lieu-of-Taxes shall be made to the County Treasurer on the due dates which would otherwise be applicable for *ad valorem* property taxes for the Project, with the first payment being due on the first date following the delivery of this Fee Agreement when, but for this Fee Agreement, such taxes would have been paid with respect to the Project.

(d) Any Economic Development Property placed in service as part of the Project during the Investment Period shall be included in the calculation of payments pursuant to paragraphs (a), (b) and (c), above, for a period not exceeding the Fee Term as provided for in Section 5.3. Pursuant to and subject to the Fee Act: (i) Replacement Property shall be included (using its income tax basis) in the calculation of payments pursuant to paragraphs (a), (b) and (c), above, but only up to the original income tax basis of property which is being disposed of in the same property tax year; (ii) Replacement Property shall be deemed to replace the oldest property subject to the fee which is disposed of in the same property tax year that the Replacement Property is placed in service; (iii) more than one piece of Replacement Property can replace a single piece of property; (iv) Replacement Property does not have to serve the same function as the Project property it is replacing; (v) to the extent that the income tax basis of the Replacement Property exceeds the original income tax basis of the Project property which it is replacing, the portion of such property allocable to the excess amount shall be subject to annual payments calculated as if the exemption for Economic Development Property were not allowed; and (vi) Replacement Property is entitled to Negotiated Payments-in-Lieu-of-Taxes pursuant to this Section 5.1 for the remaining portion of the Fee Term hereof applicable to the property which it is replacing.

SECTION 5.2. *Disposal of Property; Replacement Property.*

(a) In any instance where the Company in its sole discretion determines that any item or items of property included in the Project have become, in whole or in part, inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such item (or such portion thereof as the Company shall determine) or items and sell, trade in, exchange or otherwise dispose of it or them (as a whole or in part) without any responsibility or accountability to the County therefor. The loss or removal from the Project of any property, or any portion thereof, as a result of fire or other casualty or by virtue of the exercise or threat of the power of condemnation or eminent domain shall be deemed to be a disposal of such property, or portion thereof, pursuant to this Section 5.2. Subject to the provisions of Section 5.5 hereof with regard to the maintenance of certain investment levels, and this Section 5.2 with respect to Replacement Property, the Negotiated Payments-in-Lieu-of-Taxes required by Section 5.1 hereof shall be reduced by the amount thereof applicable to any property included in the Project, or part thereof, disposed of, or deemed disposed of, pursuant to this Section 5.2.

(b) The Company may, in its sole discretion, replace, renew or acquire and/or install other property in substitution for, any or all property or portions thereof disposed of, or deemed disposed

of, pursuant to Section 5.2(a) hereof. Any such property may, but need not, serve the same function, or be of the same utility or value, as the property being replaced.

SECTION 5.3. *Fee Term.* The applicable term of this Fee Agreement shall be measured for each Stage beginning from the last day of the property tax year in which such Stage of the Project is placed in service through the last day of the property tax year which is the 29th year following such year; provided, that the maximum term of this Fee Agreement shall not be more than 30 years from the end of the last year of the Investment Period. This Fee Agreement shall terminate, as to the Negotiated Payments-in-Lieu-of-Taxes arrangement, with respect to the Project or any Stage or part thereof, upon the earlier to occur of (a) payment of the final installment of Negotiated Payments-in-Lieu-of-Taxes pursuant to Section 5.1, or (b) exercise by the Company of its option to terminate pursuant to Section 10.1.

SECTION 5.4. *Special Source Credit.* The County agrees that the Company shall be entitled to Special Source Credits, as further described in this Section 5.4 and in the **Schedule 1** to this Fee Agreement, which shall be applied as a set-off against the net Negotiated Payments-in-Lieu-of-Taxes for the Project in the Multi-County Park (after payment of the any portion of the Negotiated Payments-in-Lieu-of-Taxes due to Greenville County pursuant to the Multi-County Park Agreement) owed, pursuant to Section 5.1 hereof. The Special Source Credit shall commence in the first tax year in which a Stage of the Project has been placed in service, which is referred to on **Schedule 1** hereto as “Year 1,” and continuing in each subsequent year for a total of 11 years, with the amount of the Special Source Credit in each such year being the amount shown on **Schedule 1**, subject to adjustment pursuant to clause (i) below, such that the aggregate amount of all Special Source Credits over such period shall be \$3,108,260; provided, however:

- (i) In no year shall the Special Source Credit exceed the net Negotiated Payments-in-Lieu-of-Taxes (after payment of the any portion of the Negotiated Payments-in-Lieu-of-Taxes due to Greenville County pursuant to the Multi-County Park Agreement) owed to the County in such year pursuant to Section 5.1 hereof, and in such event, the Special Source Credit applied in such year shall be reduced to an amount equal to the net Negotiated Payments-in-Lieu-of-Taxes for such year, and the remainder of the Special Source Credit that is not applied in such year shall be added to the amount of the Special Source Credit for the subsequent year; and
- (ii) Special Source Credit may be taken by the Company only to the extent that the Company has invested in qualifying improvements as defined in Section 12-44-70 of the Act and Section 4-29-68(A)(2) of the Code (“***Qualifying Improvements***”), and at no time shall the aggregate of Special Source Credits given to the Company exceed the certified amount of Qualified Improvements. The Company shall be responsible for certifying to the County the amount of Qualified Improvements incurred in each year.

In reliance upon the certificate provided pursuant to clause (ii) above, the County Treasurer shall subtract the applicable amount of the Special Source Credit from the Negotiated Payments-in-Lieu-of-Taxes statement sent to the Company for the duration of the term of the Special Source Credit.

