

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
)	
COUNTY OF HAMPTON)	CASE NUMBER 2017-CP-25-335
)	
Richard Lightsey, LeBrian Cleckley,)	
Philip Cooper, et al., on behalf of)	
themselves and all others similarly)	
situated,)	
)	
Plaintiffs,)	Consent Order Authorizing Creation of a
)	Qualified Settlement Fund Trust, Appointing
v.)	Special Master, and Authorizing the Sale of
)	Property
South Carolina Electric & Gas Company,)	
a Wholly Owned Subsidiary of SCANA,)	
SCANA Corporation, and the State of)	
South Carolina,)	
)	
Defendants)	
)	
South Carolina Office of Regulatory Staff,)	
)	
Intervenor.)	

Introduction

On November 24, 2018, the parties to this action entered into a settlement agreement (the “Settlement Agreement”), which the Court granted final approval of on June 11, 2019 (the “Final Approval Order”). Both the Settlement Agreement and Final Approval Order are incorporated herein by reference. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Settlement Agreement and/or the Final Approval Order. The following summary of the Settlement Agreement and Final Approval Order’s pertinent terms and conditions are for background and reference only, and are not in derogation of the terms of the Settlement Agreement or the Final

Approval Order. In the event of a conflict between the terms of this Order and the terms of the Settlement Agreement or the Final Approval Order, the terms of the Settlement Agreement or the Final Approval Order, as applicable, will control.

Background

The Settlement Agreement provides for the creation of a Settlement Escrow Account, in which cash and the proceeds of the sale of the Properties referred to below shall be deposited. Upon the Effective Date, as defined by the Settlement Agreement, if the Effective Date occurs, the proceeds in the Settlement Escrow Account are to be transferred to the Common Benefit Fund.

Schedule A and Schedule B of the Settlement Agreement further provides the description of certain parcels of real property eligible to be transferred to a trust recognized under the laws of the State of South Carolina (the "Trust"). The manner and procedure of conveyance of the real property ultimately transferred to the Trust (the "Properties") shall be made subject to the conditions, limitations, and disclaimers set forth in the Settlement Agreement, including without limitation those set forth in Paragraphs 15, 16, and 17 of the Settlement Agreement. Those conditions, limitations, and disclaimers are incorporated into this Order by this reference.

The Properties will be marketed and liquidated on behalf of the Trust by the special master named below (the "Special Master"), as Special Master and as Trustee of the Trust ("Trustee") (hereinafter, the positions and titles of Special Master and Trustee shall collectively be referred to as "Special Master," unless the context suggests otherwise). The marketing and liquidation of the Properties shall be done in a manner designed to realize the fair market value of the Properties, as determined by the Special Master at his

discretion. The purpose of this Order is to (i) appoint the Special Master and designate the Special Master as trustee of the Trust; (ii) set forth the powers and duties of the Special Master (including without limitation the power and duty to sell the Properties on behalf of the Trust and distribute the net proceeds of such sales to the Claims Administrator); (iii) specifically authorize and direct the creation of the Trust with the Special Master as Trustee; (iv) designate the Trust as a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468 B-1; and (v) authorize and direct the transfer of the Properties to the Trust, as contemplated by the Settlement Agreement.

Except as otherwise provided herein, Defendants South Carolina Electric & Gas Company (“SCE&G”) and SCANA Corporation (“SCANA”) and their affiliates, subsidiaries, parent, successors, and assigns shall not be responsible or otherwise have liability for any of the costs or expenses associated with the performance of any of the Special Master’s duties and/or the exercise of any of his powers authorized herein.

Now therefore, it is hereby ORDERED, ADJUDGED, and DECREED, as follows:

Appointment of the Special Master

1. Donald R. Tomlin, Jr. is hereby appointed as Special Master in this action.

No bond shall be required.

Creation of Real Estate Trust

2. The Special Master is authorized and directed to create or cause to be created the Trust that is recognized as a trust under the laws of the state of South Carolina. The Trust may be a Delaware statutory trust or a common law trust. This Trust is intended to be the “Real Estate Trust” as defined in the Settlement Agreement, and is further intended to be a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-

1. The Trust shall be deemed to have been created pursuant to this Court's Order. Property conveyed to the Trust shall be deemed to be in custodial legis during the period that the Property is owned by the Trust. Notwithstanding the foregoing, and for the avoidance of doubt, all legal, equitable, and beneficial title in and to the Properties shall remain in SCE&G until such time as any of the Properties are conveyed to the Trust pursuant to the terms hereof, and upon such transfer(s), SCE&G shall be deemed to be divested of all legal, equitable and beneficial title to such transferred Properties free and clear of any obligations related thereto excepting those accruing during or relating to the period prior to the transfer and those created or imposed by the instruments of transfer expressly provided for herein.

3. The Special Master shall be and hereby is appointed as the sole Trustee of the Trust, and is authorized to cause the organizational documents of the Trust to provide that he is the sole Trustee. The Special Master is authorized in his discretion to execute and record a Certification of Trust in the real property records for each County in which one or more of the Properties is located, pursuant to S.C. Code Ann. § 62-7-1013 (2013), and, if the Trust is a Delaware statutory trust, to obtain authority for the Trust to transact business in South Carolina.

