

STATE OF SOUTH CAROLINA)
)
DORCHESTER COUNTY)

ORDINANCE NO. 11-01

AN ORDINANCE AUTHORIZING THE FIRST AMENDMENT OF THAT CERTAIN FEE AGREEMENT BY AND BETWEEN DORCHESTER COUNTY, SOUTH CAROLINA AND LAFARGE BUILDING MATERIALS, INC., RELATING TO, WITHOUT LIMITATION, THE PAYMENT TO DORCHESTER COUNTY OF A FEE IN LIEU OF TAXES, AN EXTENSION OF THE INVESTMENT PERIOD TO ALLOW CONTINUING AND FURTHER INVESTMENT IN THE PROJECT, AND REVISION OF A SPECIAL SOURCE REVENUE CREDIT FOR PROJECT INFRASTRUCTURE.

WHEREAS, Dorchester County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of the South Carolina Constitution (the "Constitution"), the Code of Laws of South Carolina, 1976, as amended (the "Code"), and the case law of the courts of the State of South Carolina, to offer and provide certain privileges, benefits, and incentives to prospective industries as inducements for economic development within the County; and

WHEREAS, the County is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code (the "Act") to enter into certain agreements with any industry that constructs, operates, maintains, and improves certain properties (which constitute "projects" as defined in the Act and to accept any grants for such projects); and

WHEREAS, through employment of the powers granted by the Act, the County will promote the economic and industrial development of the State of South Carolina (the "State") and develop its trade by inducing manufacturing and commercial enterprises to locate and remain in the State and thus use and employ the manpower, agricultural products, and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally that provide for the exemption of such project from property taxes and provide for the payment of a fee in lieu of property taxes (a "fee agreement" as defined in the Act); and

WHEREAS, LaFarge Building Materials, Inc., a corporation organized under the laws of the State of Alabama (the "Company"), operates a cement manufacturing facility located in the County (as defined in the Fee Agreement, as that term is defined below, the "Project"); and

WHEREAS, the County and the Company entered into that certain Fee Agreement, effective as of January 22, 2008 (the "Fee Agreement") by which there was created a fee-in-lieu-of-tax arrangement with respect to certain property owned by Company and located at the Project; and

WHEREAS, pursuant to the Fee Agreement, the Company committed to invest at least \$5,000,000 in the Project by December 31, 2013 (the "Investment Period"); and

WHEREAS, as of the date hereof, the Company has invested at least \$35 million in the Project, as originally required by the Fee Agreement; and

WHEREAS, the Company intends to make continuing and further investment in the Project and has requested the County provide certain economic development incentives to the Company by amending the Fee Agreement to authorize the extension of the Investment Period (the "Extension"), to modify the provisions of the Special Source Revenue Credit (the "SSRC") granted to the Company under the Fee Agreement (the "Modification"), and to eliminate the Minimum Job Threshold under the Fee Agreement (the "Elimination"); and

WHEREAS, the laws of the State of South Carolina allow an extension of the Investment Period for up to five additional years prior to the expiration of the initial five-year period in which to add further and additional investment to a project; and

WHEREAS, the County and the Company now desire to amend the Fee Agreement to memorialize such agreements; and

WHEREAS, all capitalized terms not specifically defined herein, shall have the meaning as defined in the Fee Agreement, and if not defined therein shall have the meaning as defined in the Act; and

WHEREAS, the County has determined that the Extension, the Modification, and the Elimination would directly and substantially benefit the general public welfare of the County by inducing the Company to make further investments in the County, thereby providing for the creation of jobs and employment in the County, the increase of the ad valorem tax base of the County, and service, employment or other public benefits not otherwise provided locally; and that the Extension and the Modification give rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and

WHEREAS, the purposes to be accomplished by the Extension, the Modification, and the Elimination, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes and the inducement of continued utilization of the Project which is located in the County and State are of paramount importance and the benefits of the Project will be greater than the costs; and

WHEREAS, the County Council has caused to be prepared and presented to this meeting the form of the First Amendment of Fee Agreement (the "Amendment") by and between the County and the Company memorializing the Extension, the Modification, and the Elimination; and

WHEREAS, the County desires to authorize the Extension, the Modification, and the Elimination, and it appears that the Amendment now before this meeting is an appropriate instrument to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by the County Council of DORCHESTER County, South Carolina, in a meeting duly assembled:

Section 1. Extension. The County hereby approves the Extension as set forth in the Amendment.

Section 2. Modification of SSRC. The County hereby approves the Modification of the SSRC as set forth in the Amendment.

Section 3. Elimination of Minimum Job Threshold. The County hereby approves the elimination of the Minimum Job Threshold as set forth in the Amendment.

Section 4. Approval of Amendment to Fee Agreement. The Amendment is approved as follows: The form, terms, and provisions of the Amendment presented to this meeting and filed with the Clerk to County Council (the "Clerk") are approved and all of the terms, provisions, and conditions of the Fee Agreement are incorporated by reference. The Amendment to be executed on behalf of the County shall be in substantially the form now before the County Council, and shall include only changes that are approved by the Chairman. The Chairman shall consult with the County Attorney with respect to any changes to the Amendment. The execution of the Amendment by the Chairman and the Clerk shall constitute conclusive evidence that all changes to or revisions of the Amendment now before this meeting have been approved.