SECTION 5.5. *Failure to Achieve or Maintain Investment Requirements.*

(a) In the event that the Contractual Minimum Requirement is not satisfied by the end of the Investment Period, then the County may, in its sole discretion, elect to terminate this Fee Agreement and, in such event, the Negotiated Payments-in-Lieu-of-Taxes shall revert retroactively to *ad valorem* property taxation or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act equal to the amount of *ad valorem* property taxes which would otherwise have been due, as the case may be. In the event that the County terminates this Fee Agreement pursuant to the provisions of this Section 5.5, within one hundred eighty days of the end of the Investment Period, the Company shall make, or cause to be made, payments to the County in an amount equal to the difference between (i) the Negotiated Payments-in-Lieu-of-Taxes theretofore made, including any Special Source Credits taken as a credit thereto, and (ii) the amount of *ad valorem* property taxes which would otherwise have been due, subject to Section 5.5(c) hereof. Notwithstanding the foregoing provision, if the Statutory Minimum Requirement is not satisfied by the end of the Investment Period, this Fee Agreement shall be terminated and the Negotiated Payments-in-Lieu-of-Taxes shall revert retroactively to *ad valorem* property taxation or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act equal to the amount of *ad valorem* property taxes which would otherwise have been due, as the case may be, and, within one hundred eighty days of the end of the Investment Period, the Company shall make, or cause to be made, payments to the County in an amount equal to the difference between (i) the Negotiated Payments-in-Lieu-of-Taxes theretofore made, including any Special Source Credits taken as a credit thereto, and (ii) the amount of *ad valorem* property taxes which would otherwise have been due, subject to Section 5.5(c) hereof.

(b) If during the remainder of the Fee Term following end of the Investment Period the value of Economic Development Property subject to this Fee Agreement, without regard to depreciation, reassessment, or other diminution in value of such Economic Development Property, falls below \$25,000,000, or such lower level as may hereafter be agreed to by the County, then the County may, in its sole discretion, elect to terminate this Fee Agreement and, in such event, the Project shall prospectively be subject to *ad valorem* property taxation or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act equal to the amount of *ad valorem* property taxes which would otherwise have been due, as the case may be, subject to Section 5.5(c) hereof. Notwithstanding the foregoing provision, if, during the remainder of the Fee Term following end of the Investment Period the value of Economic Development Property subject to this Fee Agreement, without regard to depreciation, reassessment, or other diminution in value of such Economic Development Property, falls below the Statutory Minimum Requirement, the Fee Agreement shall be terminated and the Project shall prospectively be subject to *ad valorem* property taxation or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act equal to the amount of *ad valorem* property taxes which would otherwise have been due, as the case may be, subject to Section 5.5(c) hereof.

(c) In the event that the Company is required to make, or to cause to be made, any differential payment to the County or is no longer eligible for Negotiated Payments-in-Lieu-of-Taxes, pursuant to paragraphs (a), or (b) of this Section, in calculating any such differential payment or prospective *ad valorem* property tax or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act due from the Company, the Company shall be entitled: (1) to enjoy the five-year exemption from *ad valorem* property taxes (or fees in lieu of property taxes) provided by Article X, Section 3 of the Constitution of the State, and any other property tax exemption that would have been available to the Company; (2) to enjoy all allowable depreciation; and (3) to

receive all other tax credits which would be due if the Company were obligated to pay *ad valorem* property taxes hereunder or under the Fee Act.

(d) Notwithstanding anything herein to the contrary, including without limitation the provisions of Section 9.2 hereof, the remedies stated in this Section 5.5 hereof shall be the County's sole remedies for failure to meet or maintain any investment required hereunder or under the Fee Act.

SECTION 5.6. *Multi-County Park Designation; Site Subject to Covenants.* The County represents that the Site is presently included or will be included in a Multi-County Park. The County agrees to include, if not already included, and to maintain, the Project and the Site in a Multi-County Park, Provision and the Multi-County Park Act, on terms which provide any additional job tax credits afforded by the laws of the State for projects located within multi-county industrial or business parks for all full-time jobs created at the Site and the Project during the Fee Term, and to undertake and execute those procedures, instruments, ordinances, resolutions and documents as may be reasonably required to accomplish same.

SECTION 5.7. *Leased Equipment.* To the extent that applicable law allows or is revised or construed to allow the benefits of the Fee Act, in the form of Negotiated Fee-in-Lieu of Tax Payments as described in Section 5.1 hereof, to be applicable to personal property to be installed at the Project and leased to but not purchased by the Company or, as applicable, any Sponsor Affiliate, from at least one third-party, under any form of lease, then that personal property, at the Company's or Sponsor Affiliate's sole election, will become subject to Negotiated Fee-in-Lieu of Tax Payments to the same extent as personal property constituting Economic Development Property under this Fee Agreement, upon proper application of the law and applicable procedures by the Company or, as applicable, any Sponsor Affiliate and so long as the value of such leased assets are reported by the Company or, as applicable, any Sponsor Affiliate on their respective SCDOR PT-300.

ARTICLE VI

PROPERTY TAX EXEMPTION AND ABATEMENT

SECTION 6.1. *Protection of Tax-Exempt Status of the Project.* In order to ensure that the Project is not and will not become subject to *ad valorem* property taxes under the laws of the State or any political subdivision thereof, the County and the Company covenant that:

(a) all rights and privileges granted to any Party under this Fee Agreement or any other Documents shall be exercised so that if any conflict between this Section 6.1 and any other provision in any document shall arise, then in that case, this Section 6.1 shall control;

(b) the County and the Company have not knowingly committed or permitted and will not knowingly commit or permit (as to any act over which either has control) any act which would cause the Project to be subject to *ad valorem* property taxes by the County or other political subdivision of the State in which any part of the Project is located; and

(c) the Company will maintain the identity of the Project as a "project" in accordance with the Act.

