

MINUTES OF
Budget and
Control Board
Meeting
November 17, 1980

MINUTES OF BUDGET AND CONTROL BOARD MEETING

NOVEMBER 17, 1980

POLL

On this date, Board Secretary William A. McInnis polled the following members of the Budget and Control Board on the items of business described below:

Governor Richard W. Riley (through Executive Assistant
Clarke)
Mr. Grady L. Patterson, Jr. (through Administrative
Assistant Dunn)
Representative Tom G. Mangum

Mr. Morris and Senator Dennis were not contacted.

FLORENCE COUNTY AND RICHLAND COUNTY - INDUSTRIAL REVENUE NOTES -

Mr. McInnis advised the members that a Florence County proposal to issue an Industrial Revenue Note in an amount not exceeding \$500,000 had been reviewed by the Attorney General's Office and by the State Auditor's Office with satisfactory results. The proposed issue is on behalf of the Superior Machine Company, Inc., project and will, when completed, provide additional jobs for between ten and fifteen persons immediately and an additional sixty jobs over the next three years in the manufacture and repair of component parts for machinery used in the pulpwood, paper, steel, and rock crushing industries. He also advised that Bankers Trust has agreed to purchase the referenced Note.

Mr. McInnis also indicated that a Richland County proposal to issue an Industrial Revenue Note in the amount of approximately \$1,400,000 for the Intertec Data Systems Corporation project had been reviewed by the Attorney General's Office and by the State Auditor's Office with satisfactory results. He reported that this project will provide an additional twenty to thirty jobs in the manufacture of computers and that Bankers Trust also had indicated its intention to purchase this Note.

The members polled voted to adopt resolutions approving the referenced proposals.

Information relating to this matter has been retained in these files and is identified as Exhibits 1 and 2, respectively.

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

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I, William A. McInnis, Secretary to the South Carolina State Budget and Control Board (the "Board"), do hereby certify that the said Board did on December 9, 1980 at a meeting duly assembled in Columbia, South Carolina, ratify the results of a poll of the Board conducted by me by telephone on November 17, 1980. The result of said poll was the adoption and approval of the resolution attached hereto as Exhibit A.

December 9, 1980

William A. McInnis

WILLIAM A. McINNIS, Secretary

9581

EXHIBIT A

A RESOLUTION APPROVING THE ISSUANCE BY FLORENCE COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$500,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (SUPERIOR MACHINE COMPANY, INC. PROJECT) 1980, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29, AS AMENDED (1976).

WHEREAS, the County Council of Florence County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Florence County (the "County") pursuant to the Act of its Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980, in the aggregate principal amount of not exceeding \$500,000 (the "1980 Note"); and

WHEREAS, the County proposes to issue the 1980 Note for the purpose of defraying the cost of acquiring, by construction and purchase, certain land, a building or buildings, machinery, equipment and furnishings (the "Project") to be used for an industrial facility for the manufacture and repair of component parts for machinery used in the pulpwood, paper, steel, and rock crushing industries; and

WHEREAS, the Project is to be made available to Superior Machine Company, Inc. (the "Corporation"), which Corporation will make payments sufficient to pay the principal, premium, if any, and interest on the 1980 Note and the costs and expenses related to the issuance of the 1980 Note; and

WHEREAS, it is proposed that the 1980 Note will be secured by a pledge of the revenues to be derived from the Project, and in addition by a first mortgage on the Project; and

WHEREAS, the County has submitted with the Petition (i) drafts of the documents to be entered into by the County in connection with the issuance of the 1980 Note, for review by the State Budget and Control Board, (ii) a certified copy of a resolution and petition adopted by the Governing Board on November 6, 1980, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

9582

NOW, THEREFORE, BE IT RESOLVED, By the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring and constructing the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the issuance of the 1980 Note, in substantially the form annexed to the Indenture, secured by a pledge of the revenues to be derived from the Project and a first mortgage on the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the Governing Board and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Florence Morning News or The State, newspapers having general circulation in Florence County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29 (1976) AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session 1980 (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Florence County, South Carolina, has given its approval to the following undertaking by Florence County, South Carolina:

The issuance by Florence County of its Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980, in the aggregate principal amount of approximately \$500,000 (the "1980 Note"), to defray the costs of acquiring, by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings to be used as an industrial facility for the manufacture and repair of component parts for machinery used in the pulpwood, paper, steel and rock crushing industries (the "Project") to be located in Florence County, South Carolina. The Project will be made available to Superior Machine Company, Inc., a South Carolina corporation, which will unconditionally covenant to make payments sufficient to pay the principal, premium, if any, and interest on the 1980 Note. The 1980 Note will be payable solely and exclusively out of revenues to be derived from the sale of the Project to Superior Machine Company, Inc. and is to be additionally secured by a first mortgage on the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the 1980 Note by Florence County to finance the same, by action de novo instituted in the Circuit Court for Florence County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: November __, 1980.

9584

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, WILLIAM A. McINNIS, Secretary to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the said State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That a poll in which Governor Riley (through Executive Assistant Clarke), Mr. Patterson (through Adm. Asst. Dunn), and Representative Mangum participated was conducted by me by telephone on November 17, 1980 during which a Resolution, of which the attached is a true, correct and verbatim copy, was considered and, upon the vote being taken and recorded, the following votes were cast:

FOR ADOPTION

3

AGAINST ADOPTION

0

That the Resolution was unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of said Board in my custody as its Secretary.

That the action described herein will be placed on the agenda of the next meeting of the Board for the purpose of ratification. The next Board meeting now is scheduled to be held on Tuesday, December 9, 1980.

William A. McInnis
Secretary

November 18, 1980

9585

The State of South Carolina

NOV 14 1980



EXHIBIT

NOV 17 1980

NO. 1

Office of the Attorney General STATE BUDGET & CONTROL BOARD

KAREN LeCRAFT HENDERSON
Senior Assistant Attorney General

WADE HAMPTON OFFICE BUILDING
POST OFFICE BOX 11549
COLUMBIA, S. C. 29211
TELEPHONE 803-758-8667

DANIEL R. McLEOD
ATTORNEY GENERAL

November 14, 1980

Honorable William T. Putnam
Executive Director
State Budget and Control Board
Wade Hampton State Office Building
Columbia, South Carolina

Re: \$500,000 Florence County, South Carolina,
Industrial Revenue Note, Series 1980 (Superior Machine Company Project)

Dear Mr. Putnam:

Regarding the above-referenced note, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 4-29-10 et seq., CODE OF LAWS OF SOUTH CAROLINA, 1976, as amended, and the same appear, in our opinion, to be in order.

With kind regards,

A handwritten signature in cursive script, reading "Karen LeCraft Henderson".

Karen LeCraft Henderson
Senior Assistant Attorney General

KLH:jvh

9586

Florence Offices
PO Box F9
Florence, SC 29501

EXHIBIT

NOV 12 1980

NOV 17 1980

NO. 1

OK

11-14-80

STATE BUDGET & CONTROL BOARD

BANKERS
TRUST



November 4, 1980

State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: \$500,000 Florence County, South Carolina,
First Mortgage Industrial Revenue Note
(Superior Machine Company, Inc. Project)
Series 1980

Gentlemen:

We have made a commitment to purchase the above referenced issue of Richland County, South Carolina. In connection with our commitment, we have requested and been provided with certain financial information by Superior Machine Company, Inc. and the information to the extent that it has been furnished and the balance of the information to be furnished in satisfaction of our commitment are satisfactory to us. Our agreement to purchase this issue is made for our own investment as loan purposes and we do not presently contemplate the resale, distribution or redistribution of the issue.

Sincerely,

Roger Whaley
Vice President

9587

EXHIBIT

NOV 17 1980 NO. 1

STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY FLORENCE COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$500,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (SUPERIOR MACHINE COMPANY, INC. PROJECT) 1980, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29, AS AMENDED (1976).

WHEREAS, the County Council of Florence County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Florence County (the "County") pursuant to the Act of its Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980, in the aggregate principal amount of not exceeding \$500,000 (the "1980 Note"); and

WHEREAS, the County proposes to issue the 1980 Note for the purpose of defraying the cost of acquiring, by construction and purchase, certain land, a building or buildings, machinery, equipment and furnishings (the "Project") to be used for an industrial facility for the manufacture and repair of component parts for machinery used in the pulpwood, paper, steel, and rock crushing industries; and

WHEREAS, the Project is to be made available to Superior Machine Company, Inc. (the "Corporation"), which Corporation will make payments sufficient to pay the principal, premium, if any, and interest on the 1980 Note and the costs and expenses related to the issuance of the 1980 Note; and

WHEREAS, it is proposed that the 1980 Note will be secured by a pledge of the revenues to be derived from the Project, and in addition by a first mortgage on the Project; and

WHEREAS, the County has submitted with the Petition (i) drafts of the documents to be entered into by the County in connection with the issuance of the 1980 Note, for review by the State Budget and Control Board, (ii) a certified copy of a resolution and petition adopted by the Governing Board on November 6, 1980, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

. 9588

NOW, THEREFORE, BE IT RESOLVED, By the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring and constructing the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the issuance of the 1980 Note, in substantially the form annexed to the Indenture, secured by a pledge of the revenues to be derived from the Project and a first mortgage on the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the Governing Board and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Florence Morning News or The State, newspapers having general circulation in Florence County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

9589

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29 (1976) AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session 1980 (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Florence County, South Carolina, has given its approval to the following undertaking by Florence County, South Carolina:

The issuance by Florence County of its Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980, in the aggregate principal amount of approximately \$500,000 (the "1980 Note"), to defray the costs of acquiring, by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings to be used as an industrial facility for the manufacture and repair of component parts for machinery used in the pulpwood, paper, steel and rock crushing industries (the "Project") to be located in Florence County, South Carolina. The Project will be made available to Superior Machine Company, Inc., a South Carolina corporation, which will unconditionally covenant to make payments sufficient to pay the principal, premium, if any, and interest on the 1980 Note. The 1980 Note will be payable solely and exclusively out of revenues to be derived from the sale of the Project to Superior Machine Company, Inc. and is to be additionally secured by a first mortgage on the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the 1980 Note by Florence County to finance the same, by action de novo instituted in the Circuit Court for Florence County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: November __, 1980.

9590

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, WILLIAM A. McINNIS, Secretary to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the said State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That a poll in which Governor Riley (through Executive Assistant Clarke), Mr. Patterson (through Adm. Asst. Dunn), and Representative Mangum participated was conducted by me by telephone on November 17, 1980 during which a Resolution, of which the attached is a true, correct and verbatim copy, was considered and, upon the vote being taken and recorded, the following votes were cast:

FOR ADOPTION

3

AGAINST ADOPTION

0

That the Resolution was unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of said Board in my custody as its Secretary.

That the action described herein will be placed on the agenda of the next meeting of the Board for the purpose of ratification. The next Board meeting now is scheduled to be held on Tuesday, December 9, 1980.

Secretary

November 18, 1980

9591

NOV 12 1980

MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ROBERT E. MCNAIR
TERRELL L. GLENN
JAMES S. KONDUROS
O. WAYNE CORLEY
E. McLEOD SINGLETARY
CHARLES PORTER
ROBERT W. DIBBLE, JR.
RICHARD L.C. SULLIVAN
RICHARD S. WOODS
M. JOHN BOWEN, JR.
DANIEL R. McLEOD, JR.
SCOTT Y. BARNES
KATHLEEN E. CRUM
J. SIMON FRASER
M. CRAIG GARNER, JR.
THEODORE J. HOPKINS, JR.
BRENTON D. JEFFCOAT
PETER CONNOR MURPHY
C. ALAN RUNYAN
ROBERT E. STEPP
ELIZABETH H. VAN DOREN
EUGENE J. CARRON
JOHN W. CURRIE
E. RUSSELL JETER, JR.
JANE A. BRUNO

ATTORNEYS AND COUNSELORS AT LAW
EIGHTEENTH FLOOR, BANKERS TRUST TOWER
POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

November 6, 1980

RANDALL T. BELL
COUNSEL

HILTON HEAD ISLAND OFFICE
108 SAPELO BUILDING
ISLAND OFFICE PARK
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C.
29928
803-785-5169

EXHIBIT

NOV 17 1980 NO. 1

STATE BUDGET & CONTROL BOARD

*ADMITTED TO NEW YORK BAR ONLY
*ADMITTED TO D.C. AND VIRGINIA BAR ONLY

Mr. William A. McInnis
State Budget and Control Board
Post Office Box 11333
Columbia, South Carolina 29211

Re: \$500,000 Florence County, South Carolina,
Industrial Revenue Note (Superior Machine
Company Project) 1980

Dear Bill:

The above captioned issue is for an expansion to the existing facility of Superior Machine Company in Florence. The total number of employees presently working with Superior Machine Company is 112. Upon expanding the facility with the proposed revenue note, 10 to 15 employees should be added immediately and then over next three years Superior expects to employ 60 more employees, bringing the total number to 175. The principal purpose of the expansion is to allow Superior to maintain a full staff working at night and they will hire over the next three years individuals to work on their night shift. Superior Machine Company is in the business of manufacturing components parts for the pulpwood industry, paper industry, steel industry and rock crushing industry.

As required, enclosed for review are the following:

1. Trust Indenture;
2. Financing Agreement;
3. Resolution authorizing the Petition to the State Budget and Control Board;

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Mr. William A. McInnis
November 6, 1980
Page 2

EXHIBIT

NOV 17 1980 NO. 1

STATE BUDGET & CONTROL BOARD

4. Petition to the State Budget and Control Board;
5. Resolution approving the issuance of the Note;
6. Investment letter from Bankers Trust of South Carolina as purchaser.

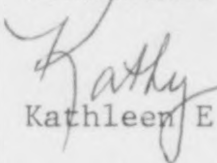
As we discussed, we would appreciate your polling the Board on this issue. If possible, the parties would like to be able to close this issue in second week in December.

Please do not hesitate to call if there is any additional information which you would like to be provided regarding this project.

Thanking you for your assistance, I am

Sincerely,

McNAIR GLENN KONDUROS CORLEY
SINGLETERY PORTER & DIBBLE, P.A.


Kathleen E. Crum

KEC/sss
Enclosures

9593

EXHIBIT

NOV 17 1980

NO. 1

STATE BUDGET & CONTROL BOARD 1.02

FLORENCE COUNTY, SOUTH CAROLINA

and

BANKERS TRUST OF SOUTH CAROLINA, as Lender

INDENTURE

Dated as of December 1, 1980

Securing
Florence County, South Carolina, Industrial Development
Revenue Note
(Superior Machine Company, Inc. Project) 1980

PRELIMINARY DRAFT

FOR DISCUSSION PURPOSES ONLY

MGKCSP&D

Draft Dated: November 7, 1980

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TESTIMONIUM

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EXHIBIT A

EXHIBIT B

ACKNOWLEDGMENTS

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THIS INDENTURE, dated as of December 1, 1980 (hereinafter called the "Indenture"), between Florence County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter called the "Issuer"), party of the first part, and Bankers Trust of South Carolina, organized and existing under the laws of the State of South Carolina and having its principal office and place of business in Columbia, South Carolina (hereinafter called the "Lender"), as Lender, party of the second part.

WITNESSETH:

WHEREAS, Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (hereinafter said Chapter and amendments are collectively referred to as the "Act") authorizes the several counties and incorporated municipalities of the State of South Carolina to acquire or cause to be acquired one or more projects (as such term is defined in the Act), to enter into agreements with an industry to construct, operate, maintain and improve such a project, to enter into financing agreements with such an industry; to issue revenue bonds (as defined in the Act to include notes), and to defray the cost of acquiring, enlarging, improving and expanding such a project and to secure such notes in the manner authorized in the Act; and

WHEREAS, Superior Machine Company, Inc., a South Carolina corporation (hereinafter called the "Corporation"), has requested the Issuer to issue its revenue notes and make the proceeds thereof available to defray the cost of acquiring, and, in connection with such acquisition, enlarging, improving or expanding by construction and purchase, certain land and a building or buildings and other improvements thereon and all other machinery, apparatus, office facilities and furnishings deemed necessary, suitable or useful by the Corporation to engage in the manufacture of component parts for machinery used in the pulpwood, paper, steel and rock crushing industries (hereinafter referred to as the "Project") all to be located within the jurisdiction of the Issuer; and

WHEREAS, the Issuer has, by due corporate action authorized the issuance of its revenue note pursuant to the Act and to make the proceeds thereof available to defray the cost of enlarging, improving and expanding the Corporation's existing facility to be made available to the Corporation pursuant to the terms of a Financing Agreement dated as of December 1, 1980 (thereinafter called the "Agreement")

between the Issuer and the Corporation under the terms of which the Issuer is obligated to make payments to or for the account of the Issuer in the amount necessary to pay the principal, premium, if any, and interest on such revenue note as and when the same becomes due and payable and all other expenses and costs incurred by the Issuer in connection with this Indenture, the Agreement or the Project; and

WHEREAS, the Issuer has determined to issue hereunder an initial note to be designated "Florence County, South Carolina, Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980" (herein sometimes called the "1980 Note") in the original principal amount of \$500,000 for the purpose of providing funds to defray the cost of enlarging, improving and expanding the Corporation's existing facility to be made available to the Corporation pursuant to a Financing Agreement; and

WHEREAS, in order to secure the payment of the principal, premium, if any, and interest on the 1980 Note, and to establish and declare the terms and conditions upon which the 1980 Note is to be issued, the Issuer has duly authorized and directed the execution and delivery of this Indenture; and

WHEREAS, the Issuer has duly authorized the execution and delivery of the Agreement and the execution and delivery hereunder of the 1980 Note upon and subject to the terms and conditions hereinafter set forth; and

WHEREAS, all acts and things have been done and performed, which are necessary to make the 1980 Note, when executed and delivered by the Issuer, the legal, valid and binding limited obligation of the Issuer in accordance with its terms and to make this Indenture a valid and binding agreement for the security of the 1980 Note and any other notes executed and delivered hereunder; and

WHEREAS, the 1980 Note is to be in substantially the following form with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to wit:

[Form of 1980 Note]

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
FLORENCE COUNTY
INDUSTRIAL DEVELOPMENT REVENUE NOTE
(SUPERIOR MACHINE COMPANY, INC. PROJECT) 1980

\$500,000

December __, 1980

Florence County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "Issuer"), for value received, hereby promises to pay to Bankers Trust of South Carolina or registered assigns, the principal sum of .

Five Hundred Thousand Dollars (\$500,000)

but solely from the revenues and receipts of the Issuer derived pursuant to the Financing Agreement (hereinafter referred to) as provided in the Indenture (hereinafter referred to) and to pay but solely from such revenues and receipts interest on the outstanding balance of said principal sum from the date hereof at the rate per annum of sixty-five percent (65%) of the prime commercial lending rate of Bankers Trust of South Carolina, as in effect from time to time for 90 day unsecured borrowing, until the payment of such principal sum in full. This note is payable in _____ equal installments of principal in the amount of \$ _____ plus accrued interest as stated herein commencing on January ____ and on the _____ day of each month thereafter until paid in full. The principal, premium, if any, and interest on this note are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts. The principal and premium, if any, on this note are payable, upon surrender hereof, to the Superior Machine Company, Inc. at its principal office in Florence, South Carolina, or at any other office designated for such payment under the terms of the Indenture hereinafter mentioned. The interest on this note, when due and payable, shall be paid to the registered owner hereof by check or draft mailed to such person at his address last appearing on the Note Register.

This note is duly authorized and issued by the Issuer and designated as "Florence County, South Carolina, Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980" (the "1980 Note"), issued in the original principal amount of \$500,000 under and pursuant to the Constitution and Laws of the State of South Carolina, particularly Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act"), and under and secured by an Indenture by and between the Issuer and Bankers Trust of South Carolina, a corporation organized and existing under the laws of the State of South Carolina (the "Lender"), dated as of

December 1, 1980 (the "Indenture"). The 1980 Note is being issued to defray the costs of enlarging, improving and expanding the existing facility of the Corporation by acquiring certain land and a building or buildings and other improvements thereon and all machinery, apparatus, equipment, office facilities and furnishings to be used for the manufacture of component parts for machinery used in the pulpwood, paper, steel and rock crushing industries (the "Project"). The Project will be made available to Superior Machine Company, Inc., a South Carolina corporation (the "Corporation") pursuant to the terms of a Financing Agreement dated as of December 1, 1980 (the "Agreement") between the Issuer and the Corporation. As provided in the Indenture, additional notes may be issued for the purpose of (a) defraying the cost of completing the Project, the cost of enlarging, improving or expanding of the Project, or (b) refunding any notes issued and outstanding under the Indenture (said additional notes and the 1980 Note and all notes issued and outstanding under the Indenture being referred to as the "Notes").

Pursuant to the terms of the Agreement, the Corporation has obligated itself to make payments to or for the account of the Issuer sufficient to pay as and when the same becomes due, the principal, premium, if any, and interest on the 1980 Note. Pursuant to the Indenture, the Issuer has assigned and pledged its rights to receive payments under the Agreement (except for certain rights of indemnification and reimbursement of expenses) to the Lender to secure payment of the 1980 Note and any additional notes issued and secured under the Indenture. As further security for the payment of the 1980 Note and any additional notes issued under the Indenture, the Issuer has assigned its rights under the Agreement including the security interest and mortgage of the Project given by the Corporation as security for its payment and performance under the Agreement.

Copies of the Indenture and the Agreement are on file at the principal corporate office of the Lender and in the Office of the Clerk of Court for Florence County, South Carolina, and reference is made to the Indenture (and all indentures supplementary thereto and amendatory thereof) and the Agreement (and all amendments or supplements thereto) for the provisions relating, among other things, to the terms and security for the 1980 Note, the collection and disposition of the revenues and receipts of the Issuer derived pursuant to the Agreement, the custody and application of the proceeds of the 1980 Note, the rights and remedies of the holders of the 1980 Note, the rights, duties and obligations of the Issuer, the Corporation and the Lender and the modification or amendment of any of the foregoing.

This note and any additional notes issued under and secured by the Indenture are and will be equally and ratably secured, to the extent provided in the Indenture, solely by a pledge of the revenues and receipts derived by the Issuer pursuant to the Agreement and by an assignment of the rights of the Issuer under the Agreement including any security interest or mortgage given by the Corporation thereunder. This note and the interest payments becoming due hereon are limited obligations of the Issuer payable solely from the revenues and receipts derived by the Issuer pursuant to the Agreement, and do not and shall never constitute an indebtedness of the Issuer within the meaning of any constitutional provision or statutory limitation and do not and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers. The full faith, credit and taxing power of the Issuer are not pledged for the payment of the principal, premium, if any, or interest on the 1980 Note.

The transfer of this note is registrable, as provided in the Indenture, upon the Note Register kept for that purpose at the principal corporate office of the Corporation, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this note together with a written instrument of transfer satisfactory to the Corporation duly executed by the registered owner or his attorney duly authorized in writing, and thereupon shall be reissued to the transferee with a notation as to the principal amount outstanding as of the date of such transfer as provided in the Indenture, and upon payment of the charges therein prescribed. The Issuer and the Corporation may deem and treat the person in whose name this note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 1980 Note may be prepaid prior to the stated maturity hereof as a whole at any time upon the exercise by the Corporation of its option to prepay all amounts payable by the Corporation pursuant to the provisions of the Agreement in the event of damage, destruction or condemnation, unreasonable burdens or excessive liabilities or certain changes in connection with the Project or to the extent and as provided in the Indenture. In such case, the 1980 Note shall be prepaid at a prepayment price equal to the principal amount thereof, together with unpaid interest accrued to the date fixed for prepayment, in the manner and subject to the provisions of the Indenture.

The 1980 Note shall also be subject to prepayment as a whole at any time, or in part from time to time on any interest payment date, upon exercise by the Corporation of an option under the Agreement to prepay in whole or in part the payments required to be made under the Agreement, under circumstances other than those described above together with unpaid interest accrued to the date fixed for prepayment, in the manner and subject to the provisions of the Indenture, provided no such payment may be made with funds derived directly or indirectly from other borrowings by the Corporation as a result of obtaining more favorable or similar terms. Any such prepayment shall be applied to the then last maturing installment of principal. If the 1980 Note is paid in full or any portion of the 1980 Note is prepaid with funds derived directly or indirectly from other borrowings by the Corporation as a result of obtaining more favorable or similar terms, then the Corporation agrees to a five percent (5%) prepayment penalty on the amount prepaid.

The 1980 Note shall be subject to mandatory prepayment in whole on the interest payment date next succeeding a Determination of Taxability (as defined in the Indenture) at a prepayment price equal to _____ percent (____%) of the principal amount thereof plus unpaid interest accrued to the prepayment date, in the manner and subject to the provisions of the Indenture, provided, however, that prepayment shall not be mandatory if the Corporation and Lender agree to mutually satisfactory terms and conditions.

The holder of this note shall have no right to institute any suit, action or proceeding for the enforcement of any trust under the Indenture or hereunder other remedy under the Indenture or hereunder except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the outstanding principal balance of the 1980 Note and all additional notes issued under the Indenture may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

As provided in the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the holder of the 1980 Note and all additional notes issued under the Indenture in any particular may be made only with the consent of the Corporation and the holders of each of the affected notes then outstanding under the Indenture. Any such consent by the holder of this bond shall be conclusive and binding upon such holder and all future holders and owners of this note irrespective of whether any notation of such consent is made upon this note.

It is hereby certified and recited that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this note, exist, have happened and have been performed in due time, form and manner, and that the issuance of this note and the issue of which it forms a part are within every debt and other limit prescribed by the Constitution and laws of the State of South Carolina.

IN WITNESS WHEREOF, Florence County, South Carolina, has caused this note to be executed in its name and on its behalf by the manual signature of the Chairman of its County Council and its seal to be impressed, imprinted, engraved or otherwise affixed or reproduced hereon and attested by the manual signature of the Administrator of the County, as of December 1, 1980.

FLORENCE COUNTY, SOUTH CAROLINA

By _____
Robert H. Rhodes, Chairman,
County Council of Florence
County, South Carolina

(SEAL)

ATTEST:

By _____
M. L. Love, Administrator,
Florence County, South Carolina

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS,
THIS INDENTURE WITNESSETH:

The Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the 1980 Note issued and secured hereunder by the holder and owner thereof, and of the execution and delivery by the Corporation of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal, premium, if any, and interest on the 1980 Note according to its tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the 1980 Note, and does hereby, subject to the terms and provisions of the Agreement, sell, assign, convey and pledge unto Bankers

Trust of South Carolina, as holder of the 1980 Note, and unto its successors in trust, and to its assigns forever, all of the right, title and interest of the Issuer in and to the Agreement (except for the rights of the Issuer to receive payments, if any, of administration expenses pursuant to Section 4.01 of the Agreement and indemnification payments pursuant to Section 7.04 of the Agreement), the Revenues (as hereinafter defined), and all moneys and securities in the Construction Fund (as hereinafter defined).

TO HAVE AND TO HOLD the same pledged, conveyed and assigned, or agreed or intended so to be, to the Lender and its successors and its assigns forever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal, premium, if any, and interest on the 1980 Note and the interest due or to become due thereon, at the times and in the manner mentioned in the 1980 Note and the interest coupons appertaining to the 1980 Note, respectively, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Lender all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment this Indenture and the rights hereby granted shall cease, determine and be void, otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all bonds issued and secured hereunder are to be issued, authenticated and delivered and all moneys and securities hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Lender and with its successors and assigns as the holder and owner, from time to time, of the 1980 Note, or any part thereof as follows, that is to say:

ARTICLE I

DEFINITIONS

The terms defined in this Article I shall for all purposes of this Indenture have the meanings herein specified, unless the context clearly otherwise requires. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa.

"Act" shall mean Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and all future acts supplemental thereto and amendatory thereof.

"Additional Notes" shall mean Notes other than the 1980 Note, duly executed and delivered pursuant to this Indenture.

"Administration Expenses" shall mean the reasonable and necessary expenses incurred by the Issuer with respect to the Project, the Agreement and this Indenture, and the compensation and expenses paid to or incurred by the Lender under the Agreement or this Indenture; provided, however, that no such expense shall be considered an Administration Expense until the Issuer or the Lender, as the case may be, has furnished to the Corporation a statement in writing indicating the amount of such expense and the reason it has been or will be incurred.

"Agreement" shall mean the Financing Agreement dated as of December 1, 1980, between the Issuer and the Corporation, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions of the Agreement and of this Indenture.

"Authorized Corporation Representative" shall mean any person at the time designated to act on behalf of the Corporation by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of each such person, and signed on behalf of the Corporation by its President or one of its Vice Presidents. Such certificate may designate an alternate or alternates, and may designate different Authorized Corporation Representatives to act for the Corporation with respect to different sections of the Agreement and this Indenture. An Authorized Corporation Representative may be an employee of the Corporation.

"Bond Counsel" shall mean legal counsel experienced in matters relating to municipal obligations and the exemption from taxation of the interest thereon.

"Completion Date" shall mean the date of completion of the acquisition, construction and installation of the Project, as that date shall be certified pursuant to Section 3.05 of the Agreement.

"Construction Fund" shall mean the fund created under Section 4.01 of this Indenture.

"Corporation" shall mean Superior Machine Company, Inc., a South Carolina corporation, and any surviving, resulting or transferee corporation in any merger, consolidation or transfer of assets permitted under Section 7.02 of the Agreement.

"Corporate Office" shall mean the principal office of the Corporation, at which at any particular time its business and corporate records shall be principally administrated and maintained.

"Cost" or "Cost of the Project" shall mean the cost of acquiring, by construction and purchase, the Project and shall be deemed to include, whether incurred prior to or after the date of this Indenture, (a) obligations of the Corporation incurred for labor, materials and other expenses to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) the expenses of the Corporation for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefor, 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; (d) expenses of the Lender, legal, accounting, financial and printing expenses, fees and all other expenses incurred in connection with the issuance of the Bonds; (e) all other costs which the Corporation shall be required to pay under the terms of any contract or contracts for the acquisition, construction and installation of the Project; (f) costs incurred by the Corporation for the acquisition of the land upon which the Project is located; (g) any sums required to reimburse the Corporation for advances made by it for any of the above items, or for any other work done by, and costs incurred by, the Corporation, which are properly chargeable to the capital

account of the Project for Federal income tax purposes or would be so chargeable either with a proper election by the Corporation or but for a proper election by the Corporation to deduct such amounts; and (h) any amount specified for the payment of interest on a Note to such date or dates as shall be specified (i) with respect to the 1980 Notes herein, and (ii) with respect to each Additional Note, in the Supplemental Indenture providing for the issuance of each such Note.

"Depository" shall mean Bankers Trust of South Carolina, a South Carolina banking corporation, organized and existing under the laws of South Carolina.

"Determination of Taxability" shall mean (a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that the interest paid or payable on any of the 1980 Note is includable in the gross income of a holder or former holder thereof as a result of either (i) the limitations prescribed in IRC Section 103(b)(6)(D) having been exceeded or (ii) any other action or failures to act by the Corporation; (b) the issuance of a statement by the Corporation to the effect that it has exceeded or intends to exceed the maximum amount of capital expenditures permitted under IRC Section 103(b)(6)(D); or (c) the receipt of an opinion by the Lender from nationally recognized bond counsel stating that the interest on the 1980 Note has become includable in the gross income of a holder thereof for any reason other than that such holder is a substantial user of the project or a related person within the meaning of IRC Section 103(b)(9); provided, nevertheless, that no Determination of Taxability under clause (a) hereof shall occur for a period up to two years after the date of such statutory notice if there is available to the Corporation, either directly, or with the cooperation of any holders of the 1980 Note, a protest being actively prosecuted in good faith by the Corporation which, if successful, would result in a revocation, rescission, or retraction of any such statutory notice of deficiency by the Internal Revenue Service. Such a Determination of Taxability shall be deemed for all purposes of this Indenture to have occurred on the date borne by said statutory notice of deficiency or the date borne by said statement as the case may be.

"Event of Default" shall mean, with reference to this Indenture, any of the occurrences described in Section 7.01 hereof.

"Event of Taxability" shall mean (i) the occurrence of the circumstances described in IRC Section 103(b)(6)(D); (ii) such other acts or failures to act by the Corporation,

or (iii) the occurrence of the circumstances resulting in the delivery of the opinion specified in clause (c) of the definition of Determination of Taxability; which circumstances result in a Determination of Taxability with the result that the interest payable on the 1980 Note becomes includable in the gross income of a holder or former holder of the 1980 Note other than a holder who is a "substantial user" of the Project or a "related person" as such terms are used in IRC Section 103.

"Financing Statement" shall mean a financing statement or a continuation statement filed pursuant to the provisions of the Uniform Commercial Code of the State or such other jurisdiction the laws of which are applicable.

"IRC" shall mean the Internal Revenue Code of 1954 as amended and the regulations proposed or promulgated thereunder by the Department of the Treasury as such code and regulations apply to any particular Note.

"Indenture" shall mean this Indenture, as the same may be amended, modified or supplemented in accordance with the terms hereof.

"Interest Payment Date" shall mean each date specified in the Notes for the payment of interest thereon.

"Lender" shall mean Bankers Trust of South Carolina, a Corporation organized and existing under the laws of South Carolina, and its successors and assigns as holder of the 1980 Note.

"Neutral Costs" shall mean, with respect to any Note, that amount of the proceeds from the sale of such Note used for (i) the payment of the reasonable expenses of issuing such Note including, without limitation, advertising, recording and printing costs; accountants, financial advisor's and counsel fees; rating agency fees, initial fees of the Trustee and any paying agents and all similar expenses; and (ii) the provision of any reasonably required debt service reserve fund with respect to the Notes.

"Note" or "Notes" shall mean any or all, as the case may be, of the "Florence County South Carolina Industrial Development Revenue Notes (Superior Machine Company, Inc. Project): executed and delivered by the Issuer, under this Indenture and any Notes executed and delivered under this Indenture in lieu of or in substitution therefor.

"Noteholder" or "Holder of the Notes" or "Holder" shall mean the Registered Owner of the Note.

"Note Register" and "Note Registrar" shall have the respective meanings specified in Section 2.08 of this Indenture.

"Officer's Certificate" shall mean a certificate signed by the Chairman of the County Council of the Issuer and the Administrator of the County Council of the Issuer.

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel satisfactory to the Lender.

"Outstanding" or "Outstanding under this Indenture" when used with reference to the Notes, shall mean at any date as of which the amount of Outstanding Notes is to be determined, the aggregate of all Notes authorized, issued, executed and delivered under this Indenture, except:

(a) Notes canceled or surrendered to the Trustee for cancellation pursuant to Section 2.11 of this Indenture on or prior to such date;

(b) Notes in lieu of or in substitution for which other Notes shall have been executed and delivered pursuant to the Indenture unless proof satisfactory to the Corporation and the Issuer is presented that any such Note is held by a bona fide purchaser in due course.

In determining whether the Holders of the requisite aggregate principal amount of Notes Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Notes which are owned by the Issuer or the Corporation shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"Permitted Investments" shall mean any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State and Comptroller of the Currency, United States Department of the Treasury, for moneys proposed to be invested therein: (i) direct and general obligations of the United States of America or obligations for which the United States of America has unconditionally guaranteed or assumed the obligation of the payment of the principal and interest thereon; (ii) obligations of the Federal Land Bank, Federal Home Loan Banks, Federal National Mortgage Association, Federal Intermediate Credit Corporation, Federal Bank for Cooperatives, International Bank for Reconstruction and Development, Asian Development Bank, and direct and general obligations of any agencies of the United States of America

not included in the foregoing listing; (iii) direct and general full faith and credit obligations of the State; (iv) direct and general full faith and credit obligations of any political unit in the State; (v) obligations of savings and loan associations to the extent that the same are insured by the Federal Savings and Loan Insurance Corporation; (vi) certificates of deposit of any bank or trust company if such certificates are collaterally secured by investments of the type described in clauses (i), (ii) or (iii) above held by another bank or trust company as escrow agent or custodian, of a market value not less than the amount, including interest, of the certificates so secured; (vii) certificates of deposit or other obligations of banks or trust companies organized under the laws of the United States of America or any state thereof, to the extent such certificates or other obligations are insured by an agency of the United States of America; and (viii) any other investment permitted by law.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean the plans and specifications prepared for the Project, on file at the Plant, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the acquisition, construction and installation of the Project in accordance with Section 3.07 of the Agreement. The Plans and Specifications shall be made available to the Lender and the Issuer for inspection at such times as the Lender and the Issuer may reasonably request.

"Plant" shall mean the manufacturing facility of the Corporation located in the jurisdiction of the Issuer:

"Principal Payment Date" shall mean any date on which the principal of any Note shall become due, whether at maturity or by redemption, acceleration or purchase.

"Project" shall mean the land described on Exhibit B and a building or buildings or other improvements thereon, and all other machinery, apparatus, equipment, office facilities and furnishings to be installed therein more particularly described in Exhibit A to the Agreement, including any modification thereof, substitutions therefor and additions thereto and excluding deletions therefrom, all as provided in the Plans and Specifications, but not including the Corporation's own machinery and equipment installed at the Plant under the provisions of Section 8.03 of the Agreement.

"Registered Owner" shall mean the Person or Persons in whose name or names a particular Note shall be registered on the Note Register.

"Revenues" shall mean all payments, receipts and revenues which the Issuer has a right to receive under or pursuant to the Agreement (other than payment of Administration Expenses and indemnification payments pursuant to Section 4.01 and 7.04, respectively, of the Agreement and the proceeds of the Notes).

"State" shall mean the State of South Carolina.

"Supplemental Indenture" or "indenture supplemental hereto" shall mean any indenture supplemental to or amendatory of this Indenture as originally executed which is duly entered into in accordance with the provisions of this Indenture.

"1980 Note" shall mean the Note in the original principal amount of \$500,000 initially authorized to be issued pursuant to Section 2.02 of this Indenture.

ARTICLE II

DESCRIPTION, AUTHORIZATION, MANNER OF EXECUTION, REGISTRATION AND TRANSFER OF NOTES

SECTION 2.01. Authorization and Designation of Notes. The Note shall be designated generally as "Florence County, South Carolina, Industrial Development Revenue Note (Superior Machine Company, Inc. Project)," with such further appropriate and particular designations added to or incorporated in such title for the Note as the Issuer may determine. Each Note shall bear upon the face thereof the designation so selected for the Series to which it belongs.