Section 5. Future Approvals Under Agreement. If under the Fee Agreement any future actions of the Company (including, without limitation, the assignment of all or part of the Project or the assignment of any or all interest in the Fee Agreement) require the approval of the County, such approval can be given on behalf of the County by the Chairman or his successor in office upon affirmative resolution of the County Council. The County officials shall consult the County Attorney with respect to such approval. The execution of a written approval by County Officials shall constitute conclusive evidence that the County has approved the respective actions of the Company.

Section 6. Execution of Documents. The Chairman and the Clerk are each hereby authorized, empowered and directed to do all things necessary to effect the execution, acknowledgement and delivery of the Amendment and the County's performance of its obligations thereunder.

Section 7. Official Action. It is the intention of the County Council that this Ordinance shall constitute an official action on the part of the County within the meaning of any statute or other legislative enactment relating to the provision of incentives including, without limitation, the approval of the Extension, the Modification, and the Elimination, for the inducement of economic development projects.

Section 8. Severability. The provisions of this Ordinance are declared to be separable. If any section, phrase, or provision shall be declared by a court of competent jurisdiction to be invalid or unenforceable for any reason, the remaining sections, phrases, and provisions of the Ordinance shall remain valid.

Section 9. Effectiveness of Ordinance. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This ordinance shall take effect and be in full force upon the date of enactment.

First Reading: November 15, 2010

Second Reading: December 6, 2010

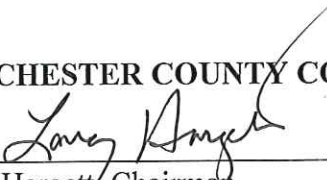
Public Hearing: December 6, 2010

Third Reading: January 4, 2011

AND IT IS SO ORDAINED, ENACTED AND ORDERED.

Dated this 4th day of January, 2011.

DORCHESTER COUNTY COUNCIL



Larry Hargett, Chairman

ATTEST



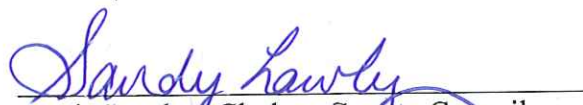
Sandy Lawley, Clerk to Council

STATE OF SOUTH CAROLINA)
)
COUNTY OF DORCHESTER)

CERTIFIED COPY OF ORDINANCE

I, the undersigned, hereby certify that I am the duly appointed and acting Clerk to County Council of Dorchester County, South Carolina (the "County"), and as such official I further certify that attached hereto is a true and correct copy of Ordinance 11-01 authorizing the amendment of the Fee Agreement by and between the County and LaFarge Building Materials, Inc., which Ordinance has been compared by me with the original thereof, and that such copy is a true, correct and complete copy thereof, and that such Ordinance has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

Witness my official signature and seal this 4th day of January, 2011.


Sandy Lawley, Clerk to County Council,
Dorchester County, South Carolina

[Seal]

FIRST AMENDMENT OF FEE AGREEMENT

This First Amendment of Fee Agreement (the "Amendment") is made and entered into as of January 4, 2011, by and between Dorchester County, South Carolina (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina, and LaFarge Building Materials, Inc., a corporation organized and existing under the laws of the State of Alabama (the "Company").

WHEREAS, all capitalized terms not specifically defined herein shall have the meaning as defined in the Fee Agreement (as that term is defined below), and if not defined therein shall have the meaning as defined in Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the "Act"); and

WHEREAS, the Company operates a cement manufacturing facility located in the County (as defined in the Fee Agreement, the "Project"); and

WHEREAS, the County and the Company entered into that certain Fee Agreement, effective as of January 22, 2008 (the "Fee Agreement"), a copy of which is attached hereto as Exhibit A, by which there was created a fee-in-lieu-of-tax arrangement with respect to certain personal property owned by Company and located at the Project; and

WHEREAS, pursuant to the Fee Agreement, the Company committed to invest at least \$5,000,000 in the Project by December 31, 2013 (the "Investment Period"); and

WHEREAS, as of the date hereof, the Company has invested at least \$35 million in the Project, as originally required by the Fee Agreement; and

WHEREAS, the Company intends to make continuing and further investment in the Project and has requested the County provide certain economic development incentives to the Company by amending the Fee Agreement to extend the Investment Period, to modify the terms of the Special Source Revenue Credit granted to the Company under the Fee Agreement (the "SSRC"), and to eliminate the Minimum Job Threshold under the Fee Agreement; and

WHEREAS, the laws of the State of South Carolina allow an extension of the Investment Period for up to five additional years prior to the expiration of the initial five-year period in which to add further and additional investment to a project; and

WHEREAS, the County and the Company now desire to amend the Fee Agreement to memorialize such agreements.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Company agree as follows:

1. Extension of the Investment Period. The Investment Period for investments under Section 3.5(A) of the Fee Agreement shall be extended until December 31, 2018 pursuant to Section 12-44-30(13) of the Act, and all other sections of the Agreements shall be revised to allow for such five-year extension of the Investment Period.

2. Modification of SSRC. The second paragraph of Section 5.1(E) shall be deleted in its entirety and the following language substituted in lieu thereof:

The Company shall receive an annual credit against the Company's respective annual FILOT Payments pursuant to Section 12-44-70 of the Act, the total amount of which shall not exceed \$33,175,000 for the Term of this Fee Agreement, to assist the Company with the costs of improved and unimproved real property, buildings, and structural components of buildings to be used in the operation of the completed Project, highway and rail improvements, and qualifying infrastructure for the Project (the "Special Source Revenue Credit" or "SSRC"). The amount of the SSRC, which shall be credited against the Company's annual FILOT Payment, shall be equal to 30% of the Company's annual FILOT Payment if the Company has invested at least \$25,000,000 in the Project, with an additional 3.35% credit for each additional \$25,000,000 the Company invests in the Project.

