

same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due and to become due on such series of bonds and prior to the maturity date or dates of such series of bonds, or, if the County shall elect to redeem such series of bonds prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof in the manner provided in the form of the bonds, on and prior to the redemption date or dates of such series of bonds, as the case may be; or

(iv) If there shall have been deposited with the Escrow Agent either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Escrow Agent at the same time, shall be sufficient to pay, when due, the principal and interest due and to become due on such series of bonds on the maturity thereof.

(b) In addition to the above requirements of paragraphs (a) (i), (ii), (iii), and (iv), in order for this Ordinance to be discharged with respect to a series of bonds, all other fees, expenses and charges of the Escrow Agent have been paid in full at that time.

(c) Notwithstanding the satisfaction and discharge of this Ordinance with respect to a series of bonds, the Escrow Agent shall continue to be obligated to hold in trust any moneys or investments then held by the Escrow Agent for the payment of the principal of, premium, if any, and interest on, such series of bonds, to pay to the owners of such series of bonds the funds so held by the Escrow Agent as and when payment becomes due.

(d) Any release under this Section shall be without prejudice to the rights of the Escrow Agent to be paid reasonable compensation for all services rendered under this Ordinance and all reasonable expenses, charges, and other disbursements and those of their respective attorneys, agents, and employees, incurred on and about the performance of the powers and duties under this Ordinance.

(e) Any moneys which at any time shall be deposited with the Escrow Agent by or on behalf of the County for the purpose of paying and discharging any bonds shall be and are assigned, transferred, and set over to the Escrow Agent in trust for the respective holders of such bonds, and the moneys shall be and are irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the holders of such bonds shall no longer be entitled to enforce payment of their obligations, then, in that event, it shall be the duty of the Escrow Agent to transfer the funds to the County.

(f) In the event any bonds are not to be redeemed within the 60 days next succeeding the date the deposit required by Section 15(a)(iii) or (iv) is made, the County shall give the Escrow Agent irrevocable instructions to mail, as soon as practicable by registered or certified mail, a notice to the owners of the bonds at the addresses shown on the registry books that (i) the deposit required by subparagraph (a)(iii) or (a)(iv) of this Section 15 has been made with the Escrow Agent, (ii) the bonds are deemed to have been paid in accordance with this Section and stating the maturity or redemption dates upon which moneys are to be available for the payment of the principal of, and premium, if any, and interest on, the bonds, and (iii) stating whether the County has irrevocably waived any rights to redeem the bonds, or any of them, prior to the maturity or redemption dates set forth in the preceding clause (ii).

(g) The County covenants and agrees that any moneys which it shall deposit with the Escrow Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Section, and whenever it shall have elected to redeem bonds, it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and empower the Escrow Agent to cause notice of redemption to be given in its name and on its behalf.

SECTION 16. Authority to Issue Bond Anticipation Notes. If the County Administrator should determine that issuance of BANs pursuant to Chapter 17 of Title 11 of the Code ("BAN Act") rather than the Bonds would result in a substantial savings in interest under prevailing market conditions or for other reasons would be in the best interest of the County, the County Administrator is further requested and authorized to effect the issuance of one or more series of BANs pursuant to the BAN Act. If BANs are issued and if, upon the maturity thereof, the County Administrator should determine that further issuance of BANs rather than the Bonds would result in a substantial savings in interest under then prevailing market conditions or for other reasons would be in the best interest of the County, the County Administrator is requested to continue the issuance of BANs until the County Administrator determines to issue the Bonds on the basis as aforesaid, and the Bond is issued.

SECTION 17. Details of Bond Anticipation Notes. Subject to changes in terms required for any particular issue of BANs, the BANs shall be subject to the following particulars:

(a) The BANs shall be dated and bear interest from the date of delivery thereof or, if the BAN is issued on a draw-down basis, from the date of each such advance, payable upon the stated maturity thereof, at the rate negotiated by the County Administrator and shall mature on such date, not to exceed one year from the issue date thereof, as shall be determined by the County Administrator.

(b) The BANs shall be numbered from one upwards for each issue and shall be in the denomination of \$5,000 or any integral multiple thereof requested by the purchaser thereof. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of a bank designated by the County or, at the option of the County, by the purchaser thereof.

The BANs also may be issued as one or more fully registered "draw-down" style instruments in an aggregate face amount not exceeding the maximum amount permitted hereunder, to a lending institution under terms which permit the balance due under such note or notes to vary according to the actual cash needs of the County, as shall be determined by the County Administrator. In such event, the County may draw upon such note or notes as it needs funds so long as the maximum outstanding balance due under such note or notes does not exceed the aggregate face amount thereof.