ARTICLE VII

EFFECTIVE DATE

SECTION 7.1. *Effective Date.* This Fee Agreement shall become effective as of the date first written above.

ARTICLE VIII

SPECIAL COVENANTS

SECTION 8.1. *Indemnification Covenants.*

(a) The Company shall and agrees to hold the County and its County Council members, officers, agents and employees (collectively, the “*Indemnified Parties*”) harmless from pecuniary liability in connection with those reasons set forth in clauses (i) or (ii) of Section 8.1(b) hereof.

(b) Notwithstanding the fact that it is the intention of the Parties that neither the County nor any of its members, officers, agents and employees shall incur any pecuniary liability to any third-party (i) by reason of the terms of this Fee Agreement or the undertakings of the County required hereunder, or (ii) by reason of the performance of any act in connection with the entering into and performance of the transactions described in the Documents, if any of the Indemnified Parties should incur any such pecuniary liability, then, in that event the Company shall indemnify and hold harmless the Indemnified Parties against all pecuniary claims by or on behalf of any Person, arising (i) by reason of the terms of this Fee Agreement or the undertakings of the County required hereunder, or (ii) by reason of the performance of any act in connection with the entering into and performance of the transactions described in the Documents, and all reasonable costs and expenses, including reasonable attorney’s fees, incurred in connection with defending against any such claim, and upon notice from the County, the Company at its own expense shall defend the Indemnified Party in any such action or proceeding. An Indemnified Party may not avail itself of the indemnification provided in this Section unless it provides the Company with prompt notice, reasonable under the circumstances, of the existence or threat of any claim or liability, including, without limitation, copies of any citations, orders, fines, charges, remediation requests, or other claims or threats of claims, in order to afford the Company notice, reasonable under the circumstances, within which to defend or otherwise respond to a claim.

The Company is entitled to manage and control the defense of or response to any claim, charge, lawsuit, regulatory proceeding or other action, for itself and the Indemnified Party; provided the Company is not entitled to settle any matter at the separate expense or liability of any Indemnified Party without the consent of that Indemnified Party. To the extent any Indemnified Party desires to use separate counsel for any reason, other than a conflict of interest, that Indemnified Party is responsible for its independent legal fees.

(c) Notwithstanding the foregoing, the Company shall not be obligated to indemnify the County or any of its individual members, officers, agents or employees for expenses, claims, losses or damages arising from the intentional or willful misconduct or negligence of the County or any of its individual members, officers, agents or employees.

SECTION 8.2. *Assignment and Leasing.* Subject to and pursuant to the Fee Act, including Section 12-44-120 thereof, with the County's consent, which shall not be unreasonably withheld, any or all of the Company's interest in the Project and/or this Fee Agreement may be transferred or assigned by the Company or any assignee to any other entity; provided, however, that such consent is not required in connection with financing-related transfers or any other transfers not requiring the consent of the County under the Fee Act. The County hereby expressly consents to any transfer or assignment by the Company of any or all of its interest in the Project and/or this Fee Agreement to any Affiliates of the Company and to any transfer or assignment of any or all of such interest among other such Affiliates. Except as otherwise required by the Fee Act or this Fee Agreement, a transaction or an event of sale, assignment, leasing, transfer of an interest herein, disposal, or replacement of all or part of the Project shall not be a termination of this Fee Agreement in whole or in part or a basis for changing the fee payments due under Section 12-44-50 of the Fee Act. Notwithstanding any provision of this Section 8.2 to the contrary, if and to the extent that the future consent of the County is required in connection with a transfer, assignment or other action referenced in this Section, the County hereby expressly agrees that, to the extent permitted by the Fee Act, such approval may be provided by a letter or other writing executed by the Chair or the County Administrator, and each of those two officials are hereby expressly authorized to provide such consent on behalf of the County. If, notwithstanding the foregoing sentence, the Company elects to obtain additional action by County Council indicating such consent, a resolution passed by County Council shall be sufficient to indicate such additional County Council consent.

SECTION 8.3. *Commensurate Benefits.* The Parties acknowledge the intent of this Fee Agreement, in part, is to afford the Company the benefits specified in Article V hereof in consideration of the Company's decision to locate the Project within the County, and this Fee Agreement has been entered into in reliance upon the enactment of the Fee Act and the County's compliance with the requirements thereof. In the event that a court of competent jurisdiction holds that the Fee Act is unconstitutional or this Fee Agreement, the Multi-County Agreement or agreements similar in nature to this Fee Agreement or the Multi-County Park Agreement are invalid or unenforceable in any material respect, or should the Company determine there is a reasonable doubt as to the validity or enforceability of this Fee Agreement in any material respect, then at the request of the Company, the County agrees to extend to the Company the intended benefits of this Fee Agreement and agrees, if requested, to enter into a lease purchase agreement or similar arrangement with the Company pursuant to Section 12-44-160 of the Fee Act, under Title 4, Chapter 29 or Title 4, Chapter 12 of the Code, as applicable, and to take such other steps as may be appropriate to extend to the Company the intended benefits of this Fee Agreement, including, without limitation, the provision of the Special Source Credits, which is commensurate to the benefits which would otherwise accrue to the Company under the Fee Agreement.

SECTION 8.4. *Confidentiality.* The County acknowledges and understands that the Company may have and maintain at the Project certain confidential and proprietary information. The County agrees that 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, or (ii) shall request or be entitled to inspect the Project or any property associated therewith. To the extent that the Company has heretofore provided confidential and proprietary information regarding the Project in the County which has been provided under written designation of the Company as "Confidential," the County shall not knowingly and intentionally disclose or otherwise divulge

any such confidential or proprietary information to any other person, firm, governmental body or agency, or any other entity unless specifically required to do so by State law. In the event that the County is required to disclose any confidential or proprietary information obtained from the Company to any third-party, the County agrees to provide the Company with maximum possible advance notice of such requirement before making such disclosure, and to cooperate with any attempts by the Company to obtain judicial or other relief from such disclosure requirement, at the expense of the Company.