3. Elimination of Minimum Job Threshold. Section 3.5(B) of the Fee Agreement shall be deleted in its entirety, and any and all references to the "Minimum Job Threshold" throughout the Fee Agreement shall be deleted as well.

4. Severability. If any term, provision, or any portion of this Amendment shall to any extent and for any reason be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amendment shall not be affected thereby and shall nevertheless remain in full force and effect, and each term and/or provision of this Amendment shall be valid and enforceable to the fullest extent permitted by the law.

IN WITNESS WHEREOF, Dorchester County, South Carolina, has executed this First Amendment of Fee Agreement by causing its name to be hereunto subscribed by the Chairman of the County Council for the County and attested by the Clerk to the County Council, and the Company has executed this First Amendment of Fee Agreement by causing its corporate name to be hereunto subscribed by its authorized representative, all being done as of the day and year first written above.

DORCHESTER COUNTY, SOUTH CAROLINA

WITNESSES:

[Signature]

[Signature]

(SEAL)

ATTEST:

By: *Sandy Lawley*
Sandy Lawley, Clerk to County Council of
Dorchester County, South Carolina

By:

[Signature]
Larry Hargett, Chairman, County Council of
Dorchester County, South Carolina

WITNESSES:

[Signature]
[Signature]

LaFarge Building Materials, Inc.

By: *[Signature]*
Its: Harleyville Plant Manager

EXHIBIT A

Fee Agreement

FEE AGREEMENT

by and between

DORCHESTER COUNTY, SOUTH CAROLINA

and

LAFARGE BUILDING MATERIALS, INC.

Effective as of January 22, 2008

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LAFARGE BUILDING MATERIALS, INC.
AND
DORCHESTER COUNTY, SOUTH CAROLINA**

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FEE AGREEMENT

LAFARGE BUILDING MATERIALS, INC.

THIS FEE AGREEMENT (the "Fee Agreement") is made and entered into effective as of the Commencement Date (as defined hereinafter) by and between DORCHESTER COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and LAFARGE BUILDING MATERIALS, INC., a corporation organized under the laws of the State of Alabama (the "Company"). County and Company are sometimes jointly referred to in this Fee Agreement as the "parties", or severally referred to as a "party".

WITNESSETH:

WHEREAS, the Act, as defined herein, empowers the several counties of the State of South Carolina to enter into fee agreements with an industry as an optional method of providing fee in lieu of property tax benefits for a project; and

WHEREAS, the County committed to entering into this Fee Agreement by passing a Resolution that summarizes the fee in lieu of property tax provisions to be incorporated in a fee agreement between the Company and the County; and

WHEREAS, the County and Orangeburg County have heretofore established a multi-county industrial park in accordance with the provisions of Title 4, Chapter 1, Section 170 of the Code (the "Park"); and

WHEREAS, the Company proposes expand its existing cement manufacturing facility located in Harleyville, South Carolina (the "Project") and has requested the County to commit to provide certain inducements to the Company by entering into this Fee Agreement; and

WHEREAS, the parties desire to define the terms under which the Project will qualify for fee in lieu of property tax treatment.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained and the mutual benefits to be derived by the parties, the receipt and adequacy of which are acknowledged by the parties, the County and the Company agree as follows:

1. DEFINITIONS

1.1. *Specific Definitions*

In addition to the words and terms elsewhere defined in this Fee Agreement, the following words and terms as used herein shall have the following meanings unless the context or use indicates a different meaning or intent.

"*Act*" means the Fee in Lieu of Tax Simplification Act of 1997, S.C. Code § 12-44-10, *et seq.*, as amended.

"*Additional Payments*" shall have the meaning set forth in Section 4.3 of this Fee Agreement.

"*Administrative Expenses*" means the reasonable and necessary expenses incurred by the County in reviewing, implementing or amending this Fee Agreement and the Related Documents, including, without limitation, legal fees and expenses incurred by the County, but excluding the salaries and overhead of County personnel. Prior to an Event of Default, no expense shall be considered an Administrative Expense until the County has furnished to the Company a statement in writing indicating in reasonable detail the amount of such expense and the reason it has been or will be incurred. Expenses incurred in connection with a general taxpayer challenge to the validity of the Act shall not be deemed an Administrative Expense unless the Company requests the County to defend the suit on Company's behalf.

"*Authorized Company Representative*" means any person or persons at the time authorized to act on behalf of the Company including, without limitation, the President, any Vice President, the Secretary, and Treasurer of the Company.

"*Code*" means the Code of Laws of South Carolina, 1976, as amended.

"*Commencement Date*" means the last day of the property tax year during which the Project or a portion of the Project is first placed in service, as defined in the Act.

"*Company*" means Lafarge Buildings Materials, Inc., a corporation organized under the laws of the State of Alabama, and any surviving, resulting or transferee limited liability company, corporation, partnership or other business entity in any merger, consolidation or transfer of assets permitted under this Fee Agreement.

"*Completion Date*" means five (5) years after the Commencement Date, or such later date, if any that the County approves pursuant to the extension provisions of Section 12-44-30 (13) of the Act.