Trust as Qualified Settlement Fund

4. The parties agree the Trust is intended to be a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468 B-1. All parties agree to make such special elections and/or cooperate in the timely making of any elections required to be made under the Internal Revenue Code as necessary or advisable. The Special Master shall use his best efforts to cause the Trust to remain in compliance with the procedures and requirements contained in such regulations applicable to the Trust. It shall be the responsibility of the

Special Master to prepare and deliver timely and properly the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur to give effect to this Paragraph. The parties shall cooperate with the Special Master by executing such documents as may be determined by the Special Master to be reasonably necessary.

5. For purposes of § 468B of the Internal Revenue Code, and the regulations promulgated thereunder, the “administrator” shall be the Special Master. The Special Master shall satisfy the administrative requirements imposed by Treas. Reg. § 1.468 B-2, by, e.g., (i) obtaining a taxpayer identification number for the Trust, (ii) satisfying any information reporting and withholding requirements imposed on distributions from the Trust, and (iii) timely and properly filing applicable federal, state, and local taxes as necessary or advisable with respect to the Trust, including without limitation the returns described in Treas. Reg. § 1.468 B-2(k) and paying any taxes reported thereon. Such returns (as well as the election described in this Paragraph) shall be consistent with the provisions of this Paragraph and in all events shall reflect that all Taxes (as defined below) on the income earned by the Trust shall be paid out of the Trust. The parties shall cooperate with the Special Master by executing such documents as may be determined by the Special Master to be reasonably necessary in connection with the foregoing.

Powers and Duties of the Special Master.

6. The Special Master is authorized, ordered, and directed to procure or maintain, at the Trust’s expense, public liability insurance, worker’s compensation insurance, as applicable, and fire and other casualty insurance, as necessary, and any other

appropriate insurance for the protection of the assets of the Trust (the “Trust Estate”) and the Special Master as Trustee.

7. The Special Master is hereby granted the following additional powers and duties:

(A) To accept deeds to the Properties as provided in the Settlement Agreement and hereunder in the name of the Special Master, as Trustee of the Trust, or, if a statutory trust, in the name of the Trust, and take or cause the Trust to take full and exclusive title to and possession of the Properties.

(B) To market the Properties for sale subsequent to the transfer thereof to the Trust and to solicit offers to purchase the Properties in such manner as the Special Master may in his discretion determine appropriate.

(C) To conduct engineering, environmental, wetlands, title, and marketing studies of any one or more of the Properties, and to produce or cause to be produced surveys, title commitments, title examinations, marketing materials, and such other materials as the Special Master may in his discretion determine are necessary or helpful to the marketing of the Properties. The Special Master shall have authority to list the Properties for sale and engage in such marketing and advertising activities with respect to the Properties subsequent to the transfer thereof to the Trust as the Special Master may deem necessary or helpful.

(D) To sell the Properties, individually or in such combinations as the Special Master may in his discretion deem advantageous, but subject to and in accordance with the sales approval procedures set forth in Paragraphs 30, 31, and 32 below.

(E) To institute, prosecute, or defend suits or actions at law or in equity relating to the Properties subsequent to the transfer thereof to the Trust.

(F) To employ such assistants, servants, agents, attorneys, accountants, managing agents, leasing agents, sales agents, real estate brokers, and any other professionals, persons, firms, or corporations as he deems necessary and proper to assist him in diligently executing the duties imposed upon him by this Order relative to the ownership, management, insuring, maintaining, preserving, protecting, and marketing the Properties subsequent to the transfer thereof to the Trust, on such terms conditions as he deems in his discretion necessary or helpful to the performance of his duties as Special Master and as Trustee. The Special Master is further authorized to pay the reasonable value of the services rendered by such persons from funds hereinafter received by the Special Master or the Trust and in his possession or control as Special Master and/or as Trustee.

(G) To enforce, amend, terminate, or enter into contracts relating to the Properties subsequent to the transfer thereof to the Trust and to take such action with respect to contracts, including, without limitation, the termination of existing vendor contracts, listing agreements, and brokerage agreements of any kind relating to the Properties, as may be determined by the Special Master to be necessary or appropriate to assure the orderly and efficient maintenance, repair, management, marketing, and disposition of the Properties.