ARTICLE IX

EVENT OF DEFAULT AND REMEDIES

SECTION 9.1. *Events of Default Defined.* The occurrence of any one or more of the following events shall be an “Event of Default” under this Fee Agreement:

(a) If the Company shall fail to make, or cause to be made, any Negotiated Payments-in-Lieu-of-Taxes or any other amount required under this Fee Agreement and such failure shall continue for thirty days after receiving written notice of default from the County; or

(b) If the Company shall fail to observe or perform any material covenant, condition or agreement required herein to be observed or performed by the Company (other than as referred to in Section 9.1(a) hereof), and such failure shall continue for a period of thirty days after written notice of default has been given to the Company by the County; provided if by reason of “force majeure” as hereinafter defined, the Company is unable in whole or in part to carry out any such covenant, condition or agreement or if it takes longer than thirty days to cure such default and the Company is diligently attempting to cure such default, there shall be no Event of Default during such inability. The term “force majeure” as used herein shall mean circumstances not reasonably within the control of the Parties, such as without limitation, acts of God, strikes, lockouts or other industrial disturbances; war; acts of public enemies; mobilization or military conscription on a large scale; order of any kind of the government of the United States or any State, or any civil or military authority other than the County Council or other County authority; insurrections; riots; landslides; earthquakes; fires; lightning; storms; droughts; floods; requisitions, confiscation, or commandeering of property; fuel restrictions; general shortages of transport, goods, or energy; or

(c) If any material representation or warranty on the part of the Company or the County made in the Documents furnished in connection with the Documents or the transactions described in the Documents shall have been false or misleading in any material respect.

(d) Anything herein to the contrary notwithstanding, failure to meet any investment requirements set forth herein shall not be deemed to be an Event of Default under this Fee Agreement, the sole remedy for which is set forth in Section 5.5 hereof.

SECTION 9.2. *Remedies on Default.* Whenever any Event of Default shall have happened and be subsisting, the County, after having given written notice to the Company, or, as applicable, any Sponsor Affiliate (a copy of which shall be provided to the Company by the County), of such default and after the expiration of a thirty (30) day cure period may (i) terminate this Fee Agreement; or (ii) take whatever action at law or in equity may appear legally required or necessary or desirable to collect the payments and other amounts then due or to enforce performance and

observance of any obligation, agreement or covenant of the Company, under the Documents. Although the Parties acknowledge that the Project is exempt from *ad valorem* property taxes, the County and any other taxing entity affected thereby may, without limiting the generality of the foregoing, exercise the remedies provided by general law (Title 12, Chapter 49 of the Code and Title 12, Chapter 51 of the Code) and any act relating to the enforced collection of taxes. The County's right to receive Negotiated Payments-in-Lieu-of-Taxes shall have a first priority lien status pursuant to Section 12-44-90 of the Fee Act and Title 12, Chapters 4 and 54 of the Code. Upon the default of the County in the performance of any of its obligations hereunder, the Company may take whatever action at law or in equity as may appear necessary or desirable to enforce its rights under this Fee Agreement, including, without limitation, a suit for mandamus or specific performance.

Each right, power, and remedy of the County or the Company provided for in this Fee Agreement shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Fee Agreement or now or hereafter existing at law or in equity, in any jurisdiction where such rights, powers, and remedies are sought to be enforced; and the exercise by the County or the Company of any one or more of the rights, powers, or remedies provided for in this Fee Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the County or the Company of any or all such other rights, powers, or remedies.

SECTION 9.3. *No Additional Waiver Implied by One Waiver.* In the event any warranty, covenant or agreement contained in this Fee Agreement should be breached by the Company or the County and thereafter waived by the other Party to this Fee Agreement, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach.

ARTICLE X

OPTION TO TERMINATE

SECTION 10.1. *Option to Terminate.* From time to time (including without limitation any time during which there may be subsisting an Event of Default) and at any time upon at least thirty days-notice, the Company may terminate this Fee Agreement with respect to the entire Project or any portion thereof. Upon termination of all or part of this Fee Agreement, the Company will become liable for *ad valorem* property taxes, or payments-in-lieu-of-taxes pursuant to the Multi-County Park Act, as the case may be, on the Project or such portion thereof as is so terminated from inclusion in the Project, as well as for any amounts already due and owing under this Fee Agreement, which latter amounts, if any, shall be paid to the County with the next installment of Negotiated Payments-in-Lieu-of-Taxes pursuant to Section 5.1, or, if the termination is of the entire Project, then within one hundred eighty (180) days of termination.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. *Notices.* All notices, approvals, consents, requests and other communications hereunder shall be in writing and may be delivered personally, or may be sent by

facsimile or certified mail, return receipt requested, to the following addresses, unless the Parties are subsequently notified of any change of address in accordance with this Section 11.1:

If to the Company:

With copy to (such copy shall not constitute notice):

If to the County:

Pickens County Council
Attention: County Administrator
Pickens County Administration Facility
222 McDaniel Avenue, B-1
Pickens, SC 29671
Telephone: (864) 898-5856

With copy to:

Alliance Pickens
Attention: Executive Director
P.O. Box 149
1390 Smith Grove Road
Liberty, SC 29657
Telephone: 864.898.1500

Any notice shall be deemed to have been received as follows: (1) by personal delivery, upon receipt, or (2) by certified mail, 3 business days after delivery to the U.S. Postal authorities by the Party serving notice.

