

FEE AGREEMENT

BETWEEN

FAIRFIELD COUNTY, SOUTH CAROLINA

AND

ELEMENT TV COMPANY, LP

DATED
AS OF
AUGUST 1, 2013

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FEE AGREEMENT

THIS FEE AGREEMENT (this "Fee Agreement") is made and entered into as of August 1, 2013, 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 ELEMENT TV COMPANY, LP, a Delaware limited partnership (the "Company").

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, the County and the Company desire to enter into a fee agreement regarding the Project (as defined herein);

WHEREAS, pursuant to the Act, 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 are greater than the costs;

WHEREAS, as an inducement to the County to offer the incentives contained in this Fee Agreement, the Company is investing approximately \$7.5 million in taxable property in the County and creating approximately 500 Jobs (as defined below) in connection with the Project; and

WHEREAS, pursuant to Ordinance No. 618 adopted on July 31, 2013 (the "Ordinance"), as an inducement to the Company to develop the Project, and in consideration of the investment expectations listed above, the County Council authorized the County to enter into a fee agreement with the Company which identifies the property comprising the Project as economic development property under the Act subject to the terms and conditions hereof.

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
WAIVER OF RECAPITULATION; DEFINITIONS

SECTION 1.1. *Waiver of Statutorily Required Recapitulation.* Pursuant to Section 12-44-55(B) of the Act, the County and the Company waive any and all compliance with any and all of the provisions, items or requirements of Section 12-44-55 of the Act. If the Company should be required to retroactively comply with the recapitulation requirements of Section 12-44-55 of the Act, then the County agrees, to the extent permitted by law, to waive all penalties and fees 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 are or may be located in a Multi-County Industrial Park and, as such, are or may be exempt from *ad valorem* taxation under and by virtue of the provisions of the MCIP Law. 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 Law 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, as the same may be amended from time to time.

“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 Element TV Company, LP, a Delaware limited partnership, and its successors and assigns.

“County Administrator” means the County Administrator of the County (or person or persons authorized to perform the duties thereof in the absence of the County Administrator).

“County Council” means the County Council of the County.

“County” means Fairfield County, South Carolina, and its successors and assigns.

“Documents” means the Ordinance and this Fee 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” means any Event of Default specified in Section 9.1 of this Fee Agreement.

“Fee Agreement” means this Fee Agreement dated as of August 1, 2013, between the County and the Company.

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

“Improvements” means improvements to the Real Property together with any and all additions, accessions, replacements and substitutions thereto or therefor, 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. The parties understand and agree that, on the effective date of this Fee Agreement, the Company is subleasing, or plans to sublease, the Real Property and certain improvements and fixtures thereon from the Landlord, and that there is no present plan for the Company to own any improvements. However, if the Company does come to own any improvements or fixtures, the Company may make any or all of such improvements or fixtures subject to this Fee Agreement if and as otherwise allowed by this Fee Agreement and the Act.

“Investment Period” means the period beginning with the first day that economic development property for the Project property is purchased or acquired, and ending on the last day of the fifth property tax year following the Commencement Date, subject to extension of such period as provided in Section 3.2(b) hereof. Expenditures relating to property placed in service by the Company on or after January 1, 2013, and before the last day of such fifth property tax year are within the Investment Period.

“Jobs” means new, full-time jobs in the County in connection with the Project.

“Landlord” means Element Real Estate Holdings, LLC, a South Carolina limited liability company, and its successors and assigns.

“MCIP Law” means the provisions of Article VIII, Section 13, Paragraph D of the Constitution of the State of South Carolina 1895, as amended, and Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended.

“Multi-County Industrial Park” or “MCIP” means an industrial or business park established by two or more counties acting under the provisions of the MCIP Law.