SECTION 2.02. Details of 1980 Note. There shall be issued under and secured by this Indenture a Note to be designated "Florence County, South Carolina, Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980" in the original principal amount of \$500,000. The 1980 Note shall be dated December __, 1980, shall bear interest from such date until maturity or until the date fixed for prepayment (whichever occurs first), at the interest rate per annum of sixty-five percent (65%) of the prime commercial lending rate of Bankers Trust of South Carolina, in effect from time to time, for 90 day unsecured borrowing. This Note is payable in ____ equal installments of principal in the amount of \$ ____ plus accrued interest as stated herein commencing on January __, 1981, and on the ____ day of each month thereafter until paid in full; and shall mature (subject to the right of prepayment at the prices and dates and upon the terms and conditions hereinafter set forth) on December 1, 1988.

The principal and prepayment premium, if any, on 1980 Note upon maturity or prepayment shall be payable to the Registered Owner thereof or his assigns upon surrender thereof at the Corporate Office for such purpose. The interest on the 1980 Note when due and payable shall be paid to the Registered Owner thereof by check or draft mailed to such Person at his address last appearing on the Note Register. All payments of principal, prepayment premium, if any, and interest on the 1980 Note shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the manner and with the effect provided in this Indenture, the 1980 Note will be subject to prepayment prior to the stated maturity thereof:

(a) As a whole at any time upon the exercise by the Corporation of its option under the Agreement to

prepay all amounts payable by it thereunder upon the happening of one of the following events:

(i) all or substantially all of the Project is damaged or destroyed to such extent that in the opinion of the Corporation it cannot be reasonably restored to its condition immediately preceding such damage or destruction within a period of six months, or to such extent that the Corporation, in its opinion, would be prevented or would likely be prevented from carrying on normal operations at the Project for a period of six months or more or the cost of restoration or repair would exceed by 25% the original cost of the Project; or

(ii) all or substantially all of the Project is condemned or taken under the exercise of the power of eminent domain by any governmental authority to such extent that the Corporation, in its opinion, would be prevented or would likely be prevented from carrying on normal operations at the Project for a period of six months or more; or

(iii) any change occurs in the Constitution of the State of South Carolina or the Constitution of the United States of America, or there occurs any legislative or administrative action (whether state or Federal) or any final decree, judgment or order is issued by any court or administrative body (whether state or Federal), the result of which is to render the obligations of the Corporation under the Agreement unenforceable or impossible of performance in any material respect in accordance with the intent and purpose of the parties as expressed in the Agreement; or

(iv) unreasonable burdens or excessive liabilities are imposed on the Issuer or the Corporation with respect to the Project or the operation thereof, including without limitation, Federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Agreement which, in the judgment of the Corporation, render the continued operation of the Project uneconomical for their intended use; or

(v) changes in the economic availability of raw materials, labor, operating supplies, energy sources, facilities or supplies necessary for the efficient operation of the Project or technological or other changes have occurred which the Corporation cannot reasonably control or overcome

and which in the reasonable judgment of the Corporation render continued operation of the Project uneconomic for its purpose.

Under this paragraph (a), the 1980 Note shall be payable at a prepayment price equal to the principal amount thereof, together with unpaid interest accrued to the date fixed for prepayment..

(b) As a whole at any time, or in part from time to time on any Interest Payment Date relating to the 1980 Note, upon the exercise by the Corporation of its option to prepay pursuant to Section 10.01 of the Agreement, and under circumstances other than those described in paragraphs (a) above and (c) and (d) below, upon payment in each case of the applicable prepayment price, together with unpaid interest accrued to the date fixed for prepayment; provided no such payment may be made with funds derived directly or indirectly from other borrowings by the Corporation as a result of obtaining more favorable or similar terms. Any such prepayment shall be applied to the last maturing installment of principal. If the 1980 Note is paid in full or any portion of the 1980 Note is prepaid with funds derived directly or indirectly from other borrowings by the Corporation as a result of obtaining more favorable or similar terms, then the Corporation agrees to pay a five percent (5%) prepayment penalty on the amount prepaid.

(c) As a whole at any time upon the occurrence of a Determination of Taxability with respect to the 1980 Note on the Interest Payment Date next succeeding a Determination of Taxability, at a prepayment price equal to _____ percent (____%) of the principal amount thereof plus unpaid interest accrued to the prepayment date; provided, however, that prepayment shall not be mandatory if the Corporation and Lender agree to mutually satisfactory terms and conditions.

SECTION 2.03. Terms of Additional Notes. At any time while an Event of Default does not exist or is not continuing hereunder, and subject to the terms and conditions hereof and of the Agreement the Issuer may, with the consent of the Lender, issue from time to time Additional Notes pursuant to one or more Supplemental Indenture and, such Additional Notes shall be subject to the terms and conditions established by the Lender in such Supplemental Indenture.

SECTION 2.04. Mutilated, Lost, Stolen or Destroyed Notes. In the event any Outstanding Note is mutilated,

lost, stolen or destroyed, the Issuer may execute and deliver a new Note of the same principal amount and maturity and of like tenor as the mutilated, lost, stolen or destroyed Note in exchange and substitution for such mutilated Note or in lieu of the substitution for such lost, stolen or destroyed Note.

Application for exchange and substitution of a mutilated, lost, stolen or destroyed Note shall be made to the Corporation at the Corporate Office. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Corporation such security or indemnity as may be required by them to save each of them harmless. In every case of loss, theft or destruction of a Note, the applicant shall also furnish to the Issuer and to the Corporation evidence to their satisfaction of the loss, theft or destruction and of the ownership of such Note. In every case of mutilation of a Note, the applicant shall surrender the Note so mutilated.

Notwithstanding the foregoing provisions of this Section 2.04, in the event any such Note shall have matured or be about to mature and no default has occurred which is then continuing in the payment of the principal, premium, if any, or interest on the Note, the Issuer may authorize the payment of the same, without surrender thereof except in the case of a mutilated Note instead of issuing a substitute Note, if any, provided security or indemnity is furnished as above provided in this Section 2.04.

Upon the issuance of any substitute Note, the Issuer and the Corporation may charge the Holder of such Note with their reasonable fees and expenses in connection therewith. Every substitute Note issued pursuant to the provisions of this Section 2.04 by virtue of the fact that any Note is lost, stolen or destroyed shall constitute an original additional contractual obligation of the Issuer, whether or not the lost, stolen or destroyed Note shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionally with any and all other Notes duly issued under this Indenture to the same extent as the Note in substitution for which such Note was issued.

The provisions of this Section 2.04 are exclusive and shall preclude, to the extent lawful, all of the rights and remedies with respect to the payment of mutilated, lost, stolen or destroyed Notes, including those granted by any law or statute now existing or hereafter enacted.

SECTION 2.05. Execution of Notes. All the Notes shall, from time to time, be executed on behalf of the

Issuer by the manual signature of the Chairman of the Issuer and its corporate seal shall be impressed, imprinted, engraved or otherwise affixed or reproduced thereunto and attested by the manual signature of the Administrator of the Issuer.

If any of the officers who shall have signed or sealed any note shall cease to be such officer of the Issuer before the Note so signed and sealed shall have been actually delivered by the Issuer, such note nevertheless may be issued and delivered with the same force and effect as though the person or persons who signed or sealed such note had not ceased to be such officer or officers of the Issuer; and also any such Note may be signed and sealed on behalf of the Issuer by those persons who, at the actual date of the execution of such Note, shall be the proper officers of the Issuer, although at the date of such Note any such person shall not have been such officer of the Issuer.

SECTION 2.06. Negotiability, Registration and Transfer. Ownership of each Note shall be registered on the Note Register, which shall be kept for this purpose at the Corporate Office, by the Corporation which is hereby designated Note Registrar. Upon surrender of any Note for transfer thereof by the Registered Owner in person or by his attorney duly authorized in writing together with a written instrument of transfer in form satisfactory to the Note Registrar duly executed by the Registered Owner or his attorney duly authorized in writing and upon payment by such Registered Owner of a sum sufficient to cover any governmental tax or charge required to be paid as provided in Section 2.07 of this Indenture. Upon any such registration of transfer, the Issuer shall issue in the name of the transferee a new Note of the same date, interest rate and maturity, as before.

The Issuer and the Corporation may deem and treat the Registered Owner of any Note as the absolute owner of such Note for the purpose of receiving any payment on such Note for the purpose of receiving any payment on such Note and for all other purposes of this Indenture and the Agreement, whether such Note shall be overdue or not, and neither the Issuer nor the Corporation shall be affected by any notice to the contrary. Payment of, or on account of, the principal, premium, if any, and interest on any Note shall be made to such Registered Owner or upon his written order. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

All Notes issued under this Indenture shall have such attributes of negotiability as are provided for under the laws of the State.

SECTION 2.07. Regulations with Respect to Transfer. In all cases in which the privilege of registering the transfer of Notes is exercised, the Issuer shall execute and deliver Notes in accordance with the provisions of this Indenture. There shall be no charge for any such registration of transfer of a Note, but the Issuer may require the payment of a sum sufficient to pay any tax or other governmental charge required to be paid with respect to any such registration of transfer.

SECTION 2.08. Notes Limited Obligations of Issuer. The Notes shall be limited obligations of the Issuer, the principal, premium, if any, and interest on which shall be payable solely out of the revenues and receipts derived by the Issuer pursuant to the Agreement including, without limiting the generality of the foregoing, all moneys included or to be included in the property pledged herein. The Notes and the premium, if any, and interest thereon do not and shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provisions or statutory limitation and do not and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers. The principal, premium, if any, and interest on the Notes shall be secured solely by the aforesaid revenues and receipts and by this Indenture, including, without limiting the foregoing, by the pledge to the Lender made herein of said revenues and receipts and the Agreement.

No breach by the Issuer of this Indenture or of any provision or condition hereof or in the Notes or of any agreement contained herein or in the Notes shall result in the imposition of any pecuniary liability upon the Issuer or any charge upon its general credit or against its taxing power. The liability of the Issuer under this Indenture and the Notes or any provision or condition hereof or thereof or of any agreement herein or in the Notes contained or of any warranty herein or in the Notes included or for any breach or default by the Issuer of any of the foregoing shall be limited solely and exclusively to the property pledged herein. The Issuer shall not be required to execute or perform any of its duties, obligations, powers or covenants hereunder or under the Notes except to the extent of the property pledged herein available therefor.

The provisions of this Section 2.08 shall control every other provision of this Indenture, anything in such other provisions to the contrary notwithstanding.

ARTICLE III

EXECUTION AND DELIVERY OF NOTES

SECTION 3.01. Limitation of Principal Amount of Notes; Notes Equally and Ratably Secured. The original principal amount of Notes which may be executed and delivered by the Issuer and secured by this Indenture is not limited, except as is or may hereafter be provided in this Indenture or as may be limited by law. All Notes issued and to be issued hereunder are, and are to be, to the extent provided in this Indenture, equally and ratably secured by this Indenture without preference, priority or distinction on account of the actual time or times of the execution or delivery or maturity of the Notes, or any of them, so that, subject as aforesaid, all Notes at any time Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured hereby with like effect as if they had all been executed and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall have been authorized to be executed and delivered under Section 3.02 or may be authorized to be executed and delivered hereafter pursuant to Section 2.04, 2.06, 3.03, 3.04 or 7.04 or any other relevant section of this Indenture.

SECTION 3.02. Execution and Delivery of 1980 Note. The 1980 Note in the original principal amount of Five Hundred Thousand Dollars (\$500,000), being the first Note issued under this Indenture, shall forthwith be executed by the Issuer and delivered to the Lender, together with a statement as to the amount and disposition of the proceeds of the sale of such principal amount of said Note, and thereupon the 1980 Note shall be accepted by the Lender, but only upon the deposit by the Lender of the aforesaid proceeds of sale of the 1980 Note in the Construction Fund. Prior to acceptance of the 1980 Note the Lender shall also have received the following:

(a) A copy of the ordinance adopted by the Issuer authorizing the execution and delivery of the Agreement and this Indenture and the issuance and delivery of the 1980 Note, duly certified by the Administrator of the Issuer under its corporate seal to have been duly enacted by the Issuer and to be in full force and effect on the date of such certification;

(b) An original executed counterpart of the Agreement and this Indenture;

(c) A certificate of the Chairman of the Issuer to the effect that on the basis of the facts, estimates and circumstances in existence on the date of delivery of the 1980 Note, it is not expected that the proceeds of the 1980 Note will be used in a manner that would have caused the 1980 Note to be an arbitrage bond within the meaning of Section 103(c) of the IRC had such use been reasonably expected on the date of issuance of the 1980 Note, and such certificate shall set forth such facts, estimates and circumstances, which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of the officer signing such certificate there are no other facts, estimates or circumstances that would materially change such expectation; and

(d) An Opinion of Counsel who is Bond Counsel as to the validity of and tax exemption of interest on the 1980 Note.

SECTION 3.03. Authentication and Delivery of Additional Notes for the Project. Subsequent to the authentication, issuance and delivery of the 1980 Note, one or more Additional Notes may be executed and delivered upon original issuance for the purpose of providing funds to (i) finance the Cost of completion of the Project; (ii) finance the Cost of enlargements, improvements or expansions to the Project; or (iii) to refund any Notes then Outstanding. Any such Additional Note shall be on a parity with and secured in the same manner as all other Notes then Outstanding. The Issuer may execute and deliver such Additional Note to the purchaser thereof, provided that, prior to such delivery:

(a) The Issuer shall adopt or enact such resolution, resolutions, ordinance or ordinances authorizing such Additional Note and the execution and delivery by the Issuer of a Supplemental Indenture providing for the terms and conditions upon which such Additional Note is to be issued, as are then required;

(b) The Issuer shall adopt or enact such resolution, resolutions, ordinance or ordinances authorizing the execution and delivery by the Issuer of any agreement which is necessary to amend the Agreement to (i) increase or adjust the payments to be made under the Agreement to an amount sufficient to pay, as and when the same mature or become due, the principal, premium, if any, and interest on all Outstanding Notes, including such Additional Note, (ii) include as part of the Project all machinery, equipment, facilities, land and rights in land to be financed by the issuance and sale of such Additional Note, and (iii) make such other

revisions to the Agreement as are necessitated by the issuance of such Additional Note (provided, however, that such other revisions shall not prejudice the rights of the Holders of Outstanding Notes as granted them under the terms of this Indenture) as are required by the Act;

(c) The Issuer shall receive a written statement by the Corporation (i) approving the issuance of such Additional Note and (ii) certifying that it is not then in default under the Agreement;

(d) The Issuer shall receive a written statement signed by the Lender approving the issuance of such Additional Note;

(e) The Issuer shall have received an Opinion of Counsel who shall be Bond Counsel addressed to the Issuer and the Lender, to the effect that all the conditions precedent to the issuance of such Additional Note set forth in this Indenture and the Supplemental Indenture authorizing such Additional Note have been satisfied and such issuance will not impair the exemption of interest on the 1980 Note and any other Additional Note previously issued as "tax exempt" bonds from Federal income taxation;

(f) The Issuer shall have made provision satisfactory to the Lender for the application of the proceeds of such Additional Note as is required by the Act, this Indenture and the Supplemental Indenture pursuant to which such Additional Note is issued; and

(g) There shall have been delivered to the Lender and the holder of any other Note then Outstanding a duplicate copy of all the documents used in connection with the issuance of the Additional Note and an Opinion of Counsel satisfactory to the Lender stating that the Indenture and the lien and security interest created or assigned hereunder will continue to have the priority accorded hereto prior to the issuance of such Additional Note.

ARTICLE IV

CONSTRUCTION FUND

SECTION 4.01. Creation of Construction Fund. There is hereby created and established with the Depositary a special and separate trust fund of the Issuer to be known and designated as the "Florence County, South Carolina, Industrial Development Construction Fund (Superior Machine Company, Inc. Project)." The Issuer shall pay to the Lender as Depositary the proceeds from the sale by the Issuer of each Note (except a Note issued under Section 3.03 of this Indenture to refund any Notes then Outstanding), and the Depositary shall deposit the same in the Construction Fund.

SECTION 4.02. Application of Moneys in Construction Fund. The moneys in the Construction Fund, until applied in payment of any item of the Cost of the Project, shall be held in trust by the Depositary and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Notes and for the further security of such Notes until paid out as herein provided.

SECTION 4.03. Requisitions. So long as no Event of Default (as defined in the Agreement) has occurred and is continuing the Depositary shall make payments from the Construction Fund to pay the Cost of the Project upon receipt by the Depositary of requisitions (upon which both the Depositary and the Issuer shall rely and shall be protected in relying) signed by an Authorized Corporation Representative, stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the Person to whom payment is due or has been made; (iii) the amount to be paid; (iv) no obligation, item of cost or expense mentioned therein has been the basis of any previous withdrawal; (v) the payment of such amount is a proper charge against the Construction Fund and specifying the purpose and circumstances of such obligation in reasonable detail, accompanied by a bill or statement of account for such obligation; (vi) at least 90% of the amount, exclusive of amounts requisitioned for the payment of Neutral Costs, requisitioned from the Construction Fund, including the amount being requisitioned, has been or, when applied as stated in the requisition, will have been expended for Qualifying Costs; (vii) the person signing such requisition has no notice of any vendor's, mechanic's or other liens, or rights to liens or condition sales contracts, or other contracts or obligations, which have not been released or will not be released simultaneously with such payment and which should be satisfied or discharged before such payment is made; (viii) such requisition contains no item representing payment on account of any retained percentages

under any contract which, as of the date of such requisition, is not required to be paid; and (ix) with respect to any such requisition for payment for labor, services, materials, supplies, furnishings, apparatus or equipment, that such labor or services were actually performed or such materials, supplies, furnishings, apparatus or equipment were actually used in or about the construction or installation of the Project or delivered at the site thereof for such purpose, or delivered for storage or fabrication at a place or places approved by the signer or the signers or if not so used or delivered, that an advance payment therefor is required by the supplier thereof.

SECTION 4.04. Retention of Requisition. For a minimum of five years from the date thereof the Depositary shall retain in its possession all requisitions received by it as in this Indenture required, subject to the inspection of the Issuer, its agents and representatives, the Corporation and Noteholders and their representatives at all reasonable times.

SECTION 4.05. Disposition of Balances Remaining in Construction Fund. Upon completion of the Project or completion of any enlargements, improvements or expansions thereof the cost of which has been defrayed out of the proceeds of one or more Notes, in accordance with the Plans and Specifications, the Depositary shall be furnished with a certificate of an Authorized Corporation Representative showing such completion and the date thereof and the payment of the Cost thereof or the provisions necessary to be made for payment thereof. Thereupon, any balance in the Construction Fund not reserved for the payment of any remaining part of the Cost of any of the foregoing shall be applied to the payment of the principal of the Note the issuance of which resulted in such deposit.

SECTION 4.06. Moneys to be Continuously Secured. All moneys received by the Depositary under this Indenture and not invested by the Depositary pursuant to the provisions of Section 4.04 of this Indenture shall be continuously secured for the benefit of the Issuer and the Holders of the Notes to the extent and in the manner required by law.

SECTION 4.07. Investment of Moneys. Moneys on deposit to the credit of the Construction Fund or Depositary may be retained uninvested as trust funds and shall, upon written direction from the Corporation if an Event of Default (as defined in the Agreement) shall not then exist or be continuing or upon written directions from the Issuer if such an Event of Default shall then exist or be

continuing, be invested by the Depositary in Permitted Investments. If an Event of Default (as defined in the Agreement) shall not then exist or be continuing or upon written directions from the Issuer if such an Event of Default shall then exist or be continuing.

Any securities purchased with the moneys in the Construction Fund, shall be deemed a part of such fund and, for the purpose of determining the amount of moneys therein, the securities therein shall be valued at their cost or market value, excluding accrued interest, whichever is lower. The interest, including realized increment on securities purchased at a discount, received on all such securities (after deduction for accrued interest, commissions, if any, and premium paid from the Construction Fund, at time of purchase) shall be deposited by the Depositary in the Construction Fund and any loss resulting from such investments will be charged to the Construction Fund. The Depositary shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as in this Indenture authorized. If at any time it shall become necessary that some or all of the securities purchased with the moneys in the Construction Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Indenture, the Depositary shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method.

ARTICLE V

PREPAYMENT OF NOTES

SECTION 5.01. Notes to be Prepaid only in Manner Provided in Article V. Any prepayment of all or any part of the Notes which are subject to prepayment shall be made in the manner provided in this Article V. A prepayment of Notes issued under the provisions of this Indenture and then Outstanding shall be either (i) a prepayment of the whole or any part of one or more Notes from the proceeds of Additional Notes issued under the provisions of Section 3.03 of this Indenture; (ii) a prepayment of the whole or any part of one or more Notes from any funds available to the Issuer for that purpose; (iii) a prepayment pursuant to the provisions of Sections 2.02 or 4.05 of this Indenture or any other relevant provision of this Indenture; or (iv) a prepayment pursuant to the provisions of a Supplemental Indenture.

SECTION 5.02. Notice of Prepayment. In the case of any prepayment, the Corporation shall give in its own name, or in the name of the Issuer notice as hereinafter in this Section 5.02 provided. Such notice shall state that a particular Note or or portion thereof has been called for prepayment or if all the Outstanding Notes are to be prepaid, so stating, that the Note to be prepaid will be due and payable on the date fixed for prepayment (specifying such date) upon surrender thereof at the Corporate Office at the applicable prepayment price (specifying such price), together with accrued interest to such date, and that all interest on the Notes, or portion thereof to be prepaid will cease to accrue on and after such date.

Such notice shall be mailed by first class mail, postage prepaid, to the Registered Owner of such Note or portion thereof so called, at addresses as the same shall last appear on the Note Register.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Registered Owner of the Note of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Issuer and the Corporation shall be deemed to be a sufficient giving of such notice.

SECTION 5.03. Procedure for Mandatory Prepayment. Promptly after receipt by it of notice of the occurrence of a Determination of Taxability the Lender shall send written notification to the Issuer and the Corporation that the

Outstanding Notes shall be prepaid pursuant to the requirements of Section 2.02(c) and the date upon which such Notes are to be so prepaid. The date for prepayment, shall be the next Interest Payment Date.

ARTICLE VI

PARTICULAR COVENANTS OF THE ISSUER

SECTION 6.01. Payment of Principal, Premium, if any, and Interest on the Notes. Subject to the provisions of Section 2.08 hereof, the Issuer covenants that it shall promptly pay or cause to be paid the principal, premium, if any, and interest on every Note issued under and secured by this Indenture at the places, on the dates and in the manner specified in this Indenture and in said Notes according to the true intent and meaning thereof.

SECTION 6.02. Maintenance of Corporate Existence of Issuer. The Issuer will at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all its rights, powers, privileges and franchises; and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Agreement or this Indenture.

SECTION 6.03. Covenants with Respect to Agreement. So long as any of the Notes are Outstanding, the Issuer will require the Corporation to pay, or cause to be paid, all the payments and other costs and charges payable by the Corporation under the Agreement. The Agreement may not be amended, changed, modified, altered or terminated without the prior written consent of the Holders of all the Notes then Outstanding, or in case less than all the Notes then Outstanding are affected by the modifications or amendments, the Holders of so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any particular Note remains Outstanding, the consent of the Holder of such Note shall not be required and such Note shall not be deemed to be Outstanding under this Section 6.03.

SECTION 6.04. Execution of Documents in Connection with Additional Notes. (a) Prior to the issuance of any Additional Notes under the provisions of this Indenture, the Issuer will, if necessary, enter into an appropriate amendment to the Agreement. Such amendatory agreement shall increase, if necessary, the payments to be made under the Agreement by an amount which, including any provision included therein for payment of Administration Expenses, shall be sufficient to provide for payment of the principal, premium, if any, and interest on such Additional Notes as the same shall become due and payable in accordance with their terms. Such amendatory agreement, also, shall include in the Project as defined in the Agreement, if necessary, all machinery, equipment, facilities, to be financed by the

issuance and sale of such Additional Notes, if any, and make such other revisions in the Agreement as are necessitated by the issuance of such Additional Notes; provided, however, that such other revisions shall not adversely affect the rights of the Holders of Outstanding Notes, as granted them under the terms of this Indenture.

(b) The Issuer shall not issue any Additional Note under the provisions of Section 3.03 of this Indenture unless the payments under the Agreement, after deducting therefrom any amounts included therein for the payment of Administration Expenses, shall be sufficient to provide for payment of the principal, premium, if any, and interest on all Notes which will be Outstanding upon the issuance of such Additional Notes as the same become due and payable.

SECTION 6.05. Maintenance of Project. The Issuer shall at all times cause the Corporation to maintain, preserve and keep, or cause to be maintained, preserved and kept, the Project, in good repair, working order and condition, in accordance with the requirements of the Agreement and the Act.

SECTION 6.06. Insurance. The Issuer shall cause the Corporation, so long as any of the Notes are Outstanding, to keep the Project properly insured in accordance with the provisions of the Agreement and the Act.

Immediately after the occurrence of any damage or loss to the Project in excess of \$25,000, the Corporation is required by the Agreement to notify the Issuer and the Lender as to the nature and extent of such damage or loss. If the Corporation shall determine that rebuilding, repairing or restoring is practicable and desirable, the Corporation has agreed to proceed with such rebuilding, repairing or restoring and shall notify the Issuer and the Lender upon the completion thereof. In such case, any property damage insurance proceeds received in respect of such damage or loss shall be used by the Corporation for payment of, or reimbursement for, the costs of such rebuilding, repairing or restoring. In the event said proceeds are not sufficient to pay in full the costs of such rebuilding, repairing or restoration, the Corporation has agreed to complete the work thereof and will pay that portion of the costs thereof in excess of said proceeds.

Any balance of the proceeds of any insurance remaining after payment of all the costs of repair, rebuilding or restoration, or if no repair, rebuilding or restoration shall be made all such proceeds, shall be and applied by the Corporation to the prepayment of Notes pursuant to the Agreement. If the Notes have been fully

paid or provision for the payment thereof has been made in accordance with the provisions of this Indenture, all such insurance proceeds shall be paid to the Corporation.

SECTION 6.07. Execution and Delivery of Instruments. The Issuer covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of this Indenture; provided, however, that such instruments or actions shall never create or constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing power or pledge the credit or taxing power of the State, or any other political subdivision of the State.

SECTION 6.08. Condemnation. In the event that title to or the temporary use of the Project, or any part thereof, shall be taken in condemnation or by the exercise of the power of eminent domain by any Person acting under governmental authority, the Agreement provides that there shall be no abatement or reduction in the payments required under Section 4.01 of the Agreement to be made by the Corporation. Immediately after the occurrence of any such taking, the Corporation is required by the terms of the Agreement to notify the Issuer and the Lender as to the nature and extent of such taking and, as soon as practicable thereafter, notify the Issuer and the Lender whether it is practicable and desirable to restore the Project. If the Corporation shall determine that such restoration is practicable and desirable, the Corporation has agreed to forthwith proceed with such restoration and to notify the Issuer and the Lender upon the completion thereof. Any proceeds received from any award or awards in respect of the Project or any part thereof in such condemnation or eminent domain proceedings, after payment of all expenses incurred in the collection thereof, shall be used by the Corporation for payment or reimbursement of the costs of restoring the Project or any portion thereof pursuant to the Agreement. Any proceeds received from any award or awards in respect of the Project or any part thereof made in such condemnation or eminent domain proceedings not expended in restoring the Project, or if no such restoration shall be made all such proceeds, shall be applied by the Corporation to the prepayment of Notes pursuant to the Agreement.

SECTION 6.09. Recording and Filing. The Lender covenants and agrees to file, record, register, rerecord, reregister or refile or cause so to be if required by law, the Agreement, this Indenture, and amendments to either

thereof, and any Financing Statement or Statements or other documents in the manner and at the places and times necessary to create, perfect, protect and maintain the lien of this Indenture and the rights created hereunder in and to the Revenues, the Agreement, and any rights of the Issuer created under the Agreement; provided, nevertheless, that it shall be the responsibility of the Lender at the expense of the Corporation to file any continuation statements required under the Uniform Commercial Code of South Carolina. The Lender agrees to record, register, file, rerecord, reregister, or refile or cause so to be such documents and Financing Statements at and before the delivery of the Note and each Additional Note issued hereunder. On or before the delivery of the Note, each Additional Note and the fifth anniversary date of the filing of any Financing Statements, the Issuer agrees that it will provide or cause to be provided to the Lender an Opinion of Counsel stating that all recordation, registration and filing, and indexing thereof have been accomplished which is necessary to the creation, perfection, protection or maintenance of the lien of this Indenture, the rights created hereunder to the Revenues, the Agreement and any rights of the Issuer created under the Agreement or specifying such action as must be taken to accomplish the same and any such further action which may be required prior to the date the next such opinion will be required. Promptly after any such recordation, registration or filing, the Issuer shall provide or cause to be provided the Lender an opinion of Counsel stating that no further recording, registering or filing is then required to create, perfect, protect or maintain such interests. The Lender acknowledges that the obligations of the Issuer hereunder have been agreed to be performed by the Corporation pursuant to Section 7.07 of the Agreement and acknowledges that the sole responsibility of the Issuer hereunder shall be to execute promptly such documents and Financing Statements as are requested of it.

SECTION 6.10. Enforcement of Agreement. The Issuer agrees that the Lender, as assignee of the Agreement may enforce in its name or in the name of the Issuer all rights of the Issuer and all obligations of the Corporation under and pursuant to the Agreement for and on behalf of the itself as holder of the 1980 Note, whether or not the Issuer is in default hereunder.

SECTION 6.11. Subordination to Agreement. The Indenture and the rights and privileges hereunder of the Lender and the Holders of the Notes are specifically made subject and subordinate to the rights and privileges of the Corporation set forth in the Agreement.

SECTION 6.12. Not to Impair Tax Exemption of Interest. The Issuer will not engage in any activity or take any action, or omit to take any action the consequences of which action or omission might result in the Revenues being taxable to it or in the loss of the exemption from Federal income taxation provided by IRC Section 103 to the holders of the 1980 Note.

In pursuance and not limitation of the foregoing, the Issuer covenants that no use shall be made of the proceeds of the 1980 Note which will cause the 1980 Note to be an "arbitrage bond" as defined in IRC Section 103, and to this end the Issuer shall comply with the regulations proposed or promulgated by the United States Department of the Treasury as such regulations or proposed regulations apply to the 1980 Note.

ARTICLE VII

DEFAULTS AND REMEDIES

SECTION 7.01. Events of Default; Acceleration; Waiver. In case one or more of the following events, in this Indenture referred to as the "Events of Default," shall happen and be continuing, that is to say, if

(a) payment of the principal of any of the Notes or premium, if any, shall not be made when the same shall become due and payable at maturity, upon redemption or otherwise; or

(b) payment of an installment of interest on any of the Notes shall not be made when the same shall become due and payable; or

(c) an event of default under the Agreement or the Guaranty shall occur; or

(d) the Issuer shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Notes or this Indenture on the part of the Issuer to be performed, and such default shall continue for 90 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer and the Corporation by the Lender by certified mail; provided, however, if said default be such that it cannot be corrected within the 90 day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Corporation within the 90 day period and diligently pursued until the default is corrected;

then, in each such case, unless the principal of all the Notes shall have become due and payable otherwise than by acceleration, the Lender may by written notice given to the Issuer and the Corporation Notes then Outstanding to be due and payable immediately, and upon such declaration the principal, together with interest accrued thereon, shall become due and payable immediately at the place of payment provided in the said notice, anything in this Indenture or in said Notes to the contrary notwithstanding.

With regard to any Event of Default concerning which notice is given to the Issuer and the Corporation under Section 7.01(d), the Issuer hereby grants the Corporation full authority for the account of the Issuer to the extent permitted by law to cure such default.

SECTION 7.02. Enforcement of Agreement. In any case in which under the provisions of Section 7.01 of this Indenture the Lender has the right to declare the principal of all Notes then Outstanding to be due and payable immediately, or when the Notes by their terms mature (upon prepayment or otherwise) and are not paid, the Lender, as the assignee and pledgee of all the right, title and interest of the Issuer in and to the Agreement, may enforce each and every right granted to the Issuer under the Agreement.

SECTION 7.03. Legal Proceedings by Lender. Upon the happening and continuance of any Event of Default, then and in every such case the Lender in its discretion may:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all of its rights and require the Issuer or the Corporation to carry out any agreements with or for its benefit and to perform its or their duties under the Act, the Agreement and this Indenture;

(b) bring suit upon the Note or Notes;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Lender; or

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of its rights.

SECTION 7.04. Remedies Not Exclusive. No remedy in this Indenture conferred upon or reserved to the Lender or to the Holders of the Notes is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

SECTION 7.05. Nonwaiver. No delay or omission of the Lender or of any Holder of the Notes to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by this Article VII to the Trustee and to the Holders of the Notes, respectively, may be exercised from time to time and as often as may be deemed expedient.

SECTION 7.06. Application of Moneys upon Event of Default. Any moneys received by the Lender pursuant to this

Article VII shall, after payment of all Administration Expenses be applied as follows:

(a) Unless the principal of all the Notes shall have become or shall have been declared due and payable, all such moneys shall be applied:

First--To the payment to the Persons entitled thereto of all installments of interest then due on the Notes, with interest on overdue installments of interest, to the extent permitted by law, at the highest rate per annum borne by the Notes, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of such interest then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second--To the payment to the Persons entitled thereto of the unpaid principal or premium, if any, on any of the Notes which shall have become due, other than Notes previously called for redemption for the payment of which money is held pursuant to the provisions of the Indenture, with interest as aforesaid on such principal and premium, if any, from the respective dates upon which the same became due and, if the amount available shall not be sufficient to pay in full the amount of principal and premium, if any, due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal, premium, if any, and interest thereon, due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Notes shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Notes, with interest on overdue principal, premium, if any, and interest thereon, as aforesaid, without preference or priority of principal and premium, if any, over interest or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably, according to the amounts due, respectively, for principal, premium, if any, and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Notes shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) of this Section 7.06 which shall be applicable in the event that the principal of all the Notes shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section 7.06.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.06, such moneys shall be applied at such times, and from time to time, as the Lender shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Lender shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Lender shall give such notice by publication or mailing as it may deem appropriate of the deposit with it of any such moneys and of the fixing of such date, and shall not be required to make payment to the Holder of any unpaid Note until such Note shall be presented for appropriate endorsement or for cancellation if fully paid.

ARTICLE VIII

EXECUTION OF INSTRUMENTS BY NOTEHOLDERS AND PROOF OF OWNERSHIP OF NOTES

SECTION 8.01. Execution of Instruments; Proofs. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Noteholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Noteholders in person or by duly authorized attorney-in-fact. Proof of the execution of any such instrument and of the ownership of Notes shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Issuer or the Corporation with regard to any action taken, suffered or omitted by any of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the Person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of a Note shall be proved by the Note Register.

Nothing contained in this Article VIII shall be construed as limiting the Corporation or the Issuer to such proof, it being intended that the Corporation or the Issuer may accept any other evidence of the matters in this Article VIII stated which to them may seem sufficient. Any request or consent of the Holder of any Note shall bind every future Holder of the same Note and any Note or Notes issued in substitution therefor in respect of anything done by the Issuer or the Corporation in pursuance of such request or consent.

ARTICLE IX

DEFEASANCE

SECTION 9.01. Discharge of Indenture. If and when the Notes secured hereby shall become due and payable in accordance with their terms or through redemption as provided in this Indenture, or otherwise, and the whole amount of the principal, premium, if any, and interest so due and payable upon all the Notes shall be paid, or provision shall have been made for the payment of the same, together with the whole amount of all other sums payable under this Indenture by the Issuer, and all Administration Expenses shall have been paid or provided for, then and in that case, the right, title and interest of the Lender under this Indenture shall thereupon cease, terminate and become void, and the Lender shall assign and transfer to or upon the order of the Corporation all property (in excess of the amounts required for the foregoing) then held by the Lender (including the Agreement and all payments thereunder and all balances in the Construction created under this Indenture) and shall execute such documents as may be reasonably required by the Corporation in this regard.

When a portion of a Note or Notes shall have been paid and if, at the time of such payment, the Issuer shall have kept, performed and observed all the covenants and promises in such Note or Notes and in this Indenture required or contemplated to be kept performed and observed by the Issuer or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Note or Notes and such Note or Notes shall cease to be entitled to the lien of this Indenture.

9637

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Successors and Assigns. All the covenants, stipulations, promises and agreements in this Indenture contained, by or on behalf of, or for the benefit of, the Issuer, shall bind or inure to the benefit of the successors of the Issuer from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Issuer, shall be transferred.

SECTION 10.02. Provisions of Indenture for Sole Benefit of the Corporation, the Issuer, the Lender and the Noteholders. Except as in this Indenture otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any Person other than the Corporation, the Issuer, the Lender and the Holders of the Notes issued under this Indenture, any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Corporation, the Issuer, the Lender and the Holders of the Notes issued under this Indenture.

SECTION 10.03. Severability. In case any one or more of the provisions of this Indenture or of the Notes issued under this Indenture shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of said Notes, and this Indenture and the Notes shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 10.04. No Liability for Personnel of Issuer. No covenant or agreement contained in the Notes or in this Indenture shall be deemed to be the covenant or agreement of any member, agent, or employee of the Issuer or its governing body in his individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 10.05. Notice. All notices, certificates, requests or other communications under this Indenture shall be sufficiently given and shall be deemed given, unless otherwise required by this Indenture, when mailed by certified or registered mail (except as otherwise provided in this Indenture), postage prepaid, addressed as follows:

- (a) if to the Issuer, at
Post Office Box G
City-County Complex
Florence, South Carolina 29501
Attention: Administrator;
- (b) if to the Corporation, at
492 North Cashua Road
Florence, South Carolina 29501
Attention: President; and
- (c) if to the Lender, at
Post Office Drawer 1769
Florence, South Carolina 29503
Attention: Roger Whaley, Vice President.

A duplicate copy of each notice, certificate, request or other communication given under this Indenture to the Issuer, the Corporation or the Lender shall also be given to the others. The Corporation, the Issuer and the Lender may, by notice given under this Section 10.05, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 10.06. Applicable Law. The laws of the State shall govern the construction of this Indenture.

SECTION 10.07. Counterparts. This Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Florence County, South Carolina, has caused this Indenture to be executed by the Chairman of its County Council and its corporate seal to be hereunto affixed and attested by the Administrator of the County and Bankers Trust of South Carolina has caused this Indenture to be executed by one of its authorized officers and its corporate seal to be hereunto affixed, attested by one of its authorized officers, all as of the day and year first above written.