(H) The Special Master in that capacity and as Trustee of the Trust shall have the authority to exercise with respect to the Properties subsequent to the transfer thereof to the Trust, any and all other powers that may be exercised by an

owner of real property generally in South Carolina that the Special Master in that capacity and as Trustee may in his discretion determine to be necessary or helpful to the maintenance, repair, management, marketing, and disposition of the Properties. Without limiting the generality of the foregoing, the Special Master may, in his discretion, with respect to any one or more of the Properties or any part thereof subsequent to the transfer thereof to the Trust: subdivide the Properties into multiple parcels, alter or adjust property lines of the Properties; combine separate parcels of the Properties with other parcels of the Properties; apply for or change the zoning status of the Properties; enter into development agreements or similar agreements with authorities having jurisdiction over the Properties; negotiate, enter into, amend, or terminate fee in lieu of tax agreements; pay user fees, assessments, property owner association dues, and real property and other taxes coming due with respect to the Properties; challenge by appropriate proceedings tax assessments and tax bills of or relating to the Properties; petition for the annexation of the Properties into any jurisdiction; withdraw or de-annex the Properties from any jurisdiction; apply for and maintain agricultural classification with respect to any of the Properties, and, to the extent necessary to maintain such agricultural classification, conduct agricultural activities on the Properties; impose covenants and restrictions on the Properties; impose use restrictions on the Properties; designate the Properties as open areas or common areas; create or amend property owner associations with respect to the Properties; grant easements over the Properties and obtain easements from third parties for the benefit of the Properties; relocate easements; make or maintain infrastructure improvements, including storm water and drainage

improvements, roads and drives, utility stub-ins and connections; conduct environmental investigations of the Properties; enter into new or amend existing voluntary cleanup contracts and similar regulatory or remedial agreements with the South Carolina Department of Health and Environmental Control and appropriate federal agencies; harvest timber from the Properties; conduct site preparation on the Properties, including clearing brush and timber; create one or more building pads; obtain permits to, and to the extent authorized by such permits, fill or alter wetlands on the Properties; create or install signage on the Properties; enter into leases with respect to the Properties; sell or market oil, gas, and mineral rights relating to any of the Properties either together with or separately from the sale and marketing of the remaining interest in the Properties; and to maintain liability insurance, hazard insurance, and flood insurance with respect to the Properties and any improvements thereon, in commercially reasonable amounts and coverages.

(I) The Special Master shall have the power to collect all rents, income, and/or profits derived from the Properties accrued, paid, or relating to the time period subsequent to the transfer of the Properties to the Trust.

(J) The Special Master shall have the power to exercise all rights of an owner with respect to any and all existing leases, rental agreements, operating agreements, utility service agreements, maintenance agreements, or other agreements affecting or relating to any portion of the Properties subsequent to the transfer thereof to the Trust, and to enter into new such agreements as the Special Master may in his discretion deem necessary or helpful. The Special Master, as Trustee or otherwise, shall not be required to assume any such existing agreements

and leases other than those existing agreements and leases identified on Schedule A attached to this Order and incorporated herein by this reference. Absent an express assumption in writing signed by the Special Master, neither he nor the Trust Estate shall be liable for performance of such existing agreements and leases.

(K) The Special Master shall have the power to bring and defend suits, actions, and proceedings in his capacity as Special Master and/or Trustee with respect to the Properties subsequent to the transfer thereof to the Trust, including without limitation actions against defaulting purchasers and defaulting tenants, actions to recover damages for injuries to the Properties, actions and proceedings challenging real property tax assessments, actions and proceedings relating to the environmental conditions of the Properties, and actions and proceedings seeking declaratory judgment as to the existence or extent of the rights of the Special Master or others in and to the Properties.

(L) The Special Master shall have authority to pay all customary and necessary expenses incurred in the creation, administration, and operation of the Trust, including without limitation filing fees, taxes imposed on the Trust, and professional fees (including attorneys' fees and accountants' fees) incurred by the Special Master and/or the Trust in connection with the organization and operation of the Trust. The Special Master shall also have authority to make principal repayments and interest payments on such amounts as may have been borrowed by the Special Master pursuant to Section 10 below.

(M) The Special Master shall have authority to pay the costs of ownership and marketing of the Properties, including without limitation the following:

- (i) ad valorem taxes and user fees levied against the Properties;
- (ii) assessments levied against the Properties;
- (iii) utility charges relating to the Property;
- (iv) costs of operation and maintenance of the Properties;
- (v) costs of marketing and preparing the Properties for sale;
- (vi) costs of title insurance commitments and/or title policies for the Properties, including without limitation the cost of title insurance commitments for the benefit of prospective purchasers of the Properties;
- (vii) costs of environmental consultants, forestry consultants, wetlands consultants, and soil consultants;
- (viii) costs of attorneys;
- (ix) costs and fees of real estate brokers, if any, retained or engaged by the Special Master;
- (x) costs of liability insurance and worker's compensation insurance for the Special Master and for the Trust; and
- (xi) costs of casualty and flood insurance for the Properties.

Funding of the Special Master

8. The Special Master is authorized to pay expenses of the Special Master, the Trust, and the Properties from proceeds from the sale of the Properties, and to pay from such proceeds amounts that may be due pursuant to Paragraph 33 below. The Special

Master is further authorized to withhold, from time to time from the proceeds of the sales of the Properties, amounts (collectively, the “Holdback Amount”) equal to estimated expenses to be incurred by the Special Master over the estimated life of the Trust. The Special Master shall prepare a budget setting forth such estimated expenses and submit such budget to Class Counsel for review and comment. The Special Master shall also submit copies of each such budget to the Court and the Claims Administrator. The Special Master shall prepare revised budgets from time to time as necessary; submit such revised budgets to Class Counsel for review and comment; and provide copies of such revised budgets to the Court and the Claims Administrator.