(c) The County Administrator is authorized to negotiate or to arrange for a sale of the BANs and to determine the rate of interest to be borne thereby.

(d) The BANs shall be in the form as determined by the County Administrator under Section 3.

(e) The BANs shall be issued in fully registered or bearer certificated form or a book-entry-only form as specified by the County, or at the option of the County, by the purchaser thereof; provided that once issued, the BANs of any particular issue shall not be reissued in any other form and no exchange shall be made from one form to the other.

(f) In the event any BAN is mutilated, lost, stolen or destroyed, the County may execute a new BAN of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated BAN, such mutilated BAN shall first be surrendered to the County, and in the case of any lost, stolen or destroyed BAN, there shall be first furnished to the County evidence of such loss, theft or destruction satisfactory to the County, together with indemnity satisfactory to it; provided that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such BAN shall have matured, instead of issuing a duplicate BAN, the County may pay the same without surrender thereof. The County may charge the holder of such BAN with its reasonable fees and expenses in this connection.

(g) Any BAN issued in fully-registered form shall be transferable only upon the books of registry of the County, which shall be kept for that purpose at the office of the County as note registrar (or its duly authorized designee), by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the County as note registrar, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any BAN, the County shall issue, subject to the provisions of paragraph (h) below, in the name of the transferee, a new BAN or BANs of the same aggregate principal amount as the unpaid principal amount of the surrendered BAN. Any holder of a BAN in fully-registered form requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any BAN in fully-registered form, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal and interest of any BAN in fully-registered form shall be made only to or upon the order of the registered holder thereof, or his duly authorized attorney, and the County shall not be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such BAN to the extent of the sum or sums so paid.

(h) BANs issued in fully registered form, upon surrender thereof at the office of the County (or at such office as may be designated by its designee) as note registrar, with a written instrument of transfer satisfactory to the County, duly executed by the holder of the BAN or his duly authorized attorney, may, at the option of the holder of the BAN, and upon payment by such holder of any charges which the County may make as provided in paragraph (i), be exchanged for a principal amount of BANs in fully registered form of any other authorized denomination equal to the unpaid principal amount of surrendered BANs.

(i) In all cases in which the privilege of exchanging or transferring BANs in fully-registered form is exercised, the County shall execute and deliver BANs in accordance with the provisions of such Ordinance. All BANs in fully-registered form surrendered in any such exchanges or transfers shall forthwith be canceled by the County. There shall be no charge to the holder of such BAN for such exchange or transfer of BANs in fully-registered form except that the County may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

SECTION 18. *Security for Bond Anticipation Notes.* For the payment of the principal of and interest on the BANs as the same shall fall due, so much of the principal proceeds of the Bond when issued shall and is directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the County covenants and agrees to effect the issuance of sufficient BANs or bonds in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

SECTION 19. *Tax and Securities Laws Covenants.*

(a) The County covenants that no use of the proceeds of the sale of the Bond or BANs authorized hereunder shall be made which, if such use had been reasonably expected on the date of issue of such Bond or BANs would have caused the Bond or BANs to be "arbitrage bonds," as defined in the Code, and to that end the County shall comply with all applicable regulations of the Treasury Department previously promulgated under Section 103 of the Internal Revenue Code of 1954, as amended, and any regulations promulgated under the Code so long as the Bond or BANs are outstanding.

(b) The County further covenants to take all action necessary, including the payment of any rebate amount, to comply with Section 148(f) of the Code and any regulations promulgated thereunder.

(c) The County covenants to file IRS form 8038, if the Code so requires, at the time and in the place required therefore under the Code.

SECTION 20. *Building Purchase/Sale and Appropriation of Capital Project Funds.*

(a) The Council authorizes the Chairman, County Administrator, Clerk to County Council and other County Officials to negotiate in good faith to purchase, sell and develop the real property on which the Projects are to be located; to appropriate funds from the capital projects, or other similar, county funds for the purchase, sale and development of the Projects; take all steps reasonably necessary and proper to purchase, sell and develop the Projects. Further, the County Administrator (and his designated appointees) is authorized and directed, in the name of and on behalf of the County, to take whatever further actions and execute whatever further documents, including purchase-sale agreements, option contracts, deeds or other similar agreements, as the County Administrator (and his designated appointees) deems to be reasonably necessary and prudent to effect the intent of this Ordinance, and assist in purchasing, selling and developing the Projects.