(SEAL)

FLORENCE COUNTY, SOUTH CAROLINA

ATTEST:

M. L. Love, Administrator

By

Robert H. Rhodes, Chairman,
County Council

WITNESSES:

(SEAL)

BANKERS TRUST OF SOUTH
CAROLINA, as Lender

ATTEST:

By _____
Its _____

By _____
Its _____

WITNESSES:

EXHIBIT A

9641

EXHIBIT B
(Description of Realty)

ACKNOWLEDGMENT OF ISSUER

STATE OF SOUTH CAROLINA)
)
COUNTY OF FLORENCE ~~COUNTY~~)

PERSONALLY appeared before me _____,
who being duly sworn says that he saw the corporate seal of
Florence County, South Carolina, affixed to the foregoing
Indenture and that he also saw Robert H. Rhodes, as Chairman
of the County Council of Florence County, South Carolina,
and M. L. Love, as Administrator of the County, sign and
attest the same and that he with _____
witnessed the execution and delivery thereof as the act and
deed of said Florence County, South Carolina.

SWORN to before me this

_____ day of December, 1980

_____(L.S.)
Notary Public for the State of
South Carolina
My Commission Expires: _____

ACKNOWLEDGMENT OF LENDER

STATE OF SOUTH CAROLINA)
)
COUNTY OF FLORENCE)

PERSONALLY appeared before me _____,
who being duly sworn says that (s)he saw the coporate seal
of the Bankers Trust of South Carolina, as Lender, affixed
to the foregoing Indenture, and that (s)he also saw
Roger B. Whaley, as its Vice President, sign, and
_____, as its _____ attest
the same, and that (s)he with _____, witnessed
the execution and delivery thereof as the act and deed of
the Bankers Trust of South Carolina, as Lender.

SWORN to before me this

_____ day of December, 1980

_____(L.S.)
Notary Public for the State of
South Carolina
My Commission Expires: _____

EXHIBIT

NOV 17 1980

NO. 1

STATE BUDGET & CONTROL BOARD

FLORENCE COUNTY, SOUTH CAROLINA

and

SUPERIOR MACHINE COMPANY, INC.

FINANCING AGREEMENT

Dated as of December 1, 1980

PRELIMINARY DRAFT

FOR DISCUSSION PURPOSES ONLY

Draft dated: November 7, 1980

MGKCSP&D

9645

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PROBATES

FINANCING AGREEMENT

THIS FINANCING AGREEMENT, made and entered into as of December 1, 1980, by and between FLORENCE COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina, (hereinafter referred to as the "Issuer"), and SUPERIOR MACHINE COMPANY, INC., a corporation organized and existing under the laws of the State of South Carolina (hereinafter referred to as the "Corporation"),

WITNESSETH:

WHEREAS, Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session, 1980 (hereinafter said Chapter and amendments are collectively referred to as the "Act") authorizes the several counties and incorporated municipalities of the State of South Carolina to acquire or cause to be acquired one or more projects (as such term is defined in the Act), to enter into agreements with an industry to construct, operate, maintain and improve such a project, to enter into financing agreements with such an industry; to issue revenue bonds (as defined in the Act to include notes), and to defray the cost of acquiring, enlarging, improving and expanding such a project and to secure such notes in the manner authorized in the Act; and

WHEREAS, the Corporation has requested the Issuer to issue its revenue note and make the proceeds thereof available to defray the cost of acquiring, and, in connection with such acquisition, enlarging, improving or expanding by construction and purchase, certain land and a building or buildings and other improvements thereon and all other machinery, apparatus, office facilities and furnishings deemed necessary, suitable or useful by the Corporation to engage in the manufacture of component parts for machinery used in the pulpwood, paper, steel and rock crushing industries (hereinafter referred to as the "Project") all to be located within the jurisdiction of the Issuer; and

WHEREAS, the Issuer has, by due corporate action authorized the issuance of its revenue note pursuant to the Act and to make the proceeds thereof available to defray the cost of enlarging, improving and expanding the Corporation's existing facility to be made available to the Corporation pursuant to the terms of this Financing Agreement (hereinafter called the "Agreement") under the terms of which the Corporation is obligated to make payments to or

for the account of the Issuer in the amount necessary to pay the principal, premium, if any, and interest on such revenue note as and when the same becomes due and payable and all other expenses and costs incurred by the Issuer in connection with the Indenture (hereinafter defined), this Agreement or the Project.

NOW, THEREFORE, THIS AGREEMENT FURTHER WITNESSETH:

The Corporation, in consideration of the premises and the sum of One Dollar (\$1.00) lawful money of the United States of America to it duly paid by the County at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt whereof is hereby acknowledged; and in order to secure payment of the sums due hereunder and performance and observance by the Corporation of all the provisions and covenants expressed or implied herein, has granted, bargained, sold, warranted, alienated, remised, released, conveyed, assigned, pledged, transferred, mortgaged, set over, confirmed and granted a security interest in, and does by these presents hereby grant, bargain, sell, pledge, transfer, mortgage, set over, confirm and grant a security interest, to the Issuer and its successors and assigns forever, in all and singular the following property, real and personal (said property being herein sometimes referred to as the "Mortgaged Property"), to wit:

ITEM A

Subject to Permitted Encumbrances as hereinafter defined, the parcel of real property located in the jurisdiction of the Issuer, consisting of the land described in Exhibit B hereto, together with all right, title and interest of the Corporation in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed upon said property or any part thereof, and the reversion or reversions, remainder or remainders, in and to said real property and each and every part thereof, and together with the entire interest of the Corporation in and to all and singular the tenements, hereditaments, easements, rights, privileges and appurtenances to said real property belonging or in any wise appertaining thereto, and all the estate, right, title, interest, claim or demand whatsoever of the Issuer either in law or in equity, in possession or expectancy, of, in and to said real property, subject, however, to the right reserved to the Corporation in Sections 6.04 and 6.05 of this Agreement to release and remove certain real property from this Agreement upon compliance with the terms and conditions of said Sections 6.04 and 6.05 of this Agreement and subject to the right of

the Corporation to make additions, modifications or improvements which do not become a part of the Project under Section 5.01 of this Agreement.

ITEM B

Subject to Permitted Encumbrances as hereinafter defined, the items of personal property described in Exhibit A hereto, together with all other machinery, equipment, other fixtures or personal property (a) the acquisition of which was financed in whole or in part from the proceeds of the Notes, or (b) which is installed in the Project in substitution or replacement of machinery, equipment, fixtures or personal property described in the preceding subparagraph (a) or which was installed in the Project in substitution or replacement of other such substitutions or replacements;

ITEM C

The rights of the Corporation under any construction contracts entered into by or on behalf of the Corporation with respect to the Project;

ITEM D

Until used and applied in accordance with the provisions hereof, all moneys and proceeds from the Project, including, without limiting the generality of the foregoing, proceeds of insurance, condemnation awards, receipts from the sale of all or part of the Project;

ITEM E

Subject to Permitted Encumbrances as hereinafter defined, all rights, privileges, licenses, permits, immunities and easements of the Corporation of every kind and nature appurtenant to the properties and estates described in the foregoing Items or appurtenant to any property covered by an instrument at any time hereafter conveying, mortgaging, pledging or assigning any property of any kind to the Issuer, or its successors or assigns to be included as part of the Mortgaged Property; and also all and singular the tenements, hereditaments or appurtenances belonging to said properties or any part thereof or in any wise appertaining thereto and the reversions, remainders, rents, issues and profits thereof (including the rents, income and profits during any period allowed by law for the redemption of the Mortgaged Property after any foreclosure or other sale); and all the estate, right, title and claim whatsoever, at law as well as in equity, which the Corporation now has or may hereafter acquire in and to the

property and estates described in the foregoing Items or any part thereof, whether now owned or hereafter acquired; and

ITEM F

All other property which, by the express provisions of this Agreement, is required to be subjected to the lien hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the Corporation or by anyone in its behalf, and the Issuer or its assigns is hereby authorized to receive the same at any time as additional security hereunder;

TO HAVE AND TO HOLD, all and singular, the Mortgaged Property, including all additional property which by the terms hereof has or may become subject to the lien of this Agreement, unto the Issuer and its successors and assigns, forever; and conditioned, however, that if the Corporation shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorney's fees, and shall promptly, faithfully and strictly keep, perform and observe all of its covenants, warranties and agreements contained herein, then and in such event this Agreement shall cease, determine and be void and of no further force and effect, otherwise the same shall remain in full force and effect and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS

"Act" shall mean Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and all future acts supplemental thereto and amendatory thereof.

"Additional Notes" shall mean Notes, other than the 1980 Note, duly authenticated and delivered pursuant to the Indenture.

"Administration Expenses" shall mean the reasonable and necessary expenses incurred by the Issuer with respect to the Project, this Agreement and the Indenture, and the compensation and expenses paid to or incurred by the Lender under this Agreement or the Indenture; provided, however, that no such expense shall be considered an Administration Expense until the Issuer or, as the case may be, has furnished to the Corporation a statement in writing indicating the amount of such expense and the reason it has been or will be incurred.

"Agreement" shall mean this Financing Agreement dated as of December 1, 1980, between the Issuer and the Corporation, and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof and of the Indenture.

"Authorized Corporation Representative" shall mean any person at the time designated to act on behalf of the Corporation by a written certificate furnished to the Issuer and the Lender containing the specimen signature of each such person, and signed on behalf of the Corporation by its President or one of its Vice Presidents. Such certificate may designate an alternate or alternates, and may designate different Authorized Corporation Representatives to act for the Corporation with respect to different sections of this Agreement and the Indenture. An Authorized Corporation Representative may be an employee of the Corporation.

"Bond Counsel" shall mean legal counsel experienced in matters relating to municipal obligations and the exemption from taxation of the interest thereon.

"Completion Date" shall mean the date of completion of the acquisition, construction and installation of the

Project, as that date shall be certified pursuant to Section 3.05 hereof.

"Construction Fund" shall mean the fund created under Section 4.01 of the Indenture.

"Corporate Office" shall mean the principal office of the Corporation at which, at any particular time, its business and corporate records shall be principally administered and maintained.

"Corporation" shall mean Superior Machine Company, Inc., a South Carolina corporation, and any surviving, resulting or transferee corporation in any merger, consolidation or transfer of assets permitted under Section 7.02 of this Agreement.

"Cost" or "Cost of the Project" shall mean the cost of acquiring, by construction and purchase, the Project and shall be deemed to include, whether incurred prior to or after the date of this Agreement, (a) obligations of the Corporation incurred for labor, materials and other expenses to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) the expenses of the Corporation for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefor, 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; (d) compensation and expenses of the Lender, legal, accounting, financial and printing expenses, fees and all other expenses incurred in connection with the issuance of the Notes; (e) all other costs which the Corporation shall be required to pay under the terms of any contract or contracts for the acquisition, construction or installation of the Project; (f) costs incurred by the Corporation for the acquisition of the land upon which the Project is located; (g) any sums required to reimburse the Corporation for advances made by it for any of the above items, or for any other costs incurred by, and for work done by, the Corporation, which are properly chargeable to the capital account of the Project for federal income tax purposes or would be so chargeable either with a proper election by the Corporation or but for a proper election by the Corporation to deduct such amounts; and (h) any amount specified for the payment of interest on a Note to such date or dates as shall be specified (i) with respect to the

1980 Note, in the Indenture and (ii) with respect to each Additional Note, in the Supplemental Indenture providing for the issuance of each such Additional Note.

"Depository" shall mean Bankers Trust of South Carolina, a South Carolina banking corporation, organized and existing under the laws of South Carolina.

"Determination of Taxability" shall mean (a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that the interest paid or payable on the 1980 Note is includable in the gross income of a holder or former holder thereof as a result of either (i) the limitations prescribed in IRC Section 103(b)(6)(D) having been exceeded or (ii) any other action or failures to act by the Corporation; (b) the issuance of a statement by the Corporation to the effect that it has exceeded or intends to exceed the maximum amount of capital expenditures permitted under IRC Section 103(b)(6)(D); or (c) the receipt of an opinion by the Lender from nationally recognized bond counsel stating that the interest on the 1980 Note has become includable in the gross income of a holder thereof for any reason other than that such holder is a substantial user of the project or a related person within the meaning of IRC Section 103(b)(9); provided, nevertheless, that no Determination of Taxability under clause (a) hereof shall occur for a period up to two years after the date of such statutory notice if there is available to the Corporation, either directly, or with the cooperation of any holder or former holder of the 1980 Note, a protest being actively prosecuted in good faith by the Corporation which, if successful, would result in a revocation, rescission, or retraction of any such statutory notice of deficiency by the Internal Revenue Service. Such a Determination of Taxability shall be deemed for all purposes of this Indenture to have occurred on the date borne by said statutory notice of deficiency or the date borne by said statement or opinion as the case may be.

"Event of Default" shall mean, with reference to this Agreement, any of the occurrences described in Section 9.01 hereof.

"Event of Taxability" shall mean (i) the occurrence of the circumstances described in IRC Section 103(b)(6)(D); (ii) such other acts or failures to act by the Corporation; or (iii) the occurrence of the circumstances resulting in the delivery of the opinion specified in clause (c) of the definition of Determination of Taxability; which circumstances result in a Determination of Taxability with the result that the interest payable on the 1980 Note becomes includable in the gross income of a holder or former holder

of the 1980 Note other than a holder who is a "substantial user" of the Project or a "related person" as such terms are used in IRC Section 103.

"Indenture" shall mean the Indenture, dated as of the date of this Agreement, between the County and the Lender, as the same may be amended, modified or supplemented in accordance with the provisions thereof.

"Interest Payment Date" shall mean each date specified in the Notes for the payment of interest thereon.

"Issuer" shall mean Florence County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina and its successors and assigns.

"Letter of Representation" shall mean that certain letter of the Corporation addressed to the Issuer and to bond counsel for the 1980 Note, dated the date of delivery to, and payment for, the 1980 Note by the initial purchaser thereof, wherein the Corporation has set forth, among other things, certain information relating to the nature and cost of the facilities comprising the Project.

"Lender" shall mean Bankers Trust of South Carolina, a banking corporation organized and existing under the laws of South Carolina, and its successors and assigns as the Holder of the 1980 Note.

"Neutral Costs" shall mean, with respect to any Note, that amount of the proceeds of the sale of such Note used for (i) the payment of the reasonable expenses of issuing such Note including, without limitation, advertising, recording and printing costs; accountants, financial advisor's and counsel fees; rating agency fees, initial fees of the Depositary and all similar expenses; and (ii) the provision of any reasonably required debt service reserve fund with respect to the Notes.

"Note" or "Notes" shall mean any or all, as the case may be, of the "Florence County, South Carolina, Industrial Development Revenue Notes (Superior Machine Company, Inc. Project)" authorized and issued by the Issuer and delivered under the Indenture and any notes authenticated and delivered under the Indenture in lieu of or in substitution therefor.

"Noteholder" or "Holder of Notes" or "Holder" shall mean the Registered Owner of any Note.

"Officer's Certificate" shall mean a certificate signed by the Chairman of the County Council of the Issuer and the Administrator of the County Council of the Issuer.

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel satisfactory to the Lender.

"Outstanding" or "Outstanding under the Indenture" when used with reference to the Notes shall mean, at any date as of which the amount of Outstanding Notes is to be determined, the aggregate of all such Notes authorized, issued and delivered under the Indenture, except:

(a) Notes canceled or surrendered to the Corporation or the Issuer for cancellation upon payment;

(b) Notes in lieu of or in substitution for which another Note or Notes shall have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Corporation and the Issuer is presented that any such Note is held by a bona fide purchaser in due course.

In determining whether the Holders of the requisite aggregate principal amount of Notes Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under this Agreement, Notes which are owned by the Issuer or the Corporation shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"Permitted Encumbrances" shall mean as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) this Agreement and the Indenture, (iii) utility, access and other easements and rights of way, flood rights, leases, subleases, restrictions and exceptions that an Authorized Corporation Representative certifies will not interfere with or impair the means of access to and egress from the Project, (iv) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project and as do not in the opinion of the Corporation as evidenced by a certificate of an Authorized Corporation Representative, does not impair the character or significance of the Project for the purpose for which it was designed or last modified and is not detrimental to the proper conduct of the business of the Corporation at the Project, (v) mechanic's and materialman's liens not filed or perfected in the manner prescribed by law in effect on the date hereof or otherwise, and (vi) any mortgage, lease or security interest with respect to machinery and equipment not constituting part of the Project.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean the plans and specifications prepared for the Project, on file at the Plant, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the acquisition, construction and installation of the Project in accordance with Section 3.07 of this Agreement. The Plans and Specifications shall be made available to the Lender and the Issuer for inspection at such times as the Lender or the Issuer may reasonably request.

"Plant" shall mean the manufacturing facilities of the Corporation located in the jurisdiction of the Issuer.

"Principal Payment Date" shall mean any date on which the principal of any Note shall become due, whether at maturity or by redemption, acceleration or purchase, or on which amounts are required to be deposited in the Sinking Fund Account.

"Project" shall mean the land described in Exhibit B to this Agreement and a building or buildings or other improvements thereon, and all other machinery, apparatus, equipment, office facilities and furnishings to be installed therein, more particularly described in Exhibit A to this Agreement, including any modification thereof, substitutions therefor and additions thereto and excluding deletions therefrom, all as provided in the Plans and Specifications, but not including the Corporation's own machinery and equipment installed under the provisions of Section 8.03 of this Agreement.

"Qualifying Cost" shall mean that portion of the Cost of the Project payable out of the proceeds from the sale of any particular Note (computed without regard to legal, accounting, rating agencies, financial, advertising, recording and printing expenses and all other fees, expenses and charges incurred in connection with the issuance of such Note which is either cost of land or cost of the acquiring property of a character subject to the allowance for depreciation provided for in IRC Section 167.

"Registered Owner" shall mean the Person or Persons in whose name or names a particular Note shall be registered on the Note Register.

"Supplemental Indenture" or "indenture supplemental hereto" shall mean any indenture supplemental to or amendatory of the Indenture as originally executed which is duly entered into in accordance with the provisions of the Indenture.

"State" shall mean the State of South Carolina.

"1980 Note" shall mean the Note in the original principal amount of \$500,000 initially issued under the Indenture.

ARTICLE II
REPRESENTATIONS

SECTION 2.01. Representations by Issuer. The Issuer makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Issuer is a duly constituted political subdivision of the State and is duly authorized under the laws of the State, including the Act, to enter into the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder. By proper action the Issuer has duly authorized the execution and delivery of this Agreement, the Indenture and all agreements collateral hereto and thereto.

(b) The South Carolina State Budget and Control Board has duly approved the proposal of the Issuer to issue the 1980 Note and the Project. No other consent or approval is required by any governmental authority as a condition to the performance by the Issuer of this Agreement or the Indenture or to the issuance of the 1980 Note.

(c) The Issuer is entering into this Agreement and the Indenture, issuing the 1980 Note and defraying the Cost of the Project for the purpose of promoting the industrial development, developing the trade, and utilizing and employing the manpower, agricultural products and natural resources of the State.

(d) The Issuer is not in default under any of the provisions of the laws of the State, where any such default would affect the issuance, validity or enforceability of the 1980 Note, or the transactions contemplated by this Agreement or the Indenture.

(e) The authorization, execution and delivery of this Agreement and the Indenture, and the compliance by the Issuer with the provisions hereof and thereof, will not conflict with or constitute a breach of, or a default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State relating to the establishment of the Issuer or its affairs, or any agreement, mortgage, lease or other instrument to which the Issuer is subject or by which it is bound.

SECTION 2.02. Representations by the Corporation.
The Corporation makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Corporation is a corporation duly incorporated under the laws of the State of South Carolina and qualified to do business and is in good standing in the State, has corporate power to enter into this Agreement and by proper corporate action has duly authorized the execution and delivery of this Agreement;

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, or the fulfillment of or compliance with the terms and conditions of this Agreement is not prevented or limited by, does not conflict with, does not result in a breach or contravention of and does not constitute a default under the Corporation's Articles of Incorporation or Bylaws or any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree binding upon it, 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 Corporation prohibited under the terms of any such instrument or agreement;

(c) The issuance of the 1980 Note by the Issuer and the use by the Corporation of the proceeds thereof to defray the costs of the acquisition, by construction and purchase, of the Project, as provided by this Agreement, has induced the Corporation to locate and remain in the State;

(d) Acquisition and construction of the Project was commenced subsequent to November 6, 1980;

(e) The Corporation intends to operate the Project as a facility for manufacture of component parts for machinery used in the pulpwood, paper, steel and rock crushing industries and for such other purposes permitted under the Act as the Corporation deems appropriate; and

(g) The information and estimates set forth in the Letter of Representation are true and correct to the best of the Corporation's information and belief and the Letter of Representation does not omit any statement the omission of which would render any of the statements made therein misleading under the circumstances in which they were made.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT BY THE CORPORATION; ISSUANCE OF THE 1980 NOTE

SECTION 3.01. Acquisition of Project. Pursuant to the Act, the Issuer authorizes the Corporation to and the Corporation agrees to acquire, or cause to be acquired by construction and purchase, the Project. The Corporation agrees to effect such acquisition in accordance with the Plans and Specifications with all reasonable dispatch; and will use its best efforts to cause such acquisition to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond the reasonable control of the Corporation only excepted; but if for any reason such acquisition is delayed or the Project shall not be completed there shall be no resulting liability on the part of the Issuer and no diminution or postponement of the amounts payable under Section 4.01 hereof by the Corporation. The Project shall belong to and be the property of the Corporation.

Anything in this Agreement to the contrary notwithstanding, the Corporation shall not be obligated to complete the acquisition of the Project upon prepayment of all amounts to be paid by it under this Agreement pursuant to the provisions of Sections 10.01 or 10.03 hereof and the making of any such payments in the amounts required by, and in accordance with the terms of, this Agreement. If the Corporation elects or is required to prepay the payments required to be made by it pursuant to the provisions of Section 10.01 or 10.03 hereof, any sums remaining in the Construction Fund and not otherwise required to pay the Cost of the Project shall be transferred to the Bond Fund at the direction of an Authorized Corporation Representative.

The Corporation will maintain such records in connection with the acquisition of the Project as to permit ready identification thereof.

SECTION 3.02. Issuance of 1980 Note. In order to provide funds to defray the payment of the Cost of the Project, the Issuer will issue, sell and deliver the 1980 Note and deposit the proceeds thereof with the Depositary.

SECTION 3.03. Disbursements from Construction Fund. So long as no Event of Default (as defined in the Agreement) has occurred and is continuing the Depositary has been authorized under Section 4.03 of the Indenture to make payments from the Construction Fund to pay the Cost of the Project upon receipt by the Depositary of requisitions (upon which both the Depositary and the Issuer shall rely and

shall be protected in relying) signed by an Authorized Corporation Representative, stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the Person to whom payment is due or has been made; (iii) the amount to be paid; (iv) that no obligation, item of cost or expense mentioned therein has been the basis of any previous withdrawal; (v) that the payment of such amount is a proper charge against the Construction Fund and specifying the purpose and circumstances of such obligation in reasonable detail, accompanied by a bill or statement of account for such obligation; (vi) that at least 90% of the amount, exclusive of amounts requisitioned for the payment of Neutral Costs, requisitioned from the Construction Fund, including the amount being requisitioned, has been or, when applied as stated in the requisition, will have been expended for Qualifying Costs; (vii) that the person signing such requisition has no notice of any vendor's, mechanic's or other liens or rights to liens or condition sales contracts, or other contracts or obligations, which have not been released or will not be released simultaneously with such payment and which should be satisfied or discharged before such payment is made; (viii) that such requisition contains no item representing payment on account of any retained percentages under any contract which, as of the date of such requisition, is not required to be paid; and (ix) with respect to any such requisition for payment for labor, services, materials, supplies, furnishings, apparatus or equipment, that such labor or services were actually performed or such materials, supplies, furnishings, apparatus or equipment were actually used in or about the construction or installation of the Project or delivered at the site thereof for such purpose, or delivered for storage or fabrication at a place or places approved by the signer or the signers or if not so used or delivered, that an advance payment therefor is required by the supplier thereof.

SECTION 3.04. Cooperation as to Documents. The Corporation and Issuer agree to cooperate in furnishing to the Lender the documents referred to in Section 3.03 hereof that are required to effect payments out of the Construction Fund and to cause such orders to be directed by the Authorized Corporation Representative to the Lender as may be necessary to effect payments out of the Construction Fund in accordance with Section 3.03 hereof. Such obligation is subject to any provision of the Indenture requiring additional documentation with respect to payments and shall not extend beyond the moneys in the Construction Fund available for payment under the terms of the Indenture.

SECTION 3.05. Completion Date. The Completion Date shall be evidenced to the Lender by a certificate of an Authorized Corporation Representative stating that the acquisition, construction and installation of the Project has been completed substantially in accordance with the Plans and Specifications and that payment of the Cost of the Project or provision therefor has been made except for any Cost of the Project not then due and payable or the liability for payment of which is being contested or disputed by the Corporation. The Corporation shall cause such certificate to be furnished to Lender as soon as the Project shall have been completed. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

SECTION 3.06. Completion of Project; Use of Surplus Funds. If the moneys in the Construction Fund available for payment of the Cost of the Project (including moneys from the proceeds of any Additional Notes issued pursuant to the terms and provisions of the Indenture to finance the completion of the Project) shall not be sufficient to pay the Cost of the Project in full, the Corporation will complete the Project, or cause the Project to be completed and pay or cause to be paid all the Cost of the Project in excess of the moneys available therefor in the Construction Fund. The Issuer makes no warranty, either express or implied, that the moneys which will be paid into the Construction Fund will be sufficient to pay the Cost of the Project. If the Corporation shall pay any portion of the Cost of the Project pursuant to this Section, it shall not be entitled to any reimbursement therefor from the Issuer (except from the proceeds of Additional Notes), the Lender or the Holders of any of the Notes, nor shall it be entitled to any diminution or postponement of the payments required under Section 4.01 hereof. Upon the completion of the Project, if there shall be any surplus funds remaining in the Construction Fund not required to provide for the payment of the Cost of the Project, such funds shall be applied in prepayment of the 1980 Note.

SECTION 3.07. Revision of Plans and Specifications. The Corporation may revise the Plans and Specifications at any time and from time to time prior to the Completion Date provided that in the case of any change that would render materially inaccurate the description of the Project contained in Exhibit A hereto, there shall first be delivered to the Lender and the Issuer (i) a revised Exhibit A and Exhibit B containing a description of the Project as revised by the revision in the Plans and Specifications, the accuracy of which shall have been certified by an Authorized Corporation Representative, (ii) an opinion of

Bond Counsel that the Project described in the revised Exhibit A is such that the expenditure of substantially all of the proceeds of the Notes for the Cost of the Project described therein would not impair the exemption of interest on Outstanding Notes from Federal income taxation; and (iii) an Opinion of Counsel, who may be Bond Counsel, that all approvals required by law, including the Act, necessary in connection with the Project described in the revised Exhibit A and Exhibit B have been obtained and remain in full force and effect and that no further filing, recording or registration is needed to preserve and protect the priority of the lien hereof with respect to the Project or stating that any such filing, recording or registering required therefor has been accomplished and certifying as to the priority of the lien and security interest hereof.

SECTION 3.08. Investment of Moneys in the Construction Fund. Any moneys held as part of the Construction Fund and not required for immediate disbursement and withdrawal, may be invested or reinvested by the Depositary as provided in Section 4.07 of the Indenture.

SECTION 3.09. Additional Notes. Upon written request from the Corporation and the Lender to the Issuer to issue Additional Notes to (i) finance the Cost of completion of the Project, (ii) finance the Cost of enlargements, improvements or expansions of the Project, or (iii) refund all or any part of the Notes, the Issuer shall use its best efforts to issue such Notes for such purposes; provided, however, that the failure of the Issuer to issue Additional Notes shall not release the Corporation from any of the provisions of this Agreement, regardless of the reason for such failure.

SECTION 3.10. Amendment of Agreement Upon Issuance of Additional Notes. The Corporation agrees that in the event the Issuer shall, at the request of the Corporation: (i) issue one or more Additional Notes under the Indenture for the purpose of (A) completing the payment of the Cost of the Project or (B) enlarging, improving or expanding the Project, or (ii) issue one or more Additional Notes pursuant to the Indenture for the purpose of refunding any Notes, the Corporation will, if necessary, enter into an amendment to this Agreement containing such provisions as shall be required in respect of the issuance of such Additional Notes, including without limitation the provisions required pursuant to Section 6.04 of the Indenture. The amount of the payments required to be made by the Corporation pursuant to Section 4.01 hereof shall be adjusted or increased, if necessary, by the amount required to pay in full as and when due the principal, premium, if any, and interest payable on each Additional Note and any Administration Expenses.

ARTICLE IV

PAYMENTS BY CORPORATION TO ISSUER

SECTION 4.01. Payments to be Made by Corporation. In consideration of the application of the proceeds of the sale of each Note to defray the Cost of the Project or for the purposes specified in Section 3.09 hereof, the Corporation absolutely and unconditionally obligates itself to pay to or to the order of the Issuer at the times and places required the amounts required to pay the principal, premium, if any, and interest on all the Notes Outstanding together with the Administration Expenses and any other amounts required to be paid under the terms hereof or by the Issuer under the Indenture. The principal amount of such payments shall be equal to the aggregate principal amount of each Series of Note issued pursuant to the Indenture. The Corporation agrees to pay to, or to the order of, the Issuer in immediately available funds, as payment of such amounts a sum equal to the aggregate principal amount of each Note issued under the Indenture, together with interest on the unpaid balances thereof, at the interest rate or rates payable by the Issuer on each Note, and any premium thereon, in the amounts and on the dates as follows:

(a) On or before the last business day before each Interest Payment Date with respect to each Note, the sum which will equal the interest to be paid on such Note on such Interest Payment Date; and

(b) On or before the last business day before each Principal Payment Date, the sum which will equal the sum of (i) the principal of each Note which will become due and payable on such Principal Payment Date, (ii) any applicable prepayment premium and; (iii) any accrued interest which will become due and payable on such Principal Payment Date.

In addition to the options and obligations of the Corporation under Article X hereof to prepay the entire unpaid balance payable under this Section 4.01, the Corporation shall have the option to make from time to time on any Principal Payment Date prepayments in whole or in part of any one or more installments on any Principal Payment Date due as aforesaid on account of such payments, together with interest accrued to the date of such payment and to accrue and premium, if any, to be paid on the Notes if such prepayment is to be used for the purchase or redemption of such Notes. The Lender shall apply such prepayments in such manner consistent with the provisions of the Indenture as may be directed by an Authorized Corporation Representative.

The Corporation agrees to pay to the Issuer and the Lender on demand the amount of Administration Expenses not theretofore provided for which have then accrued and become payable.

In the event the Corporation should fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Corporation until the amount in default shall have been fully paid, and the Corporation agrees to pay the same with interest thereon (to the extent permitted by law) at the rate per annum, which is equal to the highest rate per annum borne by any of the Notes, until paid.

SECTION 4.02. Assignment and Pledge by the Issuer to the Lender. It is understood and agreed that this Agreement and all revenues and receipts derived by the Issuer pursuant to this Agreement (except payment of Administration Expenses pursuant to Section 4.01 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement) and the moneys held in the funds and accounts established under the Indenture, including the investment income thereon, are to be pledged and assigned by the Issuer to the Lender pursuant to the Indenture. The Corporation assents to such pledge and assignment and agrees that its obligation to make payments required hereunder to the Lender shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim or recoupment arising out of any breach by the Issuer of any obligation to the Corporation, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Corporation by the Issuer. The Issuer directs the Corporation, and the Corporation agrees, to pay to the Lender, as holder of the 1980 Note at the address of the Lender as it last appears on the Note Register, all payments payable by the Corporation to the Issuer pursuant to this Agreement (except payment of Administration Expenses to the Issuer pursuant to this Section 4.01 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement).

ARTICLE V

MAINTENANCE, TAXES AND INSURANCE

SECTION 5.01. Maintenance and Modification of Project by Corporation. The Corporation will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals; provided, however, that the Corporation will have no obligation to maintain, repair, replace or renew any element or unit of the Project if: (a) the maintenance, repair, replacement or renewal of which becomes uneconomic to the Corporation because of damage or destruction by a cause not within the control of the Corporation or obsolescence or change in economic or business conditions, or change in government standards and regulations applicable to the Project, or (b) if the Corporation prepays all amounts due under the provisions of Section 10.01 or 10.03 hereof.

Subsequent to the Completion Date, the Corporation shall, subject to the provisions of Section, have the privilege of remodeling the Project or making substitutions, modifications and improvements to the Project from time to time as it, in its sole discretion, may deem to be desirable for its uses and purposes, the cost of which remodeling, substitution, modifications and improvements shall be paid by the Corporation, and the same shall be the property of the Corporation and be included under the terms of this Agreement as part of the Project.

The Corporation covenants that so long as any Note is Outstanding the Project will be maintained and operated as a "project" within the meaning of the Act. The Corporation will also pay or cause to be paid, in addition to all other payments required under this Agreement, the expenses of operation of the Project.

SECTION 5.02. Taxes, Other Governmental Charges and Utility Charges. The Corporation will: (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Issuer or the Corporation with respect to or upon the Project or any part thereof or upon any payments hereunder or with respect to or upon any funds held under the Indenture when the same shall become due; (b) duly

observe and comply with all valid requirements of any governmental authority relative to the Project; (c) not create or suffer to be created any lien or charge upon the payments to be made by the Corporation pursuant to Section 4.01 of this Agreement other than as provided in Section 4.02 hereof to the Lender; and (d) pay, satisfy or cause to be discharged or make adequate provision to pay, satisfy or cause to be discharged, within 60 days after the same shall come into force, any lien or charge upon or any payments hereunder. If the Corporation shall contest any such tax, assessment, lien or charge, such action by the Corporation shall not be considered as a breach by it of any of its covenants under this Agreement; provided, however, that in such case an amount sufficient to pay such tax or assessment or discharge such lien or charge shall be deposited by the Corporation in escrow or the Corporation shall make other arrangements satisfactory to the Issuer and the Lender to secure such payments. Notwithstanding the foregoing, if, in the opinion of the Issuer or the Lender as set forth in a written notice to the Corporation, the failure to pay such tax, or assessment or remove such charge or lien before the conclusion of such contest will endanger the security for the Notes including, but not limited to, the amounts in or to be deposited in the Construction Fund pursuant to the Agreement, or subject any material part of such security to imminent loss or forfeiture, the Corporation shall forthwith pay such tax or assessment or discharge such lien or charge.

SECTION 5.03. Insurance. The Corporation shall maintain public liability insurance with specific reference to the Project and shall otherwise keep the Project continuously insured against such risks as are customarily insured against by businesses of like size and type, paying as the same become due and payable all premiums with respect thereto. In lieu of separate insurance policies, such insurance may be in the form of a blanket insurance policy or policies. Insurance policies may be written with deductible amounts and exceptions and exclusions comparable to those of businesses of like size and type.

All proceeds of insurance against property damage to the Project shall be made payable to the Corporation and subject to the provisions of Section 6.06 hereof, the Corporation shall collect and retain such proceeds and all claims under any insurance policy referred to in this Agreement may be settled by the Corporation without the consent of the Issuer or the Lender.

ARTICLE VI

PROVISIONS RELATING TO MORTGAGE AND SECURITY AGREEMENT

SECTION 6.01. Warranty; Identification of Project.

(a) The Corporation warrants to the Issuer that the Corporation has good and marketable fee simple title to the land described in Exhibit A hereto and has, or will have upon requisition of payment therefor from the Construction Fund, good and marketable fee simple title to the entire Project subject only to Permitted Encumbrances. This Agreement constitutes a first mortgage lien upon and security interest in the Project subject only to Permitted Encumbrances. The Corporation will not create, permit to be created or suffer to exist any encumbrance upon the Project or any portion thereof, other than Permitted Encumbrances, and will promptly discharge any encumbrance other than Permitted Encumbrances which may be found to exist. The Corporation covenants that it will defend its title to the Project and any portion thereof and defend the mortgage and security interest created by this Agreement against all claims or demands of any person whomsoever claiming or to claim the same.

(b) The Corporation agrees to maintain such records with respect to the Project as will permit the ready identification thereof. The Corporation shall furnish the Lender with such information with respect to the Project, promptly upon request by the Lender and shall supply the Lender with a copy of the records maintained by it hereunder upon request.

SECTION 6.02. Title Insurance. The Corporation agrees to obtain title insurance for the benefit of the Issuer and its assigns, including the Lender, in the amount of \$ _____ covering all that portion of the Project which would pass without enumeration thereof with title to the land included therein. Said title insurance shall insure the priority of the mortgage and security interest created by this Agreement subject only to Permitted Encumbrances and any requirement with respect to refiling of financing statements under the Uniform Commercial Code. The proceeds of such title insurance shall be used to prepay amounts due hereunder or to remedy the defect in title giving rise thereto.

SECTION 6.03. Removal of Equipment. The parties hereto understand that certain machinery, equipment and related property (hereinafter "Equipment") shall be acquired in whole or in part from the proceeds of the Notes and installed in the Project. If no Default under this

Agreement shall have happened and be continuing, in any instance where the Corporation in its discretion determines that any items of Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Corporation may remove such items of Equipment from the Project and sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without consent of either the Issuer or the Lender therefor if the value of such Equipment (as measured by its original cost) is equal to or less than \$_____. In all other cases the Corporation shall either:

(a) Substitute and install in the Project other machinery, equipment or related property having equal or greater utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Project;

(b) Not make any such substitution and installation, provided (i) that in the case of the sale of any such Equipment to anyone other than a related person or in the case of the scrapping thereof, the Corporation shall pay to the Lender as prepayment of the 1980 Note, the proceeds from such sale or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such Equipment for other machinery, equipment or related property not to be installed in the Project, the Corporation shall pay to the Lender, to be deposited in the Bond Fund the amount of the credit received by it in such trade-in, or (iii) that in the case of the sale of any such Equipment to a related person or in the case of any other disposition thereof, the Corporation shall pay to the Lender, as prepayment of the 1980 Note, an amount equal to the original cost thereof less depreciation at rates calculated in accordance with generally accepted accounting practice.