9. To the extent the Special Master desires to pay costs or expenses incurred by the Special Master or the Trust prior to the time proceeds from the sale of the Properties have been received in amounts sufficient to pay such costs and expenses, upon approval by the Court, the Special Master may accept advances made from the Common Benefit Fund. Any such advances shall be repaid by the Special Master upon receipt of additional proceeds from the sale of Properties that remain available (i) after the payment of costs and expenses then due and (ii) after deduction of amounts necessary to fund the Holdback Amount.

10. Upon approval by the Court, the Special Master may borrow funds to pay costs and expenses of the Trust and the Properties from any source the Special Master deems appropriate. If approved by the Court, funds borrowed from third parties may be unsecured or secured by mortgages, assignments of leases, and/or negative pledges on any one or more of the Properties executed and delivered by the Special Master.

Compensation of the Special Master

11. The Special Master shall be entitled to compensation for his services as Special Master and as Trustee as follows: the Special Master shall be entitled to a disposition and management fee equal to 4% of the gross sales proceeds of each parcel of the Properties, payable at the time of the consummation of the sale by the Special Master of the respective parcel. In addition, the Special Master shall be entitled to reimbursement for actual, out-of-pocket expenses incurred by the Special Master in the performance of his duties hereunder. For the sake of clarity, in no circumstance shall any compensation or reimbursement for expenses due to the Special Master be a debt against or otherwise be recoverable, directly or indirectly (including, but not limited to, by virtue of offset) from SCE&G, SCANA, and/or their affiliates, subsidiaries, parents, successors, or assigns.

Further Approvals and Instructions

12. The Special Master may apply to the Court for further and other instructions, for approval of specific proposed acts and transactions, and for such further powers as may be necessary to enable the Special Master to properly carry out the terms of this Order and fulfill his duties as Special Master and as Trustee. Subject to the provisions of Paragraphs 27 and 28 below, this Paragraph shall not be deemed to require the Special Master to obtain additional or specific approvals for proposed acts and transactions.

Liability and Indemnity of Special Master

13. The Special Master shall be deemed an officer of the Court, and as such shall be entitled to judicial and/or quasi-judicial immunity from liability for his actions as Special Master or as Trustee of the Trust.

14. The Special Master in that capacity and as Trustee shall not be personally liable for any matter whatsoever relating to the Properties, and the sole recourse of any creditors having claims against the Properties shall be limited to the corpus of the Trust. Without limiting the generality of the foregoing, the Special Master in that capacity and as Trustee shall not have personal liability for taxes, environmental conditions, construction defects in the Properties, or any other matter arising from or relating to the ownership of the Properties by the Special Master in that capacity and as Trustee.

15. The Special Master in that capacity and as Trustee shall not be personally liable for (i) any acts or omissions of the Special Master, (ii) debts, liabilities, or claims arising from or relating to the Properties, including without limitation contracts and agreements relating to the Properties, utility charges relating to the Properties, taxes levied on or against the Properties, or (iii) liabilities and claims arising from or based on the environmental condition of the Properties.

16. The Special Master, as Special Master or as Trustee, shall be indemnified, defended, and held harmless by the Trust as to any and all liability, claims, and damages arising from or alleged to arise from or relating to (i) the performance or nonperformance by Special Master of his duties hereunder, whether as Special Master or as Trustee, and (ii) its title to or ownership of the Properties. The Special Master shall be entitled to choose his counsel in connection with the defense of any such liability claim or damage asserted or threatened against the Special Master, and the Special Master may use proceeds of the corpus of the Trust to pay the fees and expenses of such counsel, the amount and payment of which shall be subject to the prior approval of the Court.

17. The acceptance by the Special Master as Trustee, or by the Trust, of deeds to the Properties shall not obligate the Special Master, as Trustee or otherwise, to assume, perform, or assume liability for (i) existing contracts for the maintenance, landscaping, repair, or operation of the Properties other than those contracts identified on Schedule B attached to this Order and incorporated herein by this reference.

Reports and Filings by Special Master

18. The Special Master shall prepare and file with the Court, and forward to Class Counsel and the Claims Administrator, within 45 days after the date of this Order (which date may be extended by the Court upon good cause shown), a full and detailed report (the "First Accounting") regarding the Properties. Thereafter, the Special Master shall file with the court, and forward to Class Counsel and the Claims Administrator, every 60 days, an accounting of the proceeds of sale of the Properties and other receipts and the expenses incurred and disbursements made by the Special Master ("Periodic Accounting"). Each Periodic Accounting shall be accompanied by a narrative report describing the current status of the marketing and condition of the Properties. These Periodic Accountings and the accompanying narrative report shall be filed every 60 days until further order of the Court. A final accounting shall be prepared and filed by the Special Master with the Court, and provided to Class Counsel and the Claims Administrator, at such time as all of the Properties have been sold, or at such other time as the Court may direct.

19. The Special Master shall file all tax returns required with respect to the Trust and otherwise comply with all applicable laws relating to tax reporting requirements for the Trust. Copies of all such tax returns shall be provided to the Court, Class Counsel, and the Claims Administrator.

