
SPECIAL SOURCE REVENUE CREDIT AGREEMENT

between

JASPER COUNTY, SOUTH CAROLINA,

and

PROJECT PILGRIMAGE,
a South Carolina _____

Dated as of _____, 2024

SPECIAL SOURCE REVENUE CREDIT AGREEMENT

THIS SPECIAL SOURCE REVENUE CREDIT AGREEMENT, dated as of [____], 2024 (the "Agreement"), between **JASPER COUNTY, SOUTH CAROLINA**, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and **PROJECT PILGRIMAGE**, a limited liability company organized and existing under the laws of the State of South Carolina (the "Company").

W I T N E S E T H:

WHEREAS, the County, acting by and through its County Council (the "County Council") is authorized by Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended and Section 4-29-68 of the Code of Laws of South Carolina 1976, as amended (the "Infrastructure Credit Act"), to provide infrastructure credit financing, secured by and payable solely from revenues of the County derived from payments in lieu of taxes pursuant to Article VIII, Section 13 of the South Carolina Constitution, for the purpose of defraying the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County and for improved and unimproved real estate and personal property, including machinery and equipment, used in the operation of a manufacturing facility or commercial enterprise in order to enhance the economic development of the County; and

WHEREAS, Freedom Industrial Partners, LLC (the "Developer") owns and has constructed a speculative building on property in the County more specifically described in Exhibit A hereto (the "Property"); and

WHEREAS, Project Pilgrimage (the "Company") intends to enter into a lease agreement with the Developer as to the Real Property and to invest approximately \$8,000,000 in Real Property improvements and personal property (the "Personal Property") to be located at the Real Property in order to establish a new manufacturing facility in the County (the "Project") (collectively, the Real Property and the Personal Property shall be referred to herein as the "Property"); and

WHEREAS, the Property is subject to a Fee-in-Lieu of Taxes and Special Source Revenue Credit Agreement dated November 21, 2022 (the "2022 FILOT Agreement"), which provides for a fee-in-lieu of tax transaction and a 15 year 10% special source revenue credit; and

WHEREAS, pursuant to the provisions of Article VIII, Section 13 of the South Carolina Constitution and Title 4, Chapter 1 Code of Laws of South Carolina 1976 (collectively, the "Multi-County Park Act"), and pursuant to that certain Agreement for Development of Joint County Industrial Park by and between Jasper County, South Carolina and Hampton County, South Carolina dated as November 11, 2022, as supplemented, modified or amended, and as such agreement may be further supplemented, modified, amended, or replaced from time to time (the "Park Agreement"), the County and Hampton County created a joint industrial business park to be located upon property geographically located in Jasper and Hampton Counties (the "Park"), which was approved by duly enacted ordinances of each of Jasper and Hampton Counties; and

WHEREAS, pursuant to the Infrastructure Credit Act, the County has agreed to provide certain special source revenue credits in the amount of 25% for years 1-5 and 10% for years 6-10 beginning in the year after the Real Property improvements are placed in service, which infrastructure credits shall apply to the Property (the "Additional Infrastructure Credits"); and

WHEREAS, the County Council has duly authorized execution and delivery of this Agreement by ordinance duly enacted by the County Council on [____], 2024, following a public hearing held on [____], 2024.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the County and the Company agree as follows:

ARTICLE I DEFINITIONS

The terms defined in this Article I shall for all purposes of this Agreement have the meanings herein specified, unless the context clearly otherwise requires. Except where the context otherwise requires, words importing the singular number shall include the plural number and *vice versa*.

"Additional Infrastructure Credits" shall have the meaning set forth with respect to such term in the recitals in this Agreement.

"Agreement" shall mean this Agreement, as the same may be amended, modified or supplemented in accordance with the terms hereof.

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

"Company" shall have the meaning set forth with respect to such term in the recitals to this Agreement.

"Cost of Infrastructure" shall mean the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the Project and for improved or unimproved real estate and personal property in connection with the Project, and any other such similar or like expenditures authorized by the Infrastructure Credit Act.