SECTION 11.2. *Binding Effect.* This Fee Agreement shall inure to the benefit of and shall be binding upon the County and the Company and their respective successors and assigns, subject to Section 8.2 hereof.

SECTION 11.3. *Invalidity and Severability.* In the event that the Fee Act or the Negotiated Payments-in-Lieu-of-Taxes arrangement described in Section 5.1 hereof is determined to be invalid or unenforceable in its entirety, the Parties hereby agree that except as the final judicial decision may otherwise require, the Company shall be entitled to retain any benefits received under or pursuant to this Fee Agreement; otherwise, in the event any provision of this Fee Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, that decision shall not invalidate or render unenforceable any other provision of this Fee Agreement, unless that decision destroys the basis for the transaction, in which event the Parties shall in good faith attempt to preserve, to the maximum extent possible, the benefits provided and to be provided to the Company hereunder by either restructuring or reconstituting this Fee Agreement under any then

applicable law, including but not limited to Chapter 29 of Title 4 and Chapter 12 of Title 4 of the Code.

SECTION 11.4. *Payments Due on Saturday, Sunday and Holidays.* Whenever any payment to be made hereunder shall be stated to be due on a Saturday, a Sunday or a holiday, such payment shall be made on the next business day.

SECTION 11.5. *Fiscal Year; Property Tax Year.* If the Company's fiscal year changes in the future so as to cause a change in the Company's property tax year, the timing of the requirements set forth in this Fee Agreement shall be revised accordingly, except that Negotiated Payments-in-Lieu-of-Taxes shall always be required to be made at the same time and subject to the same conditions, penalties, and enforcement, as with *ad valorem* property taxes.

SECTION 11.6. *Amendments, Changes and Modifications.* Except as otherwise provided in this Fee Agreement, this Fee Agreement may not be amended, changed, modified, altered or terminated without the written consent of the County and the Company. To the maximum extent allowed by law, any such County consent including, without limitation, any County consent specifically referred to in this Fee Agreement, may, at the sole discretion of the County, be provided by a resolution of County Council.

SECTION 11.7. *Execution of Counterparts.* This Fee Agreement may be executed in several counterparts, only one of which shall be an original; provided, however, that any action may be brought upon any counterpart of this Fee Agreement or any counterpart of any document that is attached to this Fee Agreement as an exhibit.

SECTION 11.8. *Entire Understanding.* This Fee Agreement expresses the entire understanding and all agreements among the Parties hereto, and no Party hereto has made or shall be bound by any agreement or any representation to the other Parties which is not expressly set forth in this Fee Agreement or in certificates delivered in connection with the execution and delivery thereof.

SECTION 11.9. *Law Governing Construction of Agreement.* The laws of the State shall govern the construction of this Fee Agreement.

SECTION 11.10. *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 11.11. *Further Assurance.* From time to time the County agrees to execute and deliver to the Company such additional instruments and undertaking further proceedings as the Company may reasonably request to effectuate the purposes of this Fee Agreement.

SECTION 11.12. *Use of Local Goods, Services, and Suppliers.* The Company agrees, in construction of the Project, to make commercially reasonable efforts to make use of goods, services, and suppliers that are derived from contractors, vendors, and service providers that are based in or have a significant presence in the County.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, PICKENS COUNTY, SOUTH CAROLINA, and the COMPANY, each pursuant to due authority, has duly executed this Fee Agreement, all as of the date first above written.

**PICKENS COUNTY, SOUTH
CAROLINA**

Chris Bowers
Chairman, County Council

ATTEST:

Meagan Nations
Clerk to County Council

IN WITNESS WHEREOF, PICKENS COUNTY, SOUTH CAROLINA, and the COMPANY, each pursuant to due authority, has duly executed this Fee Agreement, all as of the date first above written.

PROJECT HYDRO RE

By: _____
Its: _____

EXHIBIT A
SITE DESCRIPTION

[To be provided]

EXHIBIT B

JOINDER AGREEMENT

Reference is hereby made to (i) that certain Fee in Lieu of Tax and Incentive Agreement dated as of ____, 20__ (the "Fee Agreement"), between Pickens County, South Carolina (the "County") and [COMPANY NAME], (the "Company").

1. Joinder to Fee Agreement.

The undersigned hereby (a) joins as a Party to, and agrees to be bound by and subject to all of the terms and conditions of, the Fee Agreement; (b) acknowledges and agrees that (i) in accordance with the Fee Agreement, the undersigned has been designated as a Sponsor Affiliate by the Company for purposes of the Project and such designation has been consented to by the County in accordance with the Fee Act (as defined in the Fee Agreement); (ii) the undersigned qualifies or will qualify as a Sponsor Affiliate under the Fee Agreement and Section 12-44-30(19) and Section 12-44-130 of the Fee Act; and (iii) the undersigned shall have all of the rights and obligations of a Sponsor Affiliate as set forth in the Fee Agreement.

2. Capitalized Terms.

All capitalized terms used but not defined in this Joinder Agreement shall have the meanings set forth in the Fee Agreement.

3. Governing Law.

This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina, without regard to principles of choice of law.

4. Notice.

Notices under Section 11.1 of the Fee Agreement shall be sent to:

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement to be effective as of the date set forth below.

DATE: _____

[SPONSOR AFFILIATE]

By: _____
Its: _____

SCHEDULE 1

Schedule of Special Source Credits

Year	Special Source Credit*
Year 1	\$157,260
Year 2	\$320,000
Year 3	\$320,000
Year 4	\$320,000
Year 5	\$297,000
Year 6	\$297,000
Year 7	\$297,000
Year 8	\$275,000
Year 9	\$275,000
Year 10	\$275,000
Year 11	\$275,000

* The amount of the Special Source Credit in any year is subject to adjustment pursuant to Section 5.4 of the Fee Agreement.