"*Cost*" or "*Cost of the Project*" means the cost to the Company of acquiring the Project, by construction, purchase, or lease, and shall be deemed to include, whether incurred prior to or after the Commencement Date: (a) costs incurred for architects, engineers, designers, landscape architects, attorneys, estimators, and other Project consultants; (b) costs incurred for labor, materials and other expenses to contractors, builders and suppliers in connection with the acquisition, construction and installation of the Project; (c) Project financing costs; (d) the cost of contract bonds and insurance of all kinds that may be required or necessary during the course of acquisition, construction and installation of the Project; (e) the expenses of the Company for tests, borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefore, and for supervising construction, as well as for the

performance of all other duties required by or reasonably necessary in connection with the acquisition, construction and installation of the Project; (f) other costs that the Company shall be required to pay under the terms of any contract or contracts for the acquisition, construction and installation of the Project; (g) costs incurred by the Company for the acquisition and insuring of any interest in the land upon which the Project is located; (h) costs incurred for the Project by third parties on behalf of the Company; and (i) any sums required to reimburse the Company for advances made by it for any of the above items, or for any other work done and costs incurred by the Company which are for the acquisition of property of a character subject to the allowance for depreciation provided for under Section 167 of the Internal Revenue Code of 1986, as amended, and included in the Project, all whether or not reimbursed by the County or by third parties.

"*County*" means Dorchester County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina, and its successors and assigns.

"*County Council*" means the governing body of the County and its successors.

"*Default*" means an event or condition, the occurrence of which would, after the passage of any time permitted for cure or the giving of notice or both, become an Event of Default as defined in Section 7.1 hereof.

"*Department of Revenue*" means the South Carolina Department of Revenue or its successor agency.

"*Equipment*" means all equipment, machinery, furnishings, and other personal property of Company that are made part of the Project by placing it in service in the County during the Project Period, and any other property described in *Exhibit B* attached hereto and made a part hereof, including all Replacement Property that is personal property of the Company.

"*Event of Default*" means any of those events set forth in Article 7 of this Fee Agreement.

"*Fair Market Value*" shall have the meaning set forth in Section 5.1(B) of this Fee Agreement.

"*Fee Agreement*" means this Fee Agreement as originally executed and from time to time supplemented or amended as permitted herein.

"*FILLOT Payments*" shall have the meaning set forth in Section 5.1 of this Fee Agreement.

"*Independent Counsel*" means an attorney duly admitted to practice law in the State of South Carolina who does not represent either party to this Agreement.

"*Inducement Resolution*" means the resolution passed by County Council in which the County committed to the economic development incentives provided for in this Fee Agreement.

"*Ordinance*" means the ordinance of the County Council that authorizes execution and delivery of this Fee Agreement and other applicable Related Documents by the County.

"Person" means any individual, association, corporation, partnership, limited liability company, unincorporated organization, joint venture, trust, or government or agency or political subdivision thereof.

"Prime Rate" means the prime rate of interest as stated from time to time in *The Wall Street Journal* (Charlotte Edition).

"Project" shall have the meaning set forth in the recitals hereof, as further defined herein, and shall specifically mean the Real Property and the Equipment.

"Project Period" means the five (5) year period beginning with the Commencement Date, together with any extension thereof pursuant to Section 12-44-30 (13) of the Act.

"Real Property" means the real property, if any, made part of the Project during the Project Period, including any leasehold improvements or other capital expenditures of the Company that qualify as Economic Development Property under the Act, as more fully described in *Exhibit A* attached hereto, as from time to time supplemented by the Company, and all Replacement Property that is real property.

"Related Documents" means this Fee Agreement, the Ordinance, and any documents to which the County and/or the Company are parties that are reasonably required for the consummation of the transactions contemplated hereby or thereby.

"Replacement Property" means all property that is placed in service as a replacement for a portion of the Project, to the maximum extent permitted by the Act.

"Special Source Revenue Credits" or "SSRC" shall have the meaning set forth in Section 5.1(F) of this Fee Agreement.

"State" means the State of South Carolina.

"Term" means the duration of this Fee Agreement.

1.2. References to Fee Agreement

The words "hereof," "herein," "hereunder" and other words of similar import refer to this Fee Agreement.

2. REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties by the County

The County warrants that:

(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 Fee Agreement and to carry out the County's obligations hereunder. The Project constitutes or will constitute a "project" within the meaning of the Act.

By proper action of County Council, the County has been duly authorized to execute and deliver this Fee Agreement and the other Related Documents.

(B) Prior to the delivery of this Fee Agreement, the County has enacted the Ordinance.

(C) The execution and delivery of the Related Documents and compliance by the County with the terms and conditions thereof, will not constitute a material breach of, or a material default under any existing law, regulation, decree, or order, or any material agreement, mortgage, lease or other instrument to which the County is subject or by which it is bound.

(D) To the best of its knowledge, no actions, suits, proceedings, inquiries or investigations are pending or threatened against or affecting the County in any court or before any governmental authority or arbitration board or tribunal that would materially, adversely affect the validity or enforceability of the Related Documents.