"County" shall mean Jasper County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina and its successors and assigns.

"Fee Payments" shall mean the payments in lieu of taxes, including, if applicable, any negotiated payments in lieu of taxes pursuant to the Code, made by the owners(s) of the Project.

"Infrastructure Credit Act" shall have the meaning set forth with respect to such term in the recitals to this Agreement.

"Multi-County Park Act" shall mean Title 4, Chapter 1 of the Code, and all future acts amendatory thereto.

"Ordinance" shall mean the ordinance enacted by the County Council on [____], 2024, authorizing the execution and delivery of this Agreement.

"Park" shall mean (i) the joint county industrial park established pursuant to the terms of the Park Agreement and (ii) any joint county industrial park created pursuant to a successor park agreement delivered by the County and a partner county in accordance with Section 4-1-170 of the Act, or any successor provision, with respect to the Project.

“*Park Agreement*” shall mean the Multi-County Industrial and Business Park Agreement dated November 21, 2022 and all amendments thereto between the County and Hampton County, South Carolina, as the same may be further amended or supplemented from time to time or such other agreement as the County may enter with respect to the Project to offer the benefits of the Infrastructure Credit Act to the Company hereunder.

“*Person*” shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, or a government or political subdivision.

“*Project*” shall have the meaning set forth with respect to such term in the recitals to this Agreement.

“*Property*” shall have the meaning set forth with respect to such term in the recitals to this Agreement.

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.01. Representations by the County. The County makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina and is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action by the County Council, the County has been duly authorized to execute and deliver this Agreement and any and all agreements collateral thereto.

(b) The County proposes to provide the Additional Infrastructure Credits to reimburse the Company for the purpose of promoting economic development within the County.

(c) To the best knowledge of the undersigned representatives of the County, the County is not in violation of any of the provisions of the laws of the State of South Carolina, where any such default would affect the validity or enforceability of this Agreement.

(d) To the best knowledge of the undersigned representatives of the County, the authorization, execution and delivery of this Agreement, the enactment of the Ordinance, and performance of the transactions contemplated hereby and thereby do not and will not, to the best knowledge of the County, conflict with, or result in the violation or breach of, or constitute a default or require any consent under, or create any lien, charge or encumbrance under the provisions of (i) the Constitution of the State or any law, rule, or regulation of any governmental authority, (ii) any agreement to which the County is a party, or (iii) any judgment, order, or decree to which the County is a party or by which it is bound.

(e) To the best knowledge of the undersigned representatives of the County, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public body, or public board which is pending or threatened challenging the creation, organization or existence of the County or its governing body or the power of the County to enter into the transactions contemplated hereby or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or would affect the validity, or adversely affect the enforceability, of this Agreement, or any other agreement or instrument to which the County is a party and which is to be used in connection with or is contemplated by this Agreement, nor to the best of the knowledge of the undersigned representatives of the County is there any basis therefor.

SECTION 2.02. Representations and Covenants by the Company. The Company makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(a) The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of South Carolina and qualified to do business in the State of South Carolina, has power to enter into this Agreement and to carry out its obligations hereunder, and by proper corporate action has been duly authorized to execute and deliver this Agreement.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, will result in a material breach of any of the terms, conditions, or provisions of any corporate restriction or any agreement or instrument to which the Company is now a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of the Company, other than as may be created or permitted by this Agreement.

(c) To the best knowledge of the Company, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public body, or public board which is pending or threatened challenging the power of the Company to enter into the transactions contemplated hereby or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or would affect the validity, or adversely affect the enforceability, of this Agreement, or any other agreement or instrument to which the Company is a party and which is to be used in connection with or is contemplated by this Agreement, nor to the best of the knowledge of the Company is there any basis therefore.

(d) The financing of the Cost of Infrastructure by the County has been instrumental in inducing the Company to establish the Project in Jasper County, South Carolina.

SECTION 2.03. Covenants of the County.