In the event any removal of machinery, equipment or related property under this section causes damage to existing buildings or structures included in the Project the Corporation shall restore the same or repair such damage at its sole expense.

The removal from the Project of any portion of the Equipment pursuant to this section shall not entitle the Corporation to any abatement or diminution of the amounts payable under Sections 4.01 and 4.02 hereof.

(c) The Corporation shall report annually on December 1 of each year to the Lender each such removal, substitution, sale and other disposition required to be

reported and shall pay to the Lender filing such report such amounts as are required by the preceding provisions of this section to be paid to the Lender in consequence of the sale, trade-in or other disposition requiring such payment; provided, that no such report and payment need be made in any year of this Agreement (December 1 through the following November 30) unless the amount to be so paid on account of all such sales, trade-ins or other dispositions aggregates at least \$10,000.

The Issuer agrees to execute and deliver such documents (if any) as the Corporation may properly request in connection with any action taken by the Tenant in conformity with this section. The Corporation will pay any costs (including reasonable counsel fees) incurred in subjecting to the lien of this Agreement any items of machinery, equipment or related property that under the provisions of this section are to become part of the Project. The Corporation shall not remove, or permit the removal of, any of the Equipment from the Project except in accordance with the provisions of this section.

SECTION 6.04. Release of Unimproved Land. So long as no Default exists hereunder, the Corporation shall have, and is hereby granted, the option to remove any unimproved part of the land included in the Project, at any time and from time to time upon payment to the Lender for the account of the Issuer of a release price equal to the cost thereof (\$_____ per acre for the land and the original cost of any transportation, parking or utility facilities located thereon) provided that it furnishes the Issuer and the Trustee with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the land with respect to which such option is to be exercised, (ii) a statement that the Corporation intends to exercise its option to release such land on a date stated, which shall not be less than 45 nor more than 90 days from the date of such notice.

(b) A certificate of an Authorized Corporation Representative, dated not more than 90 days prior to the date of the release and stating that, in the opinion of the person signing such certificate (i) the portion of the land with respect to which the option is exercised is not needed for the operation of the Project for the purpose hereinbefore stated, (ii) the release will not impair the usefulness of the Project as a manufacturing facility and will not destroy the means of ingress thereto or egress therefrom; and (iii) no Default exists hereunder.

(c) An amount of money equal to the release price paid therefor, computed as provided in this section.

The Issuer agrees that upon receipt of the notice, certificate and any money required in this section to be furnished to it by the Corporation, the Issuer and the Lender will promptly apply such money for the prepayment of the 1980 Note and release from the mortgage and security interest of such portion of the land with respect to which the Corporation shall have exercised the option granted to it in this section.

In the event the Corporation shall exercise the option granted to it under this section, the Corporation shall not be entitled to any abatement or diminution of the rents payable under Sections 4.01 and 4.02 hereof and if such option relates to land on which transportation, parking or utility facilities are located, the Issuer shall retain for the life of this Agreement and so long as it and its successors or assigns shall have any interest in the Project as a consequence hereof an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project.

SECTION 6.05. Release of Leased Land, Easements.
The Issuer agrees that so long as the Corporation is not in default hereof the Corporation may convey fee title, grant easements, rights of way, licenses, execute party wall agreements or terminate any of the foregoing or enter into such other similar agreements for the purposes of providing railroad service, utility services, roadway or roadway access whether for the Project or other land or for such other similar purposes as may be deemed necessary or desirable by the Corporation upon receipt of the following:

(a) a legal description of the real property proposed to be conveyed or affected by such grant, license or agreement;

(b) the instrument in the form necessary for such purpose;

(c) a certificate of the president or chief financial officer of the Corporation stating that the Corporation is not in default under this Agreement;

(d) a certificate from an Authorized Corporation Representative stating that (i) the conveyance, grant, license or agreement will not impair the character or significance of the Project for the purpose for which it was last designed or modified and is not detrimental to

the proper conduct of the business of the Corporation at the Project, and (ii) such conveyance, grant, license or agreement will not destroy the means of ingress to the Project or egress therefrom;

(e) an Opinion of Counsel that the proposed conveyance, grant or agreement is not in violation of the terms hereof or of the Indenture; and

(f) the consideration, if any, paid to the Corporation in return for such conveyance, grant or easement.

Upon receipt of the foregoing, the Issuer or the Lender shall promptly execute and deliver any release required to effect such conveyance, grant or agreement and shall apply the consideration, if any, paid therefor in prepayment of the 1980 Note.

No release effected under the provisions of this section of this Agreement shall entitle the Corporation to any abatement or diminution of the amounts payable under Sections 4.01 and 4.02 hereof.

SECTION 6.06. Damage and Destruction. Immediately after the occurrence of any damage or loss to the Project in excess of \$100,000, the Corporation shall notify the Issuer and the Lender as to the nature and extent of such damage or loss. If the Corporation shall determine that rebuilding, repairing or restoring is practicable and desirable, the Corporation shall forthwith proceed with such rebuilding, repairing or restoring and shall notify the Issuer and the Lender upon the completion thereof. In such case, any property damage insurance proceeds received in respect of such damage or loss shall be used by the Corporation for payment of, or reimbursement for, the costs of such rebuilding, repairing or restoring. In the event any insurance proceeds are not sufficient to pay in full the costs of such rebuilding, repair or restoration, the Corporation will nonetheless complete the work thereof and will pay that portion of the costs thereof in excess of the amount of said proceeds.

The Corporation shall not, by reason of the payment of such excess costs, be entitled to any reimbursement from the Issuer, the Lender or any Holder of the Notes or any abatement or diminution of the amounts payable under Section 4.01 hereof.

SECTION 6.07. Condemnation. In the event that title to or the temporary use of the Project, or any part thereof, shall be taken in condemnation or by the exercise

of the power of eminent domain by any Person, there shall be no abatement or reduction in the payments required under Section 4.01 hereof to be made by the Corporation. Immediately after the occurrence of any such taking of the Project, the Corporation shall notify the Issuer and the Lender as to the nature and extent of such taking and, as soon as practicable thereafter, notify the Issuer and the Lender whether it is practicable and desirable to restore such taking. If the Corporation shall determine restoration is practicable and desirable, the Corporation shall forthwith proceed with such restoration and shall notify the Issuer and the Lender upon the completion thereof.

SECTION 6.08. Property Not in Project. The Corporation shall be solely entitled to receive and hold any insurance proceeds and each condemnation award or portion thereof or proceeds thereof, made, given or received for damages to or takings of property which does not constitute a part of the Project.

ARTICLE VII

SPECIAL COVENANTS

SECTION 7.01. No Warranty of Design, Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the design, capabilities or condition of the Project or that it will be suitable for the Corporation's purposes or needs.

SECTION 7.02. Maintenance of Corporate Existence. The Corporation agrees that so long as any Note is Outstanding it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided, that the Corporation may, without violating the agreement contained in this Section, consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if (i) the surviving, resulting or transferee corporation, as the case may be, irrevocably and unconditionally assumes by means of an instrument in writing delivered to the Lender all of the obligations of the Corporation herein and qualifies to do business in the State and (ii) immediately after the consummation of the transaction, and after giving effect thereto, (A) no Event of Default, or event which with notice or lapse of time or both would become an Event of Default, would exist and (B) the resulting, surviving or transferee corporation, as the case may be, would have, after giving effect to such merger, consolidation or acquisition, a net worth (computed in accordance with generally accepted accounting principles) equal to or greater than the net worth (computed as aforesaid) of the Corporation immediately prior to such merger, consolidation or transfer.

If consolidation, merger or sale or other transfer is made as permitted by this Section, the provisions of this Section shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section.

SECTION 7.03. Covenants with Respect to Tax Exemption. The Corporation represents, warrants and covenants to the Issuer, for the benefit of any Person who shall at any time be or become a Holder of any Note issued under the Indenture, the interest on which is excludable

from the gross incomes of such Holders (except such Holders as are "substantial users" of the Project or related thereto under IRC Section 103) that it has taken no action and will take no action or fail to take any required action the consequence of which would be to forego, jeopardize or terminate such exemption of interest.

The Corporation covenants that it will comply with all requirements of the Act and the IRC with respect to the use of the proceeds of Notes and that it will file, or cause to be filed, all statements or notices required thereby including but not limited to the statement or statements required under Treasury Regulations Section 1.103-10(b)(2)(vi)(c) at the times and in the places and in the manner stated therein.

In the event of a breach by the Corporation of its obligations hereunder, notwithstanding any other provision hereof, the exclusive remedy shall be the collection by the Issuer or the Lender of the amount required to pay the increased interest on the 1980 Note or Additional Note, if issued as tax-exempt, at the higher rate provided for under said Note or Notes and the Indenture.

SECTION 7.04. Indemnification. The Corporation releases Issuer, including the members of the governing body, employees, officers and agents of the Issuer (herein collectively referred to as the "Indemnified Parties") from, agrees that Indemnified Parties shall not be liable for, and agrees to hold Indemnified Parties harmless against, any loss or damage to property, or any injury to or death of any person, that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof except for that occasioned by acts of an Indemnified Party which are unrelated to the utilization of the Project and except for any wanton or willful misconduct of an Indemnified Party; provided, that the indemnity in this sentence shall be effective only to the extent of any loss that may be sustained by an Indemnified Party in excess of the net proceeds, if any, received by an Indemnified Party from any insurance carried by the Corporation with respect to the loss sustained. The Corporation further agrees to indemnify and save harmless Indemnified Parties against and from any and all costs, liabilities, expenses and claims arising from any breach or default on the part of the Corporation in the performance of any covenant or agreement on the part of the Corporation to be performed pursuant to the terms of this Agreement or arising from any act or negligence of or failure to act by the Corporation, or any of its agents, contractors, servants, employees, or licensees, or arising from any accident, injury or damage whatsoever caused to any Person occurring during the term of this Agreement, in or

about the Project, and from and against all cost, liability and expenses incurred in or in connection with any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against an Indemnified Party by reason of any such claim, the Corporation upon notice from such Indemnified Party covenants to resist or defend such action or proceedings at the Corporation's expense.

SECTION 7.05. Corporate Information. Within 90 days after the close of its fiscal year, the Corporation shall furnish to the Indemnified Party and the Lender a copy of its annual statement, including a certificate from an independent certified public accountant stating that the financial statements contained in such report have been examined by them in accordance with generally accepted auditing standards and that such statements present fairly the position of the Corporation in conformity with generally accepted accounting principles applied on a consistent basis. The Corporation shall also furnish such other information with respect to it or the Project as may reasonably be requested by the Issuer or the Lender. In addition to the foregoing the Corporation shall furnish to the Lender those items required in the Term Loan Agreement between the Lender and the Corporation.

SECTION 7.06. Applications and Licenses. In the event it may be necessary, for the proper performance of this Agreement, on the part of the Indemnified Party or the Corporation, that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Corporation or the Indemnified Party, the Corporation and the Issuer each agree to execute upon the request of the other such application or applications.

SECTION 7.07. Recording, Filing and Registering. The Corporation covenants with the Indemnified Party, for the benefit of the Lender and all who shall at any time be Holders of the Notes, that the Corporation will take all action required to effect the recording, filing and registering required under the provisions of Section 8.10 of the Indenture.

SECTION 7.08. Inspection of Project. The Corporation agrees that the Issuer, the Lender and their authorized agents shall have the right at all reasonable times to enter upon and examine and inspect the Project to determine whether the Project continues to constitute a Project under the Act. The Issuer, the Lender and their authorized agents shall also be permitted, at all reasonable times, to examine the Plans and Specifications and the other

books and records of the Corporation with respect to the Project. The aforesaid rights of examination and inspection shall be exercised only upon such reasonable and necessary terms and conditions as the Corporation shall prescribe which conditions shall be deemed to include, but not limited to, those necessary to protect the Corporation's trade secrets and proprietary rights.

SECTION 7.09. Qualification in State. The Corporation warrants that it is duly qualified to do business in the State and covenants that it will continue to be so qualified so long as it operates the Project. The Corporation agrees that it will always be subject to service of process in the State and, during such time as there is no agent for service of process listed in the office of the Secretary of State, the Corporation hereby designates and appoints the Secretary of State of the State, as its agent for service of process in the State. The aforesaid agents shall serve as the respective agents of the Corporation upon whom may be served all process, pleadings, notices or other papers which may be served upon the Corporation as a result of any of its obligations under this Agreement.

SECTION 7.10. No Liability of Issuer's Personnel. All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member of the governing body of the Issuer or any officer, agent, servant or employee of the Issuer in his individual capacity, and no recourse shall be had for the payment of any moneys hereunder or the performance of any of the covenants and agreements of the Issuer herein contained claim based hereunder against any member of the governing body of the Issuer or any officer, agent, servants or employee of the Issuer.

ARTICLE VIII

ASSIGNMENT, LEASING AND SELLING

SECTION 8.01. Assignment, Leasing and Selling of Project. So long as any Note is Outstanding, the Corporation will not sell, lease or otherwise dispose of or encumber the Project except as provided in Section 7.02 hereof and in this Section 8.01. Subject to the second paragraph of Section 5.01 of this Agreement, the Corporation may from time to time sell or otherwise dispose of any item constituting part of the Project. If the item of the Project sold or otherwise disposed of constitutes all or substantially all of any of the Project then any of the proceeds of such sale or disposition shall be either (i) applied to the replacement of or substitution for the item so sold or disposed of, or (ii) if the Corporation elects to prepay all amounts due hereunder, paid to the Lender as a partial prepayment of the Notes, all as the Corporation shall determine. In addition, this Agreement may be assigned in whole or in part, and the Corporation's interest in the Project may be sold or leased as a whole or in part, by the Corporation without the necessity of obtaining the consent of the Issuer or the Lender, subject, however, to the following conditions:

(a) No sale, assignment or leasing (other than pursuant to Section 7.02 hereof) shall relieve the Corporation from primary liability for any of its obligations hereunder, and in the event of any such sale, assignment or leasing the Corporation shall continue to remain primarily liable for the payments of all amounts specified in Section 4.01 hereof and for performance and observance of the other agreements on its part herein provided; and

(b) The Corporation shall, within 15 days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Lender a true and complete copy of each such sale agreement, assignment or lease, as the case may be.

SECTION 8.02. Limitations on Issuer. Except as provided in Section 4.02 hereof, the Issuer will not sell, assign, transfer, convey or otherwise dispose of its interest in this Agreement or the receipts and revenues derived by the Issuer from the Corporation pursuant to this Agreement.

SECTION 8.03. Other Property of Corporation. The Corporation may from time to time, in its sole discretion and at its own expense, install additional machinery,

equipment and other items of personal property on the Project. All machinery, equipment and personal property so installed by the Corporation shall remain the sole property of the Corporation in which neither the Issuer nor the Lender shall have any interest, and may be modified or removed by the Corporation at any time. In the event any removal of machinery, equipment or related property of the Corporation causes damage to the existing buildings or structures included in the Project, the Corporation shall restore the same or repair such damage at its sole expense.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01 Events of Default Defined. An "Event of Default" or a "Default" shall mean, whenever such terms are used in this Agreement, any one or more of the following events:

(a) Failure by the Corporation to pay or cause to be paid when due any payment required to be made under Section 4.01 hereof.

(b) Failure by the Corporation to pay when due any payment required to be made under this Agreement other than payments under Section 4.01 hereof, which failure shall continue for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Corporation by the Issuer or the Lender by certified mail;

(c) Failure by the Corporation to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsections (a) and (b) of this Section 9.01, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the Corporation by the Issuer or the Lender by certified mail, unless the Issuer and the Lender shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Issuer and the Lender will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Corporation within the applicable period and diligently pursued until the default is corrected;

(d) The dissolution or liquidation of the Corporation. The term "dissolution" or "liquidation" as used in this Section 9.01 shall not be construed to include the cessation of the corporate existence of the Corporation resulting either from a merger or consolidation of the Corporation into or with another corporation or dissolution or liquidation of the Corporation following a transfer of all or substantially all of its assets as an entirety under the conditions permitting such actions with respect to the Corporation contained in Section 7.02 hereof.

(e) The commencement by the Corporation of any case, proceeding or other action relating to it in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts, or for any other relief, under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, now or hereafter existing; or the application by the Corporation for a receiver, custodian or trustee of it or for all or a substantial part of its property; or the making by the Corporation of an assignment for the benefit of creditors; or the inability by the Corporation or the admission in writing of its inability to, pay its debts as they become due; or the taking of any action by the Corporation indicating its consent to, approval of or acquiescence in, or in the furtherance of, any of the foregoing.

(f) The commencement against the Corporation of any case, proceeding or other action in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts, or any other relief, under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, now or hereafter existing; or the appointment of a receiver, custodian or trustee of the Corporation or for all or a substantial part of its property or the issuance of a warrant of attachment, execution or restraint, or similar process against any substantial part of the property of the Corporation; and in each such case such condition shall continue for a period of 60 days undismissed, undischarged or unbonded.

The provisions of subsection (c) of this Section 9.01 are subject to the following limitations: If by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the Government of the United States or of the State or any department, agency, political subdivision or official of either of them or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes, blizzards, or other storms; breakage or accident to machinery; partial or entire failure of utilities; or any cause or event not reasonably within the control of the Corporation, the Corporation is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Corporation contained in Sections 4.01 and hereof, the Corporation shall not be deemed in default

in respect of such agreement as the Corporation is by reason of such cause or event unable to perform during the continuance of such inability. The Corporation agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Corporation, and the Corporation shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Corporation unfavorable to the Corporation. The occurrence of any of the events described in paragraphs (a), (b), (d), (e) and (f) of this Section 9.01 shall constitute an Event of Default regardless of the reason for such failure to perform.

SECTION 9.02. Remedies. Whenever any Event of Default referred to in Section 9.01 hereof shall have happened and be subsisting, any one or more of the following remedial steps may be taken, and provided that no remedial steps shall be taken by the Issuer or the Lender as its assignee the effect of which would be to entitle the Issuer to funds necessary for the payment of principal and interest on Notes which have not yet matured unless such principal and interest shall have been declared due and payable in accordance with the Indenture and such declaration shall not have been rescinded:

(a) The Issuer, or the Lender as provided in the Indenture, may, at its option, declare all unpaid amounts payable under Section 4.01 hereof to be immediately due and payable.

(b) The Issuer, or the Lender, may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Corporation under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Indenture or, if the Notes have been fully paid (or provision for payment thereof has been made in accordance with the Indenture) to the Corporation.

SECTION 9.03. Mandatory Waiver of Default. Notwithstanding the provisions of Section 9.06 hereof limiting the authority of the Issuer to waive a Default hereunder, if, after the maturity of the Outstanding Notes

shall have been accelerated by the Lender upon occurrence of an event of default under the Indenture (i) all arrears of interest on the Outstanding Notes and interest on overdue installments of principal, premium, if any, and (to the extent permitted by law) interest, at a rate per annum which is equal to the highest rate per annum borne by any of the Notes, and the principal, premium, if any, on all Notes then Outstanding which have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal and interest on such Notes which by such acceleration shall have become due and payable, shall have been paid, (ii) all other things shall have been performed in respect of which there was a Default, (iii) there shall have been paid the reasonable fees and expenses, including Administration Expenses, of the Lender and of the Holders of such Notes, including reasonable attorneys' fees paid or incurred; and (iv) such event of default under the Indenture shall have been waived by the Lender with the consequence that such acceleration is rescinded, then the Corporation's Default hereunder shall be waived without further action by the Lender or the Issuer.

SECTION 9.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 9.05. Attorneys' Fees and Expenses. In the event under any of the provisions of this Agreement the Issuer or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Corporation herein contained, the Corporation agrees that it will on demand therefor pay to the Issuer or the Lender the reasonable fees of such attorneys and such other expenses so incurred.

SECTION 9.06. Surrender of Possession of Project. Upon the occurrence of an Event of Default and while such Event of Default shall be continuing, but only if and to the extent then permitted by applicable law, the Corporation,

upon demand of the Issuer or Lender, shall forthwith surrender to the Lender possession of the Project, together with the books and records of the Corporation pertaining thereto and its rights to hold, operate and manage the same. If and to the extent then permitted by applicable law, the Issuer or its assignee, the Lender personally or by their agents or attorneys may enter into and take possession of the Project and forthwith operate and manage the same and exercise all rights, powers and franchises of the Corporation in respect thereto, including the making of all needful repairs and improvements to the Project as the Issuer or its assignee, the Lender may deem wise and lease the Project or any portion thereof in the name and for the account of the Corporation. The Issuer or its assignee, the Lender may collect and receive the rents and revenues from the Project, pay all proper costs and expenses of taking, holding and managing the same (including reasonable compensation to the Issuer or its assignee, the Lender, their agents and counsel, any charges of the Issuer or its assignee, the Lender under this Financing Agreement, any taxes and assessments and other charges prior to the lien of this Financing Agreement which the Issuer or its assignee, the Lender may deem it wise to pay, and all expenses of such repairs and improvements) and apply the remainder of the moneys so received in accordance with the provisions of Section 7.06 of the Indenture. Whenever such Event of Default shall have been corrected the Issuer or its assignee, the Lender shall surrender possession of the Project to the Corporation, its successors and assigns.

SECTION 9.07. Additional Powers of Issuer or Lender. Upon the occurrence and during the continuation of an Event of Default, the Lender may exercise any of the rights and powers hereinafter set forth in this section; (in addition to the powers granted to it in Section 9.02 of this Financing Agreement).

(a) The Issuer or its assignee, the Lender may exercise any of the rights of a secured party under the Uniform Commercial Code of the State, as then in effect, with respect to such part of the Mortgaged Property as is covered by such Code.

(b) The Issuer or its assignee, the Lender, as a matter of right, without notice and without giving bond to the Corporation or anyone claiming under it, may have appointed, and shall be entitled to the appointment of, a receiver in equity with power to charge and collect rents and to apply the revenues from the Project in accordance with the provisions of this Financing Agreement, and such other powers as the court making the appointment may confer.

(c) The Issuer or its assignee, the Lender, with or without entry, foreclose the lien on the Project created and vested by this Financing Agreement and sell the Project, either by proceedings in equity or at public auction at such place or places as may be required by law, having first given notice of such sale by publication or otherwise as may be required by law, and upon such sale may make and deliver to the purchaser a good and sufficient deed or deeds or bill or bills of sale or assignment or assignments for the same. The Issuer or its assignee, the Lender may become the purchaser at any foreclosure sale if the highest bidder. The Corporation, for it and for all who may claim through or under it, if and to the extent permitted by law, hereby expressly waives and releases all rights to have the Mortgaged Property marshalled upon any foreclosure sale, and the Issuer or its assignee, the Lender or any court in which the foreclosure of this Financing Agreement is sought shall have the right to sell the Mortgaged Property as an entirety and in a single parcel or several parcels or lots in the discretion of the Issuer or its assignee, the Lender. The Corporation covenants that, if and to the extent permitted by law, it will not at any time insist upon or plead, claim or take any benefit or advantage of any stay or extension law or any laws providing for the valuation or appraisal of the Mortgaged Property prior to any sale or sales thereof nor after any such sale or sales claim or exercise any right to redeem the property so sold, and the Corporation, to the extent permitted by law, hereby expressly waives for itself and on behalf of each and every person claiming by, through or under the Corporation all benefit and advantage of any such law or laws.

(d) The Issuer or its assignee, the Lender may proceed to protect and enforce its rights under this Financing Agreement by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid of the execution of any power herein granted, or for the foreclosure of this Financing Agreement, or for the enforcement of any other appropriate legal or equitable remedy, as the Issuer or its assignee, the Lender, may deem most effective to protect and enforce any of the rights or interests under the Notes or this Financing Agreement or both.

SECTION 9.08. Remedies Under Financing Agreement Vested in Lender; Appointment of Lender as Agent of Issuer. If and to the extent permitted by law, in order to have the claims of the Issuer against the Corporation allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings to which the Corporation shall be a party, the Lender is hereby appointed the true and lawful attorney-in-fact of the Issuer, with authority to make or file, in

the name of the Issuer, any proof of debt, amendment to proof of debt, petition or other document; to receive payment of all sums becoming distributable on account thereof; to execute any other papers or documents, and to do and perform any and all acts and things for and in behalf of the Issuer as may be necessary or advisable in the opinion of the Lender. The Lender shall have full power of substitution and delegation in respect of any such powers.

SECTION 9.09. Waiver of Event of Default. As assignee hereof, the Lender may in its discretion waive any Event of Default and its consequences hereunder.

ARTICLE X

PREPAYMENTS

SECTION 10.01. Optional Prepayment. The Corporation shall have, and is hereby granted, options to prepay, at any time, payment in full of the amounts payable under Section 4.01 hereof with respect to one or more Series of Notes, as follows:

(a) if (i) all or substantially all of the Project is damaged or destroyed to such extent that in the opinion of the Corporation it cannot be reasonably restored to its condition immediately preceding such damage or destruction within a period of six months, or to such extent that the Corporation, in its opinion, would be prevented or would likely be prevented from carrying on normal operations at the Project or the Plant for a period of six months or more or, with respect to the Project, the cost of restoration or repair would exceed by 25% the original Cost of the Project; or (ii) all or substantially all of the Project or the Plant is condemned or taken under the exercise of the power of eminent domain by any governmental authority to such extent that the Corporation, in its opinion, would be prevented or would likely be prevented from carrying on normal operations at the Project or the Plant for a period of six months or more; or (iii) any change occurs in the Constitution of the State or the Constitution of the United States of America, or there occurs any legislative or administrative action (whether state or Federal) or any final decree, judgment or order of any court or administrative body (whether state or Federal), the result of which is to render the obligations of the Corporation under this Agreement unenforceable or impossible of performance in any material respect in accordance with the intent and purpose of the parties as expressed in this Agreement; or (iv) unreasonable burdens or excessive liabilities are imposed on the Issuer or the Corporation with respect to the Project or the operation thereof, including without limitation, Federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Agreement which, in the judgment of the Corporation, render the continued operation of the Project uneconomical for its intended use; or (v) changes in the economic availability of raw materials, labor, operating supplies, energy sources, facilities or supplies necessary for the efficient operation of the Project or technological or other changes have occurred which Corporation cannot reasonably control or overcome and which, in the

reasonable judgment of the Corporation, render continued operation of the Project uneconomic for its purposes, in any of which cases the prepayment price shall be a sum sufficient, together with other funds held by the Lender and available for such purpose (i) to prepay at the earliest practicable date all Notes then Outstanding under the Indenture at a prepayment price equal to the principal amount thereof, (ii) to pay the interest which will become due on such Notes to the date or dates fixed for prepayment, and (iii) to pay all Administration Expenses relating to such Notes accrued and to accrue through the date or dates fixed for prepayment; or

(b) Under circumstances other than those described in subsection (a) of this Section 10.01 or in Section 10.03 hereof, in which case the Corporation shall pay a sum sufficient, (i) to prepay at the earliest practicable date all Notes then Outstanding under the Indenture at the prepayment prices applicable on the date or dates fixed for prepayment as provided in the Indenture, (ii) to pay the principal on all such Notes maturing prior to the date or dates fixed for prepayment, (iii) to pay the interest which will become due on such Notes to the date or dates fixed for prepayment or the maturity date or dates, as the case may be, and (iv) to pay all Administration Expenses relating to such Notes accrued and to accrue through the date or dates fixed for prepayment or the maturity date or dates, as the case may be.

SECTION 10.02. Notice of Exercise of Option. If prepayment of amounts payable under Section 4.01 hereof is made pursuant to Section 10.01 hereof, the Corporation shall give the Issuer and the Lender written notice of the date of such prepayment, which date shall not be less than three days from the date the notice is mailed.

SECTION 10.03. Mandatory Prepayment. If there shall be a Determination of Taxability, all amounts payable under Section 4.01 hereof with respect to all Notes then Outstanding shall be accelerated to and such amounts shall be due and payable on the date specified by the Lender pursuant to Section 5.03 of the Indenture.

In such case, the prepayment price shall be a sum sufficient (i) to prepay all Notes then Outstanding under the Indenture at the prepayment price specified in Section 2.02(c) thereof, (ii) to pay the interest which will become due on such Notes to the date fixed for prepayment by the Lender pursuant to Section 5.03 of the Indenture, and (iii) to pay all Administration Expenses relating to such Notes

accrued and to accrue through the date fixed for the prepayment thereof.

Prepayment shall not be mandatory if the Lender and the Corporation agree on mutually acceptable terms and conditions.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Termination. This Agreement shall terminate upon (i) payment in full of the Notes (including interest and premium, if any, thereon); (ii) payment or satisfaction of all other obligations incurred by the Issuer or the Corporation under this Agreement, including (without limitation) interest, premiums and other charges, if any, thereon; and (iii) the payment of all Administration Expenses due and to become due.

SECTION 11.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail (except as otherwise specified herein), postage prepaid, addressed as follows:

(a) if to the Issuer,

Florence County Council
Post Office Box G
City-County Complex
Florence, South Carolina 29501
Attention: Administrator;

(b) if to the Corporation,

Superior Machine Company, Inc.
492 North Cashua Road
Florence, South Carolina 29501
Attention: President; and

(c) if to the Lender,

Bankers Trust of South Carolina
Post Office Drawer 1769
Florence, South Carolina 29503
Attention: Roger B. Whaley, Vice President.

A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Corporation to the other shall also be given to the Lender. The Issuer, the Corporation and the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.03. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding

upon the Issuer, the Corporation and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.02, 8.01 and 8.02 hereof.

SECTION 11.04. Severability. If any clause, provision or section of this Agreement be held illegal or invalid by any court for any reason, the remaining clauses, provisions or sections shall be unimpaired and such illegal or invalid provisions shall be construed and applied so as to most closely legitimately effectuate its intent. In case any agreement or obligation contained in this Agreement be held by any court to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Corporation, as the case may be, to the full extent permitted by law.

SECTION 11.05. Amendments. No amendment, change, modification, alteration or termination of this Agreement shall be made other than pursuant to a written instrument signed by the Issuer and the Corporation and consented to in writing by the Lender.

SECTION 11.06. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.07. Limited Obligation of the Issuer. Anything herein to the contrary notwithstanding: (a) any obligation the Issuer may incur hereunder including for the payment of money, shall not be deemed to constitute a debt or general obligation of the Issuer but shall be payable solely and exclusively from the proceeds of the Notes available therefor and other available moneys derived by the Issuer pursuant to this Agreement; (b) the Issuer may require as a condition to the participation by it with the Corporation in obtaining any license or permit or other legal approvals a deposit by the Corporation of such amount as determined by the Issuer to be reasonable to assure the reimbursement to the Issuer of the costs incurred by it in such participation, with any amount of such deposit in excess of such costs to be returned to the Corporation; and (c) the liability of the Issuer for any breach of any of the representations or warranties by it or any covenant or agreement set forth herein shall be limited solely and exclusively to the proceeds of the Bonds available therefor and other available moneys derived by the Issuer pursuant to this Agreement.

SECTION 11.08. State Law to Govern. The laws of the State shall govern the construction of this Agreement.

SECTION 11.09. Rights of Lender. The agreements or obligations made herein by the Corporation to or for the benefit of the Lender are intended by the Corporation to be specifically enforceable by the Lender and the Corporation acknowledges that the acquisition of the 1980 Note by the Lender is consideration for any such agreements or obligations.

IN WITNESS WHEREOF, Florence County, South Carolina, has executed this Financing Agreement by causing its name to be hereunto subscribed by the Chairman of the County Council and the official seal of said County Council to be impressed hereon and attested by the Administrator of the County and Superior Machine Company, Inc. has executed this Financing Agreement by causing its corporate name to be hereunto subscribed by its President or a Vice President and its corporate seal to be impressed hereon and attested by its Secretary or an Assistant Secretary, all as of the date first above written.

FLORENCE COUNTY, SOUTH CAROLINA

By _____
Chairman, County Council of
Florence County, South Carolina

SEAL

ATTEST:

M. L. Love, Jr., Administrator of
Florence County, South Carolina

By _____
Its _____

SEAL

ATTEST:

Its _____

9694

EXHIBIT A
[Description of Project]

EXHIBIT B

[Description of Real Estate]

STATE OF SOUTH CAROLINA)
)
COUNTY OF FLORENCE)

PERSONALLY appeared before me _____,
who being duly sworn says that he saw the corporate seal of
Florence County, South Carolina, affixed to the foregoing
Financing Agreement and that (s)he also saw _____
_____, as Chairman of the County Council of
Florence County, South Carolina, and M. L. Love, Jr., as
Administrator of Florence County, South Carolina, sign and
attest the same and that (s)he with _____
witnessed the execution and delivery thereof as the act and
deed of said Florence County, South Carolina.

SWORN to before me this

_____ day of _____, 1980

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF FLORENCE)

PERSONALLY appeared before me _____,
who being duly sworn says that (s)he saw the corporate seal
of Superior Machine Company, Inc., affixed to the foregoing
Financing Agreement and that (s)he also saw _____
_____, its _____ sign and _____
_____, its _____, attest the
same, and that (s)he with _____ witnessed
the execution and delivery thereof as the act and deed of
said Superior Machine Company, Inc.

SWORN to before me this
_____ day of _____, 1980

_____(L.S.)
Notary Public for South Carolina
My Commission Expires: _____

EXHIBIT

NOV 17 1980

NO. 1

STATE BUDGET & CONTROL BOARD

2.02

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY FLORENCE COUNTY, SOUTH CAROLINA, OF ITS FIRST MORTGAGE INDUSTRIAL DEVELOPMENT REVENUE NOTE (SUPERIOR MACHINE COMPANY, INC. PROJECT) 1980, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976) AS AMENDED IN THE PRINCIPAL AMOUNT OF APPROXIMATELY \$500,000.

WHEREAS, Florence County, South Carolina (the "County") acting by and through its County Council is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act") to acquire or cause to be acquired properties through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely from revenues and receipts from any such project and secured by a pledge of said revenues and receipts and by a mortgage on the land, buildings, improvements, machinery and equipment acquired from the proceeds thereof; and

WHEREAS, the County and Superior Machine Company, Inc., a corporation (the "Corporation"), entered into an Assistance Agreement (the "Assistance Agreement") executed by the Corporation on November 6, 1980, and executed by the County on November 6, 1980, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Assistance Agreement, the County proposes to issue approximately \$500,000 principal amount First Mortgage Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980 (the "1980 Note") under and pursuant to the Act to defray the costs of acquiring by construction and purchase certain land, a building or buildings and other improvements thereon, and machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be located in the County, and, subject to the

approval of the State Budget and Control Board of South Carolina, to make the Project available to the Corporation under and pursuant to the terms of a Financing Agreement to be entered into between the County and the Corporation; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Florence County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Series 1980 Note in the principal amount of approximately \$500,000 to finance the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) Neither the Project, the 1980 Note proposed to be issued by the County to finance the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(c) The issuance of the 1980 Note by the County in the principal amount of approximately \$500,000 will be required to defray the cost of the Project.

(d) Inasmuch as the Corporation is a corporation with established credit, the establishment of reserve funds in connection with the retirement of the 1980 Note and the maintenance of the Project is deemed unnecessary.

(e) The Project will be made available by the County to the Corporation upon terms which will require the Corporation, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(f) The Project will consist of the items described on Exhibits A and B to the Financing Agreement and Indenture submitted with the Petition.

(g) A reasonable estimate of the cost of the

Project including necessary expenses incident thereto is \$500,000.

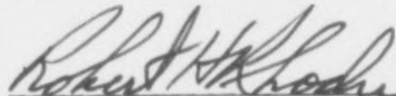
(h) In addition to the employment provided for those engaged in the construction of the Project, it is anticipated that after the Project has been completed and the Project placed in operation, the Project will provide additional permanent employment for approximately 15 people from the County and areas adjacent thereto and then over the next three years, the Corporation expects to employ approximately 60 more employees, bringing the total number of employees to 175 people, with a resulting alleviation of unemployment, and a substantial increase in payrolls and other public benefits incident to the conducting of industrial operations.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition by this County Council requesting the approval of the proposed financing by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto as Exhibit A.

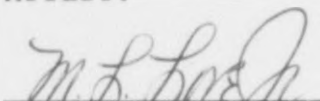
Section 3. The Chairman be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Administrator be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board, in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved November 6, 1980.


Robert H. Rhodes, Chairman of
Florence County Council

ATTEST:


M. L. Love, Administrator,
Florence County, South Carolina

9701

EXHIBIT

NOV 17 1980

NO. 1

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
FLORENCE COUNTY)

TO THE STATE BUDGET AND CONTROL)

BOARD OF SOUTH CAROLINA)

P E T I T I O N

This Petition of Florence County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act"), and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Florence County, (the "County Council") is the governing body of the County and as such is the "Governing Board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) To acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects which shall be located within the County; (ii) to make available to others any or all of its projects on such terms and conditions as the county board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project, and to secure the payment of such bonds all as in the Act provided.

3. The County has agreed to assist Superior Machine Company, Inc., a South Carolina corporation (the "Corporation"), by issuing its revenue bonds for the purpose of defraying the cost of acquiring certain facilities more fully described in Exhibits A and B to the Financing Agreement and Indenture attached hereto, located in the County (the "Project").

4. The County has been advised by the Corporation that the estimated cost of the Project will be \$500,000 and

it has requested the County to execute and deliver its First Mortgage Industrial Development Revenue Note (Superior Machine Company, Inc. Project) 1980 (the "1980 Note") in the principal amount of approximately \$500,000 to defray such costs.

5. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the principal amount of the 1980 Note required to finance the Project is expected to be approximately \$500,000; (iv) the amount necessary in each year to pay the principal of and the interest on the 1980 Note proposed to be issued to finance the Project will be made a part of the proceedings of the County with respect to the 1980 Note; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed note and the maintenance of the Project; and (vi) the terms under which the Project is to be leased provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto.

6. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibits A and B to the Financing Agreement and Indenture submitted herewith, consists of land a building or buildings, improvements thereon and certain machinery, apparatus, equipment, office facilities and furnishings to be used for manufacture component parts for machinery used in the pulpwood, paper, steel and rock crushing industries. It is anticipated that, upon completion, the Project will provide directly 15 additional full time jobs in the County and then over the next three years, the Corporation expects to employ approximately 60 more employees, bringing the total number of employees to 175 people, and that the Project will provide stimulation to the economy of the County and areas adjacent thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be \$500,000.