2.2. *Representations and Warranties by Company*

The Company represents and warrants that:

(A) The Company is a corporation organized and in good standing under the laws of the State of Alabama and has power to enter into this Fee Agreement, and, by proper action, has been duly authorized to execute and deliver the Related Documents;

(B) The execution and delivery of the Related Documents, and compliance by Company with the terms and conditions thereof, will not constitute a material breach of, or a material default under (i) any existing law, regulation, decree, or order, or (ii) any material term, condition, or provision of any corporate restriction or any agreement or instrument to which the Company is now a party or by which it is bound; and will not 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 that would materially restrict the Company's ability to make any payments hereunder, other than as may be permitted by the Related Documents;

(C) No event has occurred and no condition exists with respect to the Company that would constitute an "Event of Default" as described in Section 7.1 hereof;

(D) The Company intends to operate the Project for the purposes permitted by this Fee Agreement or the Act or other purposes expressly agreed upon in writing by the parties;

(E) The execution of this Fee Agreement by the County and the Company has been instrumental in inducing the Company to locate the Project in the County and in the State; and

(F) To the best of its knowledge, no actions, suits, proceedings, inquiries or investigations are pending or threatened against or affecting the Company in any court or before any governmental authority or arbitration board or tribunal that would materially and adversely affect the validity or enforceability of the Related Documents.

3. CONSTRUCTION AND PURCHASE OF PROJECT

3.1. *Construction of Project*

The Company shall construct the Project and shall do all other things deemed necessary by the Company in connection with the Project. The Company shall identify in writing, to the extent required by the Department of Revenue, any portion of the Project placed in service that is not then already adequately described in this Fee Agreement or supplements thereto as a portion of the Project. The Company shall maintain such records in connection with the construction or acquisition of the Project as are reasonably necessary to (i) permit ready identification thereof and (ii) confirm the date(s) on which the Project or portions of the Project were placed in service.

3.2. *Completion Date*

Upon request by the County, the Completion Date(s) shall be evidenced to the County by a written statement by an Authorized Company Representative certifying the Completion Date and stating that, to the best of his knowledge and information, the acquisition or construction of the Project, or a phase thereof, has been completed and placed in service as of the stated Completion Date and shall state the total cost and the total number of jobs at the Project as of the Completion Date. The certificate of completion may state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or which may subsequently come into being.

3.3. *Completion of the Project*

The Company shall cause the Project to be completed and shall pay or cause to be paid all of the Cost of the Project, provided that this shall not be deemed to preclude financing of some or all of the Cost of the Project on such terms as the Company shall determine.

3.4. *Amendments to Exhibits*

The Company may supplement *Exhibit A* and *Exhibit B* from time to time provided that the supplements are consistent with the terms of this Fee Agreement and the Act and notice of such supplement is given to the County in accordance with the notice provisions of this Fee Agreement.

3.5. *Minimum Investment and Job Creation Commitment*

(A) The Company shall invest at least \$5,000,000 in the Project (the "Minimum Investment Threshold") by the Completion Date.

(B) The Company shall create at the Project a total minimum of twenty-nine (29) new jobs (the "Minimum Job Threshold") by the Completion Date.

3.6. Licenses, Permits

To the extent permitted by law, the County will expedite all building and construction permit applications and will use its best efforts to assist the Company in securing all other state, county and local construction, environmental and other permits, approvals and consents which may be necessary or desirable in connection with the Project on a timely basis.

4. TERM, FEES AND ADDITIONAL PAYMENTS

4.1. Term

Subject to the provisions herein, this Fee Agreement shall be and remain in full force and effect for a term (the "Term") commencing on the Commencement Date (as defined in Section 1.1), and, unless earlier terminated in accordance with this Fee Agreement, ending at midnight on January 31 of the twentieth (20th) year after the last year during which any portion of the Project is placed in service.

4.2. FILOT Payments

The Company shall pay to the County all amounts due and payable as FILOT Payments pursuant to Section 5.1 hereof. Unless otherwise expressly provided in the Act, returns for the FILOT Payments shall be filed and FILOT Payments shall be payable at the same time that *ad valorem* property tax returns and tax payments for the Project would otherwise be due under applicable State law and regulations in the absence of this Fee Agreement.

4.3. Additional Payments

In addition to the FILOT Payments and other amounts payable under Section 5.1, the Company shall pay, as "Additional Payments," to or on behalf of the County, any Administrative Expenses, as defined in Section 1.1, and any other amounts payable by the Company under this Agreement. Such Additional Payments shall be payable by the Company within forty-five (45) calendar days of receipt by the Company from the County of a statement in writing indicating in reasonable detail the amount of such Additional Payments and the reason they have been incurred or will be incurred within the next sixty (60) days.

4.4. Failure to Pay in a Timely Manner

If the Company fails to make in a timely manner any of the payments required in this Article 4, the item or installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, together with interest thereon (to the extent permitted by law) from the date the payment was due, at the rate per annum which is equal to the Prime Rate or, in the case of the FILOT Payments, an amount equal to any interest and penalties required by law for late payment of comparable *ad valorem* property taxes. In the event of any failure on the part of the Company to pay any such amounts, liabilities or obligations, the County shall have all rights, powers and remedies provided for herein, by law, equity or otherwise,

including without limitation with respect to non-payment of fee payments hereunder the imposition and enforcement of a lien against the Project for tax purposes, as provided in Section 12-44-90 of the Act.

5. FILOT PAYMENTS AND TAX CREDITS

5.1. FILOT Payments; Calculation and Timing

(A) The parties acknowledge that during the Term of this Fee Agreement, the Project is exempt from *ad valorem* property taxes. However, in lieu of *ad valorem* property taxes, the Company shall make twenty (20) annual FILOT Payments for each portion of the Project placed in service each year during the Project Period.