(a) To the best of its ability, the County will at all times maintain its corporate existence and will use its best efforts to maintain, preserve, and renew all its rights, powers and privileges; and it will comply with all valid acts, rules, regulations, orders, and directions of any legislative, executive, administrative, or judicial body applicable to this Agreement.

(b) In the event the Park Agreement is terminated, the County agrees to use commercially reasonable efforts to cause the Project, at the Company's expense, pursuant to Section 4-1-170 of the Act or any successor provision, to be included in a duly authorized, executed and delivered successor joint county industrial park agreement with an adjoining South Carolina county, which successor agreement shall contain a termination date occurring no earlier than the final year as to which any Infrastructure Credit shall be payable under this Agreement.

(c) The County covenants that it will from time to time, at the request and expense of the Company, execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of this Agreement; provided, however, that such instruments or actions shall never create or constitute a general obligation or an indebtedness of the County within the meaning of any State constitutional provision (other than the provisions of Article X, Section 14(10) of the South Carolina Constitution) or statutory limitation and shall never constitute or give rise to a pecuniary

liability of the County or a charge against its general credit or taxing power or pledge the full faith, credit or taxing power of the State, or any other political subdivision of the State.

ARTICLE III INFRASTRUCTURE CREDITS

SECTION 3.01. Infrastructure Credits.

(a) To assist in paying for the Cost of Infrastructure, the Company and any qualifying sponsor are entitled to claim an Additional Infrastructure Credit to reduce certain Fee Payments due and owing from the Company or sponsor to the County that pertain to the Project. The Real Property and improvements thereon and all qualifying Personal Property expenses of the Company shall qualify for a 10-year Additional Infrastructure Credit comprised of a 25% credit during years 1-5 and 10% credit during years 6-10. The Additional Infrastructure Credit shall begin in the year after the Real Property Improvements are placed in service. The Additional Infrastructure Credit will continue to be applied to the next ten annual FILOT Payments. In no event may the Company's aggregate infrastructure credit claimed pursuant to this Section exceed the aggregate expenditures by the Company or sponsor on the Cost of Infrastructure.

(b) THIS AGREEMENT AND THE ADDITIONAL INFRASTRUCTURE CREDITS BECOMING DUE HEREUNDER ARE LIMITED OBLIGATIONS OF THE COUNTY PROVIDED BY THE COUNTY SOLELY FROM THE FEE PAYMENTS RECEIVED BY THE COUNTY FOR THE PROJECT PURSUANT TO THE PARK AGREEMENT, AND DO NOT AND SHALL NEVER CONSTITUTE A GENERAL OBLIGATION OR AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION (OTHER THAN THE PROVISIONS OF ARTICLE X, SECTION 14(10) OF THE SOUTH CAROLINA CONSTITUTION) OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT, AND TAXING POWER OF THE COUNTY ARE NOT PLEDGED FOR THE INFRASTRUCTURE CREDITS.

(c) No breach by the County of this Agreement shall result in the imposition of any pecuniary liability upon the County or any charge upon its general credit or against its taxing power. The liability of the County under this Agreement or of any warranty herein included or for any breach or default by the County of any of the foregoing shall be limited solely and exclusively to the Fee Payments for the Project in the Park. The County shall not be required to execute or perform any of its duties, obligations, powers, or covenants hereunder except to the extent of the Fee Payments.

(d) To the extent that the Additional Infrastructure Revenue Credit is used as payment for Personal Property and the Personal Property is removed from the Project during the twenty-year period and not otherwise replaced, then the amount of the fee-in-lieu of taxes due on the Personal Property for the year in which the Personal Property was removed from the Project shall be due for the two years immediately following the removal, as set forth in Section 4-29-68(A)(2)Iii) of the Code of Laws of South Carolina, 1976, as amended. If the Company replaces the removed property with qualifying replacement property, as defined in the Act, then the removed Personal Property is deemed not to have been removed from the Project. This Special Source Credit Agreement is applicable to the Real and Personal Properties located in the Park as part of the Project.