(c) Copies of the Financing Agreement and the Indenture are being submitted herewith. The following summary of terms and the basis for payments in lieu of interest is in no wise intended to affect or alter the

actual terms of the documents themselves:

(i) The proposed Financing Agreement between the Corporation and the County provides in general:

(A) Proceeds derived from the placement of the 1980 Note, except accrued interest paid by the lender, will be used and applied by the County upon request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) Under the terms of the Financing Agreement, the Corporation obligates itself: to effect the completion of the Project if the proceeds derived from the sale of the 1980 Note prove insufficient therefor without diminution of any payments to the County required by the Financing Agreement; to meet the payments of principal, premium, if any, and interest on the 1980 Note as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Financing Agreement.

(C) The Financing Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers.

(ii) The proposed Indenture (the "Indenture") between the County and Bankers Trust of South Carolina as Lender (the "Lender"), provides in general:

(A) An irrevocable pledge and assignment for the benefit of the holder of the 1980 Note of the right, title and interest in and to the Project, the Financing Agreement and all payments, receipts and revenues which the County has a right to receive under the Financing Agreement or any other financing agreement or the sale of the Project (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Indenture.

(B) The terms of the 1980 Note, the provisions for exchange and transfer of the 1980 Note, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, provisions for issuance of additional parity notes, default provisions and remedies therefor and various other matters relating

EXHIBIT

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STATE BUDGET & CONTROL BOARD

to the 1980 Note.

(C) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

(iii) The Financing Agreement specifies that the Corporation and the County shall cooperate in having the Project appraised for such purposes and in making payments to the taxing authorities of the County and any school district or districts and other political units wherein the Project is located.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the proposed financing of the cost thereof by the County through the issuance of the 1980 Note pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), and (iv) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

FLORENCE COUNTY, SOUTH CAROLINA

By Robert H. Rhodes
Robert H. Rhodes, Chairman of
Florence County, South Carolina

Dated: November 6, 1980.

(SEAL)

ATTEST:

M. L. Love
M. L. Love, Administrator,
Florence County, South
Carolina

9705

The State of South Carolina

NOV 14 1980



EXHIBIT

NOV 17 1980

NO. 2

Office of the Attorney General

STATE BUDGET & CONTROL BOARD

KAREN LeCRAFT HENDERSON
Senior Assistant Attorney General

WADE HAMPTON OFFICE BUILDING
POST OFFICE BOX 11549
COLUMBIA S. C. 29211
TELEPHONE 803-758-8667

DANIEL R. McLEOD
ATTORNEY GENERAL

November 14, 1980

Honorable William T. Putnam
Executive Director
State Budget and Control Board
Wade Hampton State Office Building
Columbia, South Carolina

Re: \$1,400,000 Richland County, South
Carolina, Industrial Revenue Note,
Series 1980 (Intertec Data Systems
Corporation Project)

Dear Mr. Putnam:

Regarding the above-referenced note, we have reviewed the
Petition and other documents submitted to the State Budget
and Control Board for its approval pursuant to Sections 4-
29-10 et seq., CODE OF LAWS OF SOUTH CAROLINA, 1976, as
amended, and the same appear, in our opinion, to be in order.

With kind regards,

A handwritten signature in cursive script, reading "Karen LeCraft Henderson".

Karen LeCraft Henderson
Senior Assistant Attorney General

KLH:jvh

9706

EXHIBIT

NOV 17 1980

NO. 2

STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY RICHLAND COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$1,400,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (INTERTEC DATA SYSTEMS CORPORATION PROJECT) 1980, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Richland County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Richland County (the "County") pursuant to the Act of its Industrial Development Revenue Note (Intertec Data Systems Corporation Project) 1980, in the aggregate principal amount of not exceeding \$1,400,000 (the "1980 Note"); and

WHEREAS, the County proposes to issue the 1980 Note for the purpose of defraying the cost of acquiring, by construction and purchase, certain land, a building or buildings, machinery, equipment and furnishings (the "Project") to be used for an industrial facility for the manufacture of computers; and

WHEREAS, the Project is to be made available to REALVEST ASSOCIATES (the "Partnership") which Partnership will make payments sufficient to pay the principal, premium, if any, and interest on the 1980 Note and the costs and expenses related to the issuance of the 1980 Note; and

WHEREAS, the Partnership will lease the Project to Intertec Data Systems Corporation, a Maryland corporation, to manufacture computers; and

WHEREAS, it is proposed that the 1980 Note will be secured by a pledge of the revenues to be derived from the Project, and in addition by a first mortgage on the Project; and

WHEREAS, the County has submitted with the Petition (i) drafts of the documents to be entered into by the County in connection with the issuance of the 1980 Note, for review by the State Budget and Control Board, (ii) an Assistance Agreement by and between the Partnership and the County executed by the Partnership on October 8, 1980, and executed by the Governing Board, on October 8, 1980, and (iii) a copy of a resolution and petition adopted by the Governing Board

on November 5, 1980, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

NOW, THEREFORE, BE IT RESOLVED, By the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring and constructing the Project, to make the Project available to the Partnership for lease to Intertec Data Systems Corporation, to finance the cost thereof and expenses incidental thereto by the issuance of the 1980 Note, in substantially the form set forth in the Indenture, secured by a pledge of the revenues to be derived from the Project, and a first mortgage on the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Partnership, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The State, which is a newspaper having general circulation in Richland County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

9708

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session 1980 (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Richland County, South Carolina, has given its approval to the following undertaking by Richland County, South Carolina:

The issuance by Richland County of its Industrial Development Revenue Note (Intertec Data Systems Corporation Project) 1980, in the aggregate principal amount of approximately \$1,400,000 (the "1980 Note"), to defray the costs of acquiring, by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings by REALVEST ASSOCIATES, a South Carolina partnership, to be leased to Intertec Data Systems Corporation, a Maryland corporation, to be used as an industrial facility for the manufacture of computers (the "Project") to be located in Richland County. The Project will be made available to REALVEST ASSOCIATES, which will unconditionally covenant to make payments sufficient to pay the principal, premium, if any, and interest on the 1980 Note. The 1980 Note will be payable solely and exclusively out of revenues to be derived from the Project, and is to be additionally secured by a first mortgage on the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the 1980 Note by Richland County to finance the same, by action de novo instituted in the Circuit Court for Richland County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: November __, 1980.

9709

EXHIBIT

NOV 17 1980 NO. 2

STATE OF SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

COUNTY OF RICHLAND

I, WILLIAM A. McINNIS, Secretary to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the said State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That a poll in which Governor Riley (through Executive Assistant Clarke), Mr. Patterson (through Adm. Asst. Dunn), and Representative Mangum participated was conducted by me by telephone on November 17, 1980 during which a Resolution, of which the attached is a true, correct and verbatim copy, was considered and, upon the vote being taken and recorded, the following votes were cast:

FOR ADOPTION

3

AGAINST ADOPTION

0

That the Resolution was unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of said Board in my custody as its Secretary.

That the action described herein will be placed on the agenda of the next meeting of the Board for the purpose of ratification. The next Board meeting now is scheduled to be held on Tuesday, December 9, 1980.

Secretary

November 18, 1980

9710

NOV 12 1980

BANKERS
TRUST

November 3, 1980

State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: \$1,400,000 Richland County, South Carolina,
First Mortgage Industrial Revenue Note
(Intertec Data Systems Corporation Project)
Series 1980

Gentlemen:

We have made a commitment to purchase the above referenced issue of Richland County, South Carolina. In connection with our commitment, we have requested and been provided with certain financial information by William M. Wells, III, Edward O. Caughman, and Intertec Data Systems Corp. and the information to the extent that it has been furnished and the balance of the information to be furnished in satisfaction of our commitment are satisfactory to us. Our agreement to purchase this issue is made for our own investment as loan purposes and we do not presently contemplate the resale, distribution or redistribution of the issue.

Sincerely,



Frank R. Knox
Vice President
Bankers Trust of South Carolina

FRK:jb

EXHIBIT

NOV 17 1980

NO. 2

STATE BUDGET & CONTROL BOARD

9711

EXHIBIT

NOV 17 1980 NO. 2

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

P E T I T I O N

This Petition of Richland County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act"), and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Richland County (the "County Council") is the governing body of the County and as such is the "Governing Board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) To acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects which shall be located within the County; (ii) to make available to others any or all of its projects upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project, and to secure the payment of such bonds all as in the Act provided.

3. The County has agreed to assist Edward O. Caughman and William M. Wells, III, acting as partners for REALVEST ASSOCIATES, a South Carolina partnership (the "Partnership"), qualified to do business in South Carolina by issuing its revenue bonds for the purpose of defraying the cost of acquiring certain facilities to be leased to Intertec Data Systems Corporation, a Maryland corporation (the "Corporation"), more fully described in Exhibits A and B to the Financing Agreement and Indenture attached hereto, located in the County (the "Project").

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4. The County has been advised by the Corporation and the Partnership that the estimated cost of the Project will be \$1,400,000 and it has requested the County to execute and deliver its First Mortgage Industrial Development Revenue Note (Intertec Data Systems Corporation Project) 1980 (the "1980 Note") in the principal amount of approximately \$1,400,000 to defray such costs.

5. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the principal amount of the 1980 Note required to finance the Project is expected to be approximately \$1,400,000; (iv) the amount necessary in each year to pay the principal of and the interest on the 1980 Note proposed to be issued to finance the Project will be made a part of the proceedings of the County with respect to the 1980 Note; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed note and the maintenance of the Project; and (vi) the terms under which the Project is to be leased providing that the Partnership shall maintain the Project and carry all proper insurance with respect thereto.

6. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibits A and B to the Financing Agreement and Indenture submitted herewith, consists of land, a building or buildings, improvements thereon and certain machinery, apparatus, equipment, office facilities and furnishings to be used for the manufacture of computers. It is anticipated that, upon completion, the Project will provide directly 20 to 30 additional full time jobs in the County and that the Project will provide stimulation to the economy of the County and areas adjacent thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be \$1,400,000.

(c) Copies of the Financing Agreement and the Indenture are being submitted herewith. The following summary of terms and the basis for payments in lieu of interest is in no wise intended to affect or alter the actual terms of the documents themselves:

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(i) The proposed Financing Agreement between the Partnership and the County provides in general:

(A) Proceeds derived from the placement of the 1980 Note, except accrued interest paid by the lender, will be used and applied by the County upon request of the Partnership solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) Under the terms of the Financing Agreement, the Partnership obligates itself: to effect the completion of the Project if the proceeds derived from the sale of the 1980 Note prove insufficient therefor without diminution of any payments to the County required by the Financing Agreement; to make payments in the amount necessary to meet the payments of principal, premium, if any, and interest on the 1980 Note as the same become due; to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Financing Agreement; and to obligate itself to make the additional payments required by the Act, including, but not limited to, payments in lieu of taxes if necessary.

(C) The Financing Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers.

(ii) The proposed Indenture (the "Indenture") between the County and Bankers Trust of South Carolina, as Lender (the "Lender"), provides in general:

(A) An irrevocable pledge and assignment for the benefit of the holder of the 1980 Note of the County's right, title and interest in and to the Project, the Financing Agreement and all payments, receipts and revenues which the County has a right to receive under the Financing Agreement or any other lease or the sale of the Project (except payments and rights to payments of certain payments in lieu of taxes, indemnification payments and administration expenses), and all the moneys and securities in funds created under the Mortgage.

(B) The terms of the 1980 Note, the provisions for exchange and transfer of the 1980 Note, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, provisions for

issuance of additional parity notes, default provisions and remedies therefor and various other matters relating to the 1980 Note.

(C) The execution of the Mortgage imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

(iii) In the Financing Agreement, the Partnership has agreed to make payments in lieu of taxes as required by the Act. The Financing Agreement specifies that the Partnership and the County shall cooperate in having the Project appraised for such purposes and in making payments to the taxing authorities of the County and any school district or districts and other political units wherein the Project is located.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the proposed financing of the cost thereof by the County through the issuance of the 1980 Note pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), and (iv) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

RICHLAND COUNTY, SOUTH CAROLINA

By Jimmy C. Bales
Jimmy C. Bales, Chairman of
Richland County Council

Dated: November 5, 1980.

(SEAL)

ATTEST:

Brenda Ward
Brenda Ward, Clerk,
Richland County Council
Richland County, South Carolina

9715

NOV 12 1980

MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P. A.

ROBERT E. MCNAIR
TERRELL L. GLENN
JAMES S. KONDUROS
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CHARLES PORTER
ROBERT W. DIBBLE, JR.
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M. CRAIG GARNER, JR.
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ATTORNEYS AND COUNSELORS AT LAW
EIGHTEENTH FLOOR, BANKERS TRUST TOWER
POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211
803-799-9800

November 6, 1980

RANDALL T. BELL
COUNSEL

HILTON HEAD ISLAND OFFICE
108 SAPELO BUILDING
ISLAND OFFICE PARK
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S. C.
29928
803-785-5169

EXHIBIT

NOV 17 1980 NO. 2

STATE BUDGET & CONTROL BOARD

*ADMITTED TO NEW YORK BAR ONLY
*ADMITTED TO D.C. AND VIRGINIA BAR ONLY

Mr. William A. McInnis
State Budget and Control Board
Post Office Box 11333
Columbia, South Carolina 29211

Re: \$1,400,000 Richland County, South Carolina,
Industrial Revenue Note (Intertec Data Systems
Corporation Project) 1980

Dear Bill:

The above captioned industrial revenue note issue is to permit Realvest Associates, a South Carolina partnership, to acquire the old Bellas Hess building in Richland County for lease to Intertec Data Systems Corporation. Intertec Data Systems Corporation manufactures computers. This project will employ 30 people.

Enclosed for review are the following:

1. Trust Indenture;
2. Financing Agreement;
3. Resolution authorizing the Petition to the State Budget and Control Board;
4. Petition to the Budget and Control Board;
5. Resolution approving the issuance of the Note;
6. Investment letter from Bankers Trust of South Carolina as purchaser.

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EXHIBIT

Mr. William A. McInnis
November 6, 1980
Page 2

NOV 17 1980 NO. 2

STATE BUDGET & CONTROL BOARD

As we discussed, we would like to close this issue prior to Christmas and would appreciate your polling the State Board within the next two weeks.

Thanking you for your attention, I am

Sincerely,

McNAIR GLENN KONDUROS CORLEY
SINGLETERY PORTER & DIBBLE, P.A.

Kathy
Kathleen E. Crum

KEC/sss
Enclosures

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EXHIBIT

NOV 17 1980 NO. 2

STATE BUDGET & CONTROL BOARD 1.02

RICHLAND COUNTY, SOUTH CAROLINA

and

BANKERS TRUST OF SOUTH CAROLINA, as Lender

INDENTURE

Dated as of December 1, 1980

Securing
Richland County, South Carolina, Industrial Development
Revenue Note
(Intertec Data Systems Corporation Project) 1980

PRELIMINARY DRAFT

FOR DISCUSSION PURPOSES ONLY
Draft: November 7, 1980

MGKCSP&D

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ACKNOWLEDGMENTS

THIS INDENTURE, dated as of December 1, 1980 (hereinafter called the "Indenture"), between Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter called the "Issuer"), party of the first part, and Bankers Trust of South Carolina, organized and existing under the laws of South Carolina and having its principal office and place of business in Columbia, South Carolina (hereinafter called the "Lender"), as Lender, party of the second part.

WITNESSETH:

WHEREAS, Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (hereinafter said Chapter and amendments are collectively referred to as the "Act") authorizes the several counties and incorporated municipalities of the State of South Carolina to acquire or cause to be acquired one or more projects (as such term is defined in the Act), to enter into agreements with an industry to construct, operate, maintain and improve such a project, to enter into financing agreements with such an industry; to issue revenue bonds (as defined in the Act to include notes), and to defray the cost of acquiring, enlarging, improving and expanding such a project and to secure such notes in the manner authorized in the Act; and

WHEREAS, REALVEST ASSOCIATES, a South Carolina partnership (hereinafter called the "Partnership"), has requested the Issuer to issue its revenue notes and make the proceeds thereof available to defray the cost of acquiring, and, in connection with such acquisition, enlarging, improving or expanding by construction and purchase, certain land and a building or buildings and other improvements thereon and all other machinery, apparatus, office facilities and furnishings deemed necessary, suitable or useful by Intertec Data Systems Corporation, a Maryland corporation, to engage in the manufacture of computers (hereinafter referred to as the "Project") all to be located within the jurisdiction of the Issuer; and

WHEREAS, the Issuer has, by due corporate action authorized the issuance of its revenue note pursuant to the Act and to make the proceeds thereof available to defray the cost of acquiring the Project to be made available to the Partnership pursuant to the terms of a Financing Agreement dated as of December 1, 1980 (thereinafter called the "Agreement") between the Issuer and the Partnership under the terms of which the Issuer is obligated to make payments

to or for the account of the Issuer in the amount necessary to pay the principal, premium, if any, and interest on such revenue note as and when the same becomes due and payable and all other expenses and costs incurred by the Issuer or the Lender in connection with this Indenture, the Agreement or the Project; and

WHEREAS, the Issuer has determined to issue hereunder an initial note to be designated "Richland County, South Carolina, Industrial Development Revenue Note (Intertec Data Systems Corporation Project) 1980" (herein sometimes called the "1980 Note") in the original principal amount of \$1,400,000 for the purpose of providing funds to defray the cost of acquiring the Project to be made available to the Partnership pursuant to a Financing Agreement and to be leased to Intertec Data Systems Corporation; and

WHEREAS, in order to secure the payment of the principal, premium, if any, and interest on the 1980 Note, and to establish and declare the terms and conditions upon which the 1980 Note is to be issued, the Issuer has duly authorized and directed the execution and delivery of this Indenture; and

WHEREAS, the Issuer has duly authorized the execution and delivery of the Agreement and the execution and delivery hereunder of the 1980 Note upon and subject to the terms and conditions hereinafter set forth; and

WHEREAS, all acts and things have been done and performed, which are necessary to make the 1980 Note, when executed and delivered by the Issuer, the legal, valid and binding limited obligation of the Issuer in accordance with its terms and to make this Indenture a valid and binding agreement for the security of the 1980 Note and any other notes executed and delivered hereunder; and

WHEREAS, the 1980 Note is to be in substantially the following form with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to wit:

[Form of 1980 Note]

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
RICHLAND COUNTY
INDUSTRIAL DEVELOPMENT REVENUE NOTE
(INTERTEC DATA SYSTEMS CORPORATION PROJECT) 1980

\$1,400,000

December __, 1980

Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "Issuer"), for value received, hereby promises to pay to Bankers Trust of South Carolina or registered assigns, on the principal sum of

One Million Four Hundred Thousand Dollars (\$1,400,000)

but solely from the revenues and receipts of the Issuer derived pursuant to the Financing Agreement (hereinafter referred to) as provided in the Indenture (hereinafter referred to) and to pay but solely from such revenues and receipts interest on the outstanding balance of said principal sum from the date hereof at the rate per annum of sixty-five percent (65%) of the prime commercial lending rate of Bankers Trust of South Carolina for ninety (90) day unsecured borrowing as in effect from time to time until the payment of such principal sum in full. Principal is payable in 120 equal consecutive monthly installments of principal in the amount of \$11,666.67 plus accrued interest commencing on January __, 1981. The principal, premium, if any, and interest on this note are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts. The principal and premium, if any, on this note are payable, upon surrender hereof, to the Realvest Associates at its principal office in Columbia, South Carolina, or at any other office designated for such payment under the terms of the Indenture hereinafter mentioned. The interest on this note, when due and payable, shall be paid to the registered owner hereof by check or draft mailed to such person at his address last appearing on the Note Register.

This note is duly authorized and issued by the Issuer and designated as "Richland County, South Carolina, Industrial Development Revenue Note (Intertec Data Systems Corporation Project) 1980" (the "1980 Note"), issued in the original principal amount of \$1,400,000 under and pursuant to the Constitution and Laws of the State of South Carolina, particularly Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act"), and under and secured by an Indenture by and between the Issuer and Bankers Trust of South Carolina, a corporation organized and existing under the laws of the State of South Carolina with its principal office in Columbia, South Carolina (the "Lender"), dated as of December 1, 1980 (the "Indenture"). The 1980 Note is being issued to defray the costs of acquiring certain land and a

building or buildings and other improvements thereon and all machinery, apparatus, equipment, office facilities and furnishings to be leased to Intertec Data Systems Corporation, a Maryland corporation, to be used for the manufacture of computers (the "Project"). The Project will be made available to REALVEST ASSOCIATES, a South Carolina partnership (the "Partnership"), pursuant to the terms of a Financing Agreement dated as of December 1, 1980 (the "Agreement") between the Issuer and the Partnership. As provided in the Indenture, additional notes may be issued for the purpose of (a) defraying the cost of completing the Project, the cost of enlarging, improving or expanding of the Project, or (b) refunding any notes issued and outstanding under the Indenture (said additional notes and the 1980 Note and all notes issued and outstanding under the Indenture being referred to as the "Notes").

Pursuant to the terms of the Agreement, the Partnership has obligated itself to make payments to or for the account of the Issuer sufficient to pay as and when the same becomes due, the principal, premium, if any, and interest on the 1980 Note. Pursuant to the Indenture, the Issuer has assigned and pledged its rights to receive payments under the Agreement (except for certain rights of indemnification and reimbursement of expenses) to the Lender to secure payment of the 1980 Note and any additional notes issued and secured under the Indenture. As further security for the payment of the 1980 Note and any additional notes issued under the Indenture, the Issuer has assigned its rights under the Agreement including the security interest and mortgage of the Project given by the Partnership as security for its payment and performance under the Agreement. Payment of the principal, premium, if any, and interest on the 1980 Note has been unconditionally guaranteed to the Lender by Intertec Data Systems Corporation (the "Guarantor"), pursuant to the terms of a Guaranty dated as of December 1, 1980.

Copies of the Indenture, the Agreement, and the Guaranty are on file at the principal corporate office of the Lender and in the Office of the Clerk of Court for Richland County, South Carolina, and reference is made to the Indenture (and all indentures supplementary thereto and amendatory thereof) and the Agreement (and all amendments or supplements thereto) for the provisions relating, among other things, to the terms and security for the 1980 Note, the collection and disposition of the revenues and receipts of the Issuer derived pursuant to the Agreement, the custody and application of the proceeds of the 1980 Note, the rights and remedies of the holders of the 1980 Note, the rights, duties and obligations of the Issuer, the Partnership, the

Guarantor and the Lender and the modification or amendment of any of the foregoing.

This note and any additional notes issued under and secured by the Indenture are and will be equally and ratably secured, to the extent provided in the Indenture, solely by a pledge of the revenues and receipts derived by the Issuer pursuant to the Agreement and by an assignment of the rights of the Issuer under the Agreement including any security interest or mortgage given by the Partnership thereunder. This note and the interest payments becoming due hereon are limited obligations of the Issuer payable solely from the revenues and receipts derived by the Issuer pursuant to the Agreement, and do not and shall never constitute an indebtedness of the Issuer within the meaning of any constitutional provision or statutory limitation and do not and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers. The full faith, credit and taxing power of the Issuer are not pledged for the payment of the principal, premium, if any, or interest on the 1980 Note.

The transfer of this note is registrable, as provided in the Indenture, upon the Note Register kept for that purpose at the principal corporate office of the Partnership, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this note together with a written instrument of transfer satisfactory to the Partnership duly executed by the registered owner or his attorney duly authorized in writing, and thereupon shall be reissued to the transferee with a notation as to the principal amount outstanding as of the date of such transfer as provided in the Indenture, and upon payment of the charges therein prescribed. The Issuer and the Partnership may deem and treat the person in whose name this note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 1980 Note may be prepaid prior to the stated maturity hereof as a whole at any time upon the exercise by the Partnership of its option to prepay all amounts payable by the Partnership pursuant to the provisions of the Agreement. In such case, the 1980 Note shall be prepaid at a prepayment price equal to the principal amount thereof, together with unpaid interest accrued to the date fixed for prepayment, in the manner and subject to the provisions of the Indenture.

The holder of this note as Lender shall have the right to institute any suit, action or proceeding for the

enforcement of the Indenture or hereunder as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the outstanding principal balance of the 1980 Note and all additional notes issued under the Indenture may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

As provided in the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the holder of the 1980 Note and all additional notes issued under the Indenture in any particular may be made only with the consent of the Partnership and the holders of each of the affected notes then outstanding under the Indenture. Any such consent by the holder of this note shall be conclusive and binding upon such holder and all future holders and owners of this note irrespective of whether any notation of such consent is made upon this note.

It is hereby certified and recited that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this note, exist, have happened and have been performed in due time, form and manner, and that the issuance of this note and the issue of which it forms a part are within every debt and other limit prescribed by the Constitution and laws of the State of South Carolina.

IN WITNESS WHEREOF, Richland County, South Carolina, has caused this note to be executed in its name and on its behalf by the manual signature of the Chairman of its County Council and its seal to be impressed, imprinted, engraved or otherwise affixed or reproduced hereon and attested by the manual signature of the Clerk of its County Council, as of December 1, 1980.

RICHLAND COUNTY, SOUTH CAROLINA

By _____
Jimmy C. Bales, Chairman,
County Council of Richland
County, South Carolina

(SEAL)

ATTEST:

By _____
Brenda Ward, Clerk,
County Council of Richland
County, South Carolina

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS,
THIS TRUST INDENTURE WITNESSETH:

The Issuer, in consideration of the premises and of the purchase and acceptance of the 1980 Note issued and secured hereunder by the holder and owner thereof, and of the execution and delivery by the Partnership of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal, premium, if any, and interest on the 1980 Note according to its tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the 1980 Note, and does hereby, subject to the terms and provisions of the Agreement, sell, assign, convey and pledge unto Bankers Trust of South Carolina, as holder of the 1980 Note, and unto its successors in trust, and to its assigns forever, all of the right, title and interest of the Issuer in and to the Agreement (except for the rights of the Issuer to receive payments, if any, of administration expenses pursuant to Section 4.01 of the Agreement and indemnification payments pursuant to Section 7.04 of the Agreement), the Revenues (as hereinafter defined), and all moneys and securities in the Construction Fund (as hereinafter defined).

TO HAVE AND TO HOLD the same pledged, conveyed and assigned, or agreed or intended so to be, to the Lender and its successors and its assigns forever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal, premium, if any, and interest on the 1980 Note and the interest due or to become due thereon, at the times and in the manner mentioned in the 1980 Note and the interest coupons appertaining to the 1980 Note, respectively, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Lender all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment this Indenture and the rights hereby granted shall cease, determine and be void, otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all notes issued and secured hereunder are to be issued, authenticated and delivered and all moneys and securities hereby pledged are to be dealt with and disposed of under, upon and subject to the terms,

conditions, stipulations, covenants, agreements, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Lender and with its successors and assigns as the holder and owner, from time to time, of the 1980 Note, or any part thereof as follows, that is to say:

ARTICLE I

DEFINITIONS

The terms defined in this Article I shall for all purposes of this Indenture have the meanings herein specified, unless the context clearly otherwise requires. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa.

"Act" shall mean Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and all future acts supplemental thereto and amendatory thereof.

"Additional Notes" shall mean Notes other than the 1980 Note, duly executed and delivered pursuant to this Indenture.

"Administration Expenses" shall mean the reasonable and necessary expenses incurred by the Issuer with respect to the Project, the Agreement and this Indenture, and the compensation and expenses paid to or incurred by the Lender under the Agreement or this Indenture; provided, however, that no such expense shall be considered an Administration Expense until the Issuer or the Lender, as the case may be, has furnished to the Partnership a statement in writing indicating the amount of such expense and the reason it has been or will be incurred.

"Agreement" shall mean the Financing Agreement dated as of December 1, 1980, between the Issuer and the Partnership, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions of the Agreement and of this Indenture.

"Authorized Partnership Representative" shall mean any person at the time designated to act on behalf of the Partnership by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of each such person, and signed on behalf of the Partnership by its President or one of its Vice Presidents. Such certificate may designate an alternate or alternates, and may designate different Authorized Partnership Representatives to act for the Partnership with respect to different sections of the Agreement and this Indenture. An Authorized Partnership Representative may be an employee of the Partnership.

"Bond Counsel" shall mean legal counsel experienced in matters relating to municipal obligations and the exemption from taxation of the interest thereon.

"Completion Date" shall mean the date of completion of the acquisition, construction and installation of the Project, as that date shall be certified pursuant to Section 3.05 of the Agreement.

"Construction Fund" shall mean the fund created under Section 4.01 of this Indenture.

"Cost" or "Cost of the Project" shall mean the cost of acquiring, by construction and purchase, the Project and shall be deemed to include, whether incurred prior to or after the date of this Indenture, (a) obligations of the Partnership incurred for labor, materials and other expenses to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) the expenses of the Partnership for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefor, 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; (d) expenses of the Lender, the Depositary, legal, accounting, financial and printing expenses, fees and all other expenses incurred in connection with the issuance of the Notes; (e) all other costs which the Partnership shall be required to pay under the terms of any contract or contracts for the acquisition, construction and installation of the Project; (f) costs incurred by the Partnership for the acquisition of the land upon which the Project is located; (g) any sums required to reimburse the Partnership for advances made by it for any of the above items, or for any other work done by, and costs incurred by, the Partnership, which are properly chargeable to the capital account of the Project for Federal income tax purposes or would be so chargeable either with a proper election by the Partnership or but for a proper election by the Partnership to deduct such amounts; and (h) any amount specified for the payment of interest on a Note to such date or dates as shall be specified (i) with respect to the 1980 Notes herein and (ii) with respect to each Additional Note, in the Supplemental Indenture providing for the issuance of each such Note.

"Depository" shall mean Bankers Trust of South Carolina, a state banking corporation, organized and existing under the laws of South Carolina.

"Determination of Taxability" shall mean (a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that the interest paid or payable on any of the 1980 Note is includable in the gross income of a holder or former holder thereof as a result of either (i) the limitations prescribed in IRC Section 103(b)(6)(D) having been exceeded or (ii) any other action or failures to act by the Partnership; (b) the issuance of a statement by the Partnership to the effect that it has exceeded or intends to exceed the maximum amount of capital expenditures permitted under IRC Section 103(b)(6)(D); or (c) the receipt of an opinion by the Lender from nationally recognized bond counsel stating that the interest on the 1980 Note has become includable in the gross income of a holder thereof for any reason other than that such holder is a substantial user of the project or a related person within the meaning of IRC Section 103(b)(9); provided, nevertheless, that no Determination of Taxability under clause (a) hereof shall occur for a period up to two years after the date of such statutory notice if there is available to the Partnership, either directly, or with the cooperation of any holders of the 1980 Note, a protest being actively prosecuted in good faith by the Corporation which, if successful, would result in a revocation, rescission, or retraction of any such statutory notice of deficiency by the Internal Revenue Service. Such a Determination of Taxability shall be deemed for all purposes of this Indenture to have occurred on the date borne by said statutory notice of deficiency or the date borne by said statement as the case may be.

"Event of Default" shall mean, with reference to this Indenture, any of the occurrences described in Section 7.01 hereof.

"Event of Taxability" shall mean (i) the occurrence of the circumstances described in IRC Section 103(b)(6)(D); (ii) such other acts or failures to act by the Partnership, or (iii) the occurrence of the circumstances resulting in the delivery of the opinion specified in clause (c) of the definition of Determination of Taxability; which circumstances result in a Determination of Taxability with the result that the interest payable on the 1980 Note becomes includable in the gross income of a holder or former holder of the 1980 Note other than a holder who is a "substantial user" of the Project or a "related person" as such terms are used in IRC Section 103.

"Financing Statement" shall mean a financing statement or a continuation statement filed pursuant to the provisions of the Uniform Commercial Code of the State or such other jurisdiction the laws of which are applicable.

"IRC" shall mean the Internal Revenue Code of 1954 as amended and the regulations proposed or promulgated thereunder by the Department of the Treasury as such code and regulations apply to any particular Note.

"Indenture" shall mean this Indenture, as the same may be amended, modified or supplemented in accordance with the terms hereof.

"Interest Payment Date" shall mean each date specified in the Notes for the payment of interest thereon.

"Lender" shall mean Bankers Trust of South Carolina, a Partnership organized and existing under the laws of South Carolina, and its successors and assigns as holder of the 1980 Note.

"Neutral Costs" shall mean, with respect to any Note, that amount of the proceeds from the sale of such Note used for (i) the payment of the reasonable expenses of issuing such Note including, without limitation, advertising, recording and printing costs; accountants, financial advisor's and counsel fees; rating agency fees, initial fees of the Trustee and any paying agents and all similar expenses; and (ii) the provision of any reasonably required debt service reserve fund with respect to the Notes.

"Note" or "Notes" shall mean any or all, as the case may be, of the "Richland County South Carolina Industrial Development Revenue Notes (Realvest Associates Project): executed and delivered by the Issuer, under this Indenture and any Notes executed and delivered under this Indenture in lieu of or in substitution therefor.

"Noteholder" or "Holder of the Notes" or "Holder" shall mean the Registered Owner of the Note.

"Note Register" and "Note Registrar" shall have the respective meanings specified in Section 2.08 of this Indenture.

"Officer's Certificate" shall mean a certificate signed by the Chairman of the County Council of the Issuer and the Clerk of the County Council of the Issuer.

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel satisfactory to the Lender.

"Outstanding" or "Outstanding under this Indenture" when used with reference to the Notes, shall mean at any date as of which the amount of Outstanding Notes is to be determined, the aggregate of all Notes authorized, issued, executed and delivered under this Indenture, except:

(a) Notes canceled or surrendered to the Partnership for cancellation on or prior to such date;

(b) Notes in lieu of or in substitution for which other Notes shall have been executed and delivered pursuant to the Indenture unless proof satisfactory to the Partnership and the Issuer is presented that any such Note is held by a bona fide purchaser in due course.

In determining whether the Holders of the requisite aggregate principal amount of Notes Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Notes which are owned by the Issuer or the Partnership shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"Partnership" shall mean REALVEST ASSOCIATES, a South Carolina partnership of which Edward O. Caughman and William M. Wells, III, are general partners, and any surviving, resulting or transferee partnership in any merger, consolidation or transfer of assets permitted under Section 7.02 of the Agreement.

"Partnership Office" shall mean the principal office of the Partnership, at which at any particular time its business and partnership records shall be principally administered and maintained.

"Permitted Investments" shall mean any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State and Comptroller of the Currency, United States Department of the Treasury for moneys proposed to be invested therein: (i) direct and general obligations of the United States of America or obligations for which the United States of America has unconditionally guaranteed or assumed the obligation of the payment of the principal and interest thereon; (ii) obligations of the Federal Land Bank, Federal Home Loan Banks, Federal National Mortgage Association, Federal Intermediate Credit Partnership, Federal Bank for Cooperatives, International Bank for Reconstruction and Development, Asian Development Bank, and direct and general obligations of any agencies of the United States of America

not included in the foregoing listing; (iii) direct and general full faith and credit obligations of the State; (iv) direct and general full faith and credit obligations of any political unit in the State; (v) obligations of savings and loan associations to the extent that the same are insured by the Federal Savings and Loan Insurance Partnership; (vi) certificates of deposit of any bank or trust company if such certificates are collaterally secured by investments of the type described in clauses (i), (ii) or (iii) above held by another bank or trust company as escrow agent or custodian, of a market value not less than the amount, including interest, of the certificates so secured; (vii) certificates of deposit or other obligations of banks or trust companies organized under the laws of the United States of America or any state thereof, to the extent such certificates or other obligations are insured by an agency of the United States of America; and (viii) any other investment permitted by law.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean the plans and specifications prepared for the Project, on file at the Plant, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the acquisition, construction and installation of the Project in accordance with Section 3.07 of the Agreement. The Plans and Specifications shall be made available to the Lender and the Issuer for inspection at such times as the Lender and the Issuer may reasonably request.

"Plant" shall mean the manufacturing facility of the Partnership located in the jurisdiction of the Issuer.

"Principal Payment Date" shall mean any date on which the principal of any Note shall become due, whether at maturity or by redemption, acceleration or purchase.

"Project" shall mean the land described on Exhibit B and a building or buildings or other improvements thereon, and all other machinery, apparatus, equipment, office facilities and furnishings to be installed therein more particularly described in Exhibit A to the Agreement, including any modification thereof, substitutions therefor and additions thereto and excluding deletions therefrom, all as provided in the Plans and Specifications, but not including the Partnership's own machinery and equipment installed at the Plant under the provisions of Section 8.03 of the Agreement.

"Registered Owner" shall mean the Person or Persons in whose name or names a particular Note shall be registered on the Note Register.

"Revenues" shall mean all payments, receipts and revenues which the Issuer has a right to receive under or pursuant to the Agreement (other than payment of Administration Expenses and indemnification payments pursuant to Section 4.01 and 7.04, respectively, of the Agreement and the proceeds of the Notes).

"State" shall mean the State of South Carolina.

"Supplemental Indenture" or "indenture supplemental hereto" shall mean any indenture supplemental to or amendatory of this Indenture as originally executed which is duly entered into in accordance with the provisions of this Indenture.

"1980 Note" shall mean the Note in the original principal amount of \$1,400,000 initially authorized to be issued pursuant to Section 2.02 of this Indenture.

ARTICLE II

DESCRIPTION, AUTHORIZATION, MANNER OF EXECUTION, REGISTRATION AND TRANSFER OF NOTES

SECTION 2.01. Authorization and Designation of Notes. The Note shall be designated generally as "Richland County, South Carolina, Industrial Development Revenue Note (Realvest Associates Project)," with such further appropriate and particular designations added to or incorporated in such title for the Note as the Issuer may determine. Each Note shall bear upon the face thereof the designation so selected for the Series to which it belongs.

SECTION 2.02. Details of 1980 Note. There shall be issued under and secured by this Indenture a Note to be designated "Richland County, South Carolina, Industrial Development Revenue Note, (Intertec Data Systems Corporation Project) 1980" in the original principal amount of \$1,400,000. The 1980 Note shall be dated December __, 1980, shall bear interest from such date until maturity or until the date fixed for prepayment (whichever occurs first), at the interest rate per annum of sixty-five percent (65%) of the prime commercial lending rate of Bankers Trust of South Carolina for ninety (90) day unsecured borrowing as in effect from time to time payable in 120 monthly installments of principal, each in the amount of \$11,666.67 plus accrued interest from the date of the 1980 Note. The first installment of principal and accrued interest is due on January __, 1980 with each subsequent installment due on the ____ day of each month thereafter until paid.