(B) The amount of FILOT Payments due and payable shall be that which would be due in *ad valorem* property taxes if the Project were subject to *ad valorem* property taxes but using (i) an assessment ratio of six percent (6%), (ii) a millage rate of 343.3 mills (which millage rate shall remain applicable throughout the Term of this Fee Agreement), (iii) a fair market value of the Project Property to be determined according to the Act (the "Fair Market Value"), and (iv) an applicable depreciation rate for taxable personal property pursuant to Section 12-37-930, Schedule, item 3, of six (6) percent, but with the original cost of such taxable personal property not being reduced by more than ninety (90) percent pursuant to Section 12-37-935.

(C) Pursuant to Section 12-44-60 of the Act, the Company may elect to include Replacement Property as part of the Project to the maximum extent permitted by the Act.

(D) Any part of the Project subject to the fee payment may be disposed, and the Fair Market Value of the Project used to calculate FILOT Payments shall be reduced by the Fair Market Value of the disposed property.

(E) If the Act, any portion of the Act, and/or the FILOT Payments are declared invalid or unenforceable, in whole or in part, for any reason, the Company and the County intend that this Fee Agreement be reformed so as to afford the Company the maximum benefit then permitted by law. If the Project is not eligible for FILOT Payments, the Company shall be entitled to receive (i) the five-year exemption from *ad valorem* taxes (or fees in lieu of taxes) provided by South Carolina Constitution Article X, Section 3, and any other exemption allowed by law from time to time; (ii) all allowable depreciation, allowances and adjustments to Fair Market Value; and (iii) such other credits, abatements and exemptions from *ad valorem* taxes, as are allowed by law.

The Company shall receive an annual credit against the Company's respective annual FILOT Payments pursuant to Section 12-44-70 of the Act, the total amount of which shall not exceed \$33,175,000 for the Term of this Fee Agreement, to assist the Company with the costs of improved and unimproved real property, buildings, and structural components of buildings to be used in the operation of the completed Project, highway and rail improvements, and qualifying infrastructure for the Project (the "Special Source Revenue Credit" or "SSRC"). The amount of the SSRC which may be credited against the Company's annual FILOT Payment is as follows:

Property Tax Year	SSRC Amount
2009	\$ 200,000
2010	\$ 750,000
2011	\$4,000,000
2012	\$4,700,000
2013	\$4,600,000
2014	\$4,125,000
2015	\$3,900,000
2016	\$3,400,000
2017	\$2,750,000
2018	\$2,750,000
2019	\$2,000,000

If the FILOT Payment payable by the Company in any tax year under this Fee Agreement is less than the amount of the SSRC allowable for such year under this Section 5.1(F), then the SSRC for such year shall be credited against the corresponding FILOT Payment in full, and any unused or excess remaining SSRC for a tax year shall be carried over and applied to the FILOT Payments payable by the Company in subsequent years for which a FILOT Payment is due under this Fee Agreement until the entire \$33,175,000 SSRC is utilized in full.

5.2. Tax Deductions, Credits and Exemptions

Unless otherwise precluded by the Act, applicable law or judicial decision, the Company shall be entitled to all applicable federal, state and local investment tax credits, exemptions, allowances and deductions for depreciation and diminution in value, and other similar tax relief provisions relating to the Project. At the request of the Company, the County shall do all reasonable things as are necessary or proper to confirm and receive those benefits, provided the Company shall pay the expenses incurred in that undertaking.

5.3. Abating FILOT Payments

If the Project is damaged or destroyed, the subject of condemnation proceedings, or otherwise adversely impacted by theft, casualty, or other cause, and the damage, destruction, condemnation, or adverse impact reduces the Project's fair market value, the FILOT Payments shall be abated in the same manner as *ad valorem* property taxes would be abated if the Project were subject to *ad valorem* property taxes to the fullest extent allowed by the Act.

6. OTHER COVENANTS

6.1. Use of Project

The Company shall have the right during the Term of this Fee Agreement to use the Project for any lawful purpose authorized by the Act. At the time of entering into this Fee Agreement, however, it is the intent of the Company to use the Project for the primary purpose of manufacturing cement and related activities.

6.2. *Limitation of County's Liability*

Anything herein to the contrary notwithstanding, any obligation the County may incur hereunder, including an obligation for the payment of money, shall not be deemed to constitute a debt or general obligation of the County but shall be payable solely and exclusively from the revenues and receipts derived by the County from this Fee Agreement.

6.3. *No Liability of County Personnel*

All covenants, agreements and obligations of the County contained herein shall be deemed to be covenants, agreements and obligations of the County and not of any member of the County Council or any officer, agent, servant or employee of the County in his individual capacity.

6.4. *Transfer of Project; Financing*

Pursuant to Section 12-44-120 (A) of the Act, (a) an interest in this Fee Agreement and the Project, or (b) an equity interest or other interest in an entity with an interest in this Fee Agreement or the Project, or both, may be transferred to another entity at any time. Whenever consent of the County is required under the Act or this Fee Agreement for any of the foregoing transactions, such consent shall not be unreasonably withheld. Such consent shall be deemed to have been given if written notice thereof is given to the County pursuant to Section 8.3(a), no objection by the County is received by the Company within thirty (30) days of receipt of the notice, and such notice specifies that consent shall be deemed to have been given if no objection is received by the Company within thirty (30) days of the date notice is given.

6.5. *Financing*

Financing, lending, security, sale-leaseback, assignments, leases, subleases, or similar arrangements are permitted in accordance with Sections 12-44-120 (B) and (C) of the Act. The Company shall cause the County and the Department of Revenue to be notified of a financing-related transfer of the Fee Agreement or the Project within sixty (60) days of such transfer. Such notice shall be in writing and shall include the identity of each transferee and any other information required by the Department of Revenue with any appropriate returns.