Transfer Closing Deliveries

20. Each transferor of any of the Properties to the Trust shall turn over and transfer to the Special Master all lease deposits representing security for the future payment obligations of tenants under applicable lease agreements, if any, relating to the Properties at the time of the transfer of the Properties to the Trust.

21. SCE&G shall cooperate with the Special Master to more specifically identify any reserved easements in favor of SCE&G, SCANA, and/or their affiliates, subsidiaries, parents, successors, or assigns on the Properties, and to the extent not already apparent from the public records specifically locate the easements on the Property so as to identify the specific portions of the Properties that are subject to such reserved easements. On request of the Special Master, SCE&G agrees to consider relocation, resizing, or abandonment of the easements on the same terms and conditions and subject to the same criteria as are applied by SCE&G to such requests when made by third parties in connection with the development of commercial properties generally.

22. Each transferor of any of the Properties shall execute and deliver to the Special Master the following:

(A) A separate limited warranty deed with respect to each of the Properties conveyed, conveying fee simple title to the Properties to the Special Master, as Trustee, subject to (i) any existing, and recorded or unrecorded, reservations, easements, encroachments, leases, licenses, restrictions, covenants, zoning, governmental regulations, land use regulations, and rights-of-way, which may affect the Properties or as may be revealed by an inspection of the Properties, and (ii) a reservation of easements to SCE&G for utility purposes, all as set forth

more fully in Paragraphs 15 and 16, of the Settlement Agreement. The conveyances will further be subject to the terms, conditions, limitations, disclaimers, and title matters referred to in Paragraphs 15, 16, and 17 of the Settlement Agreement. The form of each deed shall be reasonably acceptable to the Trust's title insurer and sufficient to convey fee simple, insurable, and marketable title to the Properties. For purposes hereof, "marketable title" shall mean title which is insurable by a nationally recognized title insurance carrier at regular rates without indemnity and without exception to the lack of marketability thereof or with exception to the rights of third parties other than tenants/or occupants pursuant to known lease, occupancy agreements, or covenants, conditions and restrictions of record;

(B) A Seller's Affidavit Non-Resident Withholding (SC Department of Revenue Form I-295);

(C) Copies of the organizational documents of the transferor and authorizing resolutions of the transferor, to the extent necessary in order to allow the Special Master, as Trustee, and purchasers from the Special Master, to obtain title insurance coverage at normal rates from a nationally recognized title insurance carrier;

(D) An affidavit of the transferor, without indemnification obligation to any party except as to false statements in such affidavit, which has as its subject matter averments that, with respect to the Property, there are no rights or claims of parties in possession not shown by the public records and that there are no liens, or rights to a lien, for services, labor or materials furnished and/or imposed by law and not shown by the public records, in such form as may be reasonably required in order

to allow the Special Master, as Trustee, and purchasers from the Special Master, to obtain title insurance coverage at normal rates from a nationally recognized title insurance carrier and for the sole purpose of permitting such carrier to delete certain standard exceptions from an ALTA Owner's Policy of Title Insurance;

(E) An Affidavit of the transferor stating that transferor is not a "foreign person," as that term is defined in 7 C.F.R. § 781.2 of the Rules and Regulations promulgated under the Agricultural Foreign Investment Disclosure Act of 1978 and is not required to file any reports under said Act and its supporting rules and regulations.

(F) An Affidavit of the transferor stating that transferor is not a "foreign person", as that term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and otherwise in form and content sufficient to eliminate the Trust's withholding obligations under said Section 1445 with respect to the acquisition of the Property;

(G) Such information as is required for the Trust or any settlement agent with respect to any transfer to file IRS Form 1099-S;

(H) A current certificate of existence from the Secretary of State of South Carolina as to the existence of the transferor;

(I) A tax compliance letter from the South Carolina Department of Revenue as to the transferor or in lieu thereof, a Transferor's Affidavit on the form promulgated by the South Carolina Department of Revenue confirming that the respective transfer is less than a majority of the assets of the applicable transferor;

(J) Any and all other documents deemed reasonable and customary by the Trust's title insurance company, or necessary to satisfy governmental requirements which may be a condition to the transfer of the Properties;

(K) An assignment and assumption of those leases set forth on Schedule A to this Order whereby SCE&G shall indemnify the Trust for all loss, cost, damage, or liability resulting or arising from the acts or conduct of SCE&G under such leases arising prior to the date of assignment thereof and whereby the Trust shall indemnify SCE&G for all loss, cost, damage, or liability resulting or arising from the acts or conduct of the Trust or its agents or representatives under such leases arising subsequent to the date of the assignment thereof;

(L) A quitclaim assignment of all licenses, permits, zoning approvals, sewer connection and/or tap-in permits, water connection and/or tap-in permits, utility service bonds and/or utility cash deposits, curb-cut permits and right-of-way permits, wetlands permits, building permits, certificates of occupancy, warranties, drainage rights, and all other permits, approvals, and rights of every kind and character whatsoever pertaining or applicable to or any way connected with the ownership or operation of the Properties if any, and to the extent capable of assignment or assignable without third party consent, including any buildings and other improvements thereon; and

(M) A quitclaim assignment of warranties and guaranties covering any appliances and fixtures located on or attached to the Properties if any, and to the extent capable of assignment pursuant to the terms thereof or assignable without

third party consent, including without limitation, air conditioning, heating and other appliances and equipment.