**AGREEMENT FOR THE
REIMBURSEMENT OF PROJECT COSTS**

by and between

PICKENS COUNTY, SOUTH CAROLINA

and

PROJECT HYDRO ME

Dated _____, 2024

INDEX

Page

**ARTICLE I
DEFINITIONS**

SECTION 1.1. Definitions	2
--------------------------------	---

**ARTICLE II
REPRESENTATIONS, WARRANTIES
AND COVENANTS**

SECTION 2.1. Representations and Warranties of the County.....	3
SECTION 2.2. Representations and Warranties of the Company.....	4

**ARTICLE III
REIMBURSEMENT OF COSTS**

SECTION 3.1. Completion of Project; Reimbursement of Costs	4
SECTION 3.2. Clawback	5

**ARTICLE IV
ASSIGNMENT AND
LEASING**

SECTION 4.1. Assignment and Leasing.....	6
--	---

**ARTICLE V
REMEDIES**

SECTION 5.1. In General	6
SECTION 5.2. No Waiver by Delay.....	7
SECTION 5.3. Extension of Time for Unavoidable Delays	7

**ARTICLE VI
MISCELLANEOUS**

SECTION 6.1. Titles of Articles and Sections	7
SECTION 6.2. Notices	7
SECTION 6.3. Approvals.....	8
SECTION 6.4. Assignability and Binding Effect.....	8
SECTION 6.5. Time of the Essence	8
SECTION 6.6. General	8

AGREEMENT FOR THE REIMBURSEMENT OF PROJECT COSTS

This **AGREEMENT FOR THE REIMBURSEMENT OF PROJECT COSTS** (this “*Agreement*”) is made and entered into as of _____, 2024 (the “*Effective Date*”), by and between **PICKENS 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 its County Council (the “*County Council*”) as governing body of the County, and **PROJECT HYDRO ME**, a [limited liability company] organized and existing under the laws of [_____], acting on its own or together with one or more of its subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others (collectively, the “*Company*”).

WITNESSETH:

WHEREAS, the County is a political subdivision of the State and, as such, has all powers granted to counties by the Constitution and general laws of the State; and

WHEREAS, the courts of the State have determined that industrial development is a valid public purpose of the State and its political subdivisions; and

WHEREAS, the Company and the County have entered or will enter into a Fee In Lieu of Tax and Incentive Agreement (the “*Fee Agreement*”), to induce the Company to make, or cause to be made, new or additional investment through the location of its facilities in the County (as further defined in the Fee Agreement, the “*Project*”), that sets forth certain Contractual Minimum Requirements (as defined herein) regarding investment and job creation that the Company is obligated to meet within the Investment Period (as defined herein and in the Fee Agreement) in consideration for the County’s acceptance of certain negotiated fees-in-lieu-of-taxes; and

WHEREAS, in order to further induce the Company to undertake the Project, the County has agreed to reimburse the Company for costs incurred in connection with the Project upon the issuance of a Partial Certificate of Occupancy with respect to the building in which the Project is located; and

WHEREAS, pursuant to an ordinance enacted on _____, 2024 (the “*Ordinance*”), the County Council has authorized the County to (i) enter into this Agreement with the Company, and (ii) reimburse the Company for costs of the Project.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained and other value, the parties hereto agree as follows:

**ARTICLE I
DEFINITIONS**

SECTION 1.1. Definitions. Any terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Fee Agreement. For purposes of this Agreement, the following terms shall have the respective meanings indicated:

“Company” means a company known to the County at this time as PROJECT HYDRO ME, a [limited liability company] organized and existing under the laws of [_____], on its own or together with one or more of its subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others pursuant to Section 8.2 of the Fee Agreement.

“Contractual Minimum Requirements” shall be given the meaning given to such term in the Fee Agreement.

“County” means Pickens County, South Carolina, and its successors and assigns.

“Documents” means this Agreement and the Ordinance enacted by the County Council authorizing the execution of this Agreement.

“Effective Date” means the dated date of this Agreement, as first set forth herein.

“Equipment” shall have the meaning given to such term in the Fee Agreement.

“Fee Agreement” means the Fee In Lieu of Tax and Incentive Agreement entered into or to be entered into by and between the County and the Company in connection with the Project.

“Investment Period” shall be given the meaning given to such term in the Fee Agreement.

“Project” shall have the meaning given to such term in the Fee Agreement.

“Reimbursement” means the funds of the County to be paid to the Company pursuant to the terms hereof as reimbursement for certain costs of the Company in connection with the construction or acquisition of the Improvements.

“Unavoidable Delay” means, in respect to either party's obligations under this Agreement, any delay caused by reason of acts of God, governmental restrictions, failure, or inability to secure materials or labor by reason of priority or similar regulation or order of any governmental or regulatory body, enemy action, civil disturbance, fire, unavoidable casualties, or any other cause beyond the reasonable control of either party hereto, or other like or unlike events or conditions beyond the reasonable control of such party and without its fault or negligence and unknown or unknowable to the Party claiming such Unavoidable Delay as of the Effective Date.

**ARTICLE II
REPRESENTATIONS, WARRANTIES
AND COVENANTS**

SECTION 2.1. *Representations and Warranties of the County.* The County makes the following representations and warranties to the Company and covenants with the Company as follows:

(a) The County is a body politic and corporate and a political subdivision of the State and is authorized and empowered to execute the Documents to which it is a party and to fulfill its obligations described in the Documents. By proper action, the County Council has duly authorized the execution and delivery of the Documents to which the County is a party and has taken all such action as is necessary to permit the County to enter into and fully perform the transactions required of it under the Documents.