**ARTICLE IV CONDITIONS TO DELIVERY OF AGREEMENT;
TITLE TO PROJECT**

SECTION 4.01. Documents to be Provided by County. Prior to or simultaneously with the execution and delivery of this Agreement, the County shall provide to the Company:

- (a) A copy of the Ordinance, duly certified by the Clerk of the County Council to have been duly enacted by the County and to be in full force and effect on the date of such certification; and
- (b) Such additional related certificates, instruments or other documents as the Company may reasonably request in a form and substance acceptable to the Company and the County.

SECTION 4.02. Transfers of Project; Assignment of Interest in this Agreement by the Company. The County hereby acknowledges that the Company may from time to time and in accordance with applicable law, sell, transfer, lease, convey, or grant the right to occupy and use the Project, in whole or in part, or assign its interest in this Agreement, to others; provided, however, that any transfer by the Company of any of its interest in this Agreement to any other Person shall require the prior written consent of the County, which shall not be unreasonably withheld. No such sale, lease, conveyance, grant or assignment shall relieve the County from the County's obligations to provide Additional Infrastructure Credits to the Company or any assignee of the same, under this Agreement as long as such assignee is qualified to receive the Additional Infrastructure Credits under the Infrastructure Credit Act.

SECTION 4.03. Assignment by County. The County shall not assign, transfer, or convey its obligations to provide Additional Infrastructure Credits hereunder to any other Person, except as may be required by South Carolina law.

ARTICLE V DEFAULTS AND REMEDIES

SECTION 5.01. Events of Default. If the County or the Company shall fail duly and punctually to perform any covenant, condition, agreement or provision contained in this Agreement on its part to be performed, which failure shall continue for a period of thirty (30) days after written notice by the County or the Company, respectively, specifying the failure and requesting that it be remedied is given to the County by the Company, or to the Company by the County, by first-class mail, the County or the Company, respectively, shall be in default under this Agreement (an "Event of Default").

SECTION 5.02. Remedies and Legal Proceedings by the Company or the County. Upon the happening and continuance of any Event of Default, then and in every such case the Company or the County, as the case may be, in their discretion may:

- (a) by mandamus, or other suit, action, or proceeding at law or in equity, enforce all of its or their rights and require the other party to carry out any agreements with or for its benefit and to perform its or their duties under the Act and this Agreement;
- (b) bring suit upon this Agreement;
- (c) exercise any or all rights and remedies provided by applicable laws of the State of South Carolina; or
- (d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of its rights.

SECTION 5.03. Remedies Not Exclusive. No remedy in this Agreement conferred upon or reserved to the County or the Company hereunder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

SECTION 5.04. Nonwaiver. No delay or omission of the County or the Company to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by this Article V to any party may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VI MISCELLANEOUS

SECTION 6.01. Termination. Subject to Sections 5.01 and 5.02 above, this Agreement shall terminate on the date upon which all Additional Infrastructure Credits provided for herein have been credited to the Company.

SECTION 6.02. Successors and Assigns. All the covenants, stipulations, promises, and agreements in this Agreement contained, by or on behalf of, or for the benefit of, the County, shall bind or inure to the benefit of the successors of the County from time to time and any officer, board, commission, agency, or instrumentality to whom or to which any power or duty of the County, shall be transferred.

SECTION 6.03. Provisions of Agreement for Sole Benefit of the County and the Company. Except as in this Agreement otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any Person other than the County and the Company any right, remedy, or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the County and the Company.

SECTION 6.04. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, the illegality or invalidity shall not affect any other provision of this Agreement, and this Agreement shall be construed and enforced as if the illegal or invalid provisions had not been contained herein or therein.

SECTION 6.05. No Liability for Personnel of the County or the Company. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member, agent, or employee of the County or its governing body or the Company or any of its officers, employees, or agents in his individual capacity, and neither the members of the governing body of the County nor any official executing this Agreement shall be liable personally for the Additional Infrastructure Credits or this Agreement or be subject to any personal liability of accountability by reason of the issuance thereof.