(b) Previously, the County, as authorized by Title 12, Chapter 44 of the Code, entered into a "Fee Agreement by and between Fairfield County and South Carolina Electric & Gas Company and Applicable Sponsor Affiliates" dated as of July 12, 2010 ("County Fee Agreement") which, among other things, provides for payments of fees-in-lieu of taxes ("FILOT") for a project qualifying under the Act using an assessment ratio of 4% and a fixed millage rate for thirty (30) years for the purpose of calculating fee payment.

(c) Pursuant to the Act, and based on information provided by South Carolina Electric & Gas Company ("Company"), the County found that (a) it was anticipated that the "Project" (as defined in the County Fee Agreement would benefit the general public welfare of the County by providing services, employment and 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 would 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 were proper governmental and public purposes; and (d) the benefits of the Project to the public were greater than the costs to the public.

(d) The County has placed the Project in a multi-county industrial park by entering into that certain "Master Agreement Governing the Nuclear Facilities Industrial Park, between Fairfield County, South Carolina and Richland County, South Carolina" dated September 21, 2010 ("Park Agreement").

(e) Pursuant to the Park Agreement, the County and Richland County, South Carolina are sharing all FILOT Revenue (as defined in the Park Agreement) according to the following distribution formula:

After (i) reimbursing itself for expenditures made to attract [South Carolina Electric & Gas Company] and (ii) making any reductions required by law or other agreement, retain 99.5% of the FILOT Revenues and transmit 0.5% of the FILOT Revenue to Richland [County];

(f) Pursuant to the Park Agreement, the County elected to retain all FILOT Revenue in order that; after (i) Special Source Revenue Credits are made pursuant to the County Fee Agreement, and (ii) reimbursing itself for expenditures made to attract the Company, making any reductions required by law or other agreement and transmitting 0.5% of the FILOT Revenue to Richland County, any and all additional FILOT Revenue available ("Surplus Revenues") may be dedicated to the improvement of infrastructure in or otherwise serving the County ("County Infrastructure") for the benefit of the residents

and taxpayers of the County.

(g) The Council is mindful of the guidance provided by the Supreme Court of South Carolina in *Horry County School District v. Horry County, South Carolina*, 346 S.C. 621, 552 S.E.2d 737 (2001), in providing for allocations of FILOT Revenue to the other taxing entities of the County, and is also mindful of its powers set forth in Section 4-9-25 of the Code, which provides authority to all counties of the State to enact ordinances “respecting any subject as appears to them necessary and proper for the security, general welfare and convenience of counties or for preserving health, peace, order, and good government in them,” which powers must be “liberally construed in favor of the county.”

(h) To ensure that the Surplus Revenues are used to pay costs (collectively, “Project Costs”) for County Infrastructure purposes (“Infrastructure Projects”) benefitting all of the residents and taxpayers of the County, including but not limited to those living within the boundaries of the municipalities lying within the County, Council has determined to enter into a “Master Trust Agreement” with Regions Bank, as trustee (“Master Trustee”), with respect to the Payments-in-Lieu-of Taxes made pursuant to the County Fee Agreement and the Park Agreement, to be dated as of April 1, 2013 (“Master Trust Agreement”), the form of which Master Trust Agreement is attached hereto as Exhibit B.

(j) The County expects that most, if not all, of the Project Costs will consist of debt service payments on bonds or other obligations used to finance Infrastructure Projects, whether for the benefit of the County or for another governmental entity, including, for example, the municipalities and special purpose districts of the County, The School District of Fairfield County, and non-County governmental entities whose infrastructure projects will directly benefit residents and taxpayers of the County (“Stakeholders”), for County Infrastructure (collectively, “Obligations”), and that the owners of such Obligations (collectively, “Obligation Holders”) shall be afforded the benefits of the Master Trust Agreement, subject to the limitations set forth therein, and has provided in the Master Trust Agreement for the execution and delivery from time to time of “Notes” or “Guaranties” of one or more series, to evidence the unconditional pledge of Surplus Revenues to pay Project Costs. To implement this process, the County intends to begin inviting Stakeholders to meet with the County to determine the Stakeholders’ proposed Infrastructure Projects for potential funding under the Master Trust Agreement.

(i) The County hereby directs the County Treasurer, no later than the tenth Business Day after the County receives the FILOT Revenues, to provide Surplus Revenues to the Master Trustee for deposit to the Surplus Revenue Fund to be created and established under the Master Trust Agreement.

(k) Pursuant to the terms of the Master Trust Agreement, the County also intends to enter into a Supplemental Trust Agreement, also with the Master Trustee, with respect to the Payments-in-Lieu-of Taxes made pursuant to the County Fee Agreement and the Park Agreement, to be dated as of April 1, 2013 (“2013 Supplemental Trust Agreement”), the form of which 2013 Supplemental Trust Agreement is attached hereto as Exhibit C.