6.6. *Leasing of Project*

The Company may at any time lease or sublease the Project or portions of the Project on such terms as the Company may determine in its sole discretion, provided that such terms are not inconsistent with this Fee Agreement. No lease or sublease shall reduce any of the obligations of the Company hereunder unless expressly approved in writing by the County.

6.7. *Assistance in Obtaining Permits and Licenses*

If any application is made to a governmental or other agency by the Company or the County for any permit, license, or approval to do or to perform certain things necessary for the

proper performance of this Fee Agreement, the Company and the County shall execute, upon the request of the other party, such applications as may reasonably be requested or required.

6.8. *Filing of Annual Report of Investment in Project*

Upon request of the County, the Company shall provide to the County a copy of the annual return to the Department of Revenue showing the investment of the Company in the Project (currently, Form PT-300S). The County shall accord this information the same degree of confidentiality as is required for the Department.

6.9. *Filing of Annual Report of Job Creation*

Upon the request of the County, the Company shall annually report to the County the total employment at the Project.

6.10. *Location of Project within Joint County Industrial Park.*

The Project shall be located within the Park.

7. EVENTS OF DEFAULT AND REMEDIES

7.1. *Events of Default by Company*

Any one or more of the following events shall constitute an "Event of Default" by Company:

(A) if default shall occur in the due and punctual payment of any Additional Payments to the County, which default shall not have been cured within thirty (30) days following receipt of written notice thereof from the County;

(B) if FILOT Payments, together with any interest or penalties thereon, shall not have been paid within the maximum time that would be permitted by law if the Project were subject to *ad valorem* property taxes;

(C) if the Company shall fail to perform or comply with any other terms of this Fee Agreement, other than those referred to in the foregoing Subsections (A) or (B), and such default shall (i) continue for thirty (30) calendar days after the County has given the Company written notice of such default, or (ii) in the case of any such default that can be cured, but cannot be cured with due diligence within such thirty (30) day period, if the Company shall fail to proceed promptly and with due diligence to cure the same within such additional period as may be necessary to complete the curing of the same with all due diligence;

(D) if the Company shall file a voluntary petition seeking an order for relief in bankruptcy; or shall be adjudicated insolvent; or shall file any petition or answer or commence a case seeking reorganization, composition, readjustment, liquidation or similar order for relief for itself under any present or future statute, law or regulation; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Company or of the

Project; or shall make any general assignment for the benefit of creditors; or shall admit in writing its inability to pay its debts generally as they become due;

(E) if a petition shall be filed or a case shall be commenced against the Company seeking an order for relief in bankruptcy or any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation, and shall remain undismissed or unstayed for an aggregate of ninety (90) days (whether or not consecutive); or if any trustee, receiver or liquidator of the Company or of all or any substantial part of its properties or of the Project shall be appointed without the consent or acquiescence of the Company and such appointment shall remain unvacated or unstayed for an aggregate of ninety (90) days (whether or not consecutive); or

(F) if any material representation or warranty made by the Company herein proves untrue in any material and adverse respect as of the date of making the representation or warranty.

7.2. Remedies on Event of Default by Company

Upon the occurrence of any Event of Default, the County, may, at its option, take any one or more of the following actions: (i) terminate this Fee Agreement by thirty (30) days notice in writing specifying the termination date; (ii) take whatever action at law or in equity as may appear necessary or desirable to collect the sums under Article 4 then due and thereafter to become due, but in no event may the County collect more than it is entitled to collect under Section 5.1. In all events, if the Company fails to make Fee Payments due under Section 5.1, the County shall have the same enforcement, lien, and collection rights and remedies as it would have had for the non-payment of *ad valorem* taxes.

7.3. Default by County

Upon the failure of the County to perform any obligation it may have under this Fee Agreement or the Related Documents in a timely manner, or if no time for performance is specified, then within thirty (30) days following written notice thereof from the Company to the County, the Company may pursue any remedy permitted by this Fee Agreement or available by law or in equity, including, but not limited to, specific performance or suit for *mandamus*.

8. MISCELLANEOUS

8.1. Rights and Remedies Cumulative

Each right, power and remedy of the County or of the Company provided for in this Fee Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Fee Agreement or now or hereafter existing at law or in equity, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise by the County or by the Company of any one or more of the rights, powers or remedies provided for in this Fee Agreement or now or hereafter existing at law or in equity or

by statute or otherwise shall not preclude the simultaneous or later exercise by the County or by the Company of any or all such other rights, powers or remedies.

8.2. *Successors and Assigns*

The terms and provisions of this Fee Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8.3. *Notices; Demands; Requests*

All notices, demands and requests to be given or made hereunder to or by the County or the Company shall be in writing and shall be deemed to be properly given or made if (a) personally delivered by any entity which provides written evidence of such delivery, or (b) sent by United States first class mail, postage prepaid (in which event notice shall be deemed to occur two (2) calendar days after the date postmarked), or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid (in which event notice shall be deemed to occur on the date on which delivery was accepted or rejected by the recipient). Notices, demands and requests shall be addressed as follows or to such other places as may be designated in writing by such party by proper notice to the other party.