The principal and prepayment premium, if any, on 1980 Note upon maturity or prepayment shall be payable to the Registered Owner thereof or his assigns upon surrender thereof at the Partnership Office for such purpose. The interest on the 1980 Note when due and payable shall be paid to the Registered Owner thereof by check or draft mailed to such Person at his address last appearing on the Note Register. All payments of principal, prepayment premium, if any, and interest on the 1980 Note shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the manner and with the effect provided in this Indenture, the 1980 Note will be subject to prepayment prior to the stated maturity thereof:

(a) As a whole at any time upon the exercise by the Partnership of its option under the Agreement to prepay all amounts payable by it thereunder.

Under this paragraph (a), the 1980 Note shall be payable at a prepayment price equal to the principal amount thereof, together with unpaid interest accrued to the date fixed for prepayment.

(b) In part from time to time on any Interest Payment Date relating to the 1980 Note, upon the exercise by the Partnership of its option to prepay pursuant to Section 4.01 of the Agreement upon payment in each case of the prepayment price equal to the principal amount of the 1980 Note to be prepaid together with unpaid interest accrued to the date fixed for prepayment.

SECTION 2.03. Terms of Additional Notes. At any time while an Event of Default does not exist or is not continuing hereunder, and subject to the terms and conditions hereof and of the Agreement the Issuer may, with the consent of the Lender, issue from time to time Additional Notes pursuant to one or more Supplemental Indenture and, such Additional Notes shall be subject to the terms and conditions established by the Lender in such Supplemental Indenture.

SECTION 2.04. Mutilated, Lost, Stolen or Destroyed Notes. In the event any Outstanding Note is mutilated, lost, stolen or destroyed, the Issuer may execute and deliver a new Note of the same principal amount and maturity and of like tenor as the mutilated, lost, stolen or destroyed Note in exchange and substitution for such mutilated Note or in lieu of the substitution for such lost, stolen or destroyed Note.

Application for exchange and substitution of a mutilated, lost, stolen or destroyed Note shall be made to the Partnership at the Partnership Office. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Partnership such security or indemnity as may be required by them to save each of them harmless. In every case of loss, theft or destruction of a Note, the applicant shall also furnish to the Issuer and to the Partnership evidence to their satisfaction of the loss, theft or destruction and of the ownership of such Note. In every case of mutilation of a Note, the applicant shall surrender the Note so mutilated.

Notwithstanding the foregoing provisions of this Section 2.04, in the event any such Note shall have matured or be about to mature and no default has occurred which is then continuing in the payment of the principal, premium, if any, or interest on the Note, the Issuer may authorize the payment of the same, without surrender thereof except in the

case of a mutilated Note instead of issuing a substitute Note, if any, provided security or indemnity is furnished as above provided in this Section 2.04.

Upon the issuance of any substitute Note, the Issuer and the Partnership may charge the Holder of such Note with their reasonable fees and expenses in connection therewith. Every substitute Note issued pursuant to the provisions of this Section 2.04 by virtue of the fact that any Note is lost, stolen or destroyed shall constitute an original additional contractual obligation of the Issuer, whether or not the lost, stolen or destroyed Note shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionally with any and all other Notes duly issued under this Indenture to the same extent as the Note in substitution for which such Note was issued.

The provisions of this Section 2.04 are exclusive and shall preclude, to the extent lawful, all of the rights and remedies with respect to the payment of mutilated, lost, stolen or destroyed Notes, including those granted by any law or statute now existing or hereafter enacted.

SECTION 2.05. Execution of Notes. All the Notes shall, from time to time, be executed on behalf of the Issuer by the manual signature of the Chairman of the Issuer and its corporate seal shall be impressed, imprinted, engraved or otherwise affixed or reproduced thereunto and attested by the manual signature of the Clerk of the Issuer.

If any of the officers who shall have signed or sealed any Note shall cease to be such officer of the Issuer before the Note so signed and sealed shall have been actually delivered by the Issuer, such Note nevertheless may be issued and delivered with the same force and effect as though the person or persons who signed or sealed such Note had not ceased to be such officer or officers of the Issuer; and also any such Note may be signed and sealed on behalf of the Issuer by those persons who, at the actual date of the execution of such Note, shall be the proper officers of the Issuer, although at the date of such Note any such person shall not have been such officer of the Issuer.

SECTION 2.06. Negotiability, Registration and Transfer. Ownership of each Note shall be registered on the Note Register, which shall be kept for this purpose at the Corporate Office, by the Partnership which is hereby designated Note Registrar. Upon surrender of any Note for transfer thereof by the Registered Owner in person or by his attorney duly authorized in writing together with a written instrument of transfer in form satisfactory to the Note

Registrar duly executed by the Registered Owner or his attorney duly authorized in writing and upon payment by such Registered Owner of a sum sufficient to cover any governmental tax or charge required to be paid as provided in Section 2.07 of this Indenture. Upon any such registration of transfer, the Issuer shall issue in the name of the transferee a new Note of the same date, interest rate and maturity, as before.

The Issuer and the Partnership may deem and treat the Registered Owner of any Note as the absolute owner of such Note for the purpose of receiving any payment on such Note for the purpose of receiving any payment on such Note and for all other purposes of this Indenture and the Agreement, whether such Note shall be overdue or not, and neither the Issuer nor the Partnership shall be affected by any notice to the contrary. Payment of, or on account of, the principal, premium, if any, and interest on any Note shall be made to such Registered Owner or upon his written order. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

All Notes issued under this Indenture shall have such attributes of negotiability as are provided for under the laws of the State.

SECTION 2.07. Regulations with Respect to Transfer. In all cases in which the privilege of registering the transfer of Notes is exercised, the Issuer shall execute and deliver Notes in accordance with the provisions of this Indenture. There shall be no charge for any such registration of transfer of a Note, but the Issuer may require the payment of a sum sufficient to pay any tax or other governmental charge required to be paid with respect to any such registration of transfer.

SECTION 2.08. Notes Limited Obligations of Issuer. The Notes shall be limited obligations of the Issuer, the principal, premium, if any, and interest on which shall be payable solely out of the revenues and receipts derived by the Issuer pursuant to the Agreement including, without limiting the generality of the foregoing, all moneys included or to be included in the property pledged herein. The Notes and the premium, if any, and interest thereon do not and shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provisions or statutory limitation and do not and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers. The principal, premium, if any, and interest on the Notes shall be secured solely by the aforesaid revenues and receipts and

by this Indenture, including, without limiting the foregoing, by the pledge to the Lender made herein of said revenues and receipts and the Agreement.

No breach by the Issuer of this Indenture or of any provision or condition hereof or in the Notes or of any agreement contained herein or in the Notes shall result in the imposition of any pecuniary liability upon the Issuer or any charge upon its general credit or against its taxing power. The liability of the Issuer under this Indenture and the Notes or any provision or condition hereof or thereof or of any agreement herein or in the Notes contained or of any warranty herein or in the Notes included or for any breach or default by the Issuer of any of the foregoing shall be limited solely and exclusively to the property pledged herein. The Issuer shall not be required to execute or perform any of its duties, obligations, powers or covenants hereunder or under the Notes except to the extent of the property pledged herein available therefor.

The provisions of this Section 2.08 shall control every other provision of this Indenture, anything in such other provisions to the contrary notwithstanding.

ARTICLE III

EXECUTION AND DELIVERY OF NOTES

SECTION 3.01. Limitation of Principal Amount of Notes; Notes Equally and Ratably Secured. The original principal amount of Notes which may be executed and delivered by the Issuer and secured by this Indenture is not limited, except as is or may hereafter be provided in this Indenture or as may be limited by law. All Notes issued and to be issued hereunder are, and are to be, to the extent provided in this Indenture, equally and ratably secured by this Indenture without preference, priority or distinction on account of the actual time or times of the execution or delivery or maturity of the Notes, or any of them, so that, subject as aforesaid, all Notes at any time Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured hereby with like effect as if they had all been executed and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall have been authorized to be executed and delivered under Section 3.02 or may be authorized to be executed and delivered hereafter pursuant to Section 2.04, 2.06, 3.03, 3.04 or 7.04 or any other relevant section of this Indenture.

SECTION 3.02. Execution and Delivery of 1980 Note. The 1980 Note in the original principal amount of One Million Four Hundred Thousand Dollars (\$1,400,000), being the first Note issued under this Indenture, shall forthwith be executed by the Issuer and delivered to the Lender, together with a statement as to the amount and disposition of the proceeds of the sale of such principal amount of said Note, and thereupon the 1980 Note shall be accepted by the Lender, but only upon the deposit by the Lender of the aforesaid proceeds of sale of the 1980 Note in the Construction Fund. Prior to acceptance of the 1980 Note the Lender shall also have received the following:

(a) A copy of the ordinance adopted by the Issuer authorizing the execution and delivery of the Agreement and this Indenture and the issuance and delivery of the 1980 Note, duly certified by the Clerk of the Issuer under its corporate seal to have been duly enacted by the Issuer and to be in full force and effect on the date of such certification;

(b) An original executed counterpart of the Agreement and this Indenture;

(c) A certificate of the Chairman of the Issuer to the effect that on the basis of the facts, estimates and circumstances in existence on the date of delivery of the 1980 Note, it is not expected that the proceeds of the 1980 Note will be used in a manner that would have caused the 1980 Note to be an arbitrage bond within the meaning of Section 103(c) of the IRC had such use been reasonably expected on the date of issuance of the 1980 Note, and such certificate shall set forth such facts, estimates and circumstances, which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of the officer signing such certificate there are no other facts, estimates or circumstances that would materially change such expectation; and

(d) An Opinion of Counsel who is Bond Counsel as to the validity of and tax exemption of interest on the 1980 Note.

SECTION 3.03. Authentication and Delivery of Additional Notes for the Project. Subsequent to the authentication, issuance and delivery of the 1980 Note, one or more Additional Notes may be executed and delivered upon original issuance for the purpose of providing funds to (i) finance the Cost of completion of the Project; (ii) finance the Cost of enlargements, improvements or expansions to the Project; or (iii) to refund any Notes then Outstanding. Any such Additional Note shall be on a parity with and secured in the same manner as all other Notes then Outstanding. The Issuer may execute and deliver such Additional Note to the purchaser thereof, provided that, prior to such delivery:

(a) The Issuer shall adopt or enact such resolution, resolutions, ordinance or ordinances authorizing such Additional Note and the execution and delivery by the Issuer of a Supplemental Indenture providing for the terms and conditions upon which such Additional Note is to be issued, as are then required;

(b) The Issuer shall adopt or enact such resolution, resolutions, ordinance or ordinances authorizing the execution and delivery by the Issuer of any agreement which is necessary to amend the Agreement to (i) increase or adjust the payments to be made under the Agreement to an amount sufficient to pay, as and when the same mature or become due, the principal, premium, if any, and interest on all Outstanding Notes, including such Additional Note, (ii) include as part of the Project all machinery, equipment, facilities, land and rights in land to be financed by the issuance and sale of such Additional Note, and (iii) make such other

revisions to the Agreement as are necessitated by the issuance of such Additional Note (provided, however, that such other revisions shall not prejudice the rights of the Holders of Outstanding Notes as granted them under the terms of this Indenture) as are required by the Act;

(c) The Issuer shall receive a written statement by the Partnership (i) approving the issuance of such Additional Note and (ii) certifying that it is not then in default under the Agreement;

(d) The Issuer shall receive a written statement signed by the Lender approving the issuance of such Additional Note;

(e) The Issuer shall have received an Opinion of Counsel who shall be Bond Counsel addressed to the Issuer and the Lender, to the effect that all the conditions precedent to the issuance of such Additional Note set forth in this Indenture and the Supplemental Indenture authorizing such Additional Note have been satisfied and such issuance will not impair the exemption of interest on the 1980 Note and any other Additional Note previously issued as "tax exempt" bonds from Federal income taxation;

(f) The Issuer shall have made provision satisfactory to the Lender for the application of the proceeds of such Additional Note as is required by the Act, this Indenture and the Supplemental Indenture pursuant to which such Additional Note is issued; and

(g) There shall have been delivered to the Lender and the holder of any other Note then Outstanding a duplicate copy of all the documents used in connection with the issuance of the Additional Note and an Opinion of Counsel satisfactory to the Lender stating that the Indenture and the lien and security interest created or assigned hereunder will continue to have the priority accorded hereto prior to the issuance of such Additional Note.

ARTICLE IV

CONSTRUCTION FUND

SECTION 4.01. Creation of Construction Fund. There is hereby created and established with the Depositary a special and separate trust fund of the Issuer to be known and designated as the "Richland County, South Carolina, Industrial Development Construction Fund (Intertec Data Systems Corporation Project)." The Issuer shall pay to the Lender as Depositary the proceeds from the sale by the Issuer of each Note (except a Note issued under Section 3.03 of this Indenture to refund any Notes then Outstanding), and the Depositary shall deposit the same in the Construction Fund.

SECTION 4.02. Application of Moneys in Construction Fund. The moneys in the Construction Fund, until applied in payment of any item of the Cost of the Project, shall be held in trust by the Depositary and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Notes and for the further security of such Notes until paid out as herein provided.

SECTION 4.03. Requisitions. So long as no Event of Default (as defined in the Agreement) has occurred and is continuing the Depositary shall make payments from the Construction Fund to pay the Cost of the Project upon receipt by the Depositary of requisitions (upon which both the Depositary and the Issuer shall rely and shall be protected in relying) signed by an Authorized Partnership Representative, stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the Person to whom payment is due or has been made; (iii) the amount to be paid; (iv) no obligation, item of cost or expense mentioned therein has been the basis of any previous withdrawal; (v) the payment of such amount is a proper charge against the Construction Fund and specifying the purpose and circumstances of such obligation in reasonable detail, accompanied by a bill or statement of account for such obligation; (vi) at least 90% of the amount, exclusive of amounts requisitioned for the payment of Neutral Costs, requisitioned from the Construction Fund, including the amount being requisitioned, has been or, when applied as stated in the requisition, will have been expended for Qualifying Costs; (vii) the person signing such requisition has no notice of any vendor's, mechanic's or other liens, or rights to liens or condition sales contracts, or other contracts or obligations, which have not been released or will not be released simultaneously with such payment and which should be satisfied or discharged before such payment is made; (viii) such requisition contains no item

representing payment on account of any retained percentages under any contract which, as of the date of such requisition, is not required to be paid; and (ix) with respect to any such requisition for payment for labor, services, materials, supplies, furnishings, apparatus or equipment, that such labor or services were actually performed or such materials, supplies, furnishings, apparatus or equipment were actually used in or about the construction or installation of the Project or delivered at the site thereof for such purpose, or delivered for storage or fabrication at a place or places approved by the signer or the signers or if not so used or delivered, that an advance payment therefor is required by the supplier thereof.

SECTION 4.04. Retention of Requisition. For a minimum of five years from the date thereof the Depositary shall retain in its possession all requisitions received by it as in this Indenture required, subject to the inspection of the Issuer, its agents and representatives, the Partnership and Noteholders and their representatives at all reasonable times.

SECTION 4.05. Disposition of Balances Remaining in Construction Fund. Upon completion of the Project or completion of any enlargements, improvements or expansions thereof the cost of which has been defrayed out of the proceeds of one or more Notes, in accordance with the Plans and Specifications, the Depositary shall be furnished with a certificate of an Authorized Partnership Representative showing such completion and the date thereof and the payment of the Cost thereof or the provisions necessary to be made for payment thereof. Thereupon, any balance in the Construction Fund not reserved for the payment of any remaining part of the Cost of any of the foregoing shall be applied to the payment of the principal of the Note the issuance of which resulted in such deposit.

SECTION 4.06. Moneys to be Continuously Secured. All moneys received by the Depositary under this Indenture and not invested by the Depositary pursuant to the provisions of Section 4.04 of this Indenture shall be continuously secured for the benefit of the Issuer and the Holders of the Notes to the extent and in the manner required by law.

SECTION 4.07. Investment of Moneys. Moneys on deposit to the credit of the Construction Fund or Depositary may be retained uninvested as trust funds and shall, upon written direction from the Partnership if an Event of Default (as defined in the Agreement) shall not then exist or be continuing or upon written directions from the Issuer

continuing, be invested by the Depositary in Permitted Investments. If an Event of Default (as defined in the Agreement) shall not then exist or be continuing or upon written directions from the Issuer if such an Event of Default shall then exist or be continuing.

Any securities purchased with the moneys in the Construction Fund, shall be deemed a part of such fund and, for the purpose of determining the amount of moneys therein, the securities therein shall be valued at their cost or market value, excluding accrued interest, whichever is lower. The interest, including realized increment on securities purchased at a discount, received on all such securities (after deduction for accrued interest, commissions, if any, and premium paid from the Construction Fund, at time of purchase) shall be deposited by the Depositary in the Construction Fund and any loss resulting from such investments will be charged to the Construction Fund. The Depositary shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as in this Indenture authorized. If at any time it shall become necessary that some or all of the securities purchased with the moneys in the Construction Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Indenture, the Depositary shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method.

ARTICLE V

PREPAYMENT OF NOTES

SECTION 5.01. Notes to be Prepaid only in Manner Provided in Article VI. Any prepayment of all or any part of the Notes which are subject to prepayment shall be made in the manner provided in this Article V. A prepayment of Notes issued under the provisions of this Indenture and then Outstanding shall be either (i) a prepayment of the whole or any part of one or more Notes from the proceeds of Additional Notes issued under the provisions of Section 3.03 of this Indenture; (ii) a prepayment of the whole or any part of one or more Notes from any funds available to the Issuer for that purpose; (iii) a prepayment pursuant to the provisions of Sections 2.02 or 4.05 of this Indenture or any other relevant provision of this Indenture; or (iv) a prepayment pursuant to the provisions of a Supplemental Indenture.

SECTION 5.02. Notice of Prepayment. In the case of any prepayment, the Partnership shall give in its own name, or in the name of the Issuer notice as hereinafter in this Section 5.02 provided. Such notice shall state that a particular Note or or portion thereof has been called for prepayment or if all the Outstanding Notes are to be prepaid, so stating, that the Note to be prepaid will be due and payable on the date fixed for prepayment (specifying such date) upon surrender thereof at the Corporate Office at the applicable prepayment price (specifying such price), together with accrued interest to such date, and that all interest on the Notes, or portions thereof to be prepaid will cease to accrue on and after such date.

Such notice shall be mailed by first class mail, postage prepaid, to the Registered Owner of such Note or portion thereof so called, at addresses as the same shall last appear on the Note Register.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Registered Owner of the Note of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Issuer and the Partnership shall be deemed to be a sufficient giving of such notice.

ARTICLE VI

PARTICULAR COVENANTS OF THE ISSUER

SECTION 6.01. Payment of Principal, Premium, if any, and Interest on the Notes. Subject to the provisions of Section 2.08 hereof, the Issuer covenants that it shall promptly pay or cause to be paid the principal, premium, if any, and interest on every Note issued under and secured by this Indenture at the places, on the dates and in the manner specified in this Indenture and in said Notes according to the true intent and meaning thereof.

SECTION 6.02. Maintenance of Corporate Existence of Issuer. The Issuer will at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all its rights, powers, privileges and franchises; and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Agreement or this Indenture.

SECTION 6.03. Covenants with Respect to Agreement. So long as any of the Notes are Outstanding, the Issuer will require the Partnership to pay, or cause to be paid, all the payments and other costs and charges payable by the Partnership under the Agreement. The Agreement may not be amended, changed, modified, altered or terminated without the prior written consent of the Holders of all the Notes then Outstanding, or in case less than all the Notes then Outstanding are affected by the modifications or amendments, the Holders of so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any particular Note remains Outstanding, the consent of the Holder of such Note shall not be required and such Note shall not be deemed to be Outstanding under this Section 6.03.

SECTION 6.04. Execution of Documents in Connection with Additional Notes. (a) Prior to the issuance of any Additional Notes under the provisions of this Indenture, the Issuer will, if necessary, enter into an appropriate amendment to the Agreement. Such amendatory agreement shall increase, if necessary, the payments to be made under the Agreement by an amount which, including any provision included therein for payment of Administration Expenses, shall be sufficient to provide for payment of the principal, premium, if any, and interest on such Additional Notes as the same shall become due and payable in accordance with their terms. Such amendatory agreement, also, shall include in the Project as defined in the Agreement, if necessary, all machinery, equipment, facilities, to be financed by the

issuance and sale of such Additional Notes, if any, and make such other revisions in the Agreement as are necessitated by the issuance of such Additional Notes; provided, however, that such other revisions shall not adversely affect the rights of the Holders of Outstanding Notes, as granted them under the terms of this Indenture.

(b) The Issuer shall not issue any Additional Note under the provisions of Section 3.03 of this Indenture unless the payments under the Agreement, after deducting therefrom any amounts included therein for the payment of Administration Expenses, shall be sufficient to provide for payment of the principal, premium, if any, and interest on all Notes which will be Outstanding upon the issuance of such Additional Notes as the same become due and payable.

SECTION 6.05. Maintenance of Project. The Issuer shall at all times cause the Partnership to maintain, preserve and keep, or cause to be maintained, preserved and kept, the Project, in good repair, working order and condition, in accordance with the requirements of the Agreement and the Act.

SECTION 6.06. Insurance. The Issuer shall cause the Partnership, so long as any of the Notes are Outstanding, to keep the Project properly insured in accordance with the provisions of the Agreement and the Act.

Immediately after the occurrence of any damage or loss to the Project in excess of \$25,000, the Partnership is required by the Agreement to notify the Issuer and the Lender as to the nature and extent of such damage or loss. If the Partnership shall determine that rebuilding, repairing or restoring is practicable and desirable, the Partnership has agreed to proceed with such rebuilding, repairing or restoring and shall notify the Issuer and the Lender upon the completion thereof. In such case, any property damage insurance proceeds received in respect of such damage or loss shall be used by the Partnership for payment of, or reimbursement for, the costs of such rebuilding, repairing or restoring. In the event said proceeds are not sufficient to pay in full the costs of such rebuilding, repairing or restoration, the Partnership has agreed to complete the work thereof and will pay that portion of the costs thereof in excess of said proceeds.

Any balance of the proceeds of any insurance remaining after payment of all the costs of repair, rebuilding or restoration, or if no repair, rebuilding or restoration shall be made all such proceeds, shall be applied by the Partnership to the prepayment of Notes pursuant to the Agreement. If the Notes have been fully

paid or provision for the payment thereof has been made in accordance with the provisions of this Indenture, all such insurance proceeds shall be paid to the Partnership.

SECTION 6.07. Execution and Delivery of Instruments. The Issuer covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of this Indenture; provided, however, that such instruments or actions shall never create or constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing power or pledge the credit or taxing power of the State, or any other political subdivision of the State.

SECTION 6.08. Condemnation. In the event that title to or the temporary use of the Project, or any part thereof, shall be taken in condemnation or by the exercise of the power of eminent domain by any Person acting under governmental authority, the Agreement provides that there shall be no abatement or reduction in the payments required under Section 4.01 of the Agreement to be made by the Partnership. Immediately after the occurrence of any such taking, the Partnership is required by the terms of the Agreement to notify the Issuer and the Lender as to the nature and extent of such taking and, as soon as practicable thereafter, notify the Issuer and the Lender whether it is practicable and desirable to restore the Project. If the Partnership shall determine that such restoration is practicable and desirable, the Partnership has agreed to forthwith proceed with such restoration and to notify the Issuer and the Lender upon the completion thereof. Any proceeds received from any award or awards in respect of the Project or any part thereof in such condemnation or eminent domain proceedings, after payment of all expenses incurred in the collection thereof, shall be used by the Partnership for payment or reimbursement of the costs of restoring the Project or any portion thereof pursuant to the Agreement. Any proceeds received from any award or awards in respect of the Project or any part thereof made in such condemnation or eminent domain proceedings not expended in restoring the Project, or if no such restoration shall be made all such proceeds, shall be applied by the Partnership to the prepayment of Notes pursuant to the Agreement.

SECTION 6.09. Recording and Filing. The Issuer covenants and agrees to file, record, register, rerecord, reregister or refile or cause so to be if required by law, the Agreement, this Indenture, and amendments to either

thereof, and any Financing Statement or Statements or other documents in the manner and at the places and times necessary to create, perfect, protect and maintain the lien of this Indenture and the rights created hereunder in and to the Revenues, the Agreement, and any rights of the Issuer created under the Agreement; provided, nevertheless, that it shall be the responsibility of the Lender at the expense of the Corporation to file any continuation statements required under the Uniform Commercial Code of South Carolina. The Issuer agrees to record, register, file, rerecord, reregister, or refile or cause so to be such documents and Financing Statements at and before the delivery of the Note and each Additional Note issued hereunder. On or before the delivery of the Note, each Additional Note and the fifth anniversary date of the filing of any Financing Statements, the Issuer agrees that it will provide or cause to be provided to the Lender an Opinion of Counsel stating that all recordation, registration and filing, and indexing thereof have been accomplished which is necessary to the creation, perfection, protection or maintenance of the lien of this Indenture, the rights created hereunder to the Revenues, the Agreement and any rights of the Issuer created under the Agreement or specifying such action as must be taken to accomplish the same and any such further action which may be required prior to the date the next such opinion will be required. Promptly after any such recordation, registration or filing, the Issuer shall provide or cause to be provided the Lender an opinion of Counsel stating that no further recording, registering or filing is then required to create, perfect, protect or maintain such interests. The Lender acknowledges that the obligations of the Issuer hereunder have been agreed to be performed by the Partnership pursuant to Section 7.07 of the Agreement and acknowledges that the sole responsibility of the Issuer hereunder shall be to execute promptly such documents and Financing Statements as are requested of it.

SECTION 6.10. Enforcement of Agreement. The Issuer agrees that the Lender, as assignee of the Agreement may enforce in its name or in the name of the Issuer all rights of the Issuer and all obligations of the Partnership under and pursuant to the Agreement for and on behalf of the itself as holder of the 1980 Note, whether or not the Issuer is in default hereunder.

SECTION 6.11. Subordination to Agreement. The Indenture and the rights and privileges hereunder of the Lender and the Holders of the Notes are specifically made subject and subordinate to the rights and privileges of the Partnership set forth in the Agreement.

SECTION 6.12. Not to Impair Tax Exemption of Interest. The Issuer will not engage in any activity or take any action, or omit to take any action the consequences of which action or omission might result in the Revenues being taxable to it or in the loss of the exemption from Federal income taxation provided by IRC Section 103 to the holders of the 1980 Note.

In pursuance and not limitation of the foregoing, the Issuer covenants that no use shall be made of the proceeds of the 1980 Note which will cause the 1980 Note to be an "arbitrage bond" as defined in IRC Section 103, and to this end the Issuer shall comply with the regulations proposed or promulgated by the United States Department of the Treasury as such regulations or proposed regulations apply to the 1980 Note.

ARTICLE VII

DEFAULTS AND REMEDIES

SECTION 7.01. Events of Default; Acceleration; Waiver. In case one or more of the following events, in this Indenture referred to as the "Events of Default," shall happen and be continuing, that is to say, if

(a) payment of the principal of any of the Notes or premium, if any, shall not be made when the same shall become due and payable at maturity, upon redemption or otherwise; or

(b) payment of an installment of interest on any of the Notes shall not be made when the same shall become due and payable; or

(c) an event of default under the Agreement or the Guaranty shall occur; or

(d) the Issuer shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Notes or this Indenture on the part of the Issuer to be performed, and such default shall continue for 90 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer and the Partnership by the Lender by certified mail; provided, however, if said default be such that it cannot be corrected within the 90 day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Partnership within the 90 day period and diligently pursued until the default is corrected;

then, in each such case, unless the principal of all the Notes shall have become due and payable otherwise than by acceleration, the Lender may by written notice given to the Issuer and the Partnership Notes then Outstanding to be due and payable immediately, and upon such declaration the principal, together with interest accrued thereon, shall become due and payable immediately at the place of payment provided in the said notice, anything in this Indenture or in said Notes to the contrary notwithstanding.

With regard to any Event of Default concerning which notice is given to the Issuer and the Partnership under Section 7.01(d), the Issuer hereby grants the Partnership full authority for the account of the Issuer to the extent permitted by law to cure such default.

SECTION 7.02. Enforcement of Agreement. In any case in which under the provisions of Section 7.01 of this Indenture the Lender has the right to declare the principal of all Notes then Outstanding to be due and payable immediately, or when the Notes by their terms mature (upon prepayment or otherwise) and are not paid, the Lender, as the assignee and pledgee of all the right, title and interest of the Issuer in and to the Agreement, may enforce each and every right granted to the Issuer under the Agreement.

SECTION 7.03. Legal Proceedings by Lender. Upon the happening and continuance of any Event of Default, then and in every such case the Lender in its discretion may:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all of its rights and require the Issuer or the Partnership to carry out any agreements with or for its benefit and to perform its or their duties under the Act, the Agreement and this Indenture;

(b) bring suit upon the Note or Notes;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Lender; or

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of its rights.

SECTION 7.04. Remedies Not Exclusive. No remedy in this Indenture conferred upon or reserved to the Lender or to the Holders of the Notes is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

SECTION 7.05. Nonwaiver. No delay or omission of the Lender or of any Holder of the Notes to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by this Article VII to the Trustee and to the Holders of the Notes, respectively, may be exercised from time to time and as often as may be deemed expedient.

SECTION 7.06. Application of Moneys upon Event of Default. Any moneys received by the Lender pursuant to this

Article VII shall, after payment of all Administration Expenses be applied as follows:

(a) Unless the principal of all the Notes shall have become or shall have been declared due and payable, all such moneys shall be applied:

First--To the payment to the Persons entitled thereto of all installments of interest then due on the Notes, with interest on overdue installments of interest, to the extent permitted by law, at the highest rate per annum borne by the Notes, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of such interest then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second--To the payment to the Persons entitled thereto of the unpaid principal or premium, if any, on any of the Notes which shall have become due, other than Notes previously called for redemption for the payment of which money is held pursuant to the provisions of the Indenture, with interest as aforesaid on such principal and premium, if any, from the respective dates upon which the same became due and, if the amount available shall not be sufficient to pay in full the amount of principal and premium, if any, due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal, premium, if any, and interest thereon, due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Notes shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Notes, with interest on overdue principal, premium, if any, and interest thereon, as aforesaid, without preference or priority of principal and premium, if any, over interest or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably, according to the amounts due, respectively, for principal, premium, if any, and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Notes shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) of this Section 7.06 which shall be applicable in the event that the principal of all the Notes shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section 7.06.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.06, such moneys shall be applied at such times, and from time to time, as the Lender shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Lender shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Lender shall give such notice by publication or mailing as it may deem appropriate of the deposit with it of any such moneys and of the fixing of such date, and shall not be required to make payment to the Holder of any unpaid Note until such Note shall be presented for appropriate endorsement or for cancellation if fully paid.

ARTICLE VIII

EXECUTION OF INSTRUMENTS BY NOTEHOLDERS AND PROOF OF OWNERSHIP OF NOTES

SECTION 8.01. Execution of Instruments; Proofs.
Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Noteholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Noteholders in person or by duly authorized attorney-in-fact. Proof of the execution of any such instrument and of the ownership of Notes shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Issuer or the Partnership with regard to any action taken, suffered or omitted by any of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the Person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of a Note shall be proved by the Note Register.

Nothing contained in this Article VIII shall be construed as limiting the Partnership or the Issuer to such proof, it being intended that the Partnership or the Issuer may accept any other evidence of the matters in this Article VIII stated which to them may seem sufficient. Any request or consent of the Holder of any Note shall bind every future Holder of the same Note and any Note or Notes issued in substitution therefor in respect of anything done by the Issuer or the Partnership in pursuance of such request or consent.

ARTICLE IX

DEFEASANCE

SECTION 9.01. Discharge of Indenture. If and when the Notes secured hereby shall become due and payable in accordance with their terms or through redemption as provided in this Indenture, or otherwise, and the whole amount of the principal, premium, if any, and interest so due and payable upon all the Notes shall be paid, or provision shall have been made for the payment of the same, together with the whole amount of all other sums payable under this Indenture by the Issuer, and all Administration Expenses shall have been paid or provided for, then and in that case, the right, title and interest of the Lender under this Indenture shall thereupon cease, terminate and become void, and the Lender shall assign and transfer to or upon the order of the Partnership all property (in excess of the amounts required for the foregoing) then held by the Lender (including the Agreement and all payments thereunder and all balances in the Construction created under this Indenture) and shall execute such documents as may be reasonably required by the Partnership in this regard.

When a portion of a Note or Notes shall have been paid and if, at the time of such payment, the Issuer shall have kept, performed and observed all the covenants and promises in such Note or Notes and in this Indenture required or contemplated to be kept performed and observed by the Issuer or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Note or Notes and such Note or Notes shall cease to be entitled to the lien of this Indenture.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Successors and Assigns. All the covenants, stipulations, promises and agreements in this Indenture contained, by or on behalf of, or for the benefit of, the Issuer, shall bind or inure to the benefit of the successors of the Issuer from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Issuer, shall be transferred.

SECTION 10.02. Provisions of Indenture for Sole Benefit of the Partnership, the Issuer, the Lender and the Noteholders. Except as in this Indenture otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any Person other than the Partnership, the Issuer, the Lender and the Holders of the Notes issued under this Indenture, any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Partnership, the Issuer, the Lender and the Holders of the Notes issued under this Indenture.

SECTION 10.03. Severability. In case any one or more of the provisions of this Indenture or of the Notes issued under this Indenture shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of said Notes, and this Indenture and the Notes shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 10.04. No Liability for Personnel of Issuer. No covenant or agreement contained in the Notes or in this Indenture shall be deemed to be the covenant or agreement of any member, agent, or employee of the Issuer or its governing body in his individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Notes shall be liable personally on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 10.05. Notice. All notices, certificates, requests or other communications under this Indenture shall be sufficiently given and shall be deemed given, unless otherwise required by this Indenture, when mailed by certified or registered mail (except as otherwise provided in this Indenture), postage prepaid, addressed as follows:

(a) if to the Issuer, at

Richland County Council
Post Office Box 192
Columbia, South Carolina 29202
Attention: Administrator;

(b) if to the Partnership, at

REALVEST ASSOCIATES
c/o Intertec Data Systems Corporation
2300 Broad River Road
Columbia, South Carolina 29210

Attention: Edward O. Caughman; and

(c) if to the Lender, at

Bankers Trust of South Carolina
Post Office Box 448
Columbia, South Carolina 29201
Attention: Frank Knox.

A duplicate copy of each notice sent to the Partnership shall also be mailed to the Guarantor at Intertec Data Systems Corporation, 2300 Broad River Road, Columbia, South Carolina 29210, Attention: Treasurer.

A duplicate copy of each notice, certificate, request or other communication given under this Indenture to the Issuer, the Partnership or the Lender shall also be given to the others. The Partnership, the Issuer and the Lender may, by notice given under this Section 10.05, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 10.06. Applicable Law. The laws of the State shall govern the construction of this Indenture.

SECTION 10.07. Counterparts. This Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Richland County, South Carolina, has caused this Indenture to be executed by the Chairman of its County Council and its corporate seal to be hereunto affixed and attested by the Clerk of its County Council and has caused this Indenture to be executed by one of its authorized officers and its corporate seal to be

hereunto affixed, attested by one of its authorized officers, all as of the day and year first above written.

(SEAL)

RICHLAND COUNTY, SOUTH CAROLINA

ATTEST:

Brenda Ward,
Clerk, County Council

By _____
Jimmy C. Bales,
Chairman, County Council

WITNESSES:

(SEAL)

BANKERS TRUST OF SOUTH
CAROLINA, as Lender

ATTEST:

By _____
Its _____

By _____
Its _____

WITNESSES:

ACKNOWLEDGMENT OF ISSUER

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____,
who being duly sworn says that he saw the corporate seal of
Richland County, South Carolina, affixed to the foregoing
Indenture and that (s)he also saw Jimmy C. Bales, as
Chairman of the County Council of Richland County, South
Carolina, and Brenda Ward, as Clerk of the County Council of
Richland County, South Carolina, sign and attest the same
and that (s)he with _____ witnessed the execution
and delivery thereof as the act and deed of said Richland
County, South Carolina.

SWORN to before me this

_____ day of _____, 1980

_____(L.S.)
Notary Public for the State of
South Carolina
My Commission Expires: _____

ACKNOWLEDGMENT OF LENDER

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____,
who being duly sworn says that (s)he saw the coporate seal
of the Bankers Trust of South Carolina, as Lender, affixed
to the foregoing Indenture, and that (s)he also saw
_____, as its _____, sign, and
_____, as its _____ attest the same, and
that (s)he with _____, witnessed the execution
and delivery thereof as the act and deed of the Bankers
Trust of South Carolina, as Lender.

SWORN to before me this

_____ day of December, 1980

_____(L.S.)
Notary Public for the State of _____
My Commission Expires: _____

EXHIBIT

NOV 17 1980

NO. 2

STATE BUDGET & CONTROL BOARD

RICHLAND COUNTY, SOUTH CAROLINA

and

REALVEST ASSOCIATES

FINANCING AGREEMENT

Dated as of December 1, 1980

PRELIMINARY DRAFT

FOR DISCUSSION PURPOSES ONLY

Draft: November 7, 1980

MGKCSP&D

9765

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FINANCING AGREEMENT

THIS FINANCING AGREEMENT, made and entered into as of December 1, 1980, by and between RICHLAND COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina, (hereinafter referred to as the "Issuer"), and REALVEST ASSOCIATES, a partnership organized and existing under the laws of the State of South Carolina (hereinafter referred to as the "Partnership"),

WITNESSETH:

WHEREAS, Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session, 1980 (hereinafter said Chapter and amendments are collectively referred to as the "Act") authorizes the several counties and incorporated municipalities of the State of South Carolina to acquire or cause to be acquired one or more projects (as such term is defined in the Act), to enter into agreements with an industry to construct, operate, maintain and improve such a project, to enter into financing agreements with such an industry; to issue revenue bonds (as defined in the Act to include notes), and to defray the cost of acquiring, enlarging, improving and expanding such a project and to secure such notes in the manner authorized in the Act; and

WHEREAS, the Partnership has requested the Issuer to issue its revenue note and make the proceeds thereof available to defray the cost of acquiring, and, in connection with such acquisition, enlarging, improving or expanding by construction and purchase, certain land and a building or buildings and other improvements thereon and all other machinery, apparatus, office facilities and furnishings deemed necessary, suitable or useful by the Partnership to engage in the manufacture of computers (hereinafter referred to as the "Project") all to be located within the jurisdiction of the Issuer; and

WHEREAS, the Issuer has, by due corporate action authorized the issuance of its revenue note pursuant to the Act and to make the proceeds thereof available to defray the cost of acquiring the Project to be made available to the Partnership pursuant to the terms of this Financing Agreement (hereinafter called the "Agreement") under the terms of which the Partnership is obligated to make payments to or for the account of the Issuer in the amount necessary to pay the principal, premium, if any, and interest on such

revenue note as and when the same becomes due and payable and all other expenses and costs incurred by the Issuer in connection with the Indenture (hereinafter defined), this Agreement or the Project.