(N) Evidence satisfactory to the Special Master that (i) the transfer of the Property shall have received all necessary approvals from the South Carolina Public Service Commission (“PSC”) and the Federal Energy Regulatory Commission (“FERC”), (ii) the PSC and FERC have waived any bidding requirement for the Properties, as applicable, and (iii) the PSC and FERC have not imposed any requirement that the proceeds of the sales of the Property be used for any purpose other than funding the Common Benefit Fund.

23. Simultaneously with the transfer of each of the Properties to the Special Master, as Trustee, each transferor shall pay to the Special Master transferor’s share of ad valorem real property taxes, user fees, and assessments for the year in which the transfer occurs. To the extent that any Property transferred includes separately taxed personal property, each transferor shall likewise pay to the Special Master transferor’s share of such personal property taxes for the year in which the transfer occurs. The transferor’s share shall be an amount equal to the taxes, user fees, and assessments (or estimated taxes, user fees, and assessments) for the year in which the transfer occurs multiplied by a fraction, the numerator of which is the number of days elapsed in the year of transfer through and including the date of the transfer, and the denominator of which is 365. If any of the taxes, user fees, or assessments for the year of the transfer are not known, then the amount of such taxes, user fees, or assessments shall be estimated based on the taxes, user fees, and assessments assessed in the prior year. The pro-ration of taxes, user fees, and assessments

pursuant to the foregoing estimate shall be final to the extent practical or capable of determination on the date of transfer of any of the Properties.

24. Roll back taxes, if any, assessed after the date of the transfer of the Properties shall be paid from the Common Benefit Fund or from sales proceeds irrespective of the tax years for which such roll back taxes are imposed, to the extent available at the time payment is due.

25. Simultaneously with the transfer of each of the Properties to the Special Master, as Trustee, or the Trust, as the case may be, each transferor shall pay the deed recording fee imposed by S.C. Code Ann. § 12-24-10 (formerly known as “deed stamps”), and such transferor shall be permitted to determine “fair market value” in any manner permitted by the statutory provisions thereof without prejudicing or otherwise affecting any statement or representation made by SCE&G and/or SCANA pursuant to the Settlement Agreement.

26. With respect to any of the Properties that are income producing, rent for the month in which the transfer occurs shall be pro-rated as of the date of transfer. The date of transfer shall be deemed the date upon which transferor delivered the instruments of conveyance and other required deliverables to the Trust and all escrow conditions for the release of the same have been satisfied or waived by the transferor.

27. Subject to the terms of the Settlement Agreement, each transferor of any of the Properties to the Trust shall cooperate with the Special Master in order to give full effect to the transfers as is customary in commercial real estate transactions in the State of South Carolina.

28. Each transferor of any of the Properties to the Trust shall provide the Special Master with the following as soon as commercially reasonably practical after the execution of this Order:

(A) A current rent roll with respect to each of the Properties;

(B) Copies of all service, maintenance, leasing, management, or other contracts and all other agreements, warranties, and guaranties relating to the operation, use, management, or maintenance of the Properties which are not terminable by SCE&G, SCANA, and/or their affiliates, subsidiaries, parents, successors, or assigns upon thirty (30) days or less notice, and a schedule of all such service, maintenance, leasing, management, or other contracts which are terminable upon thirty (30) days or less notice;

(C) Copies of any and all leases, subleases, or other agreements relating to or affecting the Properties or any part thereof;

(D) Copies of reports relating to the physical and structural condition of the Properties actually in the possession of SCE&G or SCANA, and/or their affiliates, subsidiaries, and parents, including without limitation engineering, mechanical, roof, environmental, and seismographic reports, but only to the extent (i) the existence of such reports is known to current management of SCE&G or SCANA, and (ii) such reports are readily locatable and retrievable in the active records of SCE&G or SCANA and/or their affiliates, subsidiaries, and parents, as applicable. Notwithstanding the foregoing or any other provision in this Order to the contrary, any such reports provided by SCE&G or SCANA to the Special Master shall conclusively be deemed to have been provided as an accommodation to the

Special Master without any warranty or representation as to the accuracy or completeness of such report, and in no event shall any of SCE&G, SCANA, and/or their affiliates, subsidiaries, parents, successors, or assigns have any liability whatsoever for any matter contained in or omitted from any such report, or for the failure of SCE&G or SCANA to identify, locate, or deliver a copy of such report to the Special Master.;

