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Exhibit A           Description of Real Property  
Exhibit B           Joinder Agreement

## **FEE AGREEMENT**

**THIS FEE AGREEMENT** ("Fee Agreement") is made and entered into as of July 12, 2010, by and between **FAIRFIELD 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 **SOUTH CAROLINA ELECTRIC & GAS COMPANY** (the "Company") as sponsor and if applicable, a sponsor affiliate or affiliates to be named (the "Sponsor Affiliate").

### **WITNESSETH:**

**WHEREAS**, the County is authorized by Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (the "Act"), to enter into a Fee Agreement with companies meeting the requirements of such Act which identifies certain property of such companies as economic development property to induce such companies to locate in the State and to encourage companies now located in the State to expand their investments and thus make use of and employ manpower and other resources of the State;

**WHEREAS**, pursuant to the Act, based on information provided by the Company, 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 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 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**, pursuant to an Inducement Resolution dated December 12, 2005 (the "Inducement Resolution"), the County committed to enter into a fee agreement with the Company concerning the Project, which was referred to as "Project Caroline" in the Inducement Resolution;

**WHEREAS**, pursuant to the Inducement Resolution, the County committed to enter into a Fee Agreement with the Company which shall provide for payments of fees-in-lieu of taxes 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 payments based upon the lower of the cumulative property tax millage rates legally levied by or on behalf of all taxing entities within which the subject property is to be located that is applicable during the period beginning on the thirtieth day of June preceding the calendar year in which a millage agreement or a fee agreement is executed, as required under the Act, and ending on the date a fee agreement is executed, as required under the Act said millage rate has now been determined to be 380.5 mills. The County also committed to place the Project in a multi-county industrial park in connection with in to the Fee Agreement;

**WHEREAS**, pursuant to the Inducement Resolution, the County agreed to provide the Company with a special source revenue credit in the amount of 20% percent of the FILOT payments on the Project during the first twenty (20) years that such FILOT payments are made;

**WHEREAS**, pursuant to the Inducement Resolution, the County agreed to provide the Sponsor Affiliate if any with a special source revenue credit in the amount of 20% of the FILOT payments on the Project during the first twenty (20) years that such FILOT payments are made;

**WHEREAS**, pursuant to the Inducement Resolution, the County agreed to grant the five-year extension of time authorized under the Act in order that the Company and/or the Sponsor Affiliate will have the maximum amount of time to complete the Project;

**WHEREAS**, pursuant to the Inducement Resolution, the County agreed that if the Company (and, if applicable the Company and the Sponsor Affiliate collectively) does not meet the required investment of \$600 million within the period required under the Act, then the Project will still qualify as a FILOT arrangement under the Act and the FILOT payment will thereafter be calculated based upon an assessment ratio of 6%. Such FILOT agreement will then be for a reduced term of twenty (20) years and the fixed millage rate shall continue to be based upon the lower of the cumulative property tax millage rates legally levied by or on behalf of all taxing entities within which the subject property is to be located that is applicable during the period beginning on the thirtieth day of June preceding the calendar year in which a millage agreement or a fee agreement is executed, as required under the Act, and ending on the date a fee agreement is executed, as required under the Act which millage rate is now known to be 380.5 mills;

**WHEREAS**, the is permitted, by Section 4-1-170 of the Code of Laws of South Carolina 1976, as amended, and Article VIII, Section 13 of the Constitution of the State of South Carolina of 1895, as amended (collectively, "MCIP Law") to include the Project in one or more multi-county business or industrial parks;

**WHEREAS**, pursuant to the Inducement Resolution, the County agreed to provide the Company and, if applicable, the Sponsor Affiliate with the most favorable provisions allowable under the Applicable Statute with respect to the disposal and replacement of real and personal property; and

**WHEREAS**, pursuant to the Inducement Resolution, the County agreed that the participation of the Sponsor Affiliate is not a condition to the inducement of the Company and should the Sponsor Affiliate not decide to participate in the Project, the terms of this Inducement Resolution shall remain in full force and effect to induce the Company to locate the facility or facilities in the County without the participation of the Sponsor Affiliate so long as the Company invests a minimum of \$600 million.

**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), the County and the Company agree to waive the recapitulation requirements of Section 12-44-55. If the Company should be required to retroactively comply with the recapitulation requirements of Section 12-44-55, then the County agrees to waive all penalties and fees of the County for the Company's noncompliance.

**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 shall include any amendments to that document, unless the context clearly indicates otherwise.