(b) Neither the execution and delivery of the Documents, nor the consummation and performance of the transactions described in the Documents, violate, conflict with or will result in a breach of any of the material terms, conditions or provisions of any agreement, restriction, law, rule, order or regulation to which the County is now a party or by which it is bound.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency, public board or body, pending or threatened, against or affecting the County, wherein an unfavorable decision, ruling or finding may or would materially adversely affect the validity or enforceability of the Documents, the County's obligations hereunder, or the consummation of the transactions described in the Documents.

(d) Neither the existence of the County nor the rights of any members of County Council to their offices is being contested and none of the proceedings taken to authorize the execution, delivery and performance of such of the Documents as require execution, delivery and performance by the County has been repealed, revoked, amended or rescinded.

(e) All consents, authorizations and approvals required on the part of the County in connection with the execution, delivery and performance by the County of such of the Documents as require execution, delivery and performance by the County have been obtained and remain in full force and effect as of the date hereof or will be obtained.

(f) The Documents to which the County is a party are (or, when executed, will be) legal, valid and binding obligations of the County enforceable against the County under present law in accordance with their respective terms, except as such terms may be limited by laws affecting creditors' rights generally.

SECTION 2.2. *Representations and Warranties of the Company.* The Company makes the following representations and warranties to the County:

(a) The Company is a duly formed [limited liability company] validly existing and authorized to transact business in the State. The Company has full corporate power to execute the Documents to which it is a party and to fulfill its obligations described in such Documents and, by proper corporate action, has authorized the execution and delivery of the Documents to which it is a party.

(b) Neither the execution and delivery of the Documents to which the Company is a party, nor the consummation and performance of the transactions described in such Documents violate, conflict with, or will, to its knowledge, result in a material breach of any of the material terms, conditions or provisions of any agreement, restriction, law, rule, order or regulation to which the Company is now a party or by which it is bound.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency, public board or body, pending or, to the best of Company's knowledge, threatened, against or affecting the Company wherein an unfavorable decision, ruling or finding would adversely and materially affect the consummation of the transactions described in the Documents to which the Company is a party.

(d) All consents, authorizations and approvals required on the part of the Company in connection with the execution, delivery, and performance by the Company of Documents to which the Company is a party and the transactions contemplated thereby and the acquisition, construction and installation of the Project have been obtained and remain in full force and effect or will be obtained.

(e) The Documents to which the Company is a party are (or, when executed, will be) legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such terms may be limited by laws affecting creditors' rights generally.

ARTICLE III REIMBURSEMENT OF COSTS

SECTION 3.1. *Completion of Project; Reimbursement of Costs.*

(a) The Company agrees to use its commercially reasonable efforts to cause the completion of the acquisition, construction and installation of the Project and thereby Contractual Minimum Requirements regarding investment and job creation; however, notwithstanding anything contained in this Agreement to the contrary, the Company shall not be obligated to complete, or cause the completion of, the acquisition, construction, and installation of the Project and may terminate this Agreement with respect to all or a portion of the Project as set forth in Article X of the Fee Agreement.

(b) The County shall pay a Reimbursement to the Company for actual costs incurred by the Company in connection with the acquisition and installation of the Equipment of \$500,000 within 15 days of the issuance of a Partial Certificate of Occupancy with respect to the building in which the Project is to be located.

SECTION 3.2. *Clawback.* The Company acknowledges that the payment of the Reimbursement is in consideration for the development of the Project within the County. In the event that the investment and job creation by the Company with respect to the Project does not meet the Contractual Minimum Requirements by the end of the Investment Period, the Company shall pay to the County an amount determined pursuant to the formula set forth in this Section to

clawback an equitable portion of the value of the Reimbursement based upon the extent to which the Company has failed to meet the Contractual Minimum Requirements (the “*Clawback*”).

$$\begin{aligned} & \frac{\text{Actual Investment}}{\$40,000,000} \times 100 = \text{Investment \%} \\ & \frac{\text{Actual Job Creation}}{115 \text{ Jobs}} \times 100 = \text{Jobs \%} \\ & \frac{(\text{Investment \%} + \text{Jobs \%})}{2} = \text{Overall Achievement \%} \\ & 100\% - \text{Overall Achievement \%} = \text{Reduction Factor} \\ & \$500,000 = \text{Reimbursement} \\ & \text{Reimbursement} \times \text{Reduction Factor} = \text{Clawback} \end{aligned}$$

By way of example only, if the Company invests \$30 million in the Project and creates 100 new jobs. The amount of the Clawback due from the Company would be calculated as follows:

$$\begin{aligned} & \frac{\$30 \text{ Million Actual Investment}}{\$40,000,000} \times 100 = 75.00 \text{ (Investment \%)} \\ & \frac{100 \text{ Actual Job Creation}}{115 \text{ Jobs}} \times 100 = 86.70 \text{ (Jobs \%)} \\ & \frac{75.00 + 86.70}{2} = 80.85 \text{ (Overall Achievement \%)} \\ & 100\% - 80.85\% = 19.15\% \text{ (Reduction Factor)} \\ & \$500,000 \times 19.15\% = \$95,750 \text{ (Clawback)} \end{aligned}$$

In this example, the Clawback due from the Company would equal \$95,750.