(a) As to the County:

Dorchester County
201 Johnston Street
St. George, South Carolina 29477
Attention: County Administrator
Telephone: (843) 832-0100
Facsimile: (843) 832-0137

(b) As to the Company:

Lafarge Building Materials, Inc.
463 Judge Street
P.O. Box 326
Harleyville, South Carolina 29448
Attn: Rafael Menendez, Operations Project Manager
Telephone: (843) 462-7651, ext. 3223
Facsimile: (843) 462-7679

With a Copy to:

Lafarge North America, Inc.
12950 Worldgate Drive
Herndon, Virginia 20170
Attn: General Council
Telephone: (703) 480-3600
Facsimile: (703) 796-2217

and:

McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
Attention: Erik P. Doerring
Telephone: (803) 799-9800
Fax: (803) 753-3277

8.4. *Next Succeeding Business Day*

Unless otherwise expressly provided by applicable law, in any case in which the last date for action by or notice to a party falls on a Saturday, Sunday or date that is an official state or federal holiday in the place in which the address is located, then the action required or notice to be given may be made or given on the next succeeding business day with the same effect as if given as required by this Fee Agreement.

8.5. *Applicable Law; Entire Understanding*

This Fee Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of South Carolina. This Fee Agreement expresses the entire understanding and all agreements of the parties hereto with each other and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Fee Agreement or in certificates delivered in connection with the execution and delivery hereof.

8.6. *Severability*

If any material provision of this Fee Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof unless the effect thereof would render enforcement of the remaining provisions unconscionable.

8.7. *Headings and Table of Contents; References*

The headings of the Fee Agreement and any Table of Contents or Index annexed hereto are for convenience of reference only and shall not define or limit the provisions hereof or affect the meaning or interpretation hereof. Unless otherwise clearly indicated by the context, all references in this Fee Agreement to particular Articles, Sections or Subsections are references to the designated Articles, Sections or Subsections of this Fee Agreement.

8.8. Multiple Counterparts

This Fee Agreement may be executed in multiple counterparts, each of which shall be an original but all of which shall constitute but one and the same instrument.

8.9. Amendments

This Fee Agreement may be amended only by a writing signed by all parties hereto.

8.10. Waiver

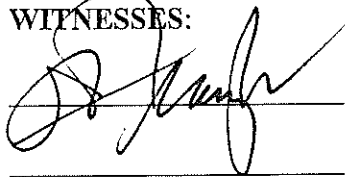
Any party hereunder may waive compliance by the other party with any term or condition of this Fee Agreement only in a writing signed by the waiving party.

8.14. Non-Disclosure of Company Information

The County, and County Council, acknowledges and understands that the Company utilizes confidential and proprietary "state-of-the-art" manufacturing processes and techniques and that any disclosure of any information relating to such processes and techniques and the economics thereof would result in substantial harm to the Company and could thereby have a significant detrimental impact on Company and its employees. Consequently, the County agrees to keep confidential, and to cause employees, agents and representatives of the County to keep confidential, the nature, description and type of the machinery, equipment, processes and techniques, and financial information relating thereto ("Confidential Information"), which may be obtained from the Company, its agents or representatives, except as may otherwise expressly be required by applicable law. The County, and County Council, shall not disclose and shall cause all employees, agents and representatives of the County not to disclose such Confidential Information to any person or entity other than in accordance with the terms of the Fee Agreement.

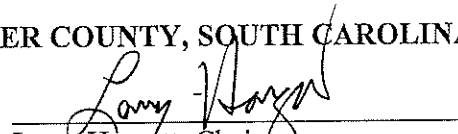
IN WITNESS WHEREOF, the parties have executed this Fee Agreement effective as of the Commencement Date.

WITNESSES:



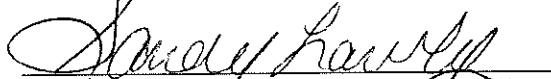
DORCHESTER COUNTY, SOUTH CAROLINA

By:



Larry Hargett, Chairman,
County Council of Dorchester
County, South Carolina

ATTEST:



Sandy Lawley, Clerk to County Council,
Dorchester County, South Carolina

(SEAL)

WITNESSES:

[Signature]
[Signature]

LAFARGE BUILDING MATERIALS, INC.

By: [Signature]

Name: JOSEPH GSES

Title: PRESIDENT, US EAST

(SEAL)

Shirley A. Kelly
3/12/2008

STATE OF SOUTH CAROLINA)
)
COUNTY OF DORCHESTER)

ACKNOWLEDGMENT

I, John Frankpton, Notary Public for the State of South Carolina, hereby certify that Larry Hargett and Sandy Lawley, on behalf of Dorchester County, South Carolina, personally appeared before me and acknowledged the due execution of the above Fee Agreement.

SUBSCRIBED TO AND SWORN to before me this 22 day of January, 2008.

[Signature]
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission expires: 12-21-2009

(SEAL)

STATE OF Georgia)
)
COUNTY OF Colts)

ACKNOWLEDGMENT

I, Shuana G. Malloga, Notary Public for the State of Georgia, hereby certify that _____, on behalf of Lafarge Building Materials, Inc., personally appeared before me and acknowledged the due execution of the above Fee Agreement.

SUBSCRIBED TO AND SWORN to before me this 10 day of March, 2008.

Shuana G. Malloga
NOTARY PUBLIC FOR State of Georgia
My Commission expires: July 27, 2008

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

EXHIBIT B

DESCRIPTION OF PERSONAL PROPERTY

All trade fixtures, furnishings, equipment, machinery, facilities and other personal property owned by Company that are purchased and used in connection with the Project.