

SOUTH CAROLINA)
) RESOLUTION #08-17
NEWBERRY COUNTY)

A RESOLUTION PROVIDING PRELIMINARY APPROVAL FOR CERTAIN INCENTIVES TO INDUCE ONE OR MORE INVESTORS COLLECTIVELY IDENTIFIED FOR THE TIME BEING AS PROJECT SIMONTON II, EACH ACTING FOR ITSELF, ONE OR MORE CURRENT OR FUTURE AFFILIATES AND OTHER PROJECT SPONSORS (COLLECTIVELY, "COMPANY") TO ESTABLISH FACILITIES IN NEWBERRY COUNTY, SOUTH CAROLINA ("COUNTY"), INCLUDING (1) NEGOTIATED FEE IN LIEU OF AD VALOREM TAX ARRANGEMENTS; (2) SPECIAL SOURCE REVENUE CREDITS; (3) MULTI-COUNTY INDUSTRIAL OR BUSINESS PARK ARRANGEMENTS; AND (4) OTHER RELATED MATTERS.

WHEREAS, Newberry County, South Carolina ("County"), acting by and through its County Council ("Council"), is authorized and empowered, under and pursuant to the provisions of the Code of Laws of South Carolina 1976, as amended through the date hereof ("Code"), particularly Title 12, Chapter 44 thereof ("Negotiated FILOT Act") and Title 4, Chapter 1 of the Code ("Multi-County Park Act" or, as to Section 4-1-175 thereof, and, by incorporation, Section 4-29-68 of the Code, Special Source Act") (collectively, "Act"), and by Article VIII, Section 13 of the South Carolina Constitution: (i) to enter into agreements with certain investors to establish projects through which the economic development of the State of South Carolina ("State") will be promoted and trade developed, thus utilizing and employing 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 ("Negotiated FILOT") payments, with respect to a project; and (iii) to permit investors to claim special source revenue credits against their FILOT payments ("SSRC") to reimburse such investors for expenditures in connection with certain infrastructure and other qualifying property related to a project; (iv) to create, in conjunction with one or more other counties, a multi-county industrial or business park to allow certain enhanced income tax credits to such investors and to facilitate the grant of SSRC;

WHEREAS, one or more investors identified for the time being as Project Simonton II, each acting for itself, one or more current or future affiliates and other project sponsors (collectively, "Company") propose to invest in, or cause others to invest in, the establishment of certain facilities to be operated primarily for the production of electricity from solar energy and related facilities, at one or more locations in the County (the "Project"), which the Company expects will result in aggregate investment of at least \$100,000,000 in the Project; and

WHEREAS, on the basis of the information supplied to it by the Company, the County has determined the Project would serve the purposes of the Act and would be directly and substantially beneficial to the County, the taxing entities of the County and the citizens and residents of the County due to the investment associated therewith, which contributes to the tax base and the economic welfare of the County, and, accordingly, the County wishes to induce the Company to undertake the Project by offering the FILOT, SSRC, and other incentives hereinafter described, subject, however, to final approval by ordinance of the Council.

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

Section 1. As contemplated by Section 12-44-40(I) of the Negotiated FILOT Act, the County makes the following findings and determinations: (a) the Project will constitute a “project” within the meaning of the Negotiated FILOT Act; (b) the Project, and the County’s actions herein, will serve the purposes of the Negotiated FILOT Act; (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; (d) the Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against its general credit or taxing power; (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. Subject to the provisions of the Act and to final approval by the Council through adoption of an ordinance (“Approving Ordinance”), the Chairman of the Council and such other officials of the County as may be designated by such Approving Ordinance are hereby authorized, by and on behalf of the County, to enter into a fee in lieu of tax and incentive agreement with the Company containing the terms and conditions summarized in the proposed term sheet appended hereto as Attachment A, which terms and conditions are incorporated herein by reference as if fully set forth herein, and such other terms and conditions as may be authorized by the Approving Ordinance. Capitalized terms utilized in Attachment A and not otherwise defined therein shall have the meanings ascribed to them in this Resolution.

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 upon adoption by the Council.

[SIGNATURE PAGE FOLLOWS]
[REMAINDER OF PAGE INTENTIONALLY BLANK]

RESOLVED: August [], 2017

NEWBERRY COUNTY, SOUTH CAROLINA

Henry H. Livingston, III, Chairman, County Council
Newberry County, South Carolina

(SEAL)
ATTEST:

Laurie Renwick, Clerk to County Council
Newberry County, South Carolina

ATTACHMENT A
PRELIMINARY TERM SHEET*
FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT
BY AND BETWEEN

NEWBERRY COUNTY, SOUTH CAROLINA, AND ONE OR MORE INVESTORS COLLECTIVELY
IDENTIFIED AS PROJECT SIMONTON II

Company Commitments: \$100,000,000 aggregate investment; compliance period ends 5 years from the “Commencement Date” as such term is defined in the Negotiated FILOT Act

Basic FILOT Terms: 6% assessment ratio; lowest allowable millage rate, fixed; initial investment period ends 5 years from the “Commencement Date” as such term is defined in the Negotiated FILOT Act; 30-year payment period for each annual increment of investment during investment period; Negotiated FILOT payments to be calculated using alternative payment method yielding net present value totals pursuant to Section 12-44-50(A)(3) of the Negotiated FILOT Act

Multi-County Park: All property of Company in County to be designated as part of a multi-county industrial or business park

SSRC*: 68% SSRC against each Negotiated FILOT payment for full term of Negotiated FILOT arrangement, subject to increase or decrease depending upon applicable annual depreciation rate (as compared to assumed annual depreciation rate of 5%)

*Terms set forth in this Attachment are summary in nature and shall be set forth in greater detail in the final fee in lieu of tax and incentive agreement.