Upon request of the County, the Company shall provide to the County evidence reasonably satisfactory to the County regarding compliance with the Contractual Minimum Requirements. If the County determines there is a shortfall in compliance with the Contractual Minimum Requirements upon the expiration of the Investment Period, the Company shall calculate the Clawback and submit the calculations to the County. Payment of the Clawback if required, shall be paid within 60 days of receipt of notice from the County of its approval of the Company's calculations. The Clawback shall be paid by the Company as a one-time lump-sum payment to the County. If the Company meets both elements of the Contractual Minimum Requirements (investment and job creation) at any time during the Investment Period, the Contractual Minimum Requirements shall be deemed satisfied. The failure of the Company to meet the Contractual Minimum Requirements shall not be deemed an event of default under this Agreement.

ARTICLE IV ASSIGNMENT AND LEASING

SECTION 4.1. *Assignment and Leasing.* With the County's consent, which shall not be unreasonably withheld, any or all of the Company's interest in this Agreement may be transferred or assigned by the Company or any assignee to any other entity; provided, however, that such consent is not required in connection with financing-related transfers. The County hereby expressly consents to any transfer or assignment by the Company of any or all of its interest in the Project and/or this Agreement to any Affiliates (as defined in the Fee Agreement) of the Company and to any transfer or assignment of any or all of such interest among other such Affiliates. Notwithstanding any provision of this Section to the contrary, if and to the extent that the future consent of the County is required in connection with a transfer, assignment or other action referenced in this Section, the County hereby expressly agrees that such approval may be provided by a letter or other writing executed by the Chairman of County Council or the County Administrator, and each of those two officials acting alone are hereby expressly authorized to provide such consent on behalf of the County. If, notwithstanding the foregoing sentence, the Company elects to obtain additional action by County Council indicating such consent, a resolution passed by County Council shall be sufficient to indicate such additional County Council consent.

ARTICLE V REMEDIES

SECTION 5.1. *In General.* In the event of a default under this Agreement by the Company, the County shall provide the Company with written notice of the default. The Company shall have thirty days to cure the default; however, if the Company has taken action to cure the default within the 30-day period but such default cannot be reasonably cured within such 30-day period, the Company shall not be deemed in default as long as the Company is making a diligent and good faith effort to cure the same. In the event the Company fails to cure the default, the County's exclusive remedy shall be to terminate this Agreement. In the event of a default under this Agreement by the County, the Company may either elect to terminate this Agreement or seek specific performance. Notwithstanding anything herein to the contrary, the remedies provided in

Article III shall survive closing and apply to those matters set forth therein which are contemplated to occur post-closing.

SECTION 5.2. *No Waiver by Delay.* Delay by either party in enforcing their remedies hereunder shall not be deemed a waiver unless expressly given in writing.

SECTION 5.3. *Extension of Time for Unavoidable Delays.* For the purposes of any of the provisions of this Agreement, neither the County nor the Company shall be considered in breach or default of its obligations in the event of delay in the performance of these obligations due to Unavoidable Delays. In the event of the occurrence of any Unavoidable Delay, the time or times for the performance of the obligations of the County or of the Company shall be extended for the period of such enforced delay.

**ARTICLE VI
MISCELLANEOUS**

SECTION 6.1. *Titles of Articles and Sections.* Any titles of the several parts, Articles and Sections of this Agreement are inserted for convenience or reference only and are not definitive in construing or interpreting any of its provisions.

SECTION 6.2. *Notices.* All notices, approvals, consents, requests and other communications hereunder shall be in writing and may be delivered personally, or may be sent by facsimile or certified mail, return receipt requested, to the following addresses, unless the parties are subsequently notified of any change of address in accordance with this Section 6.2:

If to the Company:

With copy to:

If to the County:

Pickens County Council
Attention: County Administrator
Pickens County Administration Facility
222 McDaniel Avenue, B-1
Pickens, SC 29671
Telephone: (864) 898-5856

With copy to:

Alliance Pickens
Attention: Executive Director
P.O. Box 149
1390 Smith Grove Road
Liberty, SC 29657
Telephone: (864) 898-1500
Email: rfarley@alliancepickens.com

Any notice shall be deemed to have been received as follows: (1) by personal delivery, upon receipt, or (2) by certified mail, 3 business days after delivery to the U.S. Postal authorities by the party serving notice.

SECTION 6.3. *Approvals.* Each party agrees that it will not unreasonably withhold any consent or approval requested by the other party pursuant to the terms of this Agreement and that any such consent or approval will not be unreasonably delayed or qualified.

SECTION 6.4. *Assignability and Binding Effect.* The Company shall not have the right to assign or to dispose of its rights in this Agreement, except, subject to the provisions of Article V hereof. Subject to the provisions of Section 4.1 hereof, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

SECTION 6.5. *Time of the Essence.* It is the essence of the County's agreements hereunder that the Company's obligations set forth herein be completed within the time frames set forth therein, taking into account postponements and adjournments permitted hereunder, and by Unavoidable Delays and reasonable cure periods.

SECTION 6.6. *General.* This Agreement may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument. This Agreement and the Fee Agreement, including all exhibits to each, contain the entire agreement between the parties with respect to the subject matter of this Agreement, supersedes all prior understandings, if any, with respect to it and may not be amended, supplemented or terminated, nor shall any obligation under or condition of it be deemed waived, except by a written instrument to that effect signed by the party to be charged. This Agreement shall be governed by and construed in accordance with the laws of the State. The warranties, representations, agreements and undertakings contained in this Agreement shall not be deemed to have been made for the benefit of any person or entity, other than the parties to this Agreement.

[Remainder of Page Left Blank]

IN WITNESS WHEREOF, PICKENS COUNTY, SOUTH CAROLINA, and [THE COMPANY], each pursuant to due authority, has duly executed this Agreement, all as of the date first above written.

**PICKENS COUNTY, SOUTH
CAROLINA**

Chris Bower
Chairman, County Council

ATTEST:

Megan Nations
Clerk to County Council

PROJECT HYDRO ME

By: _____

Its: _____