From time to time herein, reference is made to the term taxes or *ad valorem* taxes. All or portions of the Project will be located in a Multi-County Industrial Park and are exempt from *ad valorem* taxation

under and by virtue of Paragraph D of Section 13 of Article VIII of the S.C. Constitution ("MCIP Provision"). With respect to facilities located in a Multi-County Industrial Park, references to taxes or *ad valorem* taxes means the payments-in-lieu-of-taxes provided for in the MCIP Provision, and, where this Fee Agreement refers to payments of taxes or Payments-in-Lieu-of-Taxes to County Treasurers, such references shall be construed to mean the payments to the counties participating in such a Multi-County Industrial Park.

**SECTION 1.3. Definitions.**

**"Act"** means Title 12 Chapter 44, Code of Laws of South Carolina 1976, as in effect on the date hereof.

**"Annual Infrastructure Credit"** means an annual credit, granted by the County to the Company, subject to the conditions in Section 5.1(e) and (f), for the purpose of defraying a portion of the cost of the Improvements of the Company and if applicable a Sponsor affiliate pursuant to Section 12-44-70 of the Act and/or Section 4-1-175 of the MCIP Law.

**"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).

**"Commencement Date"** means the last day of the property tax year when Project 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 County and the Company have entered into this Fee Agreement.

**"Company"** means South Carolina Electric & Gas Company, a corporation organized and existing under the laws of the State of South Carolina. The Company shall be deemed to be a sponsor in accordance with Section 12-44-30(A)(18) and Section 12-44-130 of the Act. Unless a particular provision hereof otherwise requires to the contrary, the Company may act as agent of the Sponsor Affiliates and the County shall accept any act of the Company (including but not limited to acts such as amending this Fee Agreement and giving notice and exercising options and rights hereunder) as being performed for itself and as such agent until notice is given to the contrary.

**"County Council"** means the County Council of the County.

**"County"** means **Fairfield County, South Carolina**, and its successors and assigns.

**"Documents"** means the Ordinance, this Fee Agreement and the Multi-County Industrial and Business Park Agreement.

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

**“Equipment”** means all machinery, apparatus, equipment, fixtures, office facilities, furnishings and other personal property to the extent such property becomes a part of the Project under this Fee Agreement.

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

**“Fee Agreement”** means this Fee Agreement dated as of July 12, 2010, between the County and the Company.

**“Fee Term”** shall mean the duration of this Fee Agreement with respect to each Stage of the Project as specified in Section 5.3 hereof.

**“Improvements”** shall mean improvements to the real property, together with any and all additions, accessions, replacements and substitutions thereto or therefore, and all fixtures now or hereafter attached thereto, to the extent such additions, accessions, replacements, and substitutions become part of the Project under this Fee Agreement.

**“Inducement Resolution”** shall mean the Resolution of the County Council adopted on December 12, 2005, committing the County to enter into the Fee Agreement.

**“Investment Period”** shall mean 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 tenth property tax year following the Commencement Date, subject to an extension for such period as provided in Section 3.2(b) hereof.

**“Multi-County Industrial and Business Park”** means an industrial and business park established for inclusion of the Project pursuant to the Multi-County Industrial and Business Park Agreement pursuant to Section 4-1-170 of the Code of Laws of South Carolina 1976, as amended, and Article VIII, Section 13, paragraph D of the Constitution of South Carolina.

**“Ordinance”** means the Ordinance adopted by the County on July 12, 2010, authorizing this Fee Agreement.

**“Payments-in-Lieu-of-Taxes”** means the payments to be made by the Company pursuant to Section 5.1 of this Fee Agreement.

**“Project”** shall mean the Equipment, Improvements, and Real Property together with the acquisition, construction, installation, design and engineering thereof which are eligible for inclusion as economic development property under the Act and become subject to this Fee Agreement. The parties agree that Project property shall consist of such property so properly identified by the Company or, as applicable, a Sponsor Affiliate, in connection with its annual filing with the DOR of a SCDOR PT-300, or such comparable form, and with such schedules as the DOR may provide in connection with projects subject to the Act (as such filing may be amended or supplemented from time to time) for each year within the Investment Period. In this connection, the parties specifically agree that the Company or, as applicable, a Sponsor Affiliate, may in its sole discretion determine what eligible property, including but not limited to any buildings, is included as Project property, and that such discretion shall be manifested by the Company’s decision or, as applicable, the decision of a Sponsor Affiliate, whether to list such eligible property on its annual SCDOR PT-300 or comparable form.