

STATE OF SOUTH CAROLINA)
) ORDINANCE NO. 22-03
COUNTY OF DORCHESTER)

AN ORDINANCE AUTHORIZING PURSUANT TO TITLE 12, CHAPTER 44 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, THE EXECUTION AND DELIVERY OF A FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT, BY AND BETWEEN DORCHESTER COUNTY, SOUTH CAROLINA AND DALFEN INDUSTRIAL, LLC, A COMPANY FORMERLY KNOWN TO THE COUNTY AS PROJECT PIPER, AS SPONSOR, TO PROVIDE FOR A FEE-IN-LIEU OF AD VALOREM TAXES INCENTIVE; AND OTHER RELATED MATTERS.

WHEREAS, Dorchester County, South Carolina (the “County”), acting by and through its County Council (the “County Council”) is authorized by Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the “Act”), and Article VIII, Section 13 of the South Carolina Constitution (i) to enter into agreements with qualifying companies to encourage investment in projects constituting economic development property through which the economic development of the State of South Carolina (the “State”) will be promoted by inducing new and existing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ manpower and other resources of the State; (ii) to covenant with such industry to accept certain fee payments in lieu of *ad valorem* taxes (“FILOT”) with respect to such investment (“FILOT Payments”); and (iii) to make and execute contracts of the type hereinafter described pursuant to Section 4-9-30 of the Code of Laws of South Carolina 1976, as amended; and

WHEREAS, Dalfen Industrial, LLC, a company formerly known to the County as Project Piper, a Delaware limited liability company, along with any other existing, or to-be-formed or acquired subsidiaries, or affiliated or related entities, as Sponsor (collectively, “Company”), contingent upon satisfaction of certain commitments made by and on behalf of the County, as set forth herein and be further set forth in future agreements, and, to the extent allowed by law, plans to develop certain industrial facilities in the County through the acquisition, lease, construction, and purchase of certain land, including the Project Property (defined below), buildings, furnishings, fixtures, apparatuses, and equipment (the “Project”), which will result in approximately \$48,928,000 in new investment in real and personal property in the County (“Investment”); and

WHEREAS, by its Resolution adopted on January 18, 2022, the County identified the Project, as required by the Act; and

WHEREAS, the Project will comprise one or more parcels of real property or a portion thereof, initially within such tax map parcels bearing Tax Map Numbers 122-00-00-153.000 and 122-00-00-027.000 and with improvements thereon, a more detailed description of which is set forth on the attached Exhibit A (“Project Property”); and

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

WHEREAS, the County has determined: (i) to offer a FILOT arrangement and enter into a fee-in-lieu of *ad valorem* taxes agreement with the Company and, as applicable, any Sponsor Affiliate(s), the form of which is attached as **Exhibit B** ("Fee Agreement"), but with the principal terms as follows: 30-year, 6.0% assessment ratio, and a fixed millage rate equal to that millage rate in effect at the Project Property, for all taxing entities, on June 30, 2021, which the parties hereto believe to be .3518 for the entire term of the FILOT arrangement and any other incentives further set forth in the Fee Agreement attached to this Ordinance (collectively, the "Incentives"); and

WHEREAS, the parties recognize and acknowledge that the Company would not otherwise locate the Project in the County but for the delivery of the Incentives.

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

Section 1. Findings. The County hereby finds and affirms, based on information provided by the Company: (i) the Project will benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise provided locally; (ii) the Project gives rise to no pecuniary liability of the County or any incorporated municipality and to no charge against its general credit or taxing power; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project to the public are greater than the costs to the public; and (v) the Project will provide a substantial public benefit to the County.

Section 2. Authorization to Execute and Deliver Fee Agreement. The form, terms, and provisions of the Fee Agreement presented to Council at this meeting and filed with the Clerk to County Council are hereby approved, and all of the terms, provisions, and conditions thereof are hereby incorporated herein by reference as if the Fee Agreement was set out in this Ordinance in its entirety. The Chairman of County Council and the Clerk to County Council be and they are hereby authorized, empowered, and directed to execute, acknowledge, and deliver the Fee Agreement in the name and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Company. The Fee Agreement to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall not materially adversely affect the rights of the County thereunder and as shall be approved by the officials of the County executing the same upon the advice of the County Attorney, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Fee Agreement now before this meeting.

Section 3. Authorization to Receive and Execute and Deliver Agreements Related Thereto. The County Council authorizes the Chair of the County Council, the County

Administrator, other County staff, and the County Attorney, along with any designees and agents who any of these officials deems necessary and proper, in the name of and on behalf of the County (each an "Authorized Individual"), to take whatever further actions, and enter into whatever further agreements, as any Authorized Individual deems to be reasonably necessary and prudent for the benefit of the Project in the County.

Section 4. *No Recapitulation Required.* Pursuant to Section 12-44-55(B) of the Act, the County hereby agrees that no recapitulation information, as set forth in Section 12-44-55(A) of the Act is required to be provided by the Company in the Fee Agreement, or in any other documents or agreements in connection with the fee-in-lieu of tax arrangement between the Company and the County, so long as the Company shall file a copy of the South Carolina Department of Revenue form PT-443, and any subsequent amendments thereto, and all filings required by the Act with the County after the execution of the Fee Agreement by the County and the Company.

Section 5. *Further Acts.* The County Council authorizes the County Administrator, other County staff, and the County Attorney, along with any designees and agents who any of these officials deems necessary and proper, in the name of and on behalf of the County (each an "Authorized Individual"), to take whatever further actions, and enter into whatever further agreements, as any Authorized Individual deems to be reasonably necessary and prudent to effect the intent of this Ordinance and induce the Company to locate the Project in the County.

Section 6. *General Repealer.* All ordinances, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.


Section 7. *Severability.* Should any part, provision, or term of this Ordinance be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such finding or determination shall not affect the rest and remainder of the Ordinance or any part, provision or term thereof, all of which is hereby deemed separable.

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

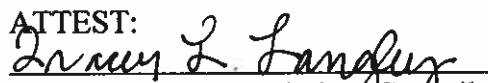
[*Signature page to follow*]

DORCHESTER COUNTY,
SOUTH CAROLINA




William R. Hearn, Jr., Chairman
Dorchester County Council

(SEAL)

ATTEST:

Tracey L. Langley, Clerk to Council
Dorchester County, South Carolina

First Reading: January 18, 2022
Second Reading: February 7, 2022
Third Reading: February 22, 2022
Public Hearing: February 22, 2022

EXHIBIT A

PROJECT PROPERTY LEGAL DESCRIPTION

All or a portion of that parcel of real property, with improvements thereon, located in Dorchester County, South Carolina, consisting of approximately 74.8 acres, identified by tax numbers 122-00-00-153.000 and 122-00-00-027.000.

EXHIBIT B

FEE AGREEMENT

[Attached]