NOW, THEREFORE, THIS AGREEMENT FURTHER WITNESSETH:

The Partnership, in consideration of the premises and the sum of One Dollar (\$1.00) lawful money of the United States of America to it duly paid by the Issuer at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt whereof is hereby acknowledged; and in order to secure payment of the sums due hereunder and performance and observance by the Partnership of all the provisions and covenants expressed or implied herein, has granted, bargained, sold, warranted, alienated, remised, released, conveyed, assigned, pledged, transferred, mortgaged, set over, confirmed and granted a security interest in, and does by these presents hereby grant, bargain, sell, pledge, transfer, mortgage, set over, confirm and grant a security interest, to the Issuer and its successors and assigns forever, in all and singular the following property, real and personal (said property being herein sometimes referred to as the "Mortgaged Property"), to wit:

ITEM A

Subject to Permitted Encumbrances as hereinafter defined, the parcel of real property located in the jurisdiction of the Issuer, consisting of the land described in Exhibit B hereto, together with all right, title and interest of the Partnership in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed upon said property or any part thereof, and the reversion or reversions, remainder or remainders, in and to said real property and each and every part thereof, and together with the entire interest of the Partnership in and to all and singular the tenements, hereditaments, easements, rights, privileges and appurtenances to said real property belonging or in any wise appertaining thereto, and all the estate, right, title, interest, claim or demand whatsoever of the Issuer either in law or in equity, in possession or expectancy, of, in and to said real property, subject, however, to the right reserved to the Partnership in Sections 6.04 and 6.05 of this Agreement to release and remove certain real property from this Agreement upon compliance with the terms and conditions of said Sections 6.04 and 6.05 of this Agreement and subject to the right of the Partnership to make additions, modifications or improvements which do not become a part of the Project under Section 5.01 of this Agreement.

ITEM B

Subject to Permitted Encumbrances as hereinafter defined, the items of personal property described in Exhibit A hereto, together with all other machinery, equipment, other fixtures or personal property (a) the acquisition of which was financed in whole or in part from the proceeds of the Notes, or (b) which is installed in the Project in substitution or replacement of machinery, equipment, fixtures or personal property described in the preceding subparagraph (a) or which was installed in the Project in substitution or replacement of other such substitutions or replacements;

ITEM C

The rights of the Partnership under any construction contracts entered into by or on behalf of the Partnership with respect to the Project;

ITEM D

Until used and applied in accordance with the provisions hereof, all moneys and proceeds from the Project, including, without limiting the generality of the foregoing, proceeds of insurance, condemnation awards, receipts from the sale of all or part of the Project;

ITEM E

Subject to Permitted Encumbrances as hereinafter defined, all rights, privileges, licenses, permits, immunities and easements of the Partnership of every kind and nature appurtenant to the properties and estates described in the foregoing Items or appurtenant to any property covered by an instrument at any time hereafter conveying, mortgaging, pledging or assigning any property of any kind to the Issuer, or its successors or assigns to be included as part of the Mortgaged Property; and also all and singular the tenements, hereditaments or appurtenances belonging to said properties or any part thereof or in any wise appertaining thereto and the reversions, remainders, rents, issues and profits thereof (including the rents, income and profits during any period allowed by law for the redemption of the Mortgaged Property after any foreclosure or other sale); and all the estate, right, title and claim whatsoever, at law as well as in equity, which the Partnership now has or may hereafter acquire in and to the

property and estates described in the foregoing Items or any part thereof, whether now owned or hereafter acquired; and

ITEM F

All other property which, by the express provisions of this Agreement, is required to be subjected to the lien hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the Partnership or by anyone in its behalf, and the Issuer or its assigns is hereby authorized to receive the same at any time as additional security hereunder;

TO HAVE AND TO HOLD, all and singular, the Mortgaged Property, including all additional property which by the terms hereof has or may become subject to the lien of this Agreement, unto the Issuer and its successors and assigns, forever; and conditioned, however, that if the Partnership shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorney's fees, and shall promptly, faithfully and strictly keep, perform and observe all of its covenants, warranties and agreements contained herein, then and in such event this Agreement shall cease, determine and be void and of no further force and effect, otherwise the same shall remain in full force and effect and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS

"Act" shall mean Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and all future acts supplemental thereto and amendatory thereof.

"Additional Notes" shall mean Notes, other than the 1980 Note, duly authenticated and delivered pursuant to the Indenture.

"Administration Expenses" shall mean the reasonable and necessary expenses incurred by the Issuer with respect to the Project, this Agreement and the Indenture, and the compensation and expenses paid to or incurred by the Lender under this Agreement or the Indenture; provided, however, that no such expense shall be considered an Administration Expense until the Issuer or, as the case may be, has furnished to the Partnership a statement in writing indicating the amount of such expense and the reason it has been or will be incurred.

"Agreement" shall mean this Financing Agreement dated as of December 1, 1980, between the Issuer and the Partnership, and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof and of the Indenture.

"Authorized Partnership Representative" shall mean any person at the time designated to act on behalf of the Partnership by a written certificate furnished to the Issuer and the Lender containing the specimen signature of each such person, and signed on behalf of the Partnership by its general partner or one of its general partners. Such certificate may designate an alternate or alternates, and may designate different Authorized Partnership Representatives to act for the Partnership with respect to different sections of this Agreement and the Indenture. An Authorized Partnership Representative may be an employee of the Partnership.

"Bond Counsel" shall mean legal counsel experienced in matters relating to municipal obligations and the exemption from taxation of the interest thereon.

"Completion Date" shall mean the date of completion of the acquisition, construction and installation of the

Project, as that date shall be certified pursuant to Section 3.05 hereof.

"Construction Fund" shall mean the fund created under Section 4.01 of the Indenture.

"Corporation" shall mean Intertec Data Systems Corporation, a Maryland corporation, and any surviving, resulting or transferee corporation in any merger, consolidation or transfer of assets permitted under Section 7.02 of this Agreement.

"Cost" or "Cost of the Project" shall mean the cost of acquiring, by construction and purchase, the Project and shall be deemed to include, whether incurred prior to or after the date of this Agreement, (a) obligations of the Partnership incurred for labor, materials and other expenses to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) the expenses of the Partnership for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefor, 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; (d) compensation and expenses of the Lender, the Depositary, legal, accounting, financial and printing expenses, fees and all other expenses incurred in connection with the issuance of the Notes; (e) all other costs which the Partnership shall be required to pay under the terms of any contract or contracts for the acquisition, construction or installation of the Project; (f) costs incurred by the Partnership for the acquisition of the land upon which the Project is located; (g) any sums required to reimburse the Partnership for advances made by it for any of the above items, or for any other costs incurred by, and for work done by, the Partnership, which are properly chargeable to the capital account of the Project for federal income tax purposes or would be so chargeable either with a proper election by the Partnership or but for a proper election by the Partnership to deduct such amounts; and (h) any amount specified for the payment of interest on a Note to such date or dates as shall be specified (i) with respect to the 1980 Note, in the Indenture and (ii) with respect to each Additional Note, in the Supplemental Indenture providing for the issuance of each such Additional Note.

"Depository" shall mean Bankers Trust of South Carolina, a state banking corporation, organized and existing under the laws of South Carolina.

"Determination of Taxability" shall mean (a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that the interest paid or payable on the 1980 Note is includable in the gross income of a holder or former holder thereof as a result of either (i) the limitations prescribed in IRC Section 103(b)(6)(D) having been exceeded or (ii) any other action or failures to act by the Partnership; (b) the issuance of a statement by the Partnership to the effect that it has exceeded or intends to exceed the maximum amount of capital expenditures permitted under IRC Section 103(b)(6)(D); or (c) the receipt of an opinion by the Lender from nationally recognized bond counsel stating that the interest on the 1980 Note has become includable in the gross income of a holder thereof for any reason other than that such holder is a substantial user of the project or a related person within the meaning of IRC Section 103(b)(9); provided, nevertheless, that no Determination of Taxability under clause (a) hereof shall occur for a period up to two years after the date of such statutory notice if there is available to the Partnership, either directly, or with the cooperation of any holder or former holder of the 1980 Note, a protest being actively prosecuted in good faith by the Corporation which, if successful, would result in a revocation, rescission, or retraction of any such statutory notice of deficiency by the Internal Revenue Service. Such a Determination of Taxability shall be deemed for all purposes of this Indenture to have occurred on the date borne by said statutory notice of deficiency or the date borne by said statement or opinion as the case may be.

"Event of Default" shall mean, with reference to this Agreement, any of the occurrences described in Section 7.01 hereof.

"Event of Taxability" shall mean (i) the occurrence of the circumstances described in IRC Section 103(b)(6)(D); (ii) such other acts or failures to act by the Partnership; or (iii) the occurrence of the circumstances resulting in the delivery of the opinion specified in clause (c) of the definition of Determination of Taxability; which circumstances result in a Determination of Taxability with the result that the interest payable on the 1980 Note becomes includable in the gross income of a holder or former holder of the 1980 Note other than a holder who is a "substantial user" of the Project or a "related person" as such terms are used in IRC Section 103.

"Indenture" shall mean the Indenture, dated as of the date of this Agreement, between the County and the Lender, as the same may be amended, modified or supplemented in accordance with the provisions thereof.

"Interest Payment Date" shall mean each date specified in the Notes for the payment of interest thereon.

"Issuer" shall mean Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina and its successors and assigns.

"Letter of Representation" shall mean that certain letter of the Partnership addressed to the Issuer and to bond counsel for the 1980 Note, dated the date of delivery to, and payment for, the 1980 Note by the initial purchaser thereof, wherein the Partnership has set forth, among other things, certain information relating to the nature and cost of the facilities comprising the Project.

"Lender" shall mean Bankers Trust of South Carolina, a corporation organized and existing under the laws of South Carolina, and its successors and assigns as the Holder of the 1980 Note.

"Neutral Costs" shall mean, with respect to any Note, that amount of the proceeds of the sale of such Note used for (i) the payment of the reasonable expenses of issuing such Note including, without limitation, advertising, recording and printing costs; accountants, financial advisor's and counsel fees; rating agency fees, initial fees of the Depositary and all similar expenses; and (ii) the provision of any reasonably required debt service reserve fund with respect to the Notes.

"Note" or "Notes" shall mean any or all, as the case may be, of the "Richland County, South Carolina, Industrial Development Revenue Notes (Intertec Data Systems Corporation Project)" authorized and issued by the Issuer and delivered under the Indenture and any notes authenticated and delivered under the Indenture in lieu of or in substitution therefor.

"Noteholder" or "Holder of Notes" or "Holder" shall mean the Registered Owner of any Note.

"Officer's Certificate" shall mean a certificate signed by the Chairman of the County Council of the Issuer and the Clerk of the County Council of the Issuer.

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel satisfactory to the Lender.

"Outstanding" or "Outstanding under the Indenture" when used with reference to the Notes shall mean, at any date as of which the amount of Outstanding Notes is to be determined, the aggregate of all such Notes authorized, issued and delivered under the Indenture, except:

(a) Notes canceled or surrendered to the Partnership or the Issuer for cancellation upon payment;

(b) Notes in lieu of or in substitution for which another Note or Notes shall have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Partnership and the Issuer is presented that any such Note is held by a bona fide purchaser in due course.

In determining whether the Holders of the requisite aggregate principal amount of Notes Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under this Agreement, Notes which are owned by the Issuer or the Partnership shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"Partnership" shall mean REALVEST ASSOCIATES, a South Carolina partnership of which Edward O. Caughman and William M. Wells, III are the general partners.

"Partnership Office" shall mean the principal office of the Partnership at which, at any particular time, its business records shall be principally administered and maintained.

"Permitted Encumbrances" shall mean as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) this Agreement and the Indenture, (iii) utility, access and other easements and rights of way, flood rights, leases, subleases, restrictions and exceptions that an Authorized Partnership Representative certifies will not interfere with or impair the means of access to and egress from the Project, (iv) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project and as do not in the opinion of the Partnership as evidenced by a certificate of an Authorized Partnership Representative, does not impair the character or significance of the Project for the purpose for which it was designed or last modified and is not detrimental to the proper conduct of the business

of the Partnership at the Project, (v) mechanic's and materialman's liens not filed or perfected in the manner prescribed by law in effect on the date hereof or otherwise, and (vi) any mortgage, lease or security interest with respect to machinery and equipment not constituting part of the Project.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean the plans and specifications prepared for the Project, on file at the Plant, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the acquisition, construction and installation of the Project in accordance with Section 3.07 of this Agreement. The Plans and Specifications shall be made available to the Lender and the Issuer for inspection at such times as the Lender or the Issuer may reasonably request.

"Plant" shall mean the industrial facilities of the Partnership located in the jurisdiction of the Issuer.

"Principal Payment Date" shall mean any date on which the principal of any Note shall become due, whether at maturity or by redemption, acceleration or purchase, or on which amounts are required to be deposited in the Sinking Fund Account.

"Project" shall mean the land described on Exhibit A to this Agreement and a building or buildings or other improvements thereon, and all other machinery, apparatus, equipment, office facilities and furnishings to be installed therein, more particularly described in Exhibit A to this Agreement, including any modification thereof, substitutions therefor and additions thereto and excluding deletions therefrom, all as provided in the Plans and Specifications, but not including the Partnership's own machinery and equipment installed under the provisions of Section 8.03 of this Agreement.

"Qualifying Cost" shall mean that portion of the Cost of the Project payable out of the proceeds from the sale of any particular Note (computed without regard to legal, accounting, rating agencies, financial, advertising, recording and printing expenses) and all other fees, expenses and charges incurred in connection with the issuance of such Note which is either cost of land or cost

of the acquiring property of a character subject to the allowance for depreciation provided for in IRC Section 167.

"Registered Owner" shall mean the Person or Persons in whose name or names a particular Note shall be registered on the Note Register.

"Supplemental Indenture" or "indenture supplemental hereto" shall mean any indenture supplemental to or amendatory of the Indenture as originally executed which is duly entered into in accordance with the provisions of the Indenture.

"State" shall mean the State of South Carolina.

"1980 Note" shall mean the Note in the original principal amount of \$1,400,000 initially issued under the Indenture.

ARTICLE II

REPRESENTATIONS

SECTION 2.01. Representations by Issuer. The Issuer makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Issuer is a duly constituted political subdivision of the State and is duly authorized under the laws of the State, including the Act, to enter into the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder. By proper action the Issuer has duly authorized the execution and delivery of this Agreement, the Indenture and all agreements collateral hereto and thereto.

(b) The South Carolina State Budget and Control Board has duly approved the proposal of the Issuer to issue the 1980 Note and and the Project. No other consent or approval is required by any governmental authority as a condition to the performance by the Issuer of this Agreement or the Indenture or to the issuance of the 1980 Note.

(c) The Issuer is entering into this Agreement and the Indenture, issuing the 1980 Note and defraying the Cost of the Project for the purpose of promoting the industrial development, developing the trade, and utilizing and employing the manpower, agricultural products and natural resources of the State.

(d) The Issuer is not in default under any of the provisions of the laws of the State, where any such default would affect the issuance, validity or enforceability of the 1980 Note, or the transactions contemplated by this Agreement or the Indenture.

(e) The authorization, execution and delivery of this Agreement and the Indenture, and the compliance by the Issuer with the provisions hereof and thereof, will not conflict with or constitute a breach of, or a default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State relating to the establishment of the Issuer or its affairs, or any agreement, mortgage, lease or other instrument to which the Issuer is subject or by which it is bound.

SECTION 2.02. Representations by the Partnership. The Partnership makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Partnership is duly organized under the laws of the State of South Carolina and qualified to do business and is in good standing in the State, has authorized power to enter into this Agreement and by proper partnership action has duly authorized the execution and delivery of this Agreement;

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, or the fulfillment of or compliance with the terms and conditions of this Agreement is not prevented or limited by, does not conflict with, does not result in a breach or contravention of and does not constitute a default under the Partnership's Articles of Partnership or Bylaws or any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Partnership is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree binding upon it, 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 Partnership prohibited under the terms of any such instrument or agreement;

(c) The issuance of the 1980 Note by the Issuer and the use by the Partnership of the proceeds thereof to defray the costs of the acquisition, by construction and purchase, of the Project, as provided by this Agreement, has induced the Partnership to locate and remain in the State;

(d) Acquisition and construction of the Project was commenced subsequent to October 8, 1980;

(e) The Partnership intends to lease the Project to Intertec Data Systems Corporation, a Maryland corporation, to operate the Project as a facility for manufacture of computers and for such other purposes permitted under the Act as the Partnership deems appropriate; and

(g) The information and estimates set forth in the Letter of Representation are true and correct to the best of the Partnership's information and belief and the Letter of Representation does not omit any statement the omission of which would render any of the statements made therein misleading under the circumstances in which they were made.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT BY THE PARTNERSHIP; ISSUANCE OF THE 1980 NOTE

SECTION 3.01. Acquisition of Project. Pursuant to the Act, the Issuer authorizes the Partnership to and the Partnership agrees to acquire, or cause to be acquired by construction and purchase, the Project. The Partnership agrees to effect such acquisition in accordance with the Plans and Specifications with all reasonable dispatch; and will use its best efforts to cause such acquisition to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond the reasonable control of the Partnership only excepted; but if for any reason such acquisition is delayed or the Project shall not be completed there shall be no resulting liability on the part of the Issuer and no diminution or postponement of the amounts payable under Section 4.01 hereof by the Partnership. The Project shall belong to and be the property of the Partnership.

Anything in this Agreement to the contrary notwithstanding, the Partnership shall not be obligated to complete the acquisition of the Project upon prepayment of all amounts to be paid by it under this Agreement pursuant to the provisions of Sections 10.01 or 10.03 hereof and the making of any such payments in the amounts required by, and in accordance with the terms of, this Agreement. If the Partnership elects or is required to prepay the payments required to be made by it pursuant to the provisions of Sections 10.01 or 10.03 hereof, any sums remaining in the Construction Fund and not otherwise required to pay the Cost of the Project shall be transferred to the Bond Fund at the direction of an Authorized Partnership Representative.

The Partnership will maintain such records in connection with the acquisition of the Project as to permit ready identification thereof.

SECTION 3.02. Issuance of 1980 Note. In order to provide funds to defray the payment of the Cost of the Project, the Issuer will issue, sell and deliver the 1980 Note and deposit the proceeds thereof with the Depositary.

SECTION 3.03. Disbursements from Construction Fund. So long as no Event of Default (as defined in the Agreement) has occurred and is continuing the Depositary has been authorized under Section 4.03 of the Indenture to make payments from the Construction Fund to pay the Cost of the Project upon receipt by the Depositary of requisitions (upon

which both the Depositary and the Issuer shall rely and shall be protected in relying) signed by an Authorized Partnership Representative, stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the Person to whom payment is due or has been made; (iii) the amount to be paid; (iv) that no obligation, item of cost or expense mentioned therein has been the basis of any previous withdrawal; (v) that the payment of such amount is a proper charge against the Construction Fund and specifying the purpose and circumstances of such obligation in reasonable detail, accompanied by a bill or statement of account for such obligation; (vi) that at least 90% of the amount, exclusive of amounts requisitioned for the payment of Neutral Costs, requisitioned from the Construction Fund, including the amount being requisitioned, has been or, when applied as stated in the requisition, will have been expended for Qualifying Costs; (vii) that the person signing such requisition has no notice of any vendor's, mechanic's or other liens or rights to liens or condition sales contracts, or other contracts or obligations, which have not been released or will not be released simultaneously with such payment and which should be satisfied or discharged before such payment is made; (viii) that such requisition contains no item representing payment on account of any retained percentages under any contract which, as of the date of such requisition, is not required to be paid; and (ix) with respect to any such requisition for payment for labor, services, materials, supplies, furnishings, apparatus or equipment, that such labor or services were actually performed or such materials, supplies, furnishings, apparatus or equipment were actually used in or about the construction or installation of the Project or delivered at the site thereof for such purpose, or delivered for storage or fabrication at a place or places approved by the signer or the signers or if not so used or delivered, that an advance payment therefor is required by the supplier thereof.

SECTION 3.04. Cooperation as to Documents. The Partnership and Issuer agree to cooperate in furnishing to the Lender the documents referred to in Section 3.03 hereof that are required to effect payments out of the Construction Fund and to cause such orders to be directed by the Authorized Partnership Representative to the Lender as may be necessary to effect payments out of the Construction Fund in accordance with Section 3.03 hereof. Such obligation is subject to any provision of the Indenture requiring additional documentation with respect to payments and shall not extend beyond the moneys in the Construction Fund available for payment under the terms of the Indenture.

SECTION 3.05. Completion Date. The Completion Date shall be evidenced to the Lender by a certificate of an Authorized Partnership Representative stating that the acquisition, construction and installation of the Project has been completed substantially in accordance with the Plans and Specifications and that payment of the Cost of the Project or provision therefor has been made except for any Cost of the Project not then due and payable or the liability for payment of which is being contested or disputed by the Partnership. The Partnership shall cause such certificate to be furnished to Lender as soon as the Project shall have been completed. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

SECTION 3.06. Completion of Project; Use of Surplus Funds. If the moneys in the Construction Fund available for payment of the Cost of the Project (including moneys from the proceeds of any Additional Notes issued pursuant to the terms and provisions of the Indenture to finance the completion of the Project) shall not be sufficient to pay the Cost of the Project in full, the Partnership will complete the Project, or cause the Project to be completed and pay or cause to be paid all the Cost of the Project in excess of the moneys available therefor in the Construction Fund. The Issuer makes no warranty, either express or implied, that the moneys which will be paid into the Construction Fund will be sufficient to pay the Cost of the Project. If the Partnership shall pay any portion of the Cost of the Project pursuant to this Section, it shall not be entitled to any reimbursement therefor from the Issuer (except from the proceeds of Additional Notes), the Lender or the Holders of any of the Notes, nor shall it be entitled to any diminution or postponement of the payments required under Section 4.01 hereof. Upon the completion of the Project, if there shall be any surplus funds remaining in the Construction Fund not required to provide for the payment of the Cost of the Project, such funds shall be applied in prepayment of the 1980 Note.

SECTION 3.07. Revision of Plans and Specifications. The Partnership may revise the Plans and Specifications at any time and from time to time prior to the Completion Date provided that in the case of any change that would render materially inaccurate the description of the Project contained in Exhibit A and Exhibit B hereto, there shall first be delivered to the Lender and the Issuer (i) a revised Exhibit A containing a description of the Project as revised by the revision in the Plans and Specifications, the accuracy of which shall have been certified by an Authorized

Partnership Representative, (ii) an opinion of Bond Counsel that the Project described in the revised Exhibit A is such that the expenditure of substantially all of the proceeds of the Notes for the Cost of the Project described therein would not impair the exemption of interest on Outstanding Notes from Federal income taxation; and (iii) an Opinion of Counsel, who may be Bond Counsel, that all approvals required by law, including the Act, necessary in connection with the Project described in the revised Exhibit A and Exhibit B have been obtained and remain in full force and effect and that no further filing, recording or registration is needed to preserve and protect the priority of the lien hereof with respect to the Project or stating that any such filing, recording or registering required therefor has been accomplished and certifying as to the priority of the lien and security interest hereof.

SECTION 3.08. Investment of Moneys in the Construction Fund. Any moneys held as part of the Construction Fund and not required for immediate disbursement and withdrawal, may be invested or reinvested by the Depositary as provided in Section 4.07 of the Indenture.

SECTION 3.09. Additional Notes. Upon written request from the Partnership and the Lender to the Issuer to issue Additional Notes to (i) finance the Cost of completion of the Project, (ii) finance the Cost of enlargements, improvements or expansions of the Project, or (iii) refund all or any part of the Notes, the Issuer shall use its best efforts to issue such Notes for such purposes; provided, however, that the failure of the Issuer to issue Additional Notes shall not release the Partnership from any of the provisions of this Agreement, regardless of the reason for such failure.

SECTION 3.10. Amendment of Agreement upon Issuance of Additional Notes. The Partnership agrees that in the event the Issuer shall, at the request of the Partnership: (i) issue one or more Additional Notes under the Indenture for the purpose of (A) completing the payment of the Cost of the Project or (B) enlarging, improving or expanding the Project, or (ii) issue one or more Additional Notes pursuant to the Indenture for the purpose of refunding any Notes, the Partnership will, if necessary, enter into an amendment to this Agreement containing such provisions as shall be required in respect of the issuance of such Additional Notes, including without limitation the provisions required pursuant to Section 6.04 of the Indenture. The amount of the payments required to be made by the Partnership pursuant to Section 4.01 hereof shall be adjusted or increased, if necessary, by the amount required to pay in full as and when

due the principal, premium, if any, and interest payable on each Additional Note and any Administration Expenses.

ARTICLE IV

PAYMENTS BY PARTNERSHIP TO ISSUER

SECTION 4.01. Payments to be Made by Partnership. In consideration of the application of the proceeds of the sale of each Note to defray the Cost of the Project or for the purposes specified in Section 3.09 hereof, the Partnership absolutely and unconditionally obligates itself to pay to or to the order of the Issuer at the times and places required the amounts required to pay the principal, premium, if any, and interest on all the Notes Outstanding together with the Administration Expenses and any other amounts required to be paid under the terms hereof or by the Issuer under the Indenture. The principal amount of such payments shall be equal to the aggregate principal amount of each Series of Note issued pursuant to the Indenture. The Partnership agrees to pay to, or to the order of, the Issuer in immediately available funds, as payment of such amounts a sum equal to the aggregate principal amount of each Note issued under the Indenture, together with interest on the unpaid balances thereof, at the interest rate or rates payable by the Issuer on each Note, and any premium thereon, in the amounts and on the dates as follows:

(a) On or before the last business day before each Interest Payment Date with respect to each Note, the sum which will equal the interest to be paid on such Note on such Interest Payment Date; and

(b) On or before the last business day before each Principal Payment Date, the sum which will equal the sum of (i) the principal of each Note which will become due and payable on such Principal Payment Date, (ii) any applicable prepayment premium and; (iii) any accrued interest which will become due and payable on such Principal Payment Date.

In addition to the options and obligations of the Partnership under Article X hereof to prepay the entire unpaid balance payable under this Section 4.01, the Partnership shall have the option to make from time to time on any Principal Payment Date prepayments in whole or in part of any one or more installments on any Principal Payment Date due as aforesaid on account of such payments, together with interest accrued to the date of such payment and to accrue and premium, if any, to be paid on the Notes if such prepayment is to be used for the purchase or redemption of such Notes. The Lender shall apply such prepayments in such manner consistent with the provisions of the Indenture as may be directed by an Authorized Partnership Representative.

The Partnership agrees to pay to the Issuer and the Lender on demand the amount of Administration Expenses not theretofore provided for which have then accrued and become payable.

In the event the Partnership should fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Partnership until the amount in default shall have been fully paid, and the Partnership agrees to pay the same with interest thereon (to the extent permitted by law) at the rate per annum, which is equal to the highest rate per annum borne by any of the Notes, until paid.

SECTION 4.02. Assignment and Pledge by the Issuer to the Lender. It is understood and agreed that this Agreement and all revenues and receipts derived by the Issuer pursuant to this Agreement (except payment of Administration Expenses pursuant to Section 4.01 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement) and the moneys held in the funds and accounts established under the Indenture, including the investment income thereon, are to be pledged and assigned by the Issuer to the Lender pursuant to the Indenture. The Partnership assents to such pledge and assignment and agrees that its obligation to make payments required hereunder to the Lender shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim or recoupment arising out of any breach by the Issuer of any obligation to the Partnership, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Partnership by the Issuer. The Issuer directs the Partnership, and the Partnership agrees, to pay to the Lender, as holder of the 1980 Note at the address of the Lender as it last appears on the Note Register, all payments payable by the Partnership to the Issuer pursuant to this Agreement (except payment of Administration Expenses to the Issuer pursuant to this Section 4.01 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement).

ARTICLE V

MAINTENANCE, TAXES AND INSURANCE

SECTION 5.01. Maintenance and Modification of Project by Partnership. The Partnership will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals; provided, however, that the Partnership will have no obligation to maintain, repair, replace or renew any element or unit of the Project if: (a) the maintenance, repair, replacement or renewal of which becomes uneconomic to the Partnership because of damage or destruction by a cause not within the control of the Partnership or obsolescence or change in economic or business conditions, or change in government standards and regulations applicable to the Project, or (b) if the Partnership prepays all amounts due under the provisions of Section 10.01 hereof.

Subsequent to the Completion Date, the Partnership shall, subject to the provisions of Section, have the privilege of remodeling the Project or making substitutions, modifications and improvements to the Project from time to time as it, in its sole discretion, may deem to be desirable for its uses and purposes, the cost of which remodeling, substitution, modifications and improvements shall be paid by the Partnership, and the same shall be the property of the Partnership and be included under the terms of this Agreement as part of the Project.

The Partnership covenants that so long as any Note is Outstanding the Project will be maintained and operated as a "project" within the meaning of the Act. The Partnership will also pay or cause to be paid, in addition to all other payments required under this Agreement, the expenses of operation of the Project.

SECTION 5.02. Taxes, other Governmental Charges and Utility Charges. The Partnership will: (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Issuer or the Partnership with respect to or upon the Project or any part thereof or upon any payments hereunder or with respect to or upon any funds held under the Indenture when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Project; (c) not

create or suffer to be created any lien or charge upon the payments to be made by the Partnership pursuant to Section 4.01 of this Agreement other than as provided in Section 4.02 hereof to the Lender; and (d) pay, satisfy or cause to be discharged or make adequate provision to pay, satisfy or cause to be discharged, within 60 days after the same shall come into force, any lien or charge upon or any payments hereunder. If the Partnership shall contest any such tax, assessment, lien or charge, such action by the Partnership shall not be considered as a breach by it of any of its covenants under this Agreement; provided, however, that in such case an amount sufficient to pay such tax or assessment or discharge such lien or charge shall be deposited by the Partnership in escrow or the Partnership shall make other arrangements satisfactory to the Issuer and the Lender to secure such payments. Notwithstanding the foregoing, if, in the opinion of the Issuer or the Lender as set forth in a written notice to the Partnership, the failure to pay such tax, or assessment or remove such charge or lien before the conclusion of such contest will endanger the security for the Notes including, but not limited to, the amounts in or to be deposited in the Construction Fund pursuant to the Agreement, or subject any material part of such security to imminent loss or forfeiture, the Partnership shall forthwith pay such tax or assessment or discharge such lien or charge.

SECTION 5.03. Insurance. The Partnership shall maintain public liability insurance with specific reference to the Project and shall otherwise keep the Project continuously insured against such risks as are customarily insured against by businesses of like size and type, paying as the same become due and payable all premiums with respect thereto. In lieu of separate insurance policies, such insurance may be in the form of a blanket insurance policy or policies. Insurance policies may be written with deductible amounts and exceptions and exclusions comparable to those of businesses of like size and type.

All proceeds of insurance against property damage to the Project shall be made payable to the Partnership and subject to the provisions of Section 6.06 hereof, the Partnership shall collect and retain such proceeds and all claims under any insurance policy referred to in this Agreement may be settled by the Partnership without the consent of the Issuer or the Lender.

ARTICLE VI

PROVISIONS RELATING TO MORTGAGE AND SECURITY AGREEMENT

SECTION 6.01. Warranty; Identification of Project.

(a) The Partnership warrants to the Issuer that the Partnership has good and marketable fee simple title to the land described in Exhibit A hereto and has, or will have upon requisition of payment therefor from the Construction Fund, good and marketable fee simple title to the entire Project subject only to Permitted Encumbrances. This Agreement constitutes a first mortgage lien upon and security interest in the Project subject only to Permitted Encumbrances. The Partnership will not create, permit to be created or suffer to exist any encumbrance upon the Project or any portion thereof, other than Permitted Encumbrances, and will promptly discharge any encumbrance other than Permitted Encumbrances which may be found to exist. The Partnership covenants that it will defend its title to the Project and any portion thereof and defend the mortgage and security interest created by this Agreement against all claims or demands of any person whomsoever claiming or to claim the same.

(b) The Corporation agrees to maintain such records with respect to the Project as will permit the ready identification thereof. The Corporation shall furnish the Lender with such information with respect to the Project promptly upon request by the Lender and shall supply the Lender with a copy of the records maintained by it hereunder upon request.

SECTION 6.02. Title Insurance. The Partnership agrees to obtain title insurance for the benefit of the Issuer and its assigns, including the Lender, in the amount of not less than \$1,400,000 covering all that portion of the Project which would pass without enumeration thereof with title to the land included therein. Said title insurance shall insure the priority of the mortgage and security interest created by this Agreement subject only to Permitted Encumbrances and any requirement with respect to refiling of financing statements under the Uniform Commercial Code. The proceeds of such title insurance shall be used to prepay amounts due hereunder or to remedy the defect in title giving rise thereto.

SECTION 6.03. Removal of Equipment. The parties hereto understand that certain machinery, equipment and related property (hereinafter "Equipment") shall be acquired in whole or in part from the proceeds of the Notes and installed in the Project. If no Default under this

Agreement shall have happened and be continuing, in any instance where the Partnership in its discretion determines that any items of Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Partnership may remove such items of Equipment from the Project and sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without consent of either the Issuer or the Lender therefor if the value of such Equipment (as measured by its original cost) is equal to or less than \$ _____. In all other cases the Partnership shall either:

(a) Substitute and install in the Project other machinery, equipment or related property having equal or greater utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Project;

(b) Not make any such substitution and installation, provided (i) that in the case of the sale of any such Equipment to anyone other than a related person or in the case of the scrapping thereof, the Partnership shall pay to the Lender as prepayment of the 1980 Note, the proceeds from such sale or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such Equipment for other machinery, equipment or related property not to be installed in the Project, the Partnership shall pay to the Lender, to be deposited in the Bond Fund the amount of the credit received by it in such trade-in, or (iii) that in the case of the sale of any such Equipment to a related person or in the case of any other disposition thereof, the Partnership shall pay to the Lender, as prepayment of the 1980 Note, an amount equal to the original cost thereof less depreciation at rates calculated in accordance with generally accepted accounting practice.

In the event any removal of machinery, equipment or related property under this section causes damage to existing buildings or structures included in the Project the Partnership shall restore the same or repair such damage at its sole expense.

The removal from the Project of any portion of the Equipment pursuant to this section shall not entitle the Partnership to any abatement or diminution of the amounts payable under Sections 4.01 and 4.02 hereof.

(c) The Partnership shall report annually on December 1 of each year to the Lender each such removal, substitution, sale and other disposition required to be

reported and shall pay to the Lender filing such report such amounts as are required by the preceding provisions of this section to be paid to the Lender in consequence of the sale, trade-in or other disposition requiring such payment; provided, that no such report and payment need be made in any year of this Agreement (January 1 through the following December 31) unless the amount to be so paid on account of all such sales, trade-ins or other dispositions aggregates at least \$10,000.

The Issuer agrees to execute and deliver such documents (if any) as the Partnership may properly request in connection with any action taken by the Tenant in conformity with this section. The Partnership will pay any costs (including reasonable counsel fees) incurred in subjecting to the lien of this Agreement any items of machinery, equipment or related property that under the provisions of this section are to become part of the Project. The Partnership shall not remove, or permit the removal of, any of the Equipment from the Project except in accordance with the provisions of this section.

SECTION 6.04. Release of Unimproved Land. So long as no Default exists hereunder, the Partnership shall have, and is hereby granted, the option to remove any unimproved part of the land included in the Project, at any time and from time to time upon payment to the Lender for the account of the Issuer of a release price equal to the cost thereof (\$_____ per acre for the land and the original cost of any transportation, parking or utility facilities located thereon) provided that it furnishes the Issuer and the Trustee with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the land with respect to which such option is to be exercised, (ii) a statement that the Partnership intends to exercise its option to release such land on a date stated, which shall not be less than 45 nor more than 90 days from the date of such notice.

(b) A certificate of an Authorized Partnership Representative, dated not more than 90 days prior to the date of the release and stating that, in the opinion of the person signing such certificate (i) the portion of the land with respect to which the option is exercised is not needed for the operation of the Project for the purpose hereinbefore stated, (ii) the release will not impair the usefulness of the Project as a manufacturing facility and will not destroy the means of ingress thereto or egress therefrom; and (iii) no Default exists hereunder.

(c) An amount of money equal to the release price paid therefor, computed as provided in this section.

The Issuer agrees that upon receipt of the notice, certificate and any money required in this section to be furnished to it by the Partnership, the Issuer and the Lender will promptly apply such money for the prepayment of the 1980 Note and release from the mortgage and security interest of such portion of the land with respect to which the Partnership shall have exercised the option granted to it in this section.

In the event the Partnership shall exercise the option granted to it under this section, the Partnership shall not be entitled to any abatement or diminution of the rents payable under Sections 4.01 and 4.02 hereof and if such option relates to land on which transportation, parking or utility facilities are located, the Issuer shall retain for the life of this Agreement and so long as it and its successors or assigns shall have any interest in the Project as a consequence hereof an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project.