(E) Copies of existing plans, drawings, surveys, plats, or maps of the Properties actually in the possession of SCE&G or SCANA, and/or their affiliates, subsidiaries, and parents, but only to the extent (i) the existence of such plans, drawings, surveys, plats, or maps is known to current management of SCE&G or SCANA and (ii) such plans, drawings, surveys, plats, or maps are readily locatable and retrievable in the active records of SCE&G or SCANA. Notwithstanding the foregoing or any other provision in this Order to the contrary, any such plans, drawings, surveys, plats, or maps provided by SCE&G or SCANA to the Special Master shall conclusively be deemed to have been provided as an accommodation to the Special Master without any warranty or representation as to the accuracy or completeness of such plans, drawings, surveys, plats, or maps, and in no event shall any of SCE&G, SCANA, and/or their affiliates, subsidiaries, parents, successors, or assigns have any liability whatsoever for any matter contained in or omitted from any such plans, drawings, surveys, plats, or maps, or for the failure of SCE&G or SCANA to identify, locate, or deliver a copy of such plans, drawings, surveys, plats, or maps to the Special Master;

(F) Copies of environmental reports, engineering studies, wetland studies, and other reports relating to the Properties, actually in the possession of SCE&G or SCANA, and/or their affiliates, subsidiaries, and parents, but only to the extent (i) the existence of such reports or studies is known to current management of SCE&G or SCANA and (ii) such reports or studies are readily locatable and retrievable in the active records of SCE&G or SCANA. Notwithstanding the foregoing or any other provision in this Order to the contrary, any such reports or studies provided by SCE&G or SCANA to the Special Master shall conclusively be deemed to have been provided as an accommodation to the Special Master without any warranty or representation as to the accuracy or completeness of such reports or studies and in no event shall any of SCE&G, SCANA, and/or their affiliates, subsidiaries, parents, successors, or assigns have any liability whatsoever for any matter contained in or omitted from any such report or study, or for the failure of SCE&G or SCANA to identify, locate, or deliver a copy of such report or study to the Special Master.;

(G) Copies of all existing title insurance policies, of any of the Properties, and all agreements allowing third parties to park, access or otherwise use any of the Properties, actually in the possession or control of transferor;

(H) On request of the Special Master, consents and authorizations allowing contractors, architects, engineers, or similar professionals currently or recently performing work with respect to the Properties to disclose to and discuss with the Special Master the nature, scope, and specifications relating to such work; provided however that in no event shall SCE&G, SCANA, and/or their affiliates,

subsidiaries, parents, successors, or assigns have any liability whatsoever arising from (i) the failure of any such contractor, architect, engineer, or similar professional to cooperate with or provide the requested information to the Special Master, or from (ii) any errors, omissions, misrepresentations or acts or omissions of any such contractor, architect, engineer, or similar professional;

(I) Copies of any notices of violations of any federal, state, municipal, or other health, fire, building, zoning, safety, environmental protection, or other applicable codes, laws, rules, regulations, or ordinances relating to any of the Properties which are uncured and continuing;

(J) Copies of all fee in lieu of tax agreements relating to the Properties;

(K) Copies of all presently valid, binding and enforceable contracts of sale, and purchase and sale agreements, and similar agreement for the disposition or proposed disposition of any of the Properties; and

(L) The proposed form of limited warranty deed to be executed by each transferor.

29. The sale of any of the Properties by the Special Master hereunder shall be deemed a judicial sale.

Sales Procedures

30. At such time as the Special Master has reached an agreement or preliminary agreement with a third-party purchaser for the sale of any of the Properties, the Special Master shall file with the Court a motion for approval and confirmation of sale. The application shall identify the purchaser, the proposed terms of the sale, and the parcel of the Properties to be sold. Each application shall be accompanied by a complete legal

description of the parcel to be sold, evidence as to the fair market value of the parcel to be sold, any applicable purchase and sale agreement, letter of intent, or other documents evidencing the terms and conditions of the proposed sale, and a pro forma settlement statement.

31. The Court shall by way of an order approve or disapprove the proposed sale. If approved, the Court shall issue an order (i) finding that the proposed sales price is not less than the fair market value of the property (or, if the proposed sales price is less than fair market value, the reason fair market value cannot be obtained), and (ii) specifically authorizing the consummation of the sale, including without limitation the execution of the deed and related documents by the Special Master to the third-party purchaser. A copy of each order may be filed in the real property records of the County in which the parcel to be sold is located, and each Clerk of Court or Register of Deeds is ordered to duly record and index the same. None of the Properties may be sold without specific, express approval of the Court.

32. Within three business days after the closing of each sale, the Special Master shall pay over to the Claims Administrator the net proceeds of such sale, less any expenses and Holdback Amounts that the Special Master is authorized to deduct from proceeds as set forth above.

Certain Required Payments; Indemnity of Defendants

33. In addition to other payments provided for in this Order, the following shall be paid by the Special Master out of the corpus of the Trust: (i) disposition and management fees payable to the Special Master as set forth above, (ii) all taxes (including any estimated tax, interest, or penalties) arising with respect to the income earned by the Trust, including,

without limitation, any taxes or tax detriments that may be imposed upon SCE&G or SCANA or their counsel with respect to any income earned by the Trust for any period during which the Trust does not qualify as a “qualified settlement fund” for federal or state income tax purposes (collectively the “Taxes”); and (iii) all expenses and costs incurred in connection with the operation and implementation of this paragraph, including without limitation expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this paragraph (collectively the “Tax Expenses”).