(l) The capital projects comprising the initial Infrastructure Project were identified in that certain resolution of the County adopted on March 25, 2013 and attached hereto as Exhibit A. Subsequent capital projects comprising Infrastructure Projects will be determined pursuant to resolution of Council and the execution and delivery of Supplemental Trust Agreements (each, a “Supplemental Trust Agreement”), subject to the County’s ability to enter into additional Supplemental Trust Agreements on parity with the 2013 Supplemental Trust Agreement.

SECTION 21. Authorization for County Officials to Execute Documents. The Council authorizes the Chairman, County Administrator, Clerk to County Council and other County Officials to execute and consent to such documents and instruments, including, *e.g.*, purchase-sale agreements, option contracts,

or other similar agreements, as may be necessary to effect the intent of this Ordinance, the issuance of the Bonds, and any documents related to the transfer to, or acquisition from (or both), the Projects the Entity, and the issuance of bonds by the Entity.

SECTION 22. *Consent to Actions by Third Parties.* The Council authorizes the creation of the Entity and the undertakings by the Entity regarding the Projects and the issuance by the Entity of bonds, including the form of those bonds. Further, the Council acknowledges that the initial board of directors of the Entity is anticipated to have no more than five members. The Council consents to and approves the issuance, sale, execution and delivery of bonds, by the Entity, in one or more series of taxable or tax-exempt obligations, including the use of BABs, in an amount or amounts to be set pursuant to a resolution to be adopted by the board of directors of the Entity to provide for the payment of the costs of the Projects and the costs of issuance and all expenses in connection therewith. The Council also agrees to accept the Projects at such time as the bonds issued by the Entity are retired.

SECTION 23. *Publication of Notice of Adoption of Ordinance pursuant to Section 11-27-40, paragraph 8, of the Code of Laws of South Carolina, 1976.* Pursuant to the provisions of Section 11-27-40 of the Code, the County Administrator, at his option, is authorized to arrange to publish a notice of adoption of this Ordinance.

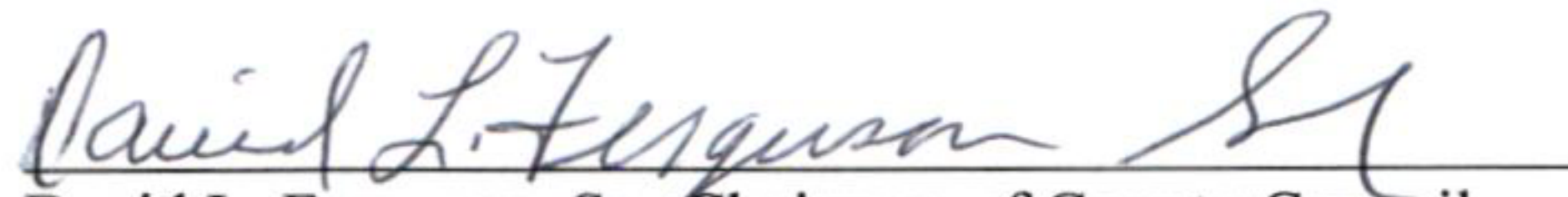
SECTION 24. *Retention of Bond Counsel and Other Suppliers.* The Council authorizes the County Administrator to retain the law firm of Parker Poe Adams & Bernstein LLP as its bond counsel, and the firm of Merchant Capital, LLC, as its placement agent in connection with the issuance of the Bonds.

The Council further authorizes the County Administrator to enter into such contractual arrangements with printers and the suppliers of other goods and services necessary to the sale, execution and delivery of the Bond as is necessary and desirable. To the extent feasible, such arrangements shall be made with persons of sound reputation after obtaining two or more bids for such services; however, the County Administrator is authorized to make such arrangements without obtaining bids or quotes where (i) the services to be provided are unique or (ii) it is impractical to obtain bids to comply with any time requirements with respect to the issuance and sale of the Bond or (iii) the County has had previous experience with a supplier who has performed reliably and satisfactorily.

SECTION 25. *General Repealer.* All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bond are, to the extent of such conflict, repealed and this Ordinance shall take effect and be in full force from and after its adoption.

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FAIRFIELD COUNTY, SOUTH CAROLINA


David L. Ferguson, Sr., Chairman of County Council
Fairfield County Council



(SEAL)
ATTEST:


Shryll M. Brown, Clerk to County Council
Fairfield County Council

First Reading: March 25, 2013
Second Reading: April 8, 2013
Public Hearing: April 8, 2013
Third Reading: April 15, 2013