SECTION 6.05. Release of Encumbered Land, Easements. The Issuer agrees that so long as the Partnership is not in default hereof the Partnership may convey fee title, grant easements, rights of way, licenses, execute party wall agreements or terminate any of the foregoing or enter into such other similar agreements for the purposes of providing railroad service, utility services, roadway or roadway access whether for the Project or other land or for such other similar purposes as may be deemed necessary or desirable by the Partnership upon receipt of the following:

(a) a legal description of the real property proposed to be conveyed or affected by such grant, license or agreement;

(b) the instrument in the form necessary for such purpose;

(c) a certificate of the president or chief financial officer of the Partnership stating that the Partnership is not in default under this Agreement;

(d) a certificate from an Authorized Partnership Representative stating that (i) the conveyance, grant, license or agreement will not impair the character or significance of the Project for the purpose for which it was last designed or modified and is not detrimental to

the proper conduct of the business of the Partnership at the Project, and (ii) such conveyance, grant, license or agreement will not destroy the means of ingress to the Project or egress therefrom;

(e) an Opinion of Counsel that the proposed conveyance, grant or agreement is not in violation of the terms hereof or of the Indenture; and

(f) the consideration, if any, paid to the Partnership in return for such conveyance, grant or easement.

Upon receipt of the foregoing, the Issuer or the Lender shall promptly execute and deliver any release required to effect such conveyance, grant or agreement and shall apply the consideration, if any, paid therefor in prepayment of the 1980 Note.

No release effected under the provisions of this section of this Agreement shall entitle the Partnership to any abatement or diminution of the amounts payable under Sections 4.01 and 4.02 hereof.

SECTION 6.06. Damage and Destruction. Immediately after the occurrence of any damage or loss to the Project in excess of \$100,000, the Partnership shall notify the Issuer and the Lender as to the nature and extent of such damage or loss. If the Partnership shall determine that rebuilding, repairing or restoring is practicable and desirable, the Partnership shall forthwith proceed with such rebuilding, repairing or restoring and shall notify the Issuer and the Lender upon the completion thereof. In such case, any property damage insurance proceeds received in respect of such damage or loss shall be used by the Partnership for payment of, or reimbursement for, the costs of such rebuilding, repairing or restoring. In the event any insurance proceeds are not sufficient to pay in full the costs of such rebuilding, repair or restoration, the Partnership will nonetheless complete the work thereof and will pay that portion of the costs thereof in excess of the amount of said proceeds.

The Partnership shall not, by reason of the payment of such excess costs, be entitled to any reimbursement from the Issuer, the Lender or any Holder of the Notes or any abatement or diminution of the amounts payable under Section 4.01 hereof.

SECTION 6.07. Condemnation. In the event that title to or the temporary use of the Project, or any part thereof, shall be taken in condemnation or by the exercise

of the power of eminent domain by any Person, there shall be no abatement or reduction in the payments required under Section 4.01 hereof to be made by the Partnership. Immediately after the occurrence of any such taking of the Project, the Partnership shall notify the Issuer and the Lender as to the nature and extent of such taking and, as soon as practicable thereafter, notify the Issuer and the Lender whether it is practicable and desirable to restore such taking. If the Partnership shall determine restoration is practicable and desirable, the Partnership shall forthwith proceed with such restoration and shall notify the Issuer and the Lender upon the completion thereof.

SECTION 6.08. Property Not in Project. The Partnership shall be solely entitled to receive and hold any insurance proceeds and each condemnation award or portion thereof or proceeds thereof, made, given or received for damages to or takings of property which does not constitute a part of the Project.

ARTICLE VII

SPECIAL COVENANTS

SECTION 7.01. No Warranty of Design, Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the design, capabilities or condition of the Project or that it will be suitable for the Partnership's purposes or needs.

SECTION 7.02. Maintenance of Partnership Existence. The Partnership agrees that so long as any Note is Outstanding it will maintain its partnership existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into a corporation or another partnership or permit one or more other corporations or partnerships to consolidate with or merge into it; provided, that the Partnership may, without violating the agreement contained in this Section, consolidate with or merge into another partnership or corporation or permit one or more other partnerships or corporations to consolidate with or merge into it, or sell or otherwise transfer to another partnership or corporation all or substantially all of its assets as an entirety and thereafter dissolve, if (i) the surviving, resulting or transferee partnership or corporation, as the case may be, irrevocably and unconditionally assumes by means of an instrument in writing delivered to the Lender all of the obligations of the Partnership herein and qualifies to do business in the State and (ii) immediately after the consummation of the transaction, and after giving effect thereto, (A) no Event of Default, or event which with notice or lapse of time or both would become an Event of Default, would exist and (B) the resulting, surviving or transferee corporation or partnership, as the case may be, would have, after giving effect to such merger, consolidation or acquisition, a net worth (computed in accordance with generally accepted accounting principles) equal to or greater than the net worth (computed as aforesaid) of the Partnership immediately prior to such merger, consolidation or transfer.

If consolidation, merger or sale or other transfer is made as permitted by this Section, the provisions of this Section shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section.

SECTION 7.03. Covenants with Respect to Tax Exemption. The Partnership represents and warrants to the

Issuer, for the benefit of any Person who shall at any time be or become a Holder of any Note issued under the Indenture, the interest on which is excludable from the gross incomes of such Holders (except such Holders as are "substantial users" of the Project or related thereto under IRC Section 103) that it has taken no action and will take no action or fail to take any required action the consequence of which would be to forego, jeopardize or terminate such exemption of interest.

The Partnership covenants that it will comply with all requirements of the Act and the IRC with respect to the use of the proceeds of Notes and that it will file, or cause to be filed, all statements or notices required thereby including but not limited to the statement or statements required under Treasury Regulations Section 1.103-10(b)(2)(vi)(c) at the times and in the places and in the manner stated therein.

In the event of a breach by the Corporation of its obligations hereunder, notwithstanding any other provision hereof, the exclusive remedy shall be the collection by the Issuer or the Lender of the amount required to pay the increased interest on the 1980 Note or Additional Note, if issued as tax-exempt, at the higher rate provided for under said Note or Notes and the Indenture.

SECTION 7.04. Indemnification. The Partnership releases Issuer, including the members of the governing body, employees, officers and agents of the Issuer (herein collectively referred to as the "Indemnified Parties") from, agrees that Indemnified Parties shall not be liable for, and agrees to hold Indemnified Parties harmless against, any loss or damage to property, or any injury to or death of any person, that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof except for that occasioned by acts of an Indemnified Party which are unrelated to the utilization of the Project and except for any wanton or willful misconduct of an Indemnified Party; provided, that the indemnity in this sentence shall be effective only to the extent of any loss that may be sustained by an Indemnified Party in excess of the net proceeds, if any, received by an Indemnified Party from any insurance carried by the Partnership with respect to the loss sustained. The Partnership further agrees to indemnify and save harmless Indemnified Parties against and from any and all costs, liabilities, expenses and claims arising from any breach or default on the part of the Partnership in the performance of any covenant or agreement on the part of the Partnership to be performed pursuant to the terms of this Agreement or arising from any act or negligence of or failure to act by the Partnership, or any of its agents,

contractors, servants, employees, or licensees, or arising from any accident, injury or damage whatsoever caused to any Person occurring during the term of this Agreement, in or about the Project, and from and against all cost, liability and expenses incurred in or in connection with any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against an Indemnified Party by reason of any such claim, the Partnership upon notice from such Indemnified Party covenants to resist or defend such action or proceedings at the Partnership's expense.

SECTION 7.05. Partnership Information. Within 90 days after the close of its fiscal year, the Partnership shall furnish to the Indemnified Party and the Lender a copy of its annual statement, including a certificate from an independent certified public accountant stating that the financial statements contained in such report have been examined by them in accordance with generally accepted auditing standards and that such statements present fairly the position of the Partnership in conformity with generally accepted accounting principles applied on a consistent basis. The Partnership shall also furnish such other information with respect to it or the Project as may reasonably be requested by the Issuer or the Lender.

SECTION 7.06. Applications and Licenses. In the event it may be necessary, for the proper performance of this Agreement, on the part of the Indemnified Party or the Partnership, that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Partnership or the Indemnified Party, the Partnership and the Issuer each agree to execute upon the request of the other such application or applications.

SECTION 7.07. Recording, Filing and Registering. The Partnership covenants with the Indemnified Party, for the benefit of the Lender and all who shall at any time be Holders of the Notes, that the Partnership will take all action required to effect the recording, filing and registering required under the provisions of Section 6.09 of the Indenture.

SECTION 7.08. Inspection of Project. The Partnership agrees that the Issuer, the Lender and their authorized agents shall have the right at all reasonable times to enter upon and examine and inspect the Project to determine whether the Project continues to constitute a Project under the Act. The Issuer, the Lender and their authorized agents shall also be permitted, at all reasonable times, to examine the Plans and Specifications and the other

books and records of the Partnership with respect to the Project. The aforesaid rights of examination and inspection shall be exercised only upon such reasonable and necessary terms and conditions as the Partnership shall prescribe which conditions shall be deemed to include, but not limited to, those necessary to protect the Partnership's trade secrets and proprietary rights.

SECTION 7.09. Qualification in State. The Partnership warrants that it is duly qualified to do business in the State and covenants that it will continue to be so qualified so long as it operates the Project. The Partnership agrees that it will always be subject to service of process in the State and will at all times provide the Lender with the name and address of the agent for service of process. The aforesaid agents shall serve as the respective agents of the Partnership upon whom may be served all process, pleadings, notices or other papers which may be served upon the Partnership as a result of any of its obligations under this Agreement.

SECTION 7.10. No Liability of Issuer's Personnel. All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member of the governing body of the Issuer or any officer, agent, servant or employee of the Issuer in his individual capacity, and no recourse shall be had for the payment of any moneys hereunder or the performance of any of the covenants and agreements of the Issuer herein contained claim based hereunder against any member of the governing body of the Issuer or any officer, agent, servants or employee of the Issuer.

ARTICLE VIII

ASSIGNMENT, LEASING AND SELLING

SECTION 8.01. Assignment, Leasing and Selling of Project. So long as any Note is Outstanding, the Partnership will not sell, lease or otherwise dispose of or encumber the Project except as provided in Section 7.02 hereof and in this Section 8.01. Subject to the second paragraph of Section 5.01 of this Agreement, the Partnership may from time to time sell or otherwise dispose of any item constituting part of the Project. If the item of the Project sold or otherwise disposed of constitutes all or substantially all of any of the Project then any of the proceeds of such sale or disposition shall be either (i) applied to the replacement of or substitution for the item so sold or disposed of, or (ii) if the Partnership elects to prepay all amounts due hereunder, paid to the Lender as a partial prepayment of the Notes, all as the Partnership shall determine. In addition, this Agreement may be assigned in whole or in part, and the Partnership's interest in the Project may be sold or leased as a whole or in part, by the Partnership without the necessity of obtaining the consent of the Issuer or the Lender, subject, however, to the following conditions:

(a) No sale, assignment or leasing (other than pursuant to Section 7.02 hereof) shall relieve the Partnership from primary liability for any of its obligations hereunder, and in the event of any such sale, assignment or leasing the Partnership shall continue to remain primarily liable for the payments of all amounts specified in Section 4.01 hereof and for performance and observance of the other agreements on its part herein provided; and

(b) The Partnership shall, within 15 days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Lender a true and complete copy of each such sale agreement, assignment or lease, as the case may be.

SECTION 8.02. Limitations on Issuer. Except as provided in Section 4.02 hereof, the Issuer will not sell, assign, transfer, convey or otherwise dispose of its interest in this Agreement or the receipts and revenues derived by the Issuer from the Partnership pursuant to this Agreement.

SECTION 8.03. Other Property of Partnership. The Partnership may from time to time, in its sole discretion and at its own expense, install additional machinery,

equipment and other items of personal property on the Project. All machinery, equipment and personal property so installed by the Partnership shall remain the sole property of the Partnership in which neither the Issuer nor the Lender shall have any interest, and may be modified or removed by the Partnership at any time. In the event any removal of machinery, equipment or related property of the Corporation causes damage to the existing buildings or structures included in the Project the Corporation shall restore the same or repair such damage at its sole expense.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01 Events of Default Defined. An "Event of Default" or a "Default" shall mean, whenever such terms are used in this Agreement, any one or more of the following events:

(a) Failure by the Partnership to pay or cause to be paid when due any payment required to be made under Section 4.01 hereof.

(b) Failure by the Partnership to pay when due any payment required to be made under this Agreement other than payments under Section 4.01 hereof, which failure shall continue for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Partnership by the Issuer or the Lender by certified mail;

(c) Failure by the Partnership to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsections (a) and (b) of this Section 9.01, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the Partnership by the Issuer or the Lender by certified mail, unless the Issuer and the Lender shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Issuer and the Lender will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Partnership within the applicable period and diligently pursued until the default is corrected;

(d) The dissolution or liquidation of the Partnership. The term "dissolution" or "liquidation" as used in this Section 9.01 shall not be construed to include the cessation of the existence of the Partnership resulting either from a merger or consolidation of the Partnership into or with another partnership or corporation or dissolution or liquidation of the Partnership following a transfer of all or substantially all of its assets as an entirety under the conditions permitting such actions with respect to the Partnership contained in Section 7.02 hereof.

(e) The commencement by the Partnership of any case, proceeding or other action relating to it in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts, or for any other relief, under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, now or hereafter existing; or the application by the Partnership for a receiver, custodian or trustee of it or for all or a substantial part of its property; or the making by the Partnership of an assignment for the benefit of creditors; or the inability by the Partnership or the admission in writing of its inability to, pay its debts as they become due; or the taking of any action by the Partnership indicating its consent to, approval of or acquiescence in, or in the furtherance of, any of the foregoing.

(f) The commencement against the Partnership of any case, proceeding or other action in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts, or any other relief, under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, now or hereafter existing; or the appointment of a receiver, custodian or trustee of the Partnership or for all or a substantial part of its property or the issuance of a warrant of attachment, execution or restraint, or similar process against any substantial part of the property of the Partnership; and in each such case such condition shall continue for a period of 60 days undismissed, undischarged or unbonded.

The provisions of subsection (c) of this Section 9.01 are subject to the following limitations: If by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the Government of the United States or of the State or any department, agency, political subdivision or official of either of them or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes, blizzards, or other storms; breakage or accident to machinery; partial or entire failure of utilities; or any cause or event not reasonably within the control of the Partnership, the Partnership is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Partnership contained in Sections 4.01 and hereof, the Partnership shall not be deemed in default

in respect of such agreement as the Corporation is by reason of such cause or event unable to perform during the continuance of such inability. The Partnership agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Partnership, and the Partnership shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Partnership unfavorable to the Partnership. The occurrence of any of the events described in paragraphs (a), (b), (d), (e) and (f) of this Section 9.01 shall constitute an Event of Default regardless of the reason for such failure to perform.

SECTION 9.02. Remedies. Whenever any Event of Default referred to in Section 9.01 hereof shall have happened and be subsisting, any one or more of the following remedial steps may be taken, and provided that no remedial steps shall be taken by the Issuer or the Lender as its assignee the effect of which would be to entitle the Issuer to funds necessary for the payment of principal and interest on Notes which have not yet matured unless such principal and interest shall have been declared due and payable in accordance with the Indenture and such declaration shall not have been rescinded:

(a) The Issuer, or the Lender as provided in the Indenture, may, at its option, declare all unpaid amounts payable under Section 4.01 hereof to be immediately due and payable.

(b) The Issuer, or the Lender, may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Partnership under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Indenture or, if the Notes have been fully paid (or provision for payment thereof has been made in accordance with the Indenture) to the Partnership.

SECTION 9.03. Mandatory Waiver of Default. Notwithstanding the provisions of Section 9.06 hereof limiting the authority of the Issuer to waive a Default hereunder, if, after the maturity of the Outstanding Notes

shall have been accelerated by the Lender upon occurrence of an event of default under the Indenture (i) all arrears of interest on the Outstanding Notes and interest on overdue installments of principal, premium, if any, and (to the extent permitted by law) interest, at a rate per annum which is equal to the highest rate per annum borne by any of the Notes, and the principal, premium, if any, on all Notes then Outstanding which have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal and interest on such Notes which by such acceleration shall have become due and payable, shall have been paid, (ii) all other things shall have been performed in respect of which there was a Default, (iii) there shall have been paid the reasonable fees and expenses, including Administration Expenses, of the Lender and of the Holders of such Notes, including reasonable attorneys' fees paid or incurred; and (iv) such event of default under the Indenture shall have been waived by the Lender with the consequence that such acceleration is rescinded, then the Partnership's Default hereunder shall be waived without further action by the Lender or the Issuer.

SECTION 9.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 9.05. Attorneys' Fees and Expenses. In the event under any of the provisions of this Agreement the Issuer or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Partnership herein contained, the Partnership agrees that it will on demand therefor pay to the Issuer or the Lender the reasonable fees of such attorneys and such other expenses so incurred.

SECTION 9.06. Surrender of Possession of Project. Upon the occurrence of an Event of Default and while such Event of Default shall be continuing, but only if and to the extent then permitted by applicable law, the Partnership,

upon demand of the Issuer or Lender, shall forthwith surrender to the Lender possession of the Project, together with the books and records of the Partnership pertaining thereto and its rights to hold, operate and manage the same. If and to the extent then permitted by applicable law, the Issuer or its assignee, the Lender personally or by their agents or attorneys may enter into and take possession of the Project and forthwith operate and manage the same and exercise all rights, powers and franchises of the Partnership in respect thereto, including the making of all needful repairs and improvements to the Project as the Issuer or its assignee, the Lender may deem wise and lease the Project or any portion thereof in the name and for the account of the Partnership. The Issuer or its assignee, the Lender may collect and receive the rents and revenues from the Project, pay all proper costs and expenses of taking, holding and managing the same (including reasonable compensation to the Issuer or its assignee, the Lender, their agents and counsel, any charges of the Issuer or its assignee, the Lender under this Financing Agreement, any taxes and assessments and other charges prior to the lien of this Financing Agreement which the Issuer or its assignee, the Lender may deem it wise to pay, and all expenses of such repairs and improvements) and apply the remainder of the moneys so received in accordance with the provisions of Section 7.06 of the Indenture. Whenever such Event of Default shall have been corrected the Issuer or its assignee, the Lender shall surrender possession of the Project to the Partnership, its successors and assigns.

SECTION 9.07. Additional Powers of Issuer or Lender. Upon the occurrence and during the continuation of an Event of Default, the Lender may exercise any of the rights and powers hereinafter set forth in this section; (in addition to the powers granted to it in Section 9.02 of this Financing Agreement).

(a) The Issuer or its assignee, the Lender may exercise any of the rights of a secured party under the Uniform Commercial Code of the State, as then in effect, with respect to such part of the Mortgaged Property as is covered by such Code.

(b) The Issuer or its assignee, the Lender, as a matter of right, without notice and without giving bond to the Partnership or anyone claiming under it, may have appointed, and shall be entitled to the appointment of, a receiver in equity with power to charge and collect rents and to apply the revenues from the Project in accordance with the provisions of this Financing Agreement, and such other powers as the court making the appointment may confer.

(c) The Issuer or its assignee, the Lender, with or without entry, foreclose the lien on the Project created and vested by this Financing Agreement and sell the Project, either by proceedings in equity or at public auction at such place or places as may be required by law, having first given notice of such sale by publication or otherwise as may be required by law, and upon such sale may make and deliver to the purchaser a good and sufficient deed or deeds or bill or bills of sale or assignment or assignments for the same. The Issuer or its assignee, the Lender may become the purchaser at any foreclosure sale if the highest bidder. The Partnership, for it and for all who may claim through or under it, if and to the extent permitted by law, hereby expressly waives and releases all rights to have the Mortgaged Property marshalled upon any foreclosure sale, and the Issuer or its assignee, the Lender or any court in which the foreclosure of this Financing Agreement is sought shall have the right to sell the Mortgaged Property as an entirety and in a single parcel or several parcels or lots in the discretion of the Issuer or its assignee, the Lender. The Partnership covenants that, if and to the extent permitted by law, it will not at any time insist upon or plead, claim or take any benefit or advantage of any stay or extension law or any laws providing for the valuation or appraisal of the Mortgaged Property prior to any sale or sales thereof nor after any such sale or sales claim or exercise any right to redeem the property so sold, and the Partnership, to the extent permitted by law, hereby expressly waives for itself and on behalf of each and every person claiming by, through or under the Partnership all benefit and advantage of any such law or laws.

(d) The Issuer or its assignee, the Lender may proceed to protect and enforce its rights under this Financing Agreement by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid of the execution of any power herein granted, or for the foreclosure of this Financing Agreement, or for the enforcement of any other appropriate legal or equitable remedy, as the Issuer or its assignee, the Lender, may deem most effective to protect and enforce any of the rights or interests under the Notes or this Financing Agreement or both.

SECTION 9.08. Remedies Under Financing Agreement Vested in Lender; Appointment of Lender as Agent of Issuer. If and to the extent permitted by law, in order to have the claims of the Issuer against the Partnership allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings to which the Partnership shall be a party, the Lender is hereby appointed the true and lawful attorney-in-fact of the Issuer, with authority to make or file, in

the name of the Issuer, any proof of debt, amendment to proof of debt, petition or other document; to receive payment of all sums becoming distributable on account thereof; to execute any other papers or documents, and to do and perform any and all acts and things for and in behalf of the Issuer as may be necessary or advisable in the opinion of the Lender. The Lender shall have full power of substitution and delegation in respect of any such powers.

SECTION 9.09. Waiver of Event of Default. As assignee hereof, the Lender may in its discretion waive any Event of Default and its consequences hereunder.

ARTICLE X

PREPAYMENTS

SECTION 10.01. Optional Prepayment. The Partnership shall have, and is hereby granted, options to prepay, at any time, payment in full of the amounts payable under Section 4.01 hereof with respect to one or more Series of Notes, as follows:

(a) if (i) all or substantially all of the Project is damaged or destroyed to such extent that in the opinion of the Partnership it cannot be reasonably restored to its condition immediately preceding such damage or destruction within a period of six months, or to such extent that the Partnership, in its opinion, would be prevented or would likely be prevented from carrying on normal operations at the Project or the Plant for a period of six months or more or, with respect to the Project, the cost of restoration or repair would exceed by 25% the original Cost of the Project; or (ii) all or substantially all of the Project or the Plant is condemned or taken under the exercise of the power of eminent domain by any governmental authority to such extent that the Partnership, in its opinion, would be prevented or would likely be prevented from carrying on normal operations at the Project or the Plant for a period of six months or more; or (iii) any change occurs in the Constitution of the State or the Constitution of the United States of America, or there occurs any legislative or administrative action (whether state or Federal) or any final decree, judgment or order of any court or administrative body (whether state or Federal), the result of which is to render the obligations of the Partnership under this Agreement unenforceable or impossible of performance in any material respect in accordance with the intent and purpose of the parties as expressed in this Agreement; or (iv) unreasonable burdens or excessive liabilities are imposed on the Issuer or the Partnership with respect to the Project or the operation thereof, including without limitation, Federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Agreement which, in the judgment of the Partnership, render the continued operation of the Project uneconomical for its intended use; or (v) changes in the economic availability of raw materials, labor, operating supplies, energy sources, facilities or supplies necessary for the efficient operation of the Project or technological or other changes have occurred which Partnership cannot

reasonably control or overcome and which, in the reasonable judgment of the Partnership, render continued operation of the Project uneconomic for its purposes, in any of which cases the prepayment price shall be a sum sufficient, together with other funds held by the Lender and available for such purpose (i) to prepay at the earliest practicable date all Notes then Outstanding under the Indenture at a prepayment price equal to the principal amount thereof, (ii) to pay the interest which will become due on such Notes to the date or dates fixed for prepayment, and (iii) to pay all Administration Expenses relating to such Notes accrued and to accrue through the date or dates fixed for prepayment; or

(b) Under circumstances other than those described in subsection (a) of this Section 10.01 or in Section 10.03 hereof, in which case the Partnership shall pay a sum sufficient, (i) to prepay at the earliest practicable date all Notes then Outstanding under the Indenture at the prepayment prices applicable on the date or dates fixed for prepayment as provided in the Indenture, (ii) to pay the principal on all such Notes maturing prior to the date or dates fixed for prepayment, (iii) to pay the interest which will become due on such Notes to the date or dates fixed for prepayment or the maturity date or dates, as the case may be, and (iv) to pay all Administration Expenses relating to such Notes accrued and to accrue through the date or dates fixed for prepayment or the maturity date or dates, as the case may be.

SECTION 10.02. Notice of Exercise of Option. If prepayment of amounts payable under Section 4.01 hereof is made pursuant to Section 10.01 hereof, the Partnership shall give the Issuer and the Lender written notice of the date of such prepayment, which date shall not be less than three days from the date the notice is mailed.

SECTION 10.03. Determination of Taxability. If there shall be a Determination of Taxability, the interest rate on all Notes shall be increased effective as of the date of the Event of Taxability giving rise to such Determination, to the rate per annum which when multiplied by the highest rate of tax on corporate ordinary income then specified under the IRC will equal sixty-five percent (65%) of the prime commercial lending rate of Bankers Trust of South Carolina, as in effect from time to time for 90 day unsecured borrowing.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Termination. This Agreement shall terminate upon (i) payment in full of the Notes (including interest and premium, if any, thereon); (ii) payment or satisfaction of all other obligations incurred by the Issuer or the Partnership under this Agreement, including (without limitation) interest, premiums and other charges, if any, thereon; and (iii) the payment of all Administration Expenses due and to become due.

SECTION 11.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail (except as otherwise specified herein), postage prepaid, addressed as follows:

(a) if to the Issuer,

Richland County Council
Post Office Box 192
Columbia, South Carolina 29202
Attention: Administrator;

(b) if to the Partnership,

Intertec Data Systems Corporation
2300 Broad River Road
Columbia, South Carolina 29210
Attention: Secretary/Treasurer; and

(c) if to the Lender,

Bankers Trust of South Carolina
Post Office Box 448
Columbia, South Carolina 29202
Attention: _____.

A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Partnership to the other shall also be given to the Lender. The Issuer, the Partnership and the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.03. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Partnership and their respective

successors and assigns, subject, however, to the limitations contained in Sections 7.02, 8.01 and 8.02 hereof.

SECTION 11.04. Severability. If any clause, provision or section of this Agreement be held illegal or invalid by any court for any reason, the remaining clauses, provisions or sections shall be unimpaired and such illegal or invalid provisions shall be construed and applied so as to most closely legitimately effectuate its intent. In case any agreement or obligation contained in this Agreement be held by any court to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Partnership, as the case may be, to the full extent permitted by law.

SECTION 11.05. Amendments. No amendment, change, modification, alteration or termination of this Agreement shall be made other than pursuant to a written instrument signed by the Issuer and the Partnership and consented to in writing by the Lender.

SECTION 11.06. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.07. Limited Obligation of the Issuer. Anything herein to the contrary notwithstanding: (a) any obligation the Issuer may incur hereunder including for the payment of money, shall not be deemed to constitute a debt or general obligation of the Issuer but shall be payable solely and exclusively from the proceeds of the Notes available therefor and other available moneys derived by the Issuer pursuant to this Agreement; (b) the Issuer may require as a condition to the participation by it with the Partnership in obtaining any license or permit or other legal approvals a deposit by the Partnership of such amount as determined by the Issuer to be reasonable to assure the reimbursement to the Issuer of the costs incurred by it in such participation, with any amount of such deposit in excess of such costs to be returned to the Partnership; and (c) the liability of the Issuer for any breach of any of the representations or warranties by it or any covenant or agreement set forth herein shall be limited solely and exclusively to the proceeds of the Bonds available therefor and other available moneys derived by the Issuer pursuant to this Agreement.

SECTION 11.08. State Law to Govern. The laws of the State shall govern the construction of this Agreement.

SECTION 11.09. Rights of Lender. The agreements or obligations made herein by the Corporation to or for the benefit of the Lender are intended by the Corporation to be specifically enforceable by the Lender and the Corporation acknowledges that the acquisition of the 1980 Note by the Lender is consideration for any such agreements or obligations.

IN WITNESS WHEREOF, Richland County, South Carolina, has executed this Financing Agreement by causing its name to be hereunto subscribed by the Chairman of the County Council and the official seal of said County Council to be impressed hereon and attested by the Clerk of its County Council and REALVEST ASSOCIATES has executed this Financing Agreement by causing its partnership name to be hereunto subscribed by its general partners, all as of the date first above written.

RICHLAND COUNTY, SOUTH CAROLINA

By _____
Chairman, County Council of
Richland County, South Carolina

(SEAL)

ATTEST:

Clerk of Richland County,
South Carolina

WITNESS:

REALVEST ASSOCIATES

By _____
William M. Wells, III
Its General Partner

WITNESS:

By _____
Edward O. Caughman
Its General Partner

EXHIBIT A

[Description of Machinery, Apparatus,
Equipment, Office Facilities and Furnishings]

EXHIBIT B

[Description of Realty]

ACKNOWLEDGMENT OF ISSUER

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____,
who being duly sworn says that he saw the corporate seal of
Richland County, South Carolina, affixed to the foregoing
Indenture and that (s)he also saw Jimmy C. Bales, as
Chairman of the County Council of Richland County, South
Carolina, and Brenda Ward, as Clerk of the County Council of
Richland County, South Carolina, sign and attest the same
and that (s)he with _____ witnessed the execution
and delivery thereof as the act and deed of said Richland
County, South Carolina.

SWORN to before me this

_____ day of _____, 1980

_____(L.S.)
Notary Public for the State of
South Carolina
My Commission Expires: _____

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ACKNOWLEDGMENT OF PARTNERSHIP

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____,
who being duly sworn says that (s)he saw REALVEST ASSOCIATES
by William M. Wells, III, and Edward O. Caughman, as its
general partners, sign the foregoing Indenture, and that
(s)he with _____, witnessed the execution and
delivery thereof as the act and deed of REALVEST ASSOCIATES.

SWORN to before me this

_____ day of December, 1980

Notary Public for the State of _____ (L.S.)
My Commission Expires: _____

EXHIBIT

NOV 17 1980 NO. 2

ASSISTANCE AGREEMENT

STATE BUDGET & CONTROL BOARD

THIS AGREEMENT made and entered into by and between Richland County, a body politic and corporate and a political subdivision of the State of South Carolina (the "Issuer"), and Edward O. Caughman and William M. Wells, III, acting as partners for a partnership as yet unnamed (the "Partnership").

W I T N E S S E T H:

ARTICLE I

RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The Issuer 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 Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act"), to acquire, or cause to be acquired, and to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in South Carolina and by encouraging industries now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

Section 1.02. The Partnership desires to acquire certain land located within the jurisdiction of the Issuer, and a building or buildings and other improvements thereon and all other machinery, apparatus, equipment, office facilities and furnishings to be leased to Intertec Data Systems Corporation, a Maryland Corporation (the "Corporation") and used as an industrial facility to manufacture computers (the "Project"). The Project when completed and in operation will provide additional permanent employment in the County for approximately 20 to 30 people.

Section 1.03. The Partnership and the Corporation have requested the Issuer to assist it with its contemplated program through the sale of Industrial Revenue Bonds (or Notes) pursuant to the Act, whereby the Issuer would defray

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the cost of the acquisition by purchase of the land, building, improvements, and machinery and equipment for the Project.

Section 1.04. The Issuer has given due consideration to all the proposals and requests of the Partnership and the Corporation and has agreed to endeavor to effect the issuance of the bonds or notes at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE ISSUER

The Issuer agrees as follows:

Section 2.01. The Issuer will, subject to the approval by the State Budget and Control Board required by the Act, and subject to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976) (the "Home Rule Act") authorize the issuance of approximately One Million Four Hundred Thousand Dollars (\$1,400,000) Richland County, South Carolina, Industrial Development Revenue Bonds or Notes (Intertec Data Systems Corporation Project) (the "Bonds"), at such time as the Partnership may request the Issuer to do so.

Section 2.02. The Issuer will permit the Partnership to arrange for the sale of the Bonds to defray the cost of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds shall be applied to the payment of the costs of the Project as determined under the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition by purchase of the Project including land, buildings, necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advanced or loans incurred by the Partnership for such purposes.

Section 2.04. Prior to issuing any Bonds, the Issuer may enter into a trust indenture with a trustee bank to be selected by the Partnership or an indenture with the purchasers of the Bonds pursuant to which the Bonds will be issued. Such trust indenture or indenture shall be substantially in the form used in connection with the issuance of other South Carolina industrial revenue bonds and may constitute a lien on the Project and the revenues

derived from the financing agreement with respect to the Project to secure the payment of the Bonds.

Section 2.05. If requested by the Partnership and in order to provide interim financing pending the issuance of the Bonds, the Issuer will adopt the necessary proceedings and provide for the issuance of bond anticipation notes pursuant to Title 11, Chapter 17, Code of Laws of South Carolina, 1976, in anticipation of the issuance of the Bonds.

Section 2.06. The Issuer will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE PARTNERSHIP AND THE CORPORATION

Section 3.01. The Partnership agrees that the Issuer will have no obligation to find a purchaser of the Bonds.

Section 3.02. The Partnership further agrees, if the plan proceeds as contemplated:

(a) to acquire by construction and purchase the land, buildings, equipment and machinery constituting the Project;

(b) to enter into a financing agreement with the Issuer under the terms of which the Partnership will obligate itself to pay to the Issuer sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said financing agreement shall be in such form and contain such provisions as shall be satisfactory to the Issuer and to the Partnership;

(c) to obligate itself to make the additional payments required by the Act, including, but not limited to, payments in lieu of taxes if necessary;

(d) to hold the Issuer harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement in the implementation of its terms and provisions;

(e) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing;

(f) to covenant and agree in the financing agreement referred to hereinbefore to install or cause to be installed in the buildings which are to become a part of the Project all necessary equipment and machinery and thereafter to operate or cause to be operated the Project as a facility to manufacture computers or for such other purposes as may hereafter be deemed appropriate; and

(g) to enter into a lease with the Corporation under terms which will reassure the Issuer that the Project will be operated as an industrial facility to manufacture computers in accordance with the intent of the parties hereto.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01. All commitments of the Issuer under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing power.

Section 4.02. The parties hereto agree that the Partnership may proceed with the Project including the acquisition of a building or buildings and installation of the equipment and machinery prior to the issuance of the Bonds.

Section 4.03. All commitments of the Issuer and the Partnership hereunder are subject to the condition that the Issuer and the Partnership do agree on acceptable terms and conditions of all documents the execution and delivery of which are contemplated by provisions hereof.

Section 4.04. The parties hereto agree that the partners or the partnership may assign their rights hereunder to the Corporation without further action or approval by the Issuer.

Section 4.05. The parties understand that the Partnership may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.06. Prior to the issuance of any Bonds, the Issuer will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

Section 4.07. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the Issuer within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

RICHLAND COUNTY, SOUTH CAROLINA

By: *Jimmy C. Bales*
Jimmy C. Bales, Chairman of the
County Council
Richland County, South Carolina

(SEAL)

ATTEST:

By: *Brenda Ward*
Brenda Ward, Clerk of the County
Council, Richland County, South
Carolina

Dated: *October 8*, 1980.

EDWARD O. CAUGHMAN AND WILLIAM
M. WELLS, III

William M. Wells, III
William M. Wells, III

Edward O. Caughman
Edward O. Caughman

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EXHIBIT

NOV 17 1980

NO. 2

STATE BUDGET & CONTROL BOARD ~~2~~ 02

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY RICHLAND COUNTY, SOUTH CAROLINA, OF ITS FIRST MORTGAGE INDUSTRIAL DEVELOPMENT REVENUE NOTE (INTERTEC DATA SYSTEMS CORPORATION PROJECT) 1980, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976) AS AMENDED IN THE PRINCIPAL AMOUNT OF APPROXIMATELY \$1,400,000.

WHEREAS, Richland County, South Carolina (the "County") acting by and through its County Council is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended by Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980 (the "Act") to acquire and lease properties through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely from the revenues and receipts from any such project and secured by a pledge of said revenues and receipts and by a mortgage on the land, buildings, improvements, machinery and equipment acquired from the proceeds thereof; and

WHEREAS, the County and Edward O. Caughman and William M. Wells, III, acting as partners for REALVEST ASSOCIATES, a South Carolina partnership (the "Partnership"), entered into an Assistance Agreement (the "Assistance Agreement") executed by the Corporation on October 1, 1980, and executed by the County Council on October 8, 1980, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Assistance Agreement, the Partnership has asked the County to issue approximately \$1,400,000 principal amount First Mortgage Industrial Development Revenue Note (Intertec Data Systems Corporation Project) 1980 (the "1980 Note") under and pursuant to the Act to be leased to Intertec Data Systems Corporation, a Maryland corporation (the "Corporation"), to defray the costs of acquiring by

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construction and purchase certain land, a building or buildings and other improvements thereon, and other machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be located in the County, and, subject to the approval of the State Budget and Control Board of South Carolina, the Partnership desires to lease the Project to the Corporation under and pursuant to the terms of a Financing Agreement to be entered into between the County and the Partnership; and

WHEREAS, it is now deemed advisable by the County Board to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Richland County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Series 1980 Note in the principal amount of approximately \$1,400,000 to finance the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) Neither the Project, the 1980 Note proposed to be issued by the County to finance the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(c) The issuance of the 1980 Note by the County in the principal amount of approximately \$1,400,000 will be required to defray the cost of the Project.

(d) Inasmuch as the Corporation and the Partnership are a corporation and partnership with established credit, the establishment of reserve funds in connection with the retirement of the 1980 Note and the maintenance of the Project is deemed unnecessary.

(e) The Project will be made available by the County to the Partnership upon terms which will require the Partnership, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(f) The Project will consist of the items described on Exhibits A and B to the Financing Agreement and Indenture submitted with the Petition.

(g) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is \$1,400,000.

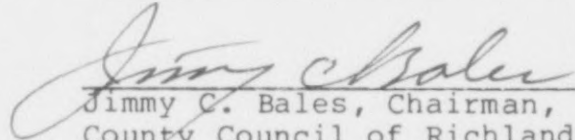
(h) In addition to the employment provided for those engaged in the construction of the Project, it is anticipated that after the Project has been completed and the Project placed in operation, the Project will provide additional permanent employment for approximately 20 to 30 people from the County and areas adjacent thereto with a resulting alleviation of unemployment, and a substantial increase in payrolls and other public benefits incident to the conducting of industrial operations.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition by this County Council requesting the approval of the proposed financing by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto as Exhibit A.

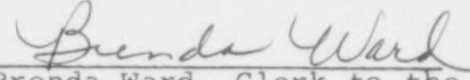
Section 3. The Chairman of the County Council be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board, in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved November 5, 1980.


Jimmy C. Bales, Chairman,
County Council of Richland
County, South Carolina

ATTEST:


Brenda Ward, Clerk to the
County Council of Richland
County, South Carolina

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THE END

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