34. In all events, neither SCE&G, SCANA, their affiliates, subsidiaries, parent, successors, and assigns, nor their counsel shall have any liability or responsibility for (i) any action or inaction taken by the Special Master, in that capacity, as Trustee, or otherwise, whether authorized by this Order or not, nor (ii) paying the Taxes or the Tax Expenses. With funds from the Trust, the Special Master shall indemnify and hold harmless SCE&G, SCANA, their affiliates, subsidiaries, parent, successors, and assigns, and their counsel for any action or inaction taken by the Special Master, in that capacity, as Trustee, or otherwise, whether authorized by this Order or not, and for the Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Trust and shall timely be paid by the Special Master out of the Trust corpus without prior order from the Court, and the Special Master shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to the Claims Administrator any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any

amounts that may be required to be withheld under Treas. Reg. § 1.468 B-2(1)(2)); neither SCE&G nor SCANA nor their counsel are responsible therefore, nor shall they have any liability therefor. The parties agree to cooperate with the Special Master, each other, their tax attorneys, and their accountants to the extent reasonably necessary to carry out the provisions of this paragraph.

35. Jurisdiction over the Special Master, the Trust, the Properties, and the parties shall remain with the Court for the issuance of such further orders and further proceedings as are contemplated hereby or which are otherwise deemed just and proper and in the best interest of the parties and the protection and liquidation of the Properties.

36. The powers granted to the Special Master in this Order shall be in addition to, and not in lieu of, powers vested in special referees and masters generally by applicable law or rule.

37. The Clerk of Court or Register of Deeds, as applicable, of each County in which a parcel of the Properties is located, is hereby directed on request to record a certified copy of this Order in the real property records for such County, and to index this Order under South Carolina Electric & Gas Company and SCANA Corporation, as grantors, and the Special Master, as Trustee, or the Trust, as the case may be, as grantee.

AND IT IS SO ORDERED.

John C. Hayes, III
Presiding Judge

_____, 2019
Rock Hill, South Carolina

WE CONSENT:

s/ J. Preston Strom, Jr.

J. Preston Strom, Jr.

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Counsel for South Carolina Electric & Gas Company
and SCANA Corporation

Consent Order Authorizing Creation of a Qualified Settlement Fund Trust, Appointing Special
Master, and Authorizing the Sale of Property
Schedule A

1. "Agreement of Sale and Purchase (1031 Exchange Applicable)" between South Carolina Electric & Gas Company, Inc. and FDP Acquisitions, LLC, dated May 9, 2016, "First Amendment to Agreement of Sale and Purchase," dated April 23, 2017, "Second Amendment to Agreement of Sale and Purchase," dated April 1, 2018, "Third Amendment to Agreement of Sale and Purchase," dated September 27, 2018.
2. "Agreement of Sale and Purchase (1031 Exchange Applicable)" between South Carolina Electric & Gas Company, Inc. and Paris Acquisitions, LTD, dated May 2016, "First Amendment to Agreement of Sale and Purchase," dated January 26, 2018, "Second Amendment to Agreement of Sale and Purchase," dated July 28, 2018.
3. "Exclusive Right to Sell Listing Agreement" between South Carolina Electric & Gas Company and NAI Avant, LLC, dated March 15, 2015, "Listing Renewal Agreement" dated October 31, 2017.
4. "Ground Lease Agreement" between South Carolina Electric & Gas Company and Spirit Tower Company, LLC as successor in interest to SCANA Communication, Inc. dated October 15, 2015, "First Amendment of Ground Lease" dated August 4, 2016, "Memorandum of Ground Lease Agreement" recorded in the Register of Deeds in Lease Book 17972 at Page 17E, "Memorandum of First Amendment of Ground Lease Agreement" recorded in the Register of Deeds in Lease Book 18577 at Page 191.
5. "Sign Location Lease" between South Carolina Electric and Gas Company and The Lamar Companies, dated May 10, 2018.
6. "Sign Location Lease" between South Carolina Electric and Gas Company and The Lamar Companies, dated May 10, 2018.
7. "Exclusive Right to Sell Listing Agreement" between South Carolina Electric & Gas Company and NAI Avant, LLC, dated March 2, 2018, for property consisting of approximately 10.89 acres on Lincreek Drive.
8. "Agreement of Sale and Purchase (1031 Exchange Applicable)" between South Carolina Electric & Gas Company, Inc. and LandTech Holdings with an effective date of March 5, 2019, for property consisting of approximately 10.89 acres on Lincreek Drive.
9. "Timber Sale Contract" between South Carolina Electric & Gas Company and Caw Caw Land & Timber, LLC, dated July 24, 2018 for Pleasant Grove, Featherbed, Bradlu tracts and more particularly described in the timber contract.



Hampton Common Pleas

Case Caption: Richard Lightsey VS South Carolina Electric & Gas

Case Number: 2017CP2500335

Type: Order/Consent Order

So Ordered

s/John C. Hayes III 2049