SECTION 6.06. Notices. All notices, certificates, requests, or other communications under this Agreement shall be sufficiently given and shall be deemed given, unless otherwise required by this Agreement, when (i) delivered or (ii) sent by facsimile and confirmed by United States certified mail, return receipt requested, restricted delivery, postage prepaid, addressed as follows:

(a) if to the County: Jasper County, South Carolina
Attn: County Administrator
PO Box 1149
358 Third Avenue,
Ridgeland, SC 29936

with a copy to: Parker Poe Adams & Bernstein
(which shall not Attn: Ray Jones
constitute notice 1221 Main Street, Suite 1100
to the County) Columbia, SC 29201

(b) if to the Company: Project Pilgrimage
[]
[]
Attention: []

with a copy to: Haynsworth Sinkler Boyd, P.A.
(which shall not 1201 Main Street, Suite 2200
constitute notice to Columbia, SC 29201
the Company) Attention: Gary W. Morris

A duplicate copy of each notice, certificate, request or other communication given under this Agreement to the County or the Company shall also be given to the others. The County and the Company may, by notice given under this Section 6.06, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 6.07. Applicable Law. The laws of the State of South Carolina shall govern the construction of this Agreement.

SECTION 6.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6.09. Amendments. This Agreement may be amended only by written agreement of the parties hereto.

SECTION 6.10. Waiver. Either party may waive compliance by the other party with any term or condition of this Agreement only in a writing signed by the waiving party.

SECTION 6.11. Joinder. To the extent required, Developer, as the owner of the Real Property, hereby joins in this Agreement and hereby agrees to the terms and provisions hereof.

SECTION 6.12. Indemnity.

(a) Notwithstanding the fact that it is the intention of the parties that the County, its members, officers, elected officials, employees, servants and agents (collectively, the “Indemnified Parties”) shall not incur pecuniary liability by reason of the terms of this Agreement, or the undertakings required of the County hereunder, by reason of the granting of the Infrastructure Credits, by reason of the execution of this Agreement, by the reason of the performance of any act requested of it by the Company, or by reason of the County’s relationship to the Project or by the operation of the Project by the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the County or any of the other Indemnified Parties should incur any such pecuniary liability, then in such event the Company shall indemnify, defend and hold them harmless against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice, the Company shall defend them in any such action or proceeding with legal counsel acceptable to the County (the approval of which shall not be unreasonably withheld); provided, however, that such indemnity shall not apply to the extent that any such claim is proximately caused by (i) the grossly negligent acts or omissions or willful misconduct of the County, its agents, officers or employees, or (ii) any breach of this Agreement by the County.

(b) Notwithstanding anything in this Agreement to the contrary, the above-referenced covenants insofar as they pertain to costs, damages, liabilities or claims by any Indemnified Party resulting from any of the above-described acts of or failure to act by the Company, shall survive any termination of this Agreement.

SECTION 6.13. Facsimile/Scanned Signature. The Parties agree that use of a fax or scanned signature and the signatures, initials, and handwritten or typewritten modifications to any of the foregoing shall be deemed to be valid and binding upon the Parties as if the original signature, initials and handwritten or typewritten modifications were present on the documents in the handwriting of each party.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Jasper County, South Carolina, has caused this Agreement to be executed by the Chairman of the Jasper County Council and its corporate seal to be hereunto affixed and attested by the Clerk of its County Council, and Project Pilgrimage has each caused this Agreement to be executed by an authorized officer, all as of the day and year first above written.

JASPER COUNTY, SOUTH CAROLINA

L. Martin Sauls, IV, Chairman of Calhoun County Council

[SEAL]

Attest:

Wanda Simpson, Clerk
Calhoun County, South Carolina

[Signature page 1 to Special Source Revenue Credit Agreement]

PROJECT PILGRIMAGE

By: _____

Name: _____

Title: _____

[Signature page 2 to Special Source Credit Agreement]

FREEDOM INDUSTRIAL PARTNERS, LLC

By: _____

Name: _____

Title: _____

[Signature page 3 to Special Source Credit Agreement]

EXHIBIT A

